



# DIRECTORS' REPORT

TO

THE MEMBERS,

Your Directors have pleasure in presenting the 43<sup>rd</sup> Directors' Report on the business and operations of your Company together with the audited statement of accounts for the financial year ended 31<sup>st</sup> March 2023. The financial year 2022-23 was a successful year on the organic front, with the Company completing several projects execution

## FINANCIAL RESULTS

As the members are aware, during the financial year 2022-23, the Hon'ble National Company Law Tribunal, Chandigarh Bench vide its Order dated 02<sup>nd</sup> February, 2023 has approved the Composite Scheme of Arrangement providing for amalgamation of Jindal Stainless (Hisar) Limited (JSHL), JSL Lifestyle Limited (mobility division), JSL Media Limited and Jindal Stainless Corporate Management Services Private Limited (hereinafter collectively referred as Amalgamating

Company) with the Company ("Composite Scheme"). The Composite Scheme was made effective w.e.f. 02<sup>nd</sup> March, 2023 from the appointed dated 01<sup>st</sup> April, 2020.

Consequently, the Company has restated the comparative numbers for all the periods presented in the standalone / consolidated financial statements to give effect to the Composite Scheme from the aforementioned appointed date, using Acquisition method of accounting in accordance with the requirements of Ind AS 103 "Business Combinations".

Your Company's performance for the financial year ended 31<sup>st</sup> March, 2023 is summarized below:

(INR in crore)

Sl. No.	Particulars	For the financial year ended (Standalone)		For the financial year ended (Consolidated)	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
I	Revenue from operations	35,030.35	32,291.77	35,697.03	32,732.65
II	Other income	106.25	63.66	126.29	70.68
III	Total income	35,136.60	32,355.43	35,823.32	32,803.33
IV	Total expenses	32,433.08	28,588.01	33,159.31	28,744.97
V	EBITDA	3,566.93	4,719.57	3,586.09	5,090.48
VI	Profit before exceptional items, tax and share of net profit of investments accounted for using equity method	2,703.52	3,767.42	2,664.01	4,058.36
VII	Share of profits from associates	-	-	109.96	100.68
VIII	Profit before exceptional items and tax	2,703.52	3,767.42	2,773.97	4,159.04
IX	Exceptional items	-	-	-	-
X	Profit after exceptional items but before Tax	2,703.52	3,767.42	2,773.97	4,159.04
XI	Tax expense	689.52	977.45	690.14	1,049.65
XII	Profit for the year	2,014.00	2,789.97	2,083.83	3,109.39
XIII	Total other comprehensive income	-3.49	-1.90	-6.39	-10.85
XIV	Total comprehensive income for the year (comprising profit and other comprehensive income for the year)	2,010.51	2,788.07	2,077.44	3,098.54

## FINANCIAL HIGHLIGHTS

During the financial year, revenue from the operations of your Company on standalone basis stood at INR 35,030.35 crore as compared to INR 32,291.77 Crore during the previous financial year 2021-22. EBITDA during the financial year 2022-23, on standalone basis stood at INR 3,566.93 crore as compared to INR 4,719.57 crore during the previous financial year. The Net profit of the Company on standalone basis stood at INR 2,014.00 crore. Further, during the financial year ended March 31, 2023, the consolidated revenue from operations of the Company stood at INR 35,697.03 Crore as compared to INR 32,732.65 crore during the previous financial year 2021-22. Consolidated EBITDA stood at INR 3,586.09 crore

as compared to INR 5,090.48 crore during the previous financial year. The Net profit for the financial year 2022-23 on consolidated basis stood at INR 2,083.83 crore.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Ind-AS 110 on Consolidated Financial Statements read with Ind-AS-28 on investments in Associates and Ind-AS-31 on interests in Joint Ventures, the audited Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March 2023 are provided in the Annual Report.

## KEY DEVELOPMENT:

### A. COMPOSITE SCHEME OF ARRANGEMENT

The financial year 2022-23 was a year of consolidation, which enabled harnessing the complementing strengths of the Amalgamating companies. The consolidation of businesses recast the merged entity as an integrated, modern and 'state-of-the-art' manufacturing facility, bringing the diversified technology, talent and R&D under one roof. The amalgamation of the Company and JSHL lead realisation of enhanced operational synergy, with the Company's proximity to port and raw materials, along with world-class finishing lines and JSHL's strategic location around key domestic consumption centers. Leading to it, the amalgamation had also induced a simplified capital structure while expanding the turnover of the merged business to over Rs 35,000 crore.

Upon effectiveness of the Composite Scheme, the Company had on 16<sup>th</sup> March, 2023 allotted equity shares, as per the Swap ratio mentioned in the Composite Scheme, to the eligible shareholders of JSHL and JSL Lifestyle Limited as on the Record date, i.e. 09<sup>th</sup> March, 2023.

### B. CAPACITY EXPANSION:

In order to cater the future growth in domestic and international market, your Company has commissioned the brownfield expansion plan at Jajpur, Odisha. The three-pronged expansion plan constituted the expansion of melting capacity and commensurate strengthening of backward and forward linkages:

- i. **Melting Capacity:** 2x expansion of steel melting capacity – from existing 1.10 MTPA to 2.10 MTPA.
- ii. **Downstream enhancement:** Commissioning Combo Line for downstream expansion. 1.5x expansion of HRAP (Hot Rolled Annealed Pickled) capacity and 1.7x expansion of CRAP (Cold Rolled Annealed Pickled) capacity. HRAP and CRAP capacities were enhanced from 0.8 MTPA and 0.45 MTPA to 1.25 MTPA and 0.75 MTPA respectively.

The capex project was completed within the planned timeline as a result of which your Company expanded the annual melt capacity of the Jajpur unit by 1 million tonnes as a result of which the Company's combined annual melt capacity has now reached ~3 MTPA. This achievement has propelled us into the ranks of the top five stainless steel producers globally, excluding China.

### C. ACQUISITION OF RATHI SUPER STEEL LIMITED

Your Company had participated in the e-auction process for purchase of Rathi Super Steel Limited ("RSSL") (which was under liquidation process), on a going concern basis, in terms of the applicable provisions of Insolvency and Bankruptcy Board of India (Liquidation Process), Regulations, 2016 wherein the Company emerged as the successful bidder.

Consequent to the above, RSSL became the wholly owned subsidiary of your Company w.e.f. 16<sup>th</sup> November 2022.

This strategic acquisition allowed for the expansion of our product portfolio to include wire rods and rebars, augmenting our solution-oriented approach.

### D. SETTING UP OF A CAPTIVE HYBRID RENEWABLE ENERGY PROJECT

During the year, your Company partnered with ReNew Power for setting up a utility scale captive hybrid renewable energy project for supply of power to its Jajpur facility for an investment value of ~INR 137.5 crore. This project shall generate 700 million units per year through a mix of solar and wind technologies. This is a vital step towards the Company's resolution to reach the net zero carbon emission goal by 2050.

### E. MAKING JINDAL UNITED STEEL LIMITED, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

During the period under review, the Board of Directors of your Company at its meeting held on 25<sup>th</sup> March 2022 had approved to acquire the remaining 74% equity stake in Jindal United Steel Limited from OPJ Steel Trading Private Limited, for a cash consideration of INR 958 crores.

With this, your Company shall consolidate the critical facilities of stainless steel manufacturing under one umbrella. This acquisition would result in improved synergies between both the companies and a preferred governance structure, thereby enhancing value for all stakeholders.

### F. ACQUISITION OF 49% STAKE IN INDONESIA BASED NICKEL PIG IRON COMPANY

As on date of this report, your Company with a view to secure its long term availability of nickel, entered into a collaboration agreement for an investment of upto USD 157 million, for development, construction and operation of a Nickel Pig Iron smelter facility in Indonesia. As a part of the above said agreement, the Company has subsequent to 31<sup>st</sup> March 2023, acquired 49% equity interest of PT Cosan Metal Industry, Indonesia through acquisition of 100% stake in Sungai Lestari Investment Pte. Ltd., Singapore for a consideration of USD 64.19 million.

This strategic collaboration shall offer benefits of backward integration as your Company would have stake in the business of Nickel Pig Iron Smelter facility located in Indonesia, which shall usher a sharper competitive advantage in Indian and International markets.

## CERTIFICATIONS AND QUALITY STANDARDS

Your Company is certified for integrated management systems comprising of quality management system (ISO 9001:2015), environment management system (ISO 14001:2015) and occupational health & safety management system (ISO 45001:2018). Your Company is also certified to energy management system as per ISO 50001:2018 and AS9100D, Aerospace quality management system.

All the testing laboratories (comprising of incoming raw materials, steel melt shop, coal testing and mechanical & metallurgical testing) of the Company are NABL (National Accreditation Board of Testing and Calibration Laboratory) accredited as per laboratory management system ISO/IEC 17025:2017. NABL accreditation of Company's laboratory has strengthened its overall technical competency and the grant for use of International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC-MRA)



Mark on test certificate has resulted in becoming world class laboratory with worldwide acceptance of its test results.

Your Company is certified as per Construction Product Regulation (CE and UKCA Mark) with incorporation of ferritic & duplex grades for stainless steel. This will ensure the company's preference as certified manufacturer of stainless steel for constructive field in the European Market. The Company is certified for Pressure Equipment Directive AD/PED with ferritic & duplex grades of stainless steel. The Company is certified as DNV AS approved manufacturer for Marine Application and the approval from Bureau Veritas as per Marine & Offshore General Conditions and for BV Mode II scheme. The company is also certified as per Norsok M-650 for 316 & UNS S31803/32205.

Your Company has REACH/RoHS certification for 200, 300 & 40 series stainless steel grades. This includes compliance to all applicable restricted substances under REACH and RoHS latest regulations.

Your Company has ISI marks/BIS certification for various grades of stainless-steel including BIS licenses as per IS 5522: 2014 (Stainless steel sheets & strips for Utensils), IS 15997:2012 (Low Nickel Austenitic Stainless Steel and Strip for Utensils and Kitchen Appliances), IS 6911:2017 Stainless Steel Plate, Sheet & Strips specification, IS 9294:1979 (Cold Rolled Stainless Steel strips for Razor Blades) and IS 9516:1980 (Heat Resisting Steel) enabling us as preferred stainless-steel manufacturer with BIS license. In addition to above, the Company holds 10 numbers for BIS license for various different Carbon Steel grades including IS 3502:2009 for Steel Chequered Plates.

Your Company also holds JIS Mark Certification as per JIS (Japanese Industrial Standard) JIS G 4304, JIS G 4305 and JIS G 4312 requirements for stainless steel products. This has enabled the Company to be able to sell stainless steel products in Japan and East Asian countries.

Your Company has obtained Automotive Quality Management System certification as per IATF 16949:2016. With this, customer's demands from automotive segments are getting fulfilled.

The Mobility division of your Company also boasts of prestigious certifications to ensure higher value to stakeholders. The prominent ones include welding of railway vehicles and components according to EN 15085-2 classification level CL1 by DVS ZERT GmbH, and certification of management systems by IRIS Certification Conformity Assessment: 2020 and based on ISO/TS 22163:2017 for manufacturing of car body parts and interiors for rail applications.

With this, your Company adheres to a comprehensive selection of reputed quality certifications and standards to consistently deliver world-class quality products and services to all its stakeholders.

## CREDIT RATING(S)

The credit rating(s) for the long term / short term borrowings of the Company as on date of this report is as under:

- CRISIL Ratings Limited (An S&P Global Company): CRISIL AA-/A1+ (Outlook: Positive)
- India Ratings & Research Private Limited: IND AA- /A1+ (Outlook Positive)

Further, below ratings were issued for Non-convertible Debentures of the Company:

- CRISIL Ratings Limited (An S&P Global Company): CRISIL AA- (Outlook: Positive)
- India Ratings & Research Private Limited: IND AA- (Outlook Positive)

The Commercial paper programme of the Company was rated as INDA1+ by India Ratings & Research Private Limited

## DIVIDEND

Your Directors are pleased to recommend for your approval at the ensuing annual general meeting, a final dividend of Rs. 1.50/- per equity shares (75%) of face value of Rs. 2 each. In addition, a special interim dividend of Re.1/- per share (50%) was declared in the month of April, 2023. Final dividend, if approved shall result in a total dividend payout of Rs. 2.50/- per equity share (125%) for the financial year 2022-23.

The Dividend Distribution Policy is available on the Company's website at following link:

<https://www.jindalstainless.com/wp-content/uploads/2023/01/Dividend-Distribution-Policy-Clean.pdf>

## SHARE CAPITAL

Consequent to the effectiveness of the Composite Scheme, your Company on 16<sup>th</sup> March 2023, had:

- allotted equity shares, in the manner stated below, to the eligible equity shareholders of JSHL and JSL Lifestyle Limited as on 09<sup>th</sup> March, 2023, (being the record date) based on the share exchange ratio mentioned in the Scheme:

Name of Allottee(s)	No. of equity shares allotted
Equity Shareholders of JSHL	46,00,92,663
Equity Shareholders of JSL Lifestyle Limited	61,30,766

- taken on record the cancellation of 16,82,84,309 nos. of equity shares held by JSHL in the Company.

