

# TAX TRANSPARENCY REPORT

for the year ending March 2024



**GROWING**



**INNOVATIVE**



**SUSTAINABLE**





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GLOSSARY



# ABOUT JSW

JSW Steel and its subsidiaries ('JSW Steel Group' or 'we'), the flagship company of the diversified \$23 billion JSW Group (or 'Group'), is an integrated manufacturer of a diverse range of steel products and is India's leading crude steel manufacturer. JSW Steel Group is one of the world's most efficient and India's leading integrated steel makers. JSW Group's innovative and sustainable products, services and ideas cater to the core sectors of Steel, Energy, Cement and Infrastructure, apart from its interests in philanthropy, sports, realty, paints and ventures. JSW Group continues to strive for excellence with its strength, differentiated product mix, state-of-the-art technology, excellence in execution and focus on sustainability.

JSW Steel Group has earmarked ₹64,434 crores as capex to be spent over FY 2024-25 to FY 2026-27 to complete the capacity expansion to 43.5 MTPA, expand downstream capacity, mining projects, cost savings projects, sustaining Capex, and the modernisation of overseas facilities. JSW Steel's Group domestic roadmap to 50 MTPA by FY 2030-31 is in alignment with India's sustainable development aspirations. JSW Steel Group has multiple projects in the pipeline to achieve this target viz. brownfield potential of 5 MTPA each in Vijayanagar and BPSL; 4 MTPA green steel plant in two phases, a 13 MTPA greenfield plant in Odisha and a greenfield Electric Arc Furnace facility in Andhra Pradesh.

JSW Steel Group integrated operations with industry-leading capacity and scale, wide portfolio of products that caters to a diverse customer base across 100 countries and its disciplined execution, positions it well to benefit from the global overall steel cycle and increasing domestic demand. The capacity expansion plans, upon completion, will not only consolidate its leadership in the Indian steel industry, but will also become immediately value accretive.

JSW Steel Group aims to produce superior-quality products while keeping the health of the environment and society in mind, promoting circularity in the operations and fostering growth and betterment for communities.

JSW Steel Group is committed to de-carbonisation and is actively pursuing a climate change goal by investing in low-carbon emission technologies, establishing Climate Action Group having experts from diverse functional areas to drive climate mitigation strategies, collaborating with academia and industry to design and implement scalable solutions to accelerate climate action.

JSW Steel Group is transforming every aspect of its business by embracing the best available and emergent technologies across functions – Finance, Human Resources, Manufacturing, Mining, Marketing, and Supply Chain. Harnessing the power of Big Data, Advanced Robotics, Hybrid Cloud and Artificial Intelligence, JSW Steel Group is driving cultural change, augmenting customer experiences, and developing innovative products. Digital initiatives are enabling JSW Steel Group to

improve safety, optimise cost, drive seamless integration of operations, improve product value, and enhance customer delight.

JSW Steel Group is governed by a team of experienced and versatile professionals and visionaries who take decisions keeping the best interests of the Company and its stakeholders in mind. The Board and management team have diverse backgrounds and specialisations which enables them to provide different perspectives while decision-making. JSW Steel Group have identified six strategic focus areas based on a thorough assessment of its material issues, growth imperatives, stakeholder feedback, as well as other internal and external factors impacting its progress. Throughout FY 2023-24, we advanced on the path of growth through targeted initiatives in six areas namely Grow, Optimise, Enhance, Transform, Maintain and Sustain.

JSW Steel Group wide spectrum of innovation, robust ESG commitments and a drive to be #Better Everyday, enable us to consistently create responsible value, for everyone. JSW Steel Group has strategically located manufacturing units across geographies (India, USA and Italy) with distinct competitive advantages. It also has its footprints across continents in various countries and other locations.

