



JSWSL: MUM: SEC: SE: 2023-24

August 30, 2023

To,

| | |
|---|---|
| 1. National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Fax No.: 2659 8237-38 Ref: Trading Symbol - JSWSTEEL Kind Attn.: Listing Department | 2. BSE Limited Corporate Relationship Dept. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001. Fax No. 2272 2037/2039/ 2041/ 2061 Ref: Scrip Code: 500228. Kind Attn.: Listing Department |
|---|---|

Sub: Disclosure under Regulation 30(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of continuing events or information which are Material.

Dear Sir/Ma'am,

Pursuant to Regulation 30 (4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, please find annexed herewith as Annexure A, the disclosure of continuing events or information which are material.

This is for your information and records.

Yours faithfully,
For **JSW STEEL LIMITED**

Lancy Varghese
Company Secretary

Details of pending material litigations /disputes

In the normal course of business, disputes may arise from business operations and claims against the Company. The Company carries out an assessment of these disputes and claims based on the underlying facts, interpretation of the statutes, legal precedents available and monitors the legal landscape on an on-going basis with the assistance of external legal counsel, wherever necessary. Basis the assessment, the Company classifies such disputes and claims into three categories i.e. Probable, Possible and Remote (PPR analysis). The Company records a liability in the books of accounts for any disputes or claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential liabilities that are considered possible, but not probable of crystallising are treated as contingent liabilities and disclosed in the financial statements but not recognised as liability in its accounts unless the loss becomes probable. For claims where a potential loss is remote, the same is neither provided for as a liability nor is disclosed as contingent liability.

The following is a description of claims or disputes where a potential loss is possible, but not probable. The Company has made disclosures of these matters as part of the Note 46 - Contingent liabilities of the notes to the Consolidated Financial Statements for the year ended 31 March 2023. The Company based on the assessment and legal opinion believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. The Company has also disclosed certain disputes as part of the offering circular or offering memorandum while carrying out fund raising activities and the summary of these disputes is provided below. In view of the several number of cases, pending at various forums/courts, it is not practicable to furnish the details of each case, however as per management estimate, the amount is not material. Based on the discussions with the solicitors, the management believes that the Company has strong chances of success in the cases and hence no provision is considered necessary.

The Company has determined the materiality for the purpose of this reporting based on criteria for determination of materiality in accordance with regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

1. The following table is the summary of the Contingent liabilities disclosed as part of Note 46 to the notes to the Consolidated Financial Statements for the year ended 31 March 2023

| Particulars | Demand Amount (Rs. in crore) |
|--|---|
| 1. Excise Duty | 448 |
| 2. Customs Duty | 494 |
| 3. Income Tax | 193 |
| 4. Sales Tax/ VAT/ Special Entry Tax/ Electricity Duty | 1,851 |
| 5. Service tax/ Goods and Service Tax | 352 |
| 6. Levies by local authorities - Statutory | 115 |
| 7. Levies relating to Energy/ Power obligations | 33 |
| 8. Claims by suppliers, other parties and Government | 809 |

a. Excise Duty

Excise duty cases includes disputes pertaining to availment of CENVAT credit, valuation methodologies, classification of gases under different chapter heading. There are no material litigations/ disputes pertaining to excise duty.

b. Customs Duty

Custom duty cases includes disputes pertaining to import of Iron ore fines and lumps under different chapter headings, utilisation of SHIS licences for clearance of imported equipment, payment of customs duty Steam Coal through Krishnapatnam Port and anti-dumping duty on Met Coke used in Corex. There are no material litigations/ disputes pertaining to customs duty.

c. Income Tax

Income Tax cases includes disputes pertaining to transfer pricing and other matters. There are no material litigations/ disputes pertaining to income tax.