Further, during the period under review, your Company approved to terminate its Global Depository Shares (GDS) programme and delisted its 88,02,167 nos. of Regulation S Depository Shares representing 1,76,04,334 nos. of equity shares from Luxembourg Stock Exchange.

The effective date of termination of the Company's GDS Programme was April 30, 2023.

As on 31 March 2023, 74,39,583 nos. of underlying equity shares were outstanding representing those GDR holders who are yet to surrender their GDS.

As on 31<sup>st</sup> March 2023, the paid-up equity share capital of your Company was INR 1,64,68,69,176/- divided into 82,34,34,588 equity shares of face value of INR 2/- each.

## NON CONVERTIBLE DEBENTURES

During the period under review, your Company has:

- i. issued and allotted 990 nos. of Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lakhs Only) each aggregating to INR 99,00,00,000/- (Indian Rupees Ninety Nine Crores Only) by way of private placement basis, and;
- ii. changed the terms of the existing 3,750 nos. of Listed, Rated, Unsecured, Redeemable, Non-Convertible Debentures having nominal value of INR 10,00,000/- each, aggregating to INR 375,00,00,000/- (NCDs), by providing security over the assets of the Company, to make the NCDs secured.

## TRANSFER TO RESERVES

During the year under review, no amount from Profit & Loss account had been transferred to any reserves of the Company.

## TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the period under review, your Company has transferred unclaimed and unpaid amounts of fixed deposits aggregating to INR 4,02,560/- to Investor Education and Protection Fund. During the financial year 2022-23, there was no unclaimed dividend which was required to be transferred to Investor Education and Protection Fund.

## SUBSIDIARY AND ASSOCIATE COMPANIES

As on 31<sup>st</sup> March, 2023, your Company has 12 subsidiaries (including step-down subsidiaries), namely:

1. PT Jindal Stainless Indonesia;
2. Jindal Stainless FZE;
3. JSL Group Holdings Pte. Ltd.,
4. Iberjindal S.L.,
5. Jindal Stainless Park Limited;
6. Rathi Super Steel Limited;
7. Jindal Stainless Steelway Limited;
8. Jindal Lifestyle Limited;
9. JSL Logistics Limited;
10. Jindal Strategic Systems Limited;
11. J.S.S Steelitalia Limited;
12. Green Delhi BQS Limited;

During the period under review, Jindal Ferrous Limited (formerly known as JSL Ferrous Limited) had ceased to be the subsidiary w.e.f. 6<sup>th</sup> May 2022. As on 31<sup>st</sup> March, 2023, your Company has two associate companies namely, Jindal United Steel Limited and Jindal Coke Limited. In terms of the provisions of Section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements of the Company, along with other relevant documents and separate audited accounts of the subsidiaries, are available on the website of the Company, at the link:

<https://www.jindalstainless.com/financials#financials>

The members, if they desire, may write to the Secretarial Department of the Company at O.P. Jindal Marg, Hisar – 125005 (Haryana) to obtain the copy of the financial statements of the subsidiary companies. A statement containing the salient features of the financial statements of the subsidiaries and associate companies in the prescribed Form AOC-1 is attached along with financial statements. The statement also provides the details of performance and financial position of each of the subsidiary company. Your Company has framed a policy for determining “Material Subsidiary” in terms of Regulation 16(1)(C) of SEBI LODR, which is available on the website of the Company at the link:

<https://www.jindalstainless.com/wp-content/uploads/2023/01/Policy-on-Material-Subsidiaries.pdf>

The Company doesn't have any material subsidiary company as on 31<sup>st</sup> March 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) forms part of this Director's Report.

## INFORMATION TECHNOLOGY

In the digital world, change is the only constant since technology is evolving every moment. As a future-ready manufacturing organisation, Jindal Stainless is committed to stay ahead of the curve and drive the digitisation of its operations to optimise processes, minimise defects, and ensure unparalleled efficiency.

### Seamless ERP Migration and Enhanced Productivity:

We are proud to announce the seamless migration of our ERP system to the cutting-edge 'Rise with SAP' platform. This forward-looking transition has unlocked a new era of productivity, streamlining operations, and empowering our workforce to achieve remarkable feats of efficiency.

**Data Visualization with SAP Dashboards:** As part of our data-driven decision-making philosophy, we are embarking on the implementation of SAP Dashboards. This futuristic solution serves as a visual command centre, consolidating critical data into intuitive displays for our senior management and leadership. This leap in data visualization equips us with unprecedented insights, enabling agile and informed decision-making.

### Exemplary IT General Controls and Fortified Data Security:

Our commitment to excellence extends to IT General Controls (ITGC), as affirmed by our auditors who consistently commend the efficacy of our control framework. We maintain stringent vigilance over data security, continuously reviewing and fortifying our defences while embracing emerging technologies to safeguard our digital assets.

### Empowering Security Operations Control:

To stay ahead of ever-evolving cyber threats, we are empowering our digital ecosystem with Security Operations Control. This state-of-the-art framework amplifies our monitoring capabilities, ensuring the inviolability of our digital assets against unwarranted intrusions. Our proactive stance secures the company's digital infrastructure, poised to withstand the challenges of tomorrow.



**Trailblazing Industry 4.0 Advancements:** At the forefront of the Industry 4.0 revolution, we are pioneering advancements that redefine manufacturing paradigms. Our endeavours span a multitude of emerging technology areas, prominently including the Internet of Things (IoT). By harnessing IoT capabilities, we are minimizing downtimes, augmenting Overall Equipment Efficiency (OEE), and charting a course towards an unprecedented era of operational excellence.

**Unveiling a Digital Roadmap:** Jindal Stainless is charting an ambitious digital roadmap, steering our organisation towards a paperless future. Our ongoing Vendor Invoice automation initiative is set to revolutionize our procurement processes. Furthermore, we are fervently progressing with projects such as Production Planning and Detailed Scheduling, as well as Manufacturing Execution System implementation. Simultaneously, we are poised to embark on transformative ventures, including the establishment of a digital control tower. These ventures collectively foster a future of streamlined operations and unparalleled productivity.

**Intelligent Collaboration with SAP:** Embracing intelligent collaboration, we have seamlessly integrated SAP Intelligent Spend Management into our operations. This groundbreaking implementation has redefined our bid management process, enhancing collaboration across our extensive vendor value chain. Our commitment to leveraging cutting-edge technology amplifies vendor collaboration, solidifying the Company's position as an industry leader in vendor relationship management.

**Successful Merger Implementation:** We take pride in the successful and timely merger implementation of Jindal Stainless Limited and Jindal Stainless (Hisar) Limited within the SAP ecosystem, adhering meticulously to statutory requirements. This milestone integration has fortified our organizational structure, creating synergies and unlocking unparalleled operational efficiency.

These trailblazing digital and IT interventions firmly establish Jindal Stainless as a frontrunner in the era of digital transformation. With an unwavering dedication to innovation and a futuristic vision, we forge ahead, redefining the boundaries of manufacturing excellence in the digital world.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors saw the following changes:

### A. Induction of new Board Member:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had appointed:

- i. Dr. Rajeev Uberoi (DIN: 01731829) as an Additional Non-Executive Independent Director, for a first term of three years, w.e.f. 2<sup>nd</sup> November 2023. On 28<sup>th</sup> December 2022, the members of the Company, through special resolution passed by way of postal ballot approved the appointment of Dr. Uberoi as an Independent Director;
- ii. Mr. Anurag Mantri (DIN: 05326463) as an Additional Director and designated him as an Executive Director & Group CFO of Company for a term of five years w.e.f.

23<sup>rd</sup> January 2023. The members of the Company in their extra-ordinary general meeting held on 20<sup>th</sup> April 2023, through ordinary resolution approved the appointment of Mr. Mantri as an Executive Director & Group CFO;

- iii. Mrs. Shruti Shrivastava (DIN: 08697973), as an Additional Non-Executive Independent Director, for a first term of three years w.e.f. 23<sup>rd</sup> January 2023. The members of the Company in its Extra-ordinary General Meeting held on 20<sup>th</sup> April 2023, through special resolution approved the appointment of Mrs. Shrivastava as an Independent Director, and;
- iv. Mr. Jagmohan Sood (DIN: 08121814) as an Additional Director and designated him as a Wholtime Director for a term of five years w.e.f. 17<sup>th</sup> May 2023, subject to shareholders approval.

### B. Re-appointment:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company had approved the re-appointment of:

- i. Mr. Jayaram Easwaran (DIN: 02241192) as a Non-Executive Independent Director for a second term of three years w.e.f. 5<sup>th</sup> August 2022. On 2<sup>nd</sup> September 2022, the members of the Company, through special resolution passed by way of postal ballot approved the appointment of Mr. Easwaran as an Independent Director;
- ii. Mrs. Arti Luniya (DIN: 05341955) as a Non-Executive Independent Director for a second term of three years w.e.f. 26<sup>th</sup> November 2022. On 28<sup>th</sup> December 2022, the members of the Company, through special resolution passed by way of postal ballot approved the appointment of Mrs. Luniya as an Independent Director;
- iii. Mr. Abhyuday Jindal (DIN: 07290474) as a Managing Director for a term of five years w.e.f. 1<sup>st</sup> May 2023, subject to shareholders approval.

Further as mentioned in the previous year's Annual Report, the members of the Company had with majority approved the re-appointment of Mr. Ratan Jindal (DIN: 00054026) as a Chairman & Managing Director of the Company for a term of five years w.e.f. 01<sup>st</sup> April 2022.

### C. Directors retiring by rotation:

In terms of the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Ratan Jindal (DIN: 00054026), Chairman & Managing Director and Mr. Tarun Kumar Khulbe (DIN: 07302532), Wholtime Director of the Company retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers themselves for re-appointment.

Brief resume and other details as stipulated under Regulation 36(3) of SEBI LODR and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, for re-appointment of Mr. Ratan Jindal, Chairman & Managing Director and Mr. Tarun Kumar Khulbe, Wholtime Director as Director liable to retire by rotation are mentioned in the Notice convening the ensuing AGM, which forms part of the Annual Report.

#### D. Cessation

As per the terms of appointment, Mr. Suman Jyoti Khaitan (DIN: 00023370), completed his second term as an Independent Director on 21<sup>st</sup> September 2022 and accordingly ceased to be an Independent Director and member of the Board of Directors.

#### DECLARATION OF INDEPENDENCE OF DIRECTORS

All the Independent Directors of the Company had given the declaration under Section 149(7) of the Act and Regulation 25(8) of SEBI LODR that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16 of SEBI LODR. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board Members and Senior Management. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other authority. The Company has received a declaration from the Independent Directors that their name is included in the data bank.

Your Company has also devised a Policy on Familiarization Programme for Independent Directors which aims to familiarize the Independent Directors with your Company, nature of the industry in which your Company operates, business operations of your Company etc. The said Policy may be accessed on your Company's website at the link:

<https://www.jindalstainless.com/wp-content/uploads/2023/01/Policy-on-Familiarisation-Programme.pdf>

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

#### BOARD EVALUATION

An annual performance evaluation of all Directors, the Committees of the Board and the Board as a whole was carried out during the year under review. For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded.

#### GENERAL MEETING / POSTAL BALLOT:

During the financial year ended 31<sup>st</sup> March 2023, apart from an Annual General Meeting of the Company held on 30<sup>th</sup> September 2022, your Company had sought approval of the shareholders through the following Postal Ballots:

- a. Postal Ballot notice dated 26<sup>th</sup> May, 2022, for seeking approval of the shareholders for (i) entering into material related party contracts / arrangements / transactions for financial year 2022-23; (ii) enhancement of the limits of material related party contracts / arrangements / transactions entered into during the financial year 2021-22; and (iii) re-appointment of Mr. Ratan Jindal (DIN: 00054026) as Chairman and Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> April,

2022. The aforesaid matters were duly approved by the members of the Company and the result of postal ballot were declared on 28<sup>th</sup> June, 2022;

- b. Postal Ballot notice dated 2<sup>nd</sup> August, 2022, for seeking approval of the shareholders for (i) making Jindal United Steel Limited a Wholly Owned Subsidiary by way of acquisition of 34,15,89,879 Equity Shares from OPJ Steel Trading Private Limited, a promoter group company, and;(ii) re-appointment of Mr. Jayaram Easwaran (DIN: 02241192) as an Independent Director for a second term of three consecutive years. The aforesaid matter was duly approved by the members of the Company and the result of postal ballot were declared on 3<sup>rd</sup> September, 2022;
- c. Postal Ballot notice dated 18<sup>th</sup> November, 2022, for seeking approval of the shareholders for (i) re-appointment of Mrs. Arti Luniya (DIN: 05341955) as an Independent Director for a second term of three years, and; (ii) appointment of Dr. Rajeev Uberoi (DIN: 01731829) as an Independent Director for a first term of three years.

The aforesaid matters were duly approved by the members of the Company and the result of postal ballot was declared on 29<sup>th</sup> December, 2022.