JSW Steel Ltd. has the world's 6<sup>th</sup> largest steel plant at Vijayanagar. JSW Steel Ltd. is an integrated manufacturer of diverse range of steel products with its manufacturing facilities located at Vijayanagar Works in Karnataka, Dolvi Works in Maharashtra and Salem works in Tamil Nadu. JSW Steel Ltd. also has a Plate and Coil mill Division in Anjar, Gujarat. JSW Steel Ltd. has entered into long term lease arrangements of iron ore mines located at Odisha and Karnataka.

JSW Steel Ltd. has a total of 46 direct and indirect subsidiaries and 14 joint ventures and 2 Associate Company as on March 31, 2024. The primary business activities and key highlights of each of its subsidiaries and joint ventures are disclosed under Page 291-296 of the Annual report. The Company, along with its domestic as well as international subsidiaries, are referred to as JSW Steel Group for this Tax Transparency Report.

**₹2,03,221 Cr**

Overall market capitalisation (March 31, 2024)

**29.7 MTPA**

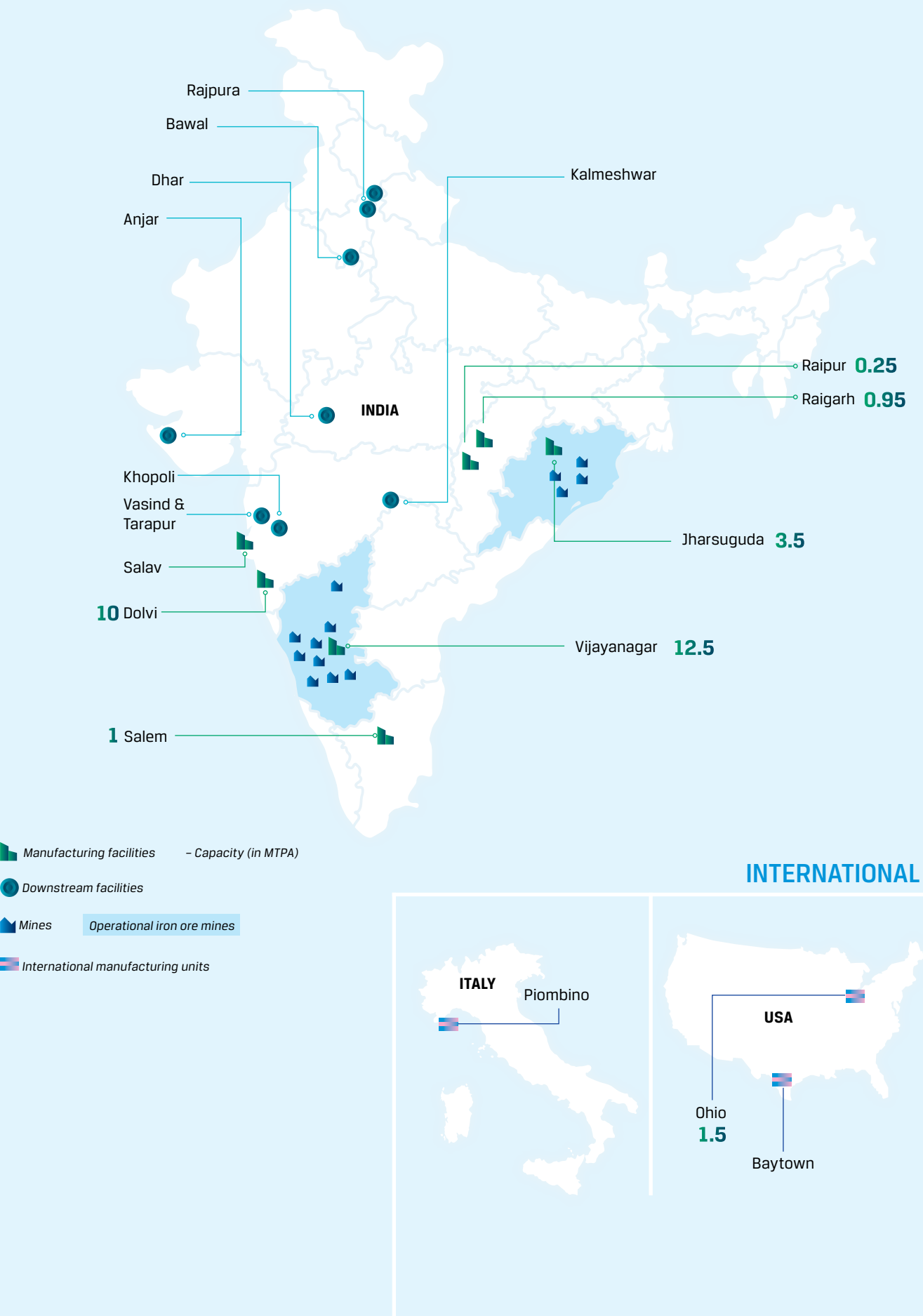
Total installed capacity

**100+ countries**

Diversified customer base spread

About JSW

Global footprint



## About JSW

### Overview of Activities in Key Jurisdiction



#### Manufacturing Facilities

##### Vijayanagar Works (ISP)

<b>P</b>	Hot Rolled (HR), Cold Rolled (CR), Galvanised (GI) and Galvalume (GL), colour-coated products, wire rods, TMT
<b>C</b>	<b>12.5 MTPA crude steel</b> <b>5 MTPA</b> under commissioning, further addition of <b>1.5 MTPA</b> by FY 2024-25