d. Sales Tax/ VAT/ Special Entry Tax/ Electricity Duty

Sales Tax/ VAT/ Special Entry tax cases includes disputes pertaining to demand of special entry tax in Karnataka and demand of cess by department of transport in Goa. Of the total litigations of Rs. 1851 Crores, litigation amounting to Rs. 1,006 Crores is material and the detail is as follows:

| Name of the Statute | Brief details of the Litigation/dispute | Period for which amount relates | Authority before whom the case is pending | Demand Amount (Rs. in crore) |
|--|--|---------------------------------|---|------------------------------|
| Goa Rural Improvement Welfare Cess Act, 2000 | Levy of cess under (Goa Rural Cess) . Constitutional challenge to the imposition rural cess under the Goa Rural Improvement and Welfare Cess Act, 2000 which seeks to impose a levy on all persons who are owners of scheduled products / substances which are transported in the state of Goa. | FY 2006-2023 | High Court of Bombay (Goa Bench) | 1,006 |

e. Service tax/ Goods and Service Tax

Service Tax/ Goods & Service tax cases includes disputes pertaining to availment of service tax credit on ineligible services, denial of credit distributed as an ISD, service tax on railway freight not taken as per prescribed documents. There are no material litigations/ disputes pertaining to Service tax/ Goods and Service Tax.

f. Levies by local authorities - Statutory

Levies by local authorities - Statutory cases includes disputes pertaining to payment of water charges and enhanced compensation. There are no material litigations/ disputes pertaining to statutory levies by local authorities.

g. Levies relating to Energy/ Power obligations

Levies relating to Energy / Power Obligations cases includes disputes pertaining to uninterrupted power charges by Karnataka Power Transmission Company Limited, belated payment surcharge, claims for the set off of renewable power obligations against the power generated in its captive power plants and dues relating to additional surcharge imposed on captive consumption by Maharashtra State Electricity Distribution Company Limited. There are no material litigations/ disputes pertaining to energy/ power obligations.

h. Claims by suppliers, other parties and Government

Claims by Suppliers, other parties and Government includes quality/ shortfall claims issues raised by suppliers and others. Of the total litigations of Rs. 809 Crores, litigation amounting to Rs. 702 Crores is material and the detail is as follows:

| Name of the Statute | Brief details of the Litigation/dispute | Period for which amount relates | Authority before whom the case is | Demand Amount (Rs. in crore) |
|---|---|---------------------------------|---|------------------------------|
| Mines and Minerals (Development and Regulation) Act, 1957 | Demand notice from Deputy Director of mines . Demand raised in respect of drop in grade of production, violation of mining plan and use of higher mesh size for screening. | FY 2021- 2023 | District Mining Officer/Revisionary Authority | 702 |

i. The Deputy Commissioner of GST State Tax (Enforcement Unit, Orissa) (GST Authorities) had issued show cause notices (SCN) in the previous years for the period up to March 22, alleging that the Company has wrongfully and illegally transferred the unutilised Input Tax Credit to the Company's ISD registration in Mumbai. The Company filed its reply to the SCN, however, the GST Authorities raised demand for tax of Rs. 3,004 crores including interest and penalty thereon. The Company filed an appeal before the Additional Commissioner of State Tax (First Appellate Authority) and the First Appellate Authority has confirmed the order passed by the GST Authorities and disposed off, two of the three appeals. Aggrieved by the said appellant order, the Company has submitted a letter of Intent to file appeal before the Appellate Tribunal. The Company, basis the legal opinion obtained, has evaluated the matter and concluded that the outflow of resources is remote and accordingly, no provision is made in the consolidated financial statements. Interest of Rs. 217 crores is considered possible and included above.

j. During the year ended 31 March 2023, the Company has received show cause notices (SCNs) followed by Demand Notices from Deputy Director of Mines, Joda & Deputy Director of Mines, Koira in relation to its mining operations at Odisha alleging loss of royalty, mining premium and other levies aggregating to Rs. 702 crores inter-alia alleging drop in grade of iron ore mined during the previous year and current year, compared with mining plan. The Company believes that the mining operations are carried out in compliance with the extant mining laws and regulations. The Company has contested the said demand by filing revision applications before the Revisionary Authority, Ministry of Mines, Government of India. The Revisionary Authority has directed the State Government not to take any coercive measures in relation to demand notices until a para wise response is provided by the State Government. The Company, basis the legal opinion obtained, has evaluated the matter and disclosed the matter as contingent liability and no provision is made in the consolidated financial statements.