Apart from the above, the members of the Company in its Extra-ordinary General Meeting (EGM) held on 20<sup>th</sup> April, 2023 approved the (i) appointment of Mr. Anurag Mantri (DIN: 05326463) as Executive Director & Group CFO of the Company; and; (ii) appointment of Mrs. Shruti Shrivastava (DIN: 08697973) as an Independent Director for a first term of three years. The aforesaid matter was duly approved by the members of the Company and the results of the EGM was declared on 21<sup>st</sup> April 2023.

#### FIXED DEPOSITS

Your Company had stopped accepting / renewing deposits from 1<sup>st</sup> April 2014. In compliance of the CLB Order, your Company has repaid the entire outstanding deposits on 30<sup>th</sup> June 2016. As on 31<sup>st</sup> March 2023, your Company had total outstanding unclaimed matured deposits of INR 12,82,321/-.

The details relating to deposits, covered under Chapter V of the Act are provided hereunder:

1. Accepted during the year: Nil
2. Remained unpaid or unclaimed as at the end of the year due to pending clearance of cheques including interest: INR 12,82,321/- (unclaimed matured).
3. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: - no default has been made and hence these details are not applicable.
  - (a) at the beginning of the year: Not Applicable
  - (b) maximum during the year: Not Applicable
  - (c) at the end of the year: Not Applicable
4. The details of deposits, not in compliance with the requirements of Chapter V of the Act: Nil



## **PARTICULARS REGARDING THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - I** to this Report.

## **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as **Annexure - II** to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours till the date of AGM and any member interested in obtaining such information may write to the secretarial department of the Company and the same will be furnished on request.

## **STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s Walker Chandio & Co. LLP, Chartered Accountants and M/s. Lodha & Co., Chartered Accountants, Joint Statutory Auditors were appointed by the members of the Company on 42<sup>nd</sup> AGM of the Company held on 30<sup>th</sup> September, 2022 for a period of five consecutive years until the conclusion of the 47<sup>th</sup> AGM of the Company. The Joint Statutory Auditors of the Company have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes to financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report doesn't contain any qualification, reservation or adverse remark. During the year under review, the Statutory Auditors have not reported any incident related to fraud to the Audit Committee or the Board under Section 143(12) of the Act.

## **COST AUDITORS**

Pursuant to Section 148 (1) of the Act, your Company is required to maintain a cost record as specified by the Central Government and accordingly such accounts and records are made and maintained. In accordance with the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor. The Board of Directors, upon the recommendation of the Audit Committee, had appointed M/s. Ramanath Iyer & Co., Cost Accountants, for this purpose for the financial year 2023-24.

The remuneration payable to the Cost Auditors for the financial year 2023-24, as recommended by the Audit Committee and

approved by the Board, shall be placed for ratification by members at the ensuing AGM in terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

## **SECRETARIAL AUDITORS**

The Board of Directors, upon the recommendation of the Audit Committee, had appointed M/s Vinod Kothari & Company, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2022-23. In terms of Regulation 24A of the SEBI LODR, the Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2023 is annexed herewith as **Annexure - III** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Annual Secretarial Compliance Report for the year ended March 31, 2023 confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines, by the Company was issued by M/s Vinod Kothari & Company, Practicing Company Secretaries. The same shall be filed with the exchanges and made available on the website of the Company at <https://www.jindalstainless.com/corporate-governance/secretarial-compliance-reports>

The Board of Directors at their meeting held on 17<sup>th</sup> May 2023, upon the recommendation of Audit Committee, has re-appointed M/s Vinod Kothari & Company, Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for the financial year 2023-24.

## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered and executed during the year under review were at arms' length basis. As per the provisions of Section 188 of the Act and Rules made thereunder read with Regulation 23 of the SEBI LODR, your Company had obtained prior approval of the Audit Committee under omnibus approval route and / or under specific agenda items for entering into such transactions.

Particulars of contracts or arrangements entered into by your Company with the related parties referred to in Section 188(1) of the Act, in prescribed form AOC-2, is annexed herewith as **Annexure- IV** to this Report.

Consequent to the effectiveness of the Composite Scheme, JSHL has amalgamated into and with the Company. Therefore, the disclosure of material related party transactions with JSHL made during the year have not been considered.

Your Directors draw attention of the members to notes to the financial statements which inter-alia set out related party disclosures. The policy on Dealing with Related Party Transactions, inter-alia covering the materiality of related parties transactions and dealing with related party transactions, as approved by the Board may be accessed on your Company's website at the link:

<https://www.jindalstainless.com/wp-content/uploads/2023/01/Related-Party-Policy-7.02.2022.pdf>

The details pertaining to transaction(s) with person(s) or entity(ies) belonging to the promoter/promoter group which holds 10% or more shareholding in the Company are mentioned in the Standalone Financial Statements.

## RISK MANAGEMENT

The Board of Directors had constituted a Risk Management Committee which has been entrusted inter alia with the following functions: (a) Framing of Risk Management Plan and Policy; (b) Overseeing implementation / Monitoring of Risk Management Plan and Policy; (c) Identifying emerging risks and reviewing risk mitigation strategies; and (d) Formulating a cyber security plan and overseeing its implementation. The Committee has framed a risk management policy and the same is approved by the Board of Directors of the Company.

Your Company has laid down procedures to inform Board members about risk assessment and minimization strategy. The Board doesn't foresee any immediate risk which threatens the existence of the Company. The details pertaining to Composition of the Risk Management Committee along with the details of meeting(s) held during the financial year under review and attendance of committee members are mentioned in the Corporate Governance Report.

## INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

## AUDIT COMMITTEE

The composition of the Audit Committee, along with the details of meetings held during the financial year under review and attendance of Committee members at the said meetings, have been provided in the Corporate Governance Report. All the recommendations made by the Audit Committee during the financial year 2022-23 were accepted by the Board.

## CORPORATE SOCIAL RESPONSIBILITY

Guided by the vision and philosophy of its Founder Late Shri O.P. Jindal, your Company has strived to deliver on its responsibilities towards its communities people and society at large. Your Company has planned intervention in various filed including promoting education & vocational training, integrated health care, livelihood & women empowerment, rural infrastructure development, environment sustainability sports and the like on voluntarily basis. Your Company carries out the social development through Jindal Stainless Foundation, OP Jindal Charitable Trust and the Corporate Social Responsibility (CSR) team of JSL.

In terms of the provisions of the Section 135 of the Companies Act, 2013, the Company has a CSR Committee, the composition of the CSR Committee as on 31<sup>st</sup> March 2023 is as under:

Sl. No.	Name	Designation
1	Mr. Ratan Jindal	Chairman & Managing Director, Chairman of the CSR Committee
2	Ms. Bhaswati Mukherjee	Independent Director, Member of the CSR Committee
3	Mr. Tarun Kumar Khulbe	Wholetime Director, Member of the CSR Committee

Your Company has in place a CSR policy indicating the areas of Company's CSR activities. The CSR Policy can be accessed on your Company's website at the following link: <https://www.jindalstainless.com/wp-content/uploads/2023/01/JSL-CSR-Policy.pdf>

Further, the Corporate Social Responsibility Committee, in pursuance to its CSR policy, had formulated and recommended to the Board, annual action plan along with the CSR projects for the financial year 2022-23 and the same is approved by the Board of Directors of the Company.

The CSR Projects for the Financial Year 2022-23 approved by the Board of Directors of the Company are available on the link: <https://www.jindalstainless.com/corporate-governance#corporate-governance>

The disclosure as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is herewith as **Annexure – V** to this Report.

The details of meeting held during the financial year under review and attendance of Committee members at the said meeting are provided in the Corporate Governance Report, forming part of the Annual Report.

## ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

Your Company aims to create long-term value for stakeholders by incorporating ESG standards and focusing on positive environmental and social performance. The Company aims to achieve net zero carbon emissions by 2050 and plans to increase its renewable energy portfolio. Our 2050 sustainable development plan is an outcome of our risk management process. We have also increased usage of renewable energy, scrap for deep de-carbonization. We have been working on improving our energy efficiency and process efficiency through best available technologies. Innovative processes including CCUS, green hydrogen in DRI and direct electrolysis.

### Environment:

The initiatives taken by the Company towards its target to become net zero are available in the Annual Report.

JSL has invested in the strategic wastewater management system that ensures no discharge of wastewater into the environment. JSL has its own effluent treatment plants (ETP) to reuse treated waste water for various purposes. The company also promotes roof top water harvesting, using recycled water and harvested rainwater for 39% of total water consumption.

The company promotes environmental risk management and compliance with regulations, implementing the '3-R' philosophy for waste management. JSL produces most of its stainless steel from recycled scrap-metal recovered from slag-grinding dust, reducing the need for natural resources. Fly ash from the Captive Power Plant is reused 100% for cement plants, brick manufacturers, and sheet manufacturers, and bottom ash is sent for road making. Slag from Steel Melting Shop & Ferro Alloy Plant being generated is processed in Metal Recovery plant/Jigging Plant for recovery of valuable metal and further rejected slag are being reused in road making of NHAI. Hazardous Wastes namely used oil &



waste oil is being sold 100% to authorised dealer for further recycling. CRM ETP Sludge is being sent to CHWTSDF for land filling. E waste generated from the plant is being sold to authorize re-processors. Sludge from BOD plant of Coke Oven is being reused in Coke Oven battery.

We take significant steps to maintain the air quality in and around our plant facilities and keep the level of dust (particulate matter), NOx, and SOx – well within the permissible limits. We use advanced facilities like dust extraction systems, electrostatic precipitators, bag filters, ventilation, and low NOX burners for air emissions treatment. Housekeeping is maintained using dedicated crews and water sprinkling. As part of our effort to keep the local communities safe, we try to constantly improve the quality of diffused dust in the air.

We are aligned with the National Biodiversity Targets and take a risk-based approach to make biodiversity a key decision-making consideration. We are also committed to not operating in World Heritage areas and IUCN Category I-IV protected areas. Our plants are not within a 10 KM radius of any national parks or biodiversity hotspot areas. The company has established a state-of-the-art 'Centre for Environmental Excellence' with sophisticated R&D systems and regular tree plantation drives.

#### Social:

At Jindal Stainless, safety is ingrained in the organizational culture, and the company promotes both occupational and personal safety practices. JSL is committed to creating a safety culture among employees, contractors, customers and the communities in which we operate by adopting 4-E principles and implementing OHSAS 18001:2007 for Occupational Health & Safety and promote safety at various stages to roll out "**ACCIDENT FREE STEEL**". JSL is creating a safety culture within the organization through effective communication, participation, and consultation with all stakeholders. JSL has implemented a robust safety management system framework and a sound safety governance structure, including a Safety Observation Portal, night duty officers, HAZOP studies, regular safety trainings, and emergency mock drills. The EHS Department, consisting of experienced and empowered Safety Officers, Environment Officers, and Fire Officers, is responsible for devising best practices and procedures for creating a safe work environment. Supervisor Responsibility on safety is inherently adopted, driving safety ownership at respective shop floors. Bi-weekly and monthly plant safety review meetings are held, and quarterly meetings of the Safety Apex Committee, EHS Leaders, Contractors, and BBS (Behaviour-Based Safety) Mentors are held. JSL has achieved the ZERO LTI target for the financial year 2022-23.

Jindal Stainless has been recognized for its outstanding management skills and has received numerous awards, including the Great Managers-2022 award, the Golden Peacock National Training Award, and the CII HR Excellence Award. The company has also been recognized for its commitment to HR excellence and has won the Transformation Forum Award for Best Use of Gamification/Simulation for Learning and Young L&D Leader of the Year (30-40). JSL has implemented two training programs, focusing on cross-functional teams and cross-functional projects. The company has also conducted knowledge and skill assessments for workers and supervisors through the online and incorporated

ESG awareness sessions in induction modules. In May 2022, JSL signed a MoU with SCTEVT to promote technical education on stainless steel and its applications. The company has also organized various committees to address employee grievances, introduced the Business Partner's Meet, and introduced the HRBP concept to accelerate the evolution of its People Management processes and improve overall efficiency. Specialized doctors conduct screenings, pathological investigations, and provide care for employees and their dependants.

The various initiatives taken by the Company towards upliftment and welfare of the marginalized sections of the society are available in the Annual Report and also on the Company's website.

#### Governance:

Ethical conduct is crucial for enhancing long-term value for stakeholders and generating sustainable corporate growth. As a responsible corporate entity, Jindal Stainless Limited operates in a fair and transparent manner, focusing on disclosure procedures, transparent accounting policies, strong Board practices, and ethical standards. The company has well-defined governance structures, ensuring accountability, transparency, rule of law, and efficient management of economic, environmental, and social aspects.

The corporate governance policies of the Company are available at the link:

<https://www.jindalstainless.com/corporate-governance/policies>

#### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SEBI vide its Notification dated 5<sup>th</sup> May 2021, has amended the provisions of Regulation 34 of SEBI LODR, thereby making the Business Responsibility and Sustainability Report (BRSR) applicable to the top 1,000 listed entities (by the market capitalisation as on 31<sup>st</sup> March 2022) for reporting on a mandatory basis from FY 2022-23. The BRSR requires disclosure on the Company's performance against the nine principles of the National Guidelines on Responsibility Business Conduct. Your Company ranked 321<sup>st</sup> position amongst the top 1000 listed entities on the National Stock Exchange of India Limited as on 31<sup>st</sup> March, 2022.