##### Bhushan Power and Steel Ltd. Jharsuguda

<b>P</b>	HR, CR Galvanised (GI) and Galvalume (GI), colour-coated products, TMT, Slabs, billets, cable tape, black pipe, precision tubes
<b>C</b>	<b>3.5 MTPA crude steel</b> <b>1.5 MTPA</b> under commissioning in phases

##### Raigarh Works

<b>P</b>	Rebars, alloy special steel products, slabs, billets
<b>C</b>	<b>0.95 MTPA crude steel</b>

##### Dolvi Works (ISP)

<b>P</b>	HR, TMT
<b>C</b>	<b>10 MTPA crude steel</b> further addition of <b>5 MTPA</b> by FY 2027-28

##### Salem Works (ISP)

<b>P</b>	Wire rod, alloy long products, billets/blooms
<b>C</b>	<b>1 MTPA crude steel</b>

##### Salav Works

<b>P</b>	Direct Reduced Iron (DRI) / Hot Briquetted Iron (HRI)
<b>C</b>	<b>0.9 MTPA DRI/HBI</b>

##### Mivaan Steels Limited, Raipur

<b>P</b>	Billets, Ferro alloys, Structures
<b>C</b>	<b>0.25 MTPA crude steel</b>



#### Downstream Operations

##### Anjar Works

<b>P</b>	Steel plates and coils
<b>C</b>	<b>1.2 MTPA</b>

##### Vasind Works

<b>P</b>	GI/GL, colour-coated Products & CRCA
<b>C</b>	<b>1.42 MTPA GI/GL</b> <b>0.5 MTPA CRCA</b>

##### Kalmeshwar Works

<b>P</b>	GI/GL, colour-coated Products
<b>C</b>	<b>0.96 MTPA GI/GL</b>

##### Khopoli and Bawal Works

<b>P</b>	HRPO, GI/GL, colour-coated products
<b>C</b>	<b>0.72 MTPA GI/GL</b>

##### Tarapur Works

<b>P</b>	GI/GL, colour-coated products, tin plate
<b>C</b>	<b>0.73 MTPA GI/GL</b> <b>0.50 MTPA tin plate</b>

##### Neotrex Steel Private Ltd. (Vijayanagar)

<b>P</b>	Low-relaxation pre-stressed concrete steel strands
<b>C</b>	<b>72,000 tonnes per annum LRPC</b> with addition of 72,000 tonnes per annum by FY 2024-25