| 2 | Particulars | Rs. in Crores |
|---|--|----------------------|
| | Claims related to Forest Development Tax / Fee | 4,123 |
| | Amount paid under protest | 920 |

In response to a petition filed by the iron ore mine owners and purchasers (including the Company) contesting the levy of Forest Development Tax (FDT) on iron ore on the ground that the State does not have jurisdiction to legislate in the field of major minerals which is a central subject, the Honourable High Court of Karnataka vide its judgement dated 3 December, 2015 directed refund of the entire amount of FDT collected by Karnataka State Government on sale of iron ore by private lease operators and National Mineral Development Corporation Limited (NMDC). The Karnataka State Government has filed an appeal before the Supreme Court of India ("SCI"). SCI has not granted stay on the judgement but stayed refund of FDT. The matter is yet to be heard by SCI. Based on merits of the case and supported by a legal opinion, the Company has not recognised provision for FDT of Rs. 1,043 crores (including paid under protest – Rs. 665 crores) and treated it as a contingent liability.

The State of Karnataka on 27 July, 2016, has amended Section 98-A of the Forest Act retrospectively substituting the levy as Forest Development Fee (FDF) instead of FDT. In response to the writ petition filed by the Company and others, the Honourable High Court of Karnataka has vide its order dated 4 October, 2017, held that the amendment is ultra-vires the Constitution of India and directed the State Government to refund the FDF collected. The State Government has filed an appeal before the SCI, and based on merits of the case duly supported by a legal opinion and a favourable order from the High Court, the Company has not recognised provision for FDF amount of Rs. 3,080 crores (including paid under protest - Rs. 255 crores) pertaining to the private lease operators & NMDC and treated it as contingent liability.

3. The Company had approached the Karnataka State Government in 2011 to seek additional land for providing housing facilities for its employees, incidental to the Company's expansion at Vijayanagar Works. A notification dated January 30, 2008, under Section 28(1) of the Karnataka Industrial Areas Development Act, 1966, was issued by the Karnataka State Government for the acquisition of 849.48 acres of land at Vijayanagar Works. This acquisition was challenged by landowners in the area by way of a writ petition before the Single Judge of the Karnataka High Court. The petitioners alleged that the Company had sufficient land for its business operations and grant of the land acquisition would cause grave loss to the landowners as the acquisition would have a direct impact on their livelihood. The Single Judge of the Karnataka High Court, on hearing all parties, upheld the acquisition and dismissed the writ petition. The Judgment of the Single Judge was confirmed by the Division Bench of the High Court of Karnataka. Thereafter, the petitioners approached the Supreme Court for relief under a special leave petition. The Appeal filed by the Petitioners has been admitted. It is to be noted that, out of the total area, the disputed area which is under challenge before the Supreme Court is only 198 acres. The Court directed the Company to file statements of facts and place the matter for final hearing. The Company had filed the statement of facts and completed the formalities. The matter is currently pending.

4. The Central Bureau of Investigation (“CBI”), Anti-Corruption Branch — Bengaluru has registered a case against, amongst others, the Company, based on the source information and the joint surprise check conducted by the CBI team along with the Southern Railway officials on allegations of manipulation of software of Electronic-in-Motion Weigh Bridge in order to evade payment of punitive charges, which is before the Court of Additional Chief Metropolitan Magistrate at Bengaluru (“ACMM”). The Company was discharged as an accused by the ACMM vide its order dated 11 September 2018. CBI filed a review against the said order, which was allowed vide order dated 23 December 2021 (“Review Order”). The Company has consequently challenged the Review Order by way of a writ petition before the Karnataka High Court, which has presently stayed the trial proceedings against the Company pursuant to the Review Order.