Keeping up the commitment to be responsible and sustainable towards the environment and society, your Company has prepared the BRSR enshrined with the leadership indicators, for the Financial Year 2022-23.

The BRSR of the Company as per the requirements of Regulation 34(2)(f) of the SEBI LODR describing the initiatives taken by the Company, from the new indicators of environmental, social and governance perspective, is available at the link:

<https://www.jindalstainless.com/annual-reports/>

The policies referred in the above said report can also be viewed on the Company's website:

<https://www.jindalstainless.com/corporate-governance/policies/>

## POLICY ON PREVENTION OF SEXUAL HARASSMENT

Your Company has in place a policy on prevention of sexual harassment at workplace in accordance with the provisions of Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act, 2013 (“POSH Act”). The policy aims at prevention of harassment of women employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy.

Further, in terms of the provisions of the SEBI LODR, the details in relation to the POSH Act, for the financial year ended on 31<sup>st</sup> March 2023 are as under:

- Number of complaints pertaining to sexual harassment filed during the financial year: NIL
- Number of complaints pertaining to sexual harassment disposed off during the financial year: NIL
- Number of complaints pertaining to sexual harassment pending as at the end of the financial year: NIL

## STOCK EXCHANGES WHERE THE SECURITIES ARE LISTED

National Stock Exchange of India Ltd., (“NSE”)	BSE Ltd. (“BSE”)
Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

The Company pays annual listing fees to NSE and BSE. No shares of your Company were delisted during the financial year 2022-23.

Further during the period under review, your Company has paid additional listing fees for listing of 46,62,23,429 equity shares, allotted on 16<sup>th</sup> March 2023 pursuant to the Composite Scheme of Arrangement as sanctioned by Hon’ble National Company Law Tribunal, Chandigarh bench (“Hon’ble NCLT”) vide its order dated 2<sup>nd</sup> February 2023.

Consequent to the termination of the GDS Programme and delisting of the outstanding GDS from Luxemburg Stock Exchange, the underlying equity shares of the Company shall continue to be listed on the BSE and NSE.

The Non-Convertible Debentures of your Company are listed on BSE.

## ANNUAL RETURN

In terms of Sections 92(3) and 134(3)(a) of the Act, annual return is available on the Company’s website and can be viewed at the below mentioned link:

<https://www.jindalstainless.com/corporate-governance/annual-return/>

## NUMBER OF BOARD MEETINGS

The Board of Directors met 4 (four) times during the financial year ended on 31<sup>st</sup> March 2023. The details of Board

Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

## WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI LODR, your Company has a Whistle Blower Policy for its directors, employees and business partners to report genuine concerns about unethical behavior, actual or suspected fraud or violation of your Company’s code of conduct or ethics policy and to ensure that whistleblower is protected.

The Whistle Blower Policy is posted on the website of your Company and can be accessed at the link:

<https://www.jindalstainless.com/wp-content/uploads/2023/01/Whistle-Blower-Policy.pdf>

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments by your Company, as required under Section 186 of the Act are stated in Notes to Accounts of the financial statements, forming part of the Annual Report.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of Company’s business during the financial year ended on March 31, 2023.

However, consequent to the effectiveness of the Composite Scheme of Arrangement, the object clause of the Company has been amended to carry out the business of the Amalgamating Company, as defined above.

## POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Committee (NRC) considers the best remuneration practice in the industry and while fixing the appropriate remuneration package and for administering the long-term incentive plans. Further, the compensation and packages of the Directors, key Managerial Personnel, Senior Management and other employees are designed in terms of remuneration policy framed by the NRC. The remuneration policy 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 Act, of your Company can be viewed at the following link:

<https://www.jindalstainless.com/wp-content/uploads/2023/01/JSL-Remuneration-Policy.pdf>

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting financial position of your Company have occurred between the end of the financial year of the Company to which Financial Statements relate and the date of this Report.



### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the financial year 2022-23, there was no such significant and material order passed by the regulators/ courts/ tribunals impacting the going concern status and Company's operations in future.

### **SECRETARIAL STANDARDS**

The applicable Secretarial Standards, i.e., SS-1 and SS-2, issued by The Institute of Company Secretaries of India relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively and such other Secretarial Standards, as and when applicable, have been duly followed by the Company.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Act with respect to directors' responsibility statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2023 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care 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;
- d) the Directors had prepared the annual accounts on a going concern basis;

- e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

A separate section on Corporate Governance and a certificate from the practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the SEBI LODR forms part of the Annual Report.

### **OTHER DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items, during the period under review:

- a) There was no issue of equity shares with differential voting rights as to dividend, voting or otherwise.
- b) There was no issue of shares (including sweat equity shares) to the employees of the Company under any Scheme.
- c) No application has been admitted against the Company under the Insolvency and Bankruptcy Code, 2016.
- d) There was no instance of one time settlement with any bank or financial institution.
- e) Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of the subsidiary companies.

### **ACKNOWLEDGEMENT**

Your Directors would like to express their gratitude for the valuable assistance and co-operation received from shareholders, lenders, government authorities, customers and vendors. Your Directors also wish to place on record their appreciation for the committed services of all the employees of the Company.

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

Place: Gurugram  
Date: 17<sup>th</sup> May 2023

**Abhyuday Jindal**  
Managing Director  
DIN: 07290474

**Anurag Mantri**  
Executive Director & Group CFO  
DIN: 05326463

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014.**
**A. CONSERVATION OF ENERGY**

As part of our constant endeavor towards energy and resource conservation, various initiatives were taken up by your Company for implementation of energy conservation initiatives and technology upgradation projects during the FY 2022- 23.

A summary of energy conservation initiatives undertaken, during the financial year 2022-23 is as under:

**1. The steps taken or impact on conservation of energy:**
**Jajpur:**

- Installation of Variable Frequency Drives (VFD) in Cooling Tower Fans of Captive Power Plant (CPP).
- Optimization of wall blowing operation in CPP.
- Energy conservation by operation with two compressors in place of 3 Compressors in CPP.
- Heat Rate Improvement through Improvement in Condenser Vacuum Unit-2 of CPP.
- High Pressure Heaters internal inspection and rectification Unit-2 of CPP.
- Improvement of Auxiliary Power Consumption (APC) and reduction of ID fan current by Computed Fluid Dynamics (CFD) analysis and corrections in flue gas duct of Unit-2 of CPP.
- Installation of VFD in Reverse Gas Fan in Ferro Alloys Plant.
- Installation of Energy Efficient (IE3) Motors in Ferro Alloys Plant.
- Effective monitoring & energy saving in charging chute blowers at Ferro Alloys plant.

The aforementioned actions resulted in energy savings of 1804 MWh as well as fuel savings of 5000 tonnes of coal, resulting in carbon abatement of 8632 tonnes CO<sub>2</sub>.

**Hisar:**

- Process re-configuration by hot charging of slabs in reheating furnace which led to significant energy savings (~15%) along with productivity improvement and helped to mitigate more than 2800 tonnes CO<sub>2</sub> emission /annum.
- Oxygen enrichment in reheating furnaces to improve thermal efficiency leading to reduction in GHG emissions by 318 tonnes CO<sub>2</sub>/Year at strip mill and 583 tonnes CO<sub>2</sub> at Steckel mill.
- Optimization of oxygen plant by reducing vent oxygen leads to reduction of 4450 tonnes CO<sub>2</sub>/year.
- Alternate carbon source by bio coal to replace the coke in melting process.
- Reduction in energy consumption by optimizing operation of multiple pumps reduce 921 tonnes CO<sub>2</sub>/year and with high efficiency motors 1725 tonnes CO<sub>2</sub>/year.
- Reduction in power consumption of compressed air-system by minimizing compressed air demand by 6.5% at CRD, resulting in reduction of 365 tonnes CO<sub>2</sub>/year and improving air compressor performance.
- Shift to 100 % LED lighting in all facilities of the plant, administration, and township which reduce 490 tonnes CO<sub>2</sub>/year.
- Waste heat recovery feasibility study at HBA -cold rolling division is under progress.

**Mobility Division (Pathredi & Chennai Plant):**

- 100W tube light replaced by 36W LED lights and put timer for street light Auto On/Off to save the energy.
- Individual On/Off switch provided for all shop floor fans for energy conservation.
- Compressed air leakage reduced from 10% to 5 %, leading to savings in energy consumption.
- Press brake machine motor idle load cut off provided.

**2. The steps taken by the Company for utilizing alternate sources of energy:**
**Jajpur:**

- Installation of floating solar plant of 7.3 MWp on water storage reservoir
- Plans to use Biomass pellets about 5% of total coal consumption in CPP. In this regard, the Jajpur facility of your Company has floated tenders for supply of agro residue based biomass non torrefied pellets for co-firing with coal.

**Hisar:**

In continuation of the steps taken last year, the Hisar facility has expanded the use of natural resources of solar power in plant and support facilities. Also, use of green fuels in place of conventional fossil fuels in the reheating furnaces has been increased. An alternative source for water was tapped by optimization of rainwater harvesting.

- The adoption of renewable energy source initiative through installation of 3512 kWp solar plant will mitigate more than 3940 tonnes of CO<sub>2</sub> emission annually.



- Steam generation through waste heat recovery by installation of waste heat recovery boiler at AP4 will mitigate more than 2469 tonnes of CO<sub>2</sub> emission annually.
- Ongoing in-house generation of Green hydrogen project 90 Nm<sup>3</sup>/Hr, with 2.8 MW solar plant will mitigate more than 2800 tonnes of CO<sub>2</sub> per annum.
- Recycling of ILP paper has reduced 1380 tonnes of CO<sub>2</sub> emission.

The Hisar facility has plans to install roof-top solar plant of 6000 kW in FY 2023-24, which will result in annual mitigation of more than 5112 tonnes of CO<sub>2</sub>.

#### Mobility Division (Chennai & Pathredi Division):

- Installed Roof Top solar plant of 497KW in Pathredi Plant.

### 3. The capital investment on energy conservation equipment's:

#### Jajpur:

The capital investment in energy conservation equipment is about ₹ 79 Lakhs, this involves the procurement and installation of energy-efficient technologies and systems to reduce energy consumption. This investment aims to achieve long-term cost savings and environmental benefits while promoting responsible energy practices.

#### Hisar:

The company has invested a total of ₹ 90 Lakh towards clean energy initiatives.

#### Impact Created

- Total energy consumption and GHG Emission: The reduction in the specific GHG emission reduction in last 3 years was more than 15%, even though our operations are energy-intensive in nature.
- Impact on cost of production: The implemented energy conservation measures and adoption of alternate energy resources have reduced consumption of electrical and thermal energy at various load centers and helped in containing the energy costs despite the hike in fuel price and electricity tariff.

The Company contemplated to make an aggregate investment of about ₹ 3200 Lakh is envisaged towards energy efficiency and retrofitting projects and technology upgradations in the upcoming FY24.

#### Mobility Division (Pathredi & Chennai Plant):

- Installed Rooftop solar plant of 497 KW in Pathredi plant.
- Installed Laser welding machine in Chennai plant which is more efficient technology as compared to TIG and MIG welding.
- Installed Servo type Press brake machine which are more energy efficient than conventional machine.

## B. TECHNOLOGY ABSORPTION

### 1. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTIONS AND BENEFITS DERIVED THERETO:

#### Jajpur:

#### A. COLD ROLLING MILL (CRM):

#### 1. Efforts made, in brief, towards technological absorption, adaptation and innovation:

In FY 2022-23, the Company has successfully completed erection, commissioning of following lines:

- CRS#6 (Under stabilization)
- HRCTL#3 (Under stabilization)
- HBA#4 (Stabilized)

HBA#4	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
(MT)	282	2,568	2,621	2,238	3,809	2,320	3,371	4,366

CRM has also been continually making efforts in making out maximum from the existing resources.

### 2. The benefits derived as a result of the efforts, inter-alia includes the following:

#### i. Improvement Initiatives:

- Installation of higher capacity coil car and uncoiled at CRS#5 for handling up to 30T coils.
- Four arm installation at rewinding line.
- Higher capacity shear installation at CRS#4 and HBA lines.

- Installation of Hotani brush machine at HAPL line.
- Installation of 5 nos. EOT cranes for new finishing sheds.
- Commissioning of pickling in HBA#4 line to cater different grades.
- Installation of Shape meter Roll in Z mill-1 & 2 for shape correction.
- Installation of Fleece roll in Z mill-1.
- Successful commissioning of Acid Recovery system at CAPL and under stabilization.
- Successful rolling of thinner Holloware segments  $\leq 0.4\text{mm}$  thickness (13,687 MT) at Z Mill
- 430 Grade Elongation Mode processing successfully achieved at SPM.

#### ii. Pariyojana projects:

Pariyojana: 24 projects were registered and completed in Pariyojana portal from CRM for FY22-23.