##### National Steels and Agro Industries Limited (Dhar, MP)

<b>P</b>	Colour coil, pre-painted profile sheets, galvanised corrugated sheets
<b>C</b>	<b>0.35 MTPA GI/GL</b>

##### Rajpura Works

<b>P</b>	Tin plate, colour-coated products
<b>C</b>	<b>0.12 MTPA tin plate</b> <b>0.31 MTPA colour coated products</b>



#### Mines

##### Iron Ore reserves

**25.9 MnT**

FY 2023-24

Captive iron ore production

**0.9 BnT**

Odisha iron ore reserves

**0.45 BnT**

Maharashtra and Goa's iron ore reserves

**0.25 BnT**

Karnataka iron ore reserves

##### Coal reserves

**0.38 BnT**

Jharkhand and Chhattisgarh coal reserves

Coking coal mines **3**  
(under development)

**P** Key Products

**C** Capacity



## About JSW

### Overview of Activities in Key Jurisdiction



#### International Manufacturing Units

##### JSW Steel USA

Ohio

**1.5 MNTPA crude steel**  
**3 MNTPA finishing capacity**

Baytown

**1.2 MNTPA Plate mill**  
**0.55 MNTPA Pipe mill**

#### Periama Holdings LLC and its subsidiaries viz. JSW Steel (USA) Inc (Plate and Pipe Mill Operation) and its subsidiary (West Virginia, USA-based coal mining operation)

- a) JSW Steel Group has overseas downstream facilities include a 3 MNTPA hot rolling mill in Ohio, a 1.2 MNTPA plate mill and a 0.55 MNTPA pipe mill capacity in Baytown, Texas, US. JSW Steel (USA) plate and pipe mill is in the process of modernising the existing facilities at Baytown, Texas. In FY 2023-24, JSW Steel (USA) reported an EBITDA of \$113.3 million (₹940 crores), compared to \$100.7 million (₹832 crores) in FY 2022-23. EBITDA increased primarily on account of higher dispatches of plates and pipes, partially offset by lower EBITDA per tonne. The EBITDA per ton was lower as compared to the previous year due to a

decline in plate and pipe realisations, which was partially offset by lower input costs. In FY 2023-24, profit after tax was \$28.1 million (₹237 crores), compared to a profit after tax of \$10.5 million (₹110 crores) in FY 2022-23.

- b) Coal mining operation Periama Holdings LLC has a 100% equity interest in coal mining concessions in West Virginia, US, along with permits for coal mining, and owns a 500 TPH coal-handling and preparation plant. During FY 2023-24, the Company sold its property, plant and equipment, and mineral rights for a consideration of \$ 24 million (₹198 crores) as operating the mines were not economically viable in absence of coal mining lease and plant lease which were terminated by the lessor in FY 2021-22.

#### Acero Junction Holdings, Inc (ACERO) and its wholly-owned subsidiary JSW Steel USA OHIO Inc.

JSW Steel Group has a steel making asset consisting of 1.5 MNTPA Electric Arc Furnace ('EAF') based steel making capacity in Ohio, USA and a 2.8 MNTPA continuous slab caster and a 3.0 MNTPA hot strip mill at Mingo Junction, Ohio in USA. JSW steel Ohio reported an EBITDA loss of \$38.4 million (₹315 crores) compared to EBITDA loss of \$74.0 million (₹579 crores) in FY 2022-23. Loss after tax was at \$104.8 million (₹858 crores), compared to loss after tax of \$126.5 million (₹1,000 crores) in FY 2022-23. JSW Steel Ohio incurred EBITDA loss during the year on account of decline in HRC sales realisation which was not fully offset by the lower input scrap prices, increase in fuel costs and inventory losses due to a sudden decline in sales realisations.