5. The Company received a show cause notice followed by an adjudication order on 6 October 2009 from the Directorate of Enforcement imposing a penalty on the Company and two of its executives alleging misuse of foreign exchange amounting to Rs. 26 Crores Austrian Schillings in relation to imports of certain basic design and engineering, preliminary engineering and additional equipment for its Corex process based iron manufacturing plant at Bellary in 1994 to 1995. The Special Director Enforcement vide its order dated 6 October 2009 imposed penalties on the Company and two of its officers. The order of Special Director was confirmed on 26 January 2010 by the Appellate Tribunal for foreign exchange. The review petition filed against the order was dismissed on the ground of maintainability on 9 January 2015. Against the order of the Appellate Tribunal, the Company and both officers filed an appeal before the High Court of Bombay. The High Court of Bombay had on 28 September 2015 admitted the appeal and stayed the Order of Tribunal against furnishing of bank guarantees. The bank guarantee has been furnished to the Directorate of Enforcement and the matter is currently pending.

6. An original application has been filed before the National Green Tribunal, at Pune, (“NGT”) challenging the issuance of Environment Clearance, particularly relating to the issue of the ‘coastal regulation zone’ (“CRZ”), given by the Ministry of Environment and Forests, for expansion of the Dolvi plant from 5 to 10 mtpa located in Maharashtra. A public interest litigation (“PIL”) was filed before the High Court for similar allegations and the writ petition was clubbed with the PIL for hearing. Subsequently, the High Court dismissed the PIL and directed the Maharashtra Coastal Zone Management Authority to complete the task of mapping the coastal belt in Maharashtra according to the CRZ Notification, 2011. The matter is currently pending.

Another original application has been filed before the NGT against the Company, the Maharashtra Pollution Control Board and certain other respondents, alleging, among other things, various environmental violations at the Company's Dolvi plant. The Company has filed its detailed objections denying all the allegations made by the Applicant, and seeking a dismissal of the matter on the ground of limitation. The NGT has, pursuant to order dated 17 May 2021 constituted a committee to prepare a report on whether any further remedial action is necessary at the Company's Dolvi plant.

7. In the ordinary course of business, there have been a various criminal, regulator, tax, civil and other proceedings filed against the Company, its directors or its employees, which are pending before various authorities, tribunals and courts and are at various stages of adjudication.

8. The Company had filed a suit (“Suit”) in 2012 before the Court of the Additional City Civil Judge, Bengaluru against KSMCL in relation to a contractual dispute relating to, among other things, the supply of iron ore to the Company from certain iron ore mines held by KSMCL, the setting up of a joint venture between the Company and KSMCL, and the counter claim of KSMCL. KSMCL had filed an interim application (“IA”) seeking to amend its written statement to make a counter claim against the Company, which was allowed by the Additional City Civil and Sessions Judge, Bengaluru vide its order dated 10 November 2020 (the “ACCSJ Order”). The ACCSJ Order was challenged by the Company before the Hon’ble Karnataka High Court on the ground that KSMCL could not file its counter claim as the claim was barred by limitation. The Karnataka High Court, vide its order dated 13 January 2021, quashed the ACCSJ Order allowing KSMCL to file its counter claim (“KHC Order”). KSMCL has filed an appeal against the KHC Order before the Supreme Court of India. The Suit before the Additional City Civil and Sessions Judge, Bengaluru and the appeal before the Supreme Court of India are presently pending.

Details of Material Guarantees to Wholly Owned Subsidiaries

Rs. in crore

| SI No. | Name of the Party for which Guarantee given | Guarantee for | Guarantee amount | Guarantee provided to: | Outstanding amount including interest |
|--------|---|-------------------------------------|------------------|---|---------------------------------------|
| 1 | Periama Holding Inc. | Unsecured Bonds of USD 750 mio | USD 937.5 mio | DB Trustee | 6226.97 |
| 2 | JSW Steel (Netherlands) B.V. | Loan amount of Euro 60 mio | Euro 64.5 mio | ING Bank | 542.47 |
| 3 | JSW Steel (Netherlands) B.V. | Loan amount of Euro 100 mio | Euro 110 mio | KFW-Ipex Bank | 907.64 |
| 4 | JSW Vijayanagar Metalics Limited | Goods imported against EPCG licence | | Asst. Commissioner of Customs, Chennai / DGFT | 1200.61 |

- The Promoter, Promoter Group and other group companies are not interested in above transactions.

- Parties for whom Guarantees are given are in complete compliance with all their obligations in respect of these guarantees and accordingly, the guarantee given by the Company does not have any adverse impact on the Company.