#### 3. Achievements of CRM in FY'22-23:

- Highest ever dispatch of 1,19,153 MT (incl. Hisar) in the month of Jan'23.
- Highest Productions in FY'22-23:
  - Z-Mill#1: 9,785 MT in Dec'22
  - Z-Mill#2: 12,063 MT in Mar'23
  - CGPL: 7,212 MT in Dec'22
  - HBA: 17,504 MT in Mar'23
  - CRS#4: 5,657 MT in Mar'23.
- FG production in FY'22-23:

FG	FY'16-17	FY'17-18	FY'18-19	FY'19-20	FY'20-21	FY'21-22	FY'22-23
HRAP	2,21,543	2,38,687	2,77,976	2,80,338	2,80,042	3,11,949	3,92,919
CRAP	3,67,853	3,91,253	4,32,130	4,70,474	4,42,971	5,80,487	5,42,561

#### 4. Major Customer Initiatives:

- Successfully supplied 260 MT in 430 Grade for OTIS requirement.
- Successful Production of 409L with pickling through BA4 with Pickling.

409L with Pickling	Sep'22	Oct'22	Nov'22	Dec'22	Jan'23	Feb'23	Mar'23
Production (MT)	127	96	0	1,385	839	261	1,342

### B. STEEL MELTING SHOP

#### 1. Efforts made, in brief, towards technological absorption, adaptation and innovation:

- With its aggrandized state of the art facility, Steel Melt Shop has once again evinced staggering overall performance with the aid of perpetuating its annual production by achieving Ever Highest Qualified Production figure of 9,56,927 MT (~0.95 MTPA) in FY 2022-23 despite the few constraints of raw materials and process by its proper risk identification & mitigation management.
- Outstanding efforts have been made towards achieving budgeted conversion cost despite of price constraints and enhancement of product quality with the aid of improvement of operating practices which led to decline of costs incurred for consumables and use of low yield materials & cheaper raw materials (alternative raw materials like High Phosphorous Fe-Ni-Mo, High Phosphorous Cr-Mo sinter, Ni-Cr-Mo powder, Fatty spent Ni compound etc.)
- Achievement of lower Carbon Foot print (i.e. 0.123 ton-Co<sub>2</sub>/ton-crude steel) in comparison to the previous year figure of 0.146 tonnes CO<sub>2</sub>/ton-crude steel.
- Parallel to the production, the commitment towards environment and safety has also been of highest order by initiating intra-departmental inspection audit & reporting higher unsafe acts & unsafe conditions under safety observation system.
- New grades like 301-LST, UNS 322760, JD-1, JBS, 430J1-L were produced which added new dimension stainless steel market segment. We have been now producing JBS grade (nearly 18 heats per month) solely in Jajpur plant, with higher yield by utilizing EMS & proper distribution of secondary carbides.

#### 2. Benefits derived as a result of the above efforts:

- In-house commissioning & execution of Auto Grinder-4 (July-22)
- Improvement in TEP's: Silicon Rate (Avg 23.19 kg/MT over previous year Avg 23.78 kg/MT)
- Highest Ever Refractory lining life of AOD (216 heats)-Oct'22
- 97% MgO trial implemented in both EAF to get average life of 600 heats. Achieving highest life of 666 heats in EAF-1.

- Ever Highest 400 series production of 36,323 MT (July-22).
- Improvement in casting parameters along with customized casting powder utilization in different grades resulted in improved productivity with % Narrow Edge cracks reduced from 39% to 7%.
- Improvement initiatives such as Lean Manufacturing (35 projects), KAIZEN (536 no's), Preventive maintenance, planned maintenance, TPM activities resulting improved health of equipments & increasing production time at shop floor.
- Installation of PICCARDI-Robotic Electrode Change Equipment for reducing electrode addition duration from 7 mins to 5 mins
- Successfully installed LRF Electrode regulation system to reduce specific power consumption of SMS.
- Holding time of Liquid Fe-Cr decreased to less than 20 minutes thus utilized maximum Liquid Fe-Cr and solidification/skulling of Fe-Cr reduced.

### 3. Improvement Initiatives

#### i. Brainstorming, Pariyojana & Digitization:

- Digitization Initiative- 3 projects completed.
- Pariyojana- 18 projects has been registered in Pariyojana Portals from SMS
- Brain storming- 5 projects are on progress & 9 projects have been completed against the idea generated in different category of productivity, costing, quality, safety & environment.

#### ii. Cost Savings:

- % Narrow Edge cracks decreased from 39% to 7% in JBS-X grade leading to savings of 15.2 lakhs
- Increased Scrap Ratio with less TCO & decreased Pure Ni usage leading to cost savings & Dephosphorization of alternative raw materials like High P Fe-Ni-Mo through induction furnace
- 25T Induction Furnace- Cost savings of 0.8 lakhs/lining set for replacement of 80% al bricks with 60%.
- Decrease in Refilling-ladle lining cost by introducing MgO-C lining resulted in decrease in application cost by 50%
- Teeming Ladle- 8 Rs/T savings for full MgC & 16 Rs/T savings in Partial MgC without repair ladle lining.
- Sorting of LP Fe-Mn & MP Fe- Mn from HP Fe-Mn by saving amount of ₹ 99 Lakh.
- Scrap Yard- Quality checking of Incoming Raw material by Inspection leading to savings of ₹ 1.64 Cr in FY 22-23.

#### iii. Environment, Safety & Employee Engagement:

- SMS has been divided into 8 subzones-total 685 no. of work power have been trained for 5S & methodology in order to establish the 5S culture.
- SMS is currently in 2S stage of 5S methodology.

## C. FERRO ALLOYS

### 1. Efforts made, in brief, towards technological absorption, adaptation and innovation:

- Dedicated Pneumatic dust conveying system for screening circuit DE system in 27.6 MVA RMHS.
- Stabilization of HCFC production by using high SiO<sub>2</sub> chrome ores to reduce the production cost.
- Relocation of capacitor banks, the main advantage from the project is that the major equipments shall be protected during lightning and also from the flying objects / birds.
- Enhancement of dilution capacity in Jigging Plant from 34,000 TPM to 39,000 TPM.
- Online Electrode length measurement system.
- Exploring the possibilities for enhancement of furnace average operating load
  - 60 MVA @ 33 MW
  - 27.6 MVA @ 19 MW
- Improvement of specific power and production in SAF Metal Production to 145 MT/Day.
- Increasing the shifting quantity of less metallic slag (HCFC) directly from cast house to jigging plant.
- Reduction in fines generation from product handling process.

### 2. Benefits derived as a result of the above efforts:

- Witnessing process improvement.
- Environmental & Safety compliances are met.
- Slag processing / dilution increased.
- The project is under progress for enhancing the furnace operating load.
- Witnessing the production improvement in SAF metal production.
- Less metallic slag shifting directly from furnaces cast house to jigging plant itself is a saving as the no process in product handling yard.

- Earlier the fines generation is around 14% - 15% due to crushing of HCFC metal for 10-70 size. But now it is reduced to 4% - 5% by the stoppage of crushing process and doing manual breaking.

#### Highlights:

- Yearly production was achieved 2,17,828 MT against the budget of 2,54,316 MT whereas dispatch of 2,18,909 MT was achieved.
- Additional benefit through steam generation of 1,32,729 MT
- Dispatch of steel melt fines of 9,683 MT & Scrap of 2,372 MT.

### 3. Future Action Plan:

- Setting up of 0.6 MTPA Capacity Chrome ore pellet plant which is planned to be completed by June 2023.
- After completion of the project, expected that the HCFC Production will be increased by 20%.
- Planning to decrease the WIP in Product handling of 3000 MT in this year.

## D. CAPTIVE POWER PLANT

### 1. Efforts made, in brief, towards technological absorption, adaptation and innovation:

- Reduction in power consumption done by installation of fluidizing blower heater set for Unit#2.
- In house modification and repairing carried out in BHEL make AVR power cards for Unit#1.
- Improvement of Auxiliary Power Consumption (APC) and reduction of ID fan current by CFD analysis and corrections in flue gas duct of Unit#2.
- Efficiency enhancement in Unit-2 TG by refining inter stage of HP-IP turbine leading to overall reduction in Turbine Heat Rate.
- Efficiency enhancement by vacuum improvement through condenser acid cleaning in Uni#2 to remove scale depositions inside the condenser tubes.
- Residual Life Assessment (RLA) study done in Unit-2 Boiler by OEM M/s BHEL to assess and evaluate condition of critical equipment's and components. Review for replacement or major repair.
- Complete Replacement of Economizer Coils done in Unit-2 Boiler to improve reliability of the Unit
- Cold Air Velocity Test (CAVT) performed in Unit-2 for velocity profile correction of Air & Flue Gas to reduce erosion in Economizer and LTSH Tubes and Improve Reliability of the Unit.

### 2. Benefits derived as a result of the above efforts:

- Improvement in Plant availability factor (PAF), 99.54% achieved as compared to 98.24 % in FY 2021-22
- Improvement in Specific oil consumption (SOC), 0.175ml/Kwh achieved compared to 0.183ml/Kwh in FY 2021-22
- Annualized savings of ₹ 2.89 Lakhs by reduction in Reduction in power consumption done by installation of fluidizing blower heater set for Unit#2
- Annualized savings of ₹ 8.00 Lakhs by doing in house modification and repairing in BHEL make AVR power cards for Unit#1.
- Annualized savings of ₹ 3.51 Crores by improvement of auxiliary power consumption (APC) and reduction of ID fan current by CFD analysis and corrections in flue gas duct of Unit#2.
- Annualized savings of ₹ 1.20 Crores by efficiency enhancement in Unit-2 TG by refining inter stage of HP-IP turbine leading to overall reduction in Turbine Heat Rate.
- Annualized savings of ₹ 1.28 Crores by efficiency enhancement by vacuum improvement through condenser acid cleaning in Uni#2 to remove scale depositions inside the condenser tubes
- Annualized savings of ₹ 1.0 Crores by reduction in raw water consumption through consumption optimization and losses minimization.
- Efficiency enhancement of 128 Kcal/Kwh gain achieved in Unit-2 post overhauling with modification jobs, renovation jobs & process parameters optimization. (Heat rate before overhauling 2,657 Kcal/Kwh, Heat rate post overhauling correction 2,529 Kcal/Kwh).

### 3. Highlights:

- To achieve the Company's objective of achieving Net zero GHG emission by year 2050, 6.1MW Floating Solar Plant synchronized to grid on 04.02.23. It has the potential to generate 2,25,364 MWH in next 25 years lifecycle span and carbon abatement of 2.20 lacs tonnes CO<sub>2</sub>
- Revenue generation of ₹ 4.57 Cr. through Metal scrap (936.244 Ton) recycling.
- Waste disposal of old and unused cooling tower PVC fills of 169.18 MT through different vendors done.
- Waste water of 170T/day reclaimed from Boiler Sample cooler, cooling line drain water done which was reused in CT basin resulting in equivalent quantity of RW makeup. Revenue gain was ₹ 1,870/day, @ raw water cost of ₹ 11.0 /MT.

**4. Future action plan:**

- Use of combustion catalyst with coal for firing in Boilers to enhance complete combustion, prevent clinker and soot formation and improvement in heat rate.
- Reduction in power consumption by installation of VFD in Condensate extraction pump.
- Reduction in power consumption by installation of VFD in both ID fans in Unit#1.
- Reduction in power consumption by installation of VFD in 02 CT Fans.
- Upgradation and modernization in DCS system of 2x125 MW.
- Installation of dynamic classifier in coal mills to minimize LOI in Bottom ash and FA.
- Installation of total 22.2 MW renewable energy, floating solar plant upgrade by 1.2MW & 21 MW of roof top solar plant.

**E. CRMHS (CENTRAL RAW MATERIAL HANDLING SYSTEM)****1. Efforts made, in brief, towards technological absorption, adaptation and innovation:**

- Implemented Auger sampling (mechanized sampling) of incoming by road coal trucks in coal yard. Helped in eliminating unsafe manual sampling process and ensure proper representative sampling.
- In house design, fabrication and installation of mechanized trolley for safe material lifting at bunker floor.
- Installed cross belt magnetic separator in J11C3 to reduce frequent tripping of J12C1 and C2 conveyors due to timely metal particle detection.

**2. Benefits derived as a result of the above efforts:**

- Auger sampling in coal yard eliminated requirement of scratching operations by excavators for visual check. Per month savings of ₹ 1.5 lakhs/month occurred by proper representative sampling.

**3. Highlights:**

- Revenue generation of ₹ 50.61 lakhs through Metal scrap (113.825 MT) recycling.

**4. Improvement Initiatives**

- Installed IR detector, LHS cable and integration with tunnel deluge system for automation.
- Installed fire detection and alarm system at wagon tippler control room and MCC room.
- Installed dust suppression system at stacker yard to reduce fugitive emission.
- Modification of RSBC1A and RBC1B conveyor to reduce coal spillage.
- Fabrication and erection of tarpaulin removal structure done. Made for safe removal of tarpaulin from incoming by-road trucks before their coal yard entry.

**5. Future action plan:**

- Installation of cross belt magnetic separator at J11C2.
- Installation of alternative feeding arrangement (J1AC2 conveyor with vibro feeder) for CPP.
- Installation of alternative feeding arrangement (reclaim feeder) for COBP.
- Yard expansion and yard development to enhance the storing capacity of coking coal.