## About JSW

### JSW Steel Italy Piombino S.p.A

Piombino



Rails, wire rods, bars and grinding balls



**1.3 MTPA finishing capacity**

**JSW Steel Italy Piombino S.P.A. ('JSW Piombino') (formerly known as Aferpi S.P.A), Piombino Logistics S.P.A. ('PL'), JSW Steel Italy S.r.l. and GSI Lucchini S.P.A**

JSW Piombino produces and distributes special long steel products. JSW Steel group has a plant at Piombino in Italy, comprising a rail mill (0.32 MTPA), bar mill (0.4 MTPA), wire rod mill (0.6 MTPA) and a captive industrial port concession. Piombino Logistic manages the logistics infrastructure of Piombino's port area. The port managed by Piombino logistic has the capacity to handle ships up to 60,000 tonnes.

During FY 2023-24, rail mill production was 276,435 tonnes, up 36% y-o-y, with capacity utilisation at 77%, as against 56% in the previous year. Operating EBITDA was at €51.6 million (₹446 crores) compared to an Operating EBITDA of €26.4 million (₹202 crores). Profit after tax amounted to €35.3 million (₹319 crores) as against profit after tax of €14.9 million (₹139 crores) in FY 2022-23.

During FY 2022-23, JSW Piombino entered into two long term contracts for ~300,000 tonnes with Rete Ferroviaria Italiana ('RFI'), a private law company which operates under a public concession and is responsible for the national infrastructure for railway network in Italy.





## About JSW

### Integration of Steel Coated business

JSW Steel Coated Products Limited ("JSWSCPL") has acquired National Steel and Agro Industries Limited ("NSAIL") vide the Corporate Insolvency Resolution Process under the Insolvency Bankruptcy Code, 2016 approved by the Hon'ble National Company Law Tribunal ('NCLT'), Mumbai on May 19, 2023. JSWSCPL completed the acquisition of NSAIL on May 23, 2023 by infusing ₹621 crores as per approved resolution plan.

NSAIL has a downstream facility with a 0.35 MTPA capacity to produce a variety of downstream products. Further, JSW Steel Group expects synergies from the acquisition mainly with respect to optimal utilisation of resources and economies of scale.

NSAIL got amalgamated with JSWCPL with appointed date of October 1, 2023 vide Order dated October 4, 2024.

### Ongoing Expansion Projects

JSW Vijayanagar Metalics Ltd. (JVML), a wholly owned subsidiary of JSW Steel Limited, is setting up a 5 MTPA Steel manufacturing facility at Vijayanagar in the State of Karnataka which includes Blast Furnace ('BF'), Steel Melting Shop ('SMS'), Hot Strip Mill ('HSM') (including Plate Mill) and other auxiliary units (together 'the facility') to manufacture steel products across the supply chain. In the month of March 2024, JVML has started the commissioning of the reheating furnaces and roughing mills of the HSM facility relating to plate manufacture and reached desired level of output and capacity utilisation.

JVML successfully commissioned its HSM at its integrated steel plant at Vijayanagar with a capacity of 5 MTPA and has made its first dispatch. The HSM facility has capability of manufacturing plates, coils and is equipped with advanced features such as Digital Reheating Furnaces, Evaporative Cooling System, Waste Heat Recovery System, Attached Edger

in Finishing mills for accurate width control, Auto Steering Control, uniform mechanical properties and production of superior value-added grades. The entire 5 MTPA integrated facility of JVML is expected to be commissioned during FY 2024-25.

At Bhushan Power & Steel Limited (BPSL), the Phase-II manufacturing facility expansion at Jharsuguda in the state of Odisha, has commissioned all major facilities to expand its capacity from 3.5 MTPA to 4.5 MTPA. Key milestones include the commissioning of the Wire Rod Mill-2 in Q1 and Billet Caster which is commissioned in Q2 of FY 24-25. The Lime Calcination Plant 6 set to be commissioned by the end of Q3 FY 2024-25. Full ramp-up is expected by the end of Q4 FY 2024-25, boosting BPSL's production capacity.