**F. MRSS (MAIN RECEIVING SUBSTATION)****1. Efforts made, in brief, towards technological absorption, adaptation and innovation:****a. Maximizing Renewable Power Import for plant consumption & RPO**

- Maximizing renewable power import during CPP Unit-2 overhauling shutdown through bilateral and IEX-PXIL-GTAM & multiple RE sources in Jul-22 and Aug-22 with 66% RE power from total OA purchase.
- Maximizing renewable power import during CPP Units forced outage conditions through IEX- GDAM & GTAM markets. Total 69% RE power purchase from total OA purchase for FY 22-23.

**b. During high exchange market price inadvertent sale**

- Opportunity based inadvertent power & firm power sale during high exchange market price with a optimize OA deficit mode.

**2. Benefits derived as a result of the above efforts:**

- Opportunity based inadvertent power sale during high exchange market price.

	FY 21-22	FY 22-23
Net receivable after all charges ₹ (In Lakhs)	436	717
Final PU Sale (Rs/Kwh)	3.04	7.10

### 3. Future action plan:

- Load demand forecasting through advanced methods like machine learning and artificial Intelligence for reducing human errors.

#### Mobility Division (Pathredi & Chennai Plant)

Efforts, in brief, made towards technology absorption, adaptation and innovation:

1. Installation of new laser welding machine in Chennai plant whose laser source is imported and energy efficient.
2. Spectrometer for analyzing the chemical composition of the materials.

Benefits derived as a result of the above efforts are:

1. We were able to achieve quality improvement and cost reduction in the product with these investments.

### 2. SPECIFIC AREAS IN WHICH, THE COMPANY CARRIED OUT RESEARCH AND DEVELOPMENT CERTIFICATIONS:

#### Jajpur:

#### I. Development of new products:

- Development of Grade – 409L in 1.4 mm thickness – BA finish for spinning application.
- Development of Grade – 439 in 8 and 10 mm thickness – N1 finish for flange application.
- Development of Grade – 430J1L in 6 mm thickness – N1 finish for flange application.
- Development of Grade – 304N/EN1.4311 in 5.5 - 9 mm thickness in 1500 mm width – N1 finish.
- Development of Grade – 316L in 3.25 mm – 2B finish for cathode application in copper manufacturing.
- Development of Grade – JSLU-SDM for shallow draw application.
- Development of HL finish in grade 304 in thickness – 1.2 mm for Escalator cladding application for NCRTC project.
- Development of ST temper finish in grade 3 mm and 4 mm in grade 301L-ST for M/s BEML.
- Development of UNS S40975 in 5 and 10.5 mm thickness – N1 finish for export/Auto segment.

#### II. Developmental achievements & Process Improvement:

##### i) SMS:

- Stabilization of electro-magnetic stirrer for use in ferritic grades.
- Casting of 304L/EN 1.4404 grades with optimized chemistry (reduced Mn/N).
- Reduction in %Si in X2CrNi12/EN1.4003 grade for property enhancement.
- Improvement in %as-cast for Grades - 316L/EN 1.4404/410DB/204Cu/430
- Hot rolling of high carbon martensitic grades in single stage rolling via stabilization of homogenization furnace.

##### ii) HSM:

- 28000 MT of grade 304/304L/JT processed through alternate process route saving cost of 1 annealing process.
- Hot rolling of grade UNS S32205 to 4.6 mm HR thickness for single stage rolling to 3 mm at CAPL.
- Reduction of soaking time in grade 304/ 304L/ EN 1.4307. EN 1.4404/ 316L for thickness – 12 to 18 mm to increase production.
- Stabilization of Bogie Hearth Furnace with an annual capacity of 24,000 MT for processing of ferritic grades in plate form and capability enhancement for stabilization of Ti stabilized austenitic Grades. Approx. 600 MT material processed in last year in thickness – 12 to 76 mm
- Hot rolling of grade 204 Cu up to 2.8 mm in 1500 mm width.
- Reduction of energy consumption by improving furnace efficiency and productivity resulting in a fuel consumption reduction by 3.9% (35.5 to 34.15kg/MT) and power consumption reduction by 2.2% (132.8 to 129.8kwh/MT).

##### iii) CRM:

- Stabilization of Grade – 409L through bright annealing + pickling route.
- Improvement in productivity for ferritic grades for use in lift & elevator segment by 10%.

#### III. Industry – Academia Collaborations:

##### i) CSIR – IMMT, Bhubaneswar

- Utilization of demetallized steel slag in bricks making as a replacement of fly ash and sand.
- Utilization of Fe-Cr Slag in paver bricks making as a replacement crusher dust.
- Recovery of oil and valuable metallic residue from rolling mill sludge.
- Annual contract for material characterization with scanning electron microscope.

**ii) CSIR - NML Jamshedpur**

- Eco-Friendly Solution with Metal Recovery and value-added products from stainless steel spent pickling liquor: A Zero Waste Business Model.

**iii) IIT Bhubaneswar**

- Annual contract for material characterization with scanning electron microscope.
- RHF slab modelling: Five employees of the Company were trained at IIT Bhubaneswar for the modelling of slab in RHF. After completion of training, the employees presented their work.

**IV. Technology absorption in Quality Assurance – MMTL**

- Commissioning of M/s Zwick Roell Universal Testing Machine (German technology) of 100KN capacity with Macro extensometer specialized in carrying out special testing such as Plastic Strain Ratio, Strain rate coefficient.
- Installation of German high end Inverted Metallurgical Microscope of Make M/s Leica powered with advanced high-end image analysis software, specialized in various metallographic examinations.
- Commissioning of state-of-the-art American technology, M/s HASS VF2 CNC Milling machine for precision in quality sample preparation.
- Installation of Swedish technology, two Automated Acid analysers SA80 of Make M/s Scanac.
- In-house development of QR coding system for quality check samples as a part of digital initiatives.
- Installation of 2 spectrometers by M/s Ametek and NHO analyser by M/s Horiba at Steel Melting Shop Lab.
- Installation of XRF by M/s Rigaku in Materials Testing Lab.

**V. Major advancement in Testing and Certifications:**

- Scope extension in BIS license for IS 6911 for Grade group inclusion of Martensitic Stainless Steel.
- Scope addition of super duplex Grade UNS S32750 and UNS S32760 in DNV class program.
- Scope addition of lean duplex Grade UNS S32101 in the scope of PED and CPR.
- NABL accreditation renewal with scope addition of JIS standards.
- Technical exposure by participation in TestXpo organised at Ulm, Germany for learning advancement in the Mechanical Testing machines.

**VI. Research & Development Activities:**

- Successfully processed the Lean Duplex first time in coil and plate form. 900 MT quantities are dispatched to the customer, order completed.
- 300 MT of special grades such as JD1 and JD1 M for ballistic protection applications was successfully dispatched to cater the defence order requirements.
- IRS 450 CR is successfully stabilized through Bogie Hearth Furnace and Bell annealing route.
- Successfully technology transfer from Hisar unit and applied in Jajpur Unit for the establishments for martensitic stainless steel through Bogie Hearth Furnace route. 350 MT has been supplied to the customers.
- Super duplex grade UNS32760 processed successfully in coil form at HAPL, 150 MT has been dispatched to the customers for critical applications.
- Successful establishment of 439 and 441 grade in 1.5 mm and 4 mm, respectively for critical deep draw components.
- First time 304 grades were dispatched from Jajpur for ISRO critical application requirements.
- Successful trial of making bricks by using demetallized steel slag as a main constituent to curb the slag disposal problem and a move for zero waste generation.
- Successful making of paver bricks by completely using Fe-Cr slag as a main constituent, to utilize the ferrochrome slag in making paver bricks.

**VII. Future Action Plan**

- Development and stabilization of new stainless steel grades such as IRS 550CR, Grade 444, 446 & 303, PPH 630 Grade.
- To become the self-reliant for defence grade processing entirely at the Company's Jajpur unit starting from heat making to heat treatment & levelling processing.
- R&D building set up and procurement of lab facilities for research activities.

**Hisar:****I. Innovative Initiatives:**

- Successful manufacturing of two dissimilar clad thickness through a 4-ply clad assembly.
- Establishment of welding process of Ni alloy based clad plate through selection of suitable welding electrode and welding process parameters.
- Detailed characterization of various stainless steels to establish the product offerings for liquid hydrogen storage and transfer applications.

## II. New Product Development:

- Development of 50 micron foil of high aluminum stainless steel of Grade 18Cr3Al.
- Development & supply of 410L stainless steel rebar for structural application for coastal regions in diameters 8 to 32 mm.
- Development of stainless steel wire rods of 200 & 300 series.
- Development of the martensitic stainless steel grade EN 1.4116S for high quality professional knife applications.
- Development of Niobium stabilized 444 grade for precision strips.
- Development of customized EN1.4404 with high elongation for fuel cell application.
- Development of Aus18 grade (18%Cr) as a cost effective alternative to 304.

## III. Quality Improvement/Process Optimization:

- Enhancement of yield of SUS430J1L grade for automotive decorative applications by process optimization.
- Processing of grade UNS S40975 through alternative batch annealing route.
- Minimization of necking in thinner gauge of duplex stainless steel during processing at annealing and pickling lines.

## IV. New customer/application development:

- Simulation of fermentation process to find out a cost effective stainless steel grade with respect to SS 304 for ethanol industry in collaboration with VSI, Pune.
- Identification of suitable stainless steel grades for Zero Liquid Discharge.

## V. Future Plan:

- Development of ferritic stainless steel foil using 5% Aluminum.
- Manufacturing of Clad plates using various combination of corrosion resistant alloys.
- Development of new stainless steel grade for concentrated sulphuric acid applications.
- Development of Ni based alloy for Oil & Gas Industries.

## Mobility Division (Pathredi & Chennai Plant)

### I. Specific areas in which R&D carried out by the Company:

- Design and Development of Kalka Shimla coaches with RCF.
- Development of Vande Bharat sidewalls and roofs for Indian Railways.
- Development of Battery boxes for SAFT and various metro projects.
- Development of Handrails and Mounting beams for various Metro train projects.

### II. Benefits derived as a result of the above R&D:

- With the help of R&D and NPD of new products we have been able to achieve better customer satisfaction and customer is willing to give more orders and more products to us for future supplies.
- During new development of the products, we were able to identify the improvement in process efficiencies which has resulted into better quality and lower costs.

### III. Future plan of action:

- Conversion from Nitrogen and Oxygen gas to Air for laser cutting machine.
- Replacement of fixed speed motors with VFD.
- Yield improvement projects will be taken.
- Elimination of processes and alternate processes for lower energy cost.

## Expenditure on R&D

	(₹ in Lakhs)
Capital	529.71
Revenue	412.42
Total	942.13
Total R&D expenditure as percentage of turnover	0.03%



### 3. IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR):

During the period of last three financial years from 2020-21 to 2022-23:

#### Jajpur:

##### 1) To increase reliability in operation-

- i. Technology imported- Spring Operated 245 KV Circuit Breaker  
Year of import: 2022-23  
Technology has been commissioned

##### 2) To enhance the capacity-

- i. Technology imported- Cold Rolled Slitter #5  
Year of import: 2022-23  
Technology has been commissioned
- ii. Technology imported- Cold Rolled Slitter #4  
Year of import: 2022-23  
Technology has been commissioned
- iii. Technology imported- Cold Rolled Slitter #6  
Year of import: 2022-23  
Technology has been commissioned
- iv. Technology imported- Hot Rolled Cut To Length (HR CTL#3)  
Year of import: 2022-23  
Technology has been commissioned

##### 3) For Direct meter integration to central EMS Server at MRSS through LAN at different locations-

- i. Technology imported- Ethernet based energy meters  
Year of import: 2021-22  
Technology has been commissioned

##### 4) For Efficiency enhancement-

- i. Technology imported- Twin flap gate system (Hot Air)  
Year of import: 2021-22  
Technology has been commissioned

##### 5) For Energy saving & reliability-

- i. Technology imported- CAVT  
Year of import: 2022-23  
Technology has been commissioned

##### 6) To Enhance the capacity to meet the future requirement of CRM-

- i. Technology imported- New Ammonia station 2 X 50 MT  
Year of import: 2022-23  
Technology has been commissioned

##### 7) For environmental compliance-

- i. Technology imported- Mercury Analyser at ID Fan outlet  
Year of import: 2022-23  
Technology has been commissioned

**8) To evaporate High TDS Water of CRM-**

- i. Technology imported- Mist Evaporation system

Year of import: 2022-23

Technology has been commissioned

**9) For gas analysis-**

- i. Technology imported- NOH Gas Analyser (Horiba)

Year of import: 2020-21

Technology has been commissioned

**10) For metallurgical Analysis-**

- i. Technology imported- Metallurgical Microscope with Image analyzer (Leica)

Year of import: 2021-22

Technology has been commissioned

**11) For PMI-**

- i. Technology imported- Handheld XRF

Year of import: 2021-22

Technology has been commissioned

**12) For Pickling grades through HBA-**

- i. Technology imported- Horizontal Bright Annealing Line #4

Year of import: 2021-22

Technology has been commissioned

**13) For Process Improvement-**

- i. Technology imported- Deluge station at J12 C2 conveyor

Year of import: 2021-22

Technology has been commissioned

- ii. Technology imported- Installation of CBMS at J11C3 conveyor

Year of import: 2022-23

Technology has been commissioned

**14) Reduced Aux power-**

- i. Technology imported- CFD

Year of import: 2022-23

Technology has been commissioned

**15) To reduce maintenance period of TAP changer and to increased availability of equipment for production-**

- i. Technology imported- Vacuum TAP changer in 27.6 MVA furnace transformer at Ferro Alloys

Year of import: 2020-21

Technology has been commissioned

**16) For Specialized Mechanical Testing facility like Plastic Strain Ratio, Strain rate coefficient-**

- i. Technology imported- UTM-100 KN with Macro extensometer (Zwick Roell)

Year of import: 2020-21

Technology has been commissioned

**17) For specialized corrosion testing facility-**

- i. Technology imported- Salt Spray Machine (Presto make)

Year of import: 2021-22

Technology has been commissioned

- ii. Technology imported- Cyclic Salt Spray Machine  
Year of import: 2022-23  
Technology has been commissioned

**18) For supply of the high pressure fire water to propane station to meet the requirement as per the TAC norms-**

- i. Technology imported- Fire Fighting Pump House of Higher capacity (410m<sup>3</sup>/Hr)  
Year of import: 2021-22  
Technology has been commissioned

**19) For testing of acid sample-**

- i. Technology imported- Acid Analyzer for testing of Pickling acids (Scanacon)  
Year of import: 2021-22  
Technology has been commissioned

**20) To enhance elemental testing facility in line with increased production (at materials laboratory)-**

- i. Technology imported- XRF  
Year of import: 2022-23  
Installation is of the technology complete and commissioning is ongoing.

**21) To enhance the testing facility inline with increased production-**

- i. Technology imported- NOH Gas Analyser  
Year of import: 2022-23  
Technology has been commissioned.
- ii. Technology imported- Carbon & Sulphur Analyser  
Year of import: 2022-23  
Technology is under commissioning.
- iii. Technology imported- OE Spectrometer  
Year of import: 2022-23  
Technology has been commissioned.

**22) To enhance sample preparation-**

- i. Technology imported- Horizontal CNC lathe turning machine  
Year of import: 2022-23  
Technology has been commissioned.
- ii. Technology imported- CNC Milling Machine for Sample preparation  
Year of import: 2022-23  
Technology has been commissioned.

**23) To reduce the electrode changing time-**

- i. Technology imported- Installation of Piccardi in EAF #1&2  
Year of import: 2021-22  
Technology has been commissioned.

**24) To enhance the maximum % of equated grains circulation-**

- i. Technology imported- EMS in caster #1  
Year of import: 2021-22  
Technology has been commissioned.

**25) To optimize the energy-**

- i. Technology imported- EAF #2 Electrode regulation system  
Year of import: 2021-22  
Technology has been commissioned.

**26) To enhance the JBS production-**

- i. Technology imported- Homogenisation furnace  
Year of import: 2022-23  
Technology has been commissioned.

**27) To increase the productivity-**

- i. Technology imported- Commissioning of AOD #2  
Year of import: 2022-23  
Technology has been commissioned.
- ii. Technology imported- Commissioning of LRF #2  
Year of import: 2022-23  
Technology has been commissioned.
- iii. Technology imported- Commissioning of Caster #2  
Year of import: 2022-23  
Technology has been commissioned.

**28) To enhance process optimization-**

- i. Technology imported- Installation of Level 2 in AOD #2  
Year of import: 2022-23  
Technology has been commissioned.
- ii. Technology imported- Installation of Level 2 in Caster #2  
Year of import: 2022-23  
Technology has been commissioned.

**29) To enhance the maximum % of equiaxed grains circulation-**

- i. Technology imported- EMS in caster #2  
Year of import: 2022-23  
Technology has been commissioned.

**30) To optimize the energy-**

- i. Technology imported- LRF #1 Electrode regulation System  
Year of import: 2022-23  
Technology has been commissioned.

**31) For treatment of Hexavalent chromium-**

- i. Technology imported- Effluent treatment plant of capacity 250 m<sup>3</sup>/Hr  
Year of import: 2020-21  
Technology has been commissioned.

**32) To verify specs inline with PO & TC before sampling-**

- i. Technology imported- Handle WRF  
Year of import: 2022-23  
Technology has been commissioned.



### Hisar:

During the period of last three financial years from 2020-21 to 2022-23:

#### 1) To double the precision strip capacity to 48000 Mt/Annum from 26000 Mt/Annum, technology imported –

Particulars	Year of import	Status
01 No. - 20 HI rolling mill	2020-21	Commissioned
01 No. - Vertical bright annealing line	2020-21	Commissioned
02 Nos. - Two slitting lines	2020-21	Commissioned
01 No. - Tension leveler line	2020-21	Commissioned
01 No. - Strip Grinding Line	2020-21	Commissioned

#### 2) To enhance the JBS production 6000 Mt/Annum, technology imported –

Particulars	Year of import	Status
02 Nos. - 4Hi Mill line	2021-22	Commissioned
01 Nos. - PTF line	2021-22	Commissioned
01 Nos. - Intermediate Slitting line	2022-23	Commissioned
02 Nos. - Slitting Lines	2022-23	Commissioned
01 Nos. - Laser welder	2021-22	Commissioned

#### 3) 01 No. automatic inspection line from M/s Proditec, France for bimetallic blanks

Year of Import: 2019-20, Status: Commissioned

#### 4) Modification of grinding head in SPD

Year of Import: 2019-20, Status: Commissioned

#### 5) To increase the production of wider precision strip capacity, technology imported

01 no. – Slitting line from KDM, year

Year of Import 2022-23 , Status: Commissioned

#### 6) To increase the production of nitrogen, technology imported

01 Nos. – PSA plant having capacity 500NM3/HR

Year of Import: 2022-23, Status: Commissioned

### Mobility Division (Pathredi & Chennai Plant)

#### 1) Technology imported: Paint booth with flexible type

Year of import: 2020.

Has technology been fully absorbed:- Yes

#### 2) Technology imported (Partial import) : Laser welding for SS sheets for sidewall.

Year of import: 2022

Has technology been fully absorbed:- Yes

#### 3) Technology imported: Spectrometer for material testing.

Year of import: 2022

Has technology been fully absorbed:- Yes

#### 4) Technology imported: LVD 130 Ton EFL CNC bending press.

Year of import: 2021.

Has technology been fully absorbed: - Yes

### 4. AWARDS AND RECOGNITION

In pursuit of bringing excellence in overall business, your company has implemented various initiatives under operational excellence drive such as quality circle, work place management (5S). Participation in various awards and recognition scheme with focus of people development –

### Jajpur:

- **Greentech Quality & Innovation Award-2022**  
Winner of Greentech Quality & Innovation Award 2022 for outstanding achievements in Quality Improvement in Products.
- **Best - in- class manufacturing Facility-2022**  
Winner of Best -in- class Manufacturing Facility award 2022 organized by UBS Forum.
- **22nd Annual Greentech Environment Award-2022**  
Winner of 22<sup>nd</sup> Annual Greentech Environment Award - 2022 (Platinum category) in Metal & Mining Sector for outstanding achievement in Environmental Management.
- **Gold awards in CCQC-2022(State level competition)**  
Winner of 29 gold awards in Chapter Convention on Quality Concepts (CCQC) 2022 organized by QCFI Bhubaneswar Chapter.
- **Par Excellence award in NCQC-2022(National level QC competition)**  
Winner of 23 Par excellence awards and 4 Excellence awards in National level QC competition (NCQC) 2022.
- **Fame Environment Excellence Award-2022**  
Winner (Platinum category) from FAME (Foundation for Accelerated Mass Empowerment) in Metal & Mining Sector, for outstanding achievement in Environment Management.
- **12<sup>th</sup> Exceed Environment Award-2022**  
Winner (Platinum category) in Steel Sector for outstanding achievement in Environmental Preservation organized by Sustainable Development Foundation.
- **Grow Care India Quality Management Award-2022**  
Received Platinum award under the category of Metal and Mining sector by Grow Care India
- **Operational Excellence Award-2022**  
Best energy efficient unit in the category of 50-135 MW coal fired power plants
- **Orissa State Energy Conservation Award-2022**  
Appreciation Award under thermal power plant category from OSECA conducted by state designated agency.
- **Council of Enviro Excellence Awards for CPP 50MW-135MW**
  - a. JSL CPP achieved Operational excellence award by CEE on 30.11.22 against many reputed organisations.
  - b. JSL CPP was adjudged National level winner as Best Performing Coal Based Thermal power plant conducted by CEE on 14<sup>th</sup> March, 2023.

### Hisar:

- Awarded Winner of “Golden Peacock Award” for Energy Efficiency 2022.
- Bagged the “Energy Efficient Unit’ award in 23<sup>rd</sup> CII National Award for Excellence in Energy Management 2022.
- Bagged the “India-Green Award-2022” in the award category of “The sustainable Energy Achievement Award”.
- Bagged “Econaur Sustainability Award-2022” for outstanding contribution to environment & best practices in Energy.
- Winner of Platinum Award in “Iron & Steel Sector” in SEEM National Energy Management Award.
- Bagged “Platinum Award” in Global Energy and Environment Award-2022.
- Awarded with “Best case study on low carbon and carbon neutral initiatives” Award by CII.
- Awarded with “Effective implementation of ISO 50001, Energy management system” award by CII.

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars	(Rs. In Crore)
Foreign Exchange Earnings	6,501.65
Foreign Exchange Outgo	13,075.96

For and on behalf of Board of Directors

Place: Gurugram  
Date: 17<sup>th</sup> May, 2023

**Abhyuday Jindal**  
Managing Director  
DIN: 07290474

**Anurag Mantri**  
Executive Director & Group CFO  
DIN: 05326463



## ANNEXURE – II TO DIRECTORS' REPORT

**DETAILS OF REMUNERATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023****a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Sl. No.	Name of Director	Designation	Ratio of Remuneration of Director to the median remuneration of Employees*
1	Mr. Ratan Jindal	Chairman and Managing Director	Not Applicable, Since, Mr. Ratan Jindal had not drawn any remuneration for the financial year 2022-23.
2	Mr. Abhyuday Jindal	Managing Director	220:1.2
3	Mr. Tarun Kumar Khulbe	Wholetime Director	54.8:1.2
4	Mr. Anurag Mantri <sup>1</sup>	Executive Director & Group CFO	66.6:1.2

1. Includes remuneration paid to Mr. Anurag Mantri before his appointment as Executive Director of the Company w.e.f. 23rd January, 2023

**b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

Sl. No.	Name	Designation	Percentage increase in remuneration
1	Mr. Ratan Jindal	Chairman and Managing Director	Not Applicable
2	Mr. Abhyuday Jindal	Managing Director	Please refer note 2 below
3	Mr. Tarun Kumar Khulbe	Wholetime Director	14.5%
4	Mr. Anurag Mantri	Executive Director & Group CFO	19.5%
5	Mr. Navneet Raghuvanshi	Head-Legal & Company Secretary	14.5%

## Notes:

- The non-executive directors did not receive any remuneration during the financial year 2022-23, except for sitting fees paid for attending Board/Committee meeting(s). Hence, the required details are not mentioned in relation to Non-executive directors.
- There was no increase in the fixed remuneration of Mr Abhyuday Jindal, Managing Director of the Company. However, in tune with the remuneration policy of the Company linking performance with remuneration and considering the performance of the Company, the Nomination and Remuneration Committee of the Board of Directors of the Company, for the first time, approved payment of commission on the profit for the financial year 2022-23 to Mr Abhyuday Jindal. Accordingly, Mr Jindal was paid a commission of ~ 0.21 % of the net profit (as against the approved limit of 4% by the shareholders of the Company).

**c) The percentage increase in the median remuneration of employees in the financial year: 11.50%****d) The number of permanent employees on the rolls of the Company: 4688 (excluding contractual employees)****e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentile increase made in the salary of employee other than managerial personnel is 8.74% whereas the average percentile increase in the managerial remuneration is 7.69%. Please also refer to Note no. 2 mentioned above.

**f) It is further affirmed that remuneration paid to Directors and Key Managerial Personnel was as per the Remuneration Policy of the Company.**

For and on behalf of Board of Directors

Place: Gurugram  
Date: 17<sup>th</sup> May, 2023

**Abhyuday Jindal**  
Managing Director  
DIN: 07290474

**Anurag Mantri**  
Executive Director & Group CFO  
DIN: 05326463

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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,  
Jindal Stainless Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jindal Stainless Limited** (hereinafter called "the Company") for the financial year ended March 31, 2023 ["**period under review**"]. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company as listed in **Annexure II** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period under review, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('**the Act**') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'), to the extent applicable:
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- e. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
  - f. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; and
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client.
6. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
    - a. Mines Act, 1952 read with Mines Rules, 1955;
    - b. Mines and Minerals (Development and Regulation) Act, 1957 and Mineral Conservation and Development Rules, 1985;
    - c. Mines Vocational Training Rules, 1966;
    - d. Metalliferous Mines Regulations, 1961;
    - e. Payment of Wages Act, 1936 and Payment of Wages (Mines) Rules, 1956;
    - f. The Payment of Undisbursed Wages (Mines) Rules, 1989;
    - g. Orissa Minerals (Prevention of Theft, Smuggling & Illegal Mining and Regulation of Possession, Storage, Trading and Transportation) Rules, 2007 along with OMPTS Amendment Rules, 2015;
    - h. Orissa Minor Mineral Concession Rules, 2004;
    - i. Collection of Statistics Act, 2008;
    - j. Other Mines, Environment and Safety laws to the extent applicable to the Company

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and 2 issued by the Institute of Company Secretaries of India.

We report that 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 and other applicable laws



Adequate notice is given to all directors to hold the Board and Committee 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.

All the decisions were unanimous and there was no instance of dissent in the Board and/or Committee meetings.

**We further report that** there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

#### 1. Composite Scheme of Arrangement:

The Board of Directors, at its meeting held on December 29, 2020, approved a Composite Scheme of Arrangement ('Scheme') amongst the Company, Jindal Stainless (Hisar) Limited ('JSHL'), JSL Lifestyle Limited ('JSL'), Jindal Lifestyle Limited, JSL Media Limited and Jindal Stainless Corporate Management Services Private Limited.

The Company received the approval of Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT') on its first motion application for convening the meeting of the Shareholders and Creditors on February 25, 2022. Further, the Company received the approval of its Shareholders and Creditors with requisite majority upon the Scheme on April 23, 2022. The Hon'ble NCLT approved the Scheme on February 2, 2023 and furnished the final order on February 16, 2023. The Company filed the certified copy of the Order with the Registrar of Companies, NCT of Delhi & Haryana on March 02, 2023. Accordingly, the Composite Scheme of Arrangement became effective from March 02, 2023 from the Appointed date of 01 April 2020.

The Company allotted 46,62,23,429 equity shares of INR 2/- each fully paid-up to the eligible shareholders of JSHL and JSL as on record date March 09, 2023. Pursuant to the Scheme, 16,82,84,309 equity shares held by JSHL in the Company were cancelled, thereby resulting in cancellation of equity share capital of the Company amounting to Rs. 33,65,68,618/ the paid-up share capital of the Company post the aforesaid allotment and cancellation stood at Rs.1,64,68,69,176 comprising of 82,34,34,588 equity shares of Rs. 2/- each. Consequently, the Company has become a 'foreign-owned and controlled company' under the FEMA (Non-Debt Instruments) Rules, 2019 as 51% of the paid-up share capital is held by persons resident outside India.

#### 2. Transfer of entire stake in JSL Ferrous Limited:

During the period under review, the Board of Directors passed a resolution on May 02, 2022 for sale of 50,000 equity shares equivalent to 100% of the paid-up equity share capital of JSL Ferrous Limited to Jindal United Steel Limited, an associate company. Consequently, JSL Ferrous Limited ceased to be a wholly-owned subsidiary of the Company w.e.f. May 06, 2022.

#### 3. Acquisition of 100% stake in Jindal United Steel Limited ('JUSL'):

The Board of Directors passed a resolution on July 25, 2022 for acquisition of balance 34,15,89,938 equity shares comprising 74% of the paid-up equity share capital of JUSL, for an aggregate consideration of ~ Rs. 958 crore, in order to make it a wholly-owned subsidiary, subject to the requisite approvals. The shareholders have approved the proposal of acquisition of 34,15,89,879 nos. of equity shares from OPJ Steel Trading Private Limited, a promoter group entity, in compliance with the provisions of Section 188 of the Act, through postal ballot on September 2, 2022. The acquisition is pending to be completed on the date of this report.

#### 4. Non-Convertible Debentures ('NCDs'):

During the period under review, the Company:

- (i) changed the terms of the existing 3,750 listed, rated, unsecured, redeemable NCDs having nominal value of Rs. 10,00,000 each, aggregating to Rs. 375,00,00,000, by providing security over the assets of the Company, to make the above said NCDs secured;
- (ii) allotted 990 rated, listed, unsecured, redeemable NCDs having nominal value of Rs. 10,00,000/- each, aggregating to Rs. 99,00,00,000/- on September 23, 2022 by way of private placement.

#### 5. Purchase of Rathi Super Steel Limited ('RSSL')

The Company had participated in the e-auction process for purchase of RSSL (which was under liquidation process), on a going concern basis, in terms of the applicable provisions of Insolvency and Bankruptcy Board of India (Liquidation Process), Regulations, 2016 ('Insolvency Regulations') wherein the Company emerged as the successful bidder.

The Liquidator appointed by the Hon'ble Adjudicating Authority, National Company Law Tribunal, Principal Bench, New Delhi ('Hon'ble NCLT'), issued a Sale Certificate dated November 16, 2022 (on receipt of bid amount of Rs. 205 crores from the Company) in favour of the Company vesting the sole and beneficial ownership of RSSL in favour of the Company. Further, in terms of the said Sale Certificate, the Liquidator also approved the vacation of the erstwhile board of directors

and appointment of the nominees of the Company as directors. Accordingly, RSSL became a wholly owned subsidiary w.e.f. November 16, 2022.

The Liquidator has filed a closure application with the Hon'ble NCLT along with JSL's application, requesting for grant of certain reliefs and concessions as are generally made available to an acquirer under the Insolvency Regulations, for which the order of Hon'ble NCLT is still awaited.

**6. Subscription to 26% of Renew Green (MHS ONE) Private Limited for setting up of renewable energy project:**

The Company, on December 5, 2022, signed a contract with the country's largest renewable energy company, ReNew Power, to develop a utility-scale captive renewable energy project for the supply of power to its facility in Jajpur, Odisha. The Company entered into Shares Subscription and Shareholders' Agreement with Renew Green Energy Solutions Private Limited and Renew Green (MHS ONE) Private Limited for proposed investment of Rs. 137.5 Crores towards the subscription of 26% of the issued and paid-up equity shares of Renew Green (MHS

ONE) Private Limited for setting up a wind-solar hybrid project at Solapur District, Maharashtra.

**7. Termination of Global Depository Shares Program 'GDS Program':**

The Board of Directors passed a resolution on January 13, 2023 approving termination of JSL GDS Program and delisting of the outstanding JSL GDS from the Luxembourg Stock Exchange considering very low trading volume in the Company's GDS. The effective date of the termination was April 30, 2023.

**8. Execution of Collaboration Agreement with New Yaking Pte. Ltd.:**

The Company entered into a collaboration agreement for an investment of upto USD 157 Million for development, construction and operation of a Nickel Pig Iron smelter facility in Indonesia. As a part of the said agreement, the Company has, subsequent to March 31, 2023, acquired 49% equity interest of PT Cosan Metal Industry, Indonesia through acquisition of 100% stake in Sungai Lestari Investment Pte. Ltd., Singapore for a consideration of USD 64.19 million.

For **M/s Vinod Kothari & Company**  
Practicing Company Secretaries  
Unique Code: P1996WB042300

**Abhirup Ghosh**  
Partner  
Membership No.: A39076  
CP No.: 21571  
UDIN: A039076E000318443  
Peer Review Certificate No.:781/2020

Date: 17 May 2023

Place: Kolkata

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.



## Annexure I

**ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)**

To,  
The Members,  
Jindal Stainless Limited

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

1. 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. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were 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;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted physical as well as online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test-check basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. 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.

## LIST OF DOCUMENTS

1. Final draft of signed Minutes for the meetings of the following held during the period under review:
  - a. Board of Directors;
  - b. Audit Committee;
  - c. Nomination and Remuneration Committee;
  - d. Stakeholders' Relationship Committee;
  - e. Risk Management Committee;
  - f. Corporate Social Responsibility Committee;
  - g. Annual General Meeting;
  - h. Resolutions passed by way of Postal ballot;
2. Proof of circulation of notice and agenda of board meeting on a sample basis;
3. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
4. Annual Report for financial year 2021-22;
5. Directors' disclosures under the Act and rules made thereunder;
6. Statutory Registers under the Act;
7. Forms filed with the ROC and intimations made to stock exchanges;
8. Policies/ Codes framed and disclosures under SEBI regulations;
9. Structured Digital Database maintained by the Company.



## ANNEXURE IV 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	NIL
(b) Nature of contracts/ arrangements/ transactions	(All contract or arrangement or transactions with related parties are at arm's length basis)
(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	
(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	Jindal Stainless Steelway Limited (Subsidiary Company)	Jindal United Steel Limited (Associate Company)	JSL Global Commodities Pte. Ltd. (Entity under the control/ significance influence of KMP)	Prime Stainless, DMCC (Entity under the control/ significance influence of KMP)
(b) Nature of contracts/ arrangements / transactions	Sale, purchase or supply of materials and services, etc.	Sale, purchase or supply of materials and services, etc.	Sale, purchase or supply of materials and services, etc.	Sale, purchase or supply of materials and services, etc.
(c) Duration of the contracts/ arrangements/ transactions	April, 2022 to March, 2023	April, 2022 to March, 2023	April, 2022 to March, 2023	April, 2022 to March, 2023
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Sale, purchase or supply of materials and services, etc. amounting to Rs. 3,171.13 Crore	Sale, purchase or supply of materials and services, etc. amounting to Rs. 4,373.91 Crore	Sale, purchase or supply of materials and services, etc. amounting to Rs. 2,503.87 Crore	Sale, purchase or supply of materials and services, etc. amounting to Rs. 1,244.02 Crore
(e) Date(s) of approval by the Board / Committee, if any	May 2, 2022	May 2, 2022	May 2, 2022	May 2, 2022
(f) Amount paid as advances, if any	-	-	-	-

For and on behalf of Board of Directors

Place: Gurugram  
Date: 17<sup>th</sup> May, 2023

**Abhyuday Jindal**  
Managing Director  
DIN: 07290474

**Anurag Mantri**  
Executive Director & Group CFO  
DIN: 05326463

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

**1. Brief outline of the Company's CSR policy: A brief outline of the Company's CSR Policy is given in the Directors' Report for the financial year 2022-23.**

**2. The composition of the CSR committee:**

The Composite of the CSR Committee as on March 31, 2023 are as under:

S. 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
1	Mr. Ratan Jindal	Chairman of the Committee, Chairman and Managing Director	1	0
2	Mr. Tarun Kumar Khulbe	Member, Wholetime Director	1	1
3	Ms. Bhaswati Mukherjee	Member, Independent Director	1	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:** <https://www.jindalstainless.com/corporate-governance/>

**4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

**5. a. Average net profit of the Company as per section 135(5):** Rs. 1,563.56Crore

**b. Two percent of average net profit of the company as per section 135(5):** Rs. 31.27 Crore

**c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

**d. Amount required to be set off for the financial year, if any:** Rs. 22.99 Crore

**e. Total CSR obligation for the financial year (b+c-d) -** Rs. 8.28 Crore

**6. a. Amount spent on CSR project (both ongoing and other than ongoing):** Rs. 11.93 Crore

**b. Amount spent in Administrative Overheads:** Rs. 0.94 Crore

**c. Amount spent on Impact Assessment, if applicable:** Nil

**d. Total amount spent for the Financial Year (a+b+c) :** Rs. 12.87 Crore

**e. CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (Rs. in Crores)	Amount Unspent (Rs. in Crores)				
	Total Amount transferred to Unspent CSR Account as per sub-section 6 of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12.87	Nil	NA	NA	NA	NA

**f. Excess amount for set off, if any:**

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per sub-section 5 of Section 135	Rs. 31.27 Crore
(ii)	Total amount spent for the Financial Year	Rs. 35.86 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 4.59 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 4.59 Crore

**7. Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Pre- ceding Financial Year	Amount transferred to Unspent CSR Account under sub-section 6 of Section 135 (in Rs.)	Balance Amount in unspent CSR account sub-section 6 of Section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of Section 135, if any  Amount (in Rs)	Date of transfer	Amount remaining to be spent in succeeding financial years (in Rs.)	Deficien- cy, if any
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Refer note below

**Note:** Prior to the effectiveness of the Composite Scheme, Jindal Stainless (Hisar) Limited, one of the amalgamating companies, had allocated Rs. 0.68 crore to Jindal Stainless Foundation as initial corpus towards setting up 100 bedded hospital at Jajpur, Odisha, which was unspent during the financial year 2020-21. Accordingly, in compliance with the applicable CSR provisions, Jindal Stainless Foundation has transferred the above said amount into an unspent CSR account which shall be utilised in due course of time.

- 8. Whether any capital asset have been created or acquired through corporate social responsibility amount spent in the financial year:** Nil
- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).** Not Applicable

For and on behalf of Board of Directors

Place: Gurugram  
Date: 17<sup>th</sup> May, 2023**Ratan Jindal**  
Chairperson, CSR Committee  
DIN: 00054026**Abhyuday Jindal**  
Managing Director  
DIN: 07290474