At JSW Steel Ltd, the Dolvi Phase-III manufacturing facility expansion in the state of Maharashtra project will increase steel making capacity by 5 MTPA, raising the total capacity to 15 MTPA. Scheduled for completion by September 2027, this brownfield expansion benefits from its strategic location near a riverine port and the industrialised market of Western India. Leveraging existing infrastructure, the project is highly value-accretive with low capex per tonne. Key components include a 5 MTPA Blast Furnace, a new converter utilising the existing SMS capacity of Phase-II, a hybrid continuous caster and mill producing plates and coils up to 2,600 mm wide, and a 175 MW power plant based on BF gases.

At JSWSCPL, in the state of Jammu & Kashmir, a new 0.12 MTPA colour coating line is commissioned in November 2024. The necessary approvals including CTO and BIS Certification are also in place. Production is expected to ramp-up in Q4 FY 24-25.

### Mines

JSW Steel Group has secured 24 iron ore mines and 3 coking coal mines in India through open auctions to improve its raw material self-sufficiency. Of the total 24 iron ore mines, 13 iron ore mines in Karnataka and Odisha are operational, with the rest at various stages of exploration and commissioning. The 3 coking coal mines are expected to start mining operations over the next two years. The Company has also built the world's largest pipe conveyor system, which extends 24 km from the captive mines in Karnataka to the Vijayanagar plant to transport iron ore fines.





## About JSW

### Awards & Accolades

JSW Steel's relentless commitment to prioritising the needs of its customers, utilising imaginative narratives, and adding value for both influencers and end consumers has resulted in us receiving numerous accolades from esteemed institutions throughout the year.



- Won Gold award by Tax India OnLine ('TIOL') 2023 enriching tax space - Corporate Turnover over ₹5,000 crores – JSW Steel
- We have been recognised as a Steel Sustainability Champion by Worldsteel for the sixth consecutive year
- JSW Steel's flagship decarbonisation programme – SEED has been awarded the Global Energy Transition Changemaker award at COP 28 in Dubai
- Winner of Best Annual Report Awards FY 2023 by Free Press Journal & Care Ratings
- For the last three years, JSW Steel continues to be certified by renowned Great Place to Work (GPTW) as one of the 'India's Best Employers Among Nation Builders' award. Recently, JSW Steel has also been awarded by GPTW for its Health and Wellness programme – 2023
- Interbrand recognised JSW Steel as the fastest growing brand in India over the last 10 years
- Over and above the said awards, JSW Steel receives various awards from its customers like Hyundai, Maruti Suzuki, Schaeffler India, Toyota Boshoku

### JSW Steel Coated

- Won Jamnalal Bajaj award for Fair Business Practices (2022-23) for highest ethical practices in business in Manufacturing Enterprises Large Category from Council for Fair Business Practice
- Won Silver Medal in India Green Manufacturing Challenge 2022-23 (Khopoli)
- Won Gold Award (Kalmeshwar) in CII National Energy Efficiency Circle Competition
- Won International Safety Award 2023 from British Safety Council, UK (Bawal)
- Won Silver Award in National Award for Manufacturing Competitiveness by M/s. International Research Institute for Manufacturing (Tarapur)



### Salem

- Won the 'Golden Peacock' award for Occupational Health & Safety Excellence 2023
- Received 'Certificate of appreciation' from NSC – India Chapter and FICCI
- Won 'Gold Award' in 6<sup>th</sup> CII-IQ National Safety Competition under the category of process industry

### Vijayanagar

- JVML's projects received 'Unnatha Suraksha Puraskara' from National Safety Council
- Slime Recovery Plant was honoured with the 'Uttama Suraksha Puraskara' from National Safety Council

### Dolvi

- Won three awards in JCSSI competitions, including Best Winner and Runner-up awards
- Honoured with the prestigious 'Platinum Award' at the 5<sup>th</sup> ICC National Occupational Health & Safety Awards
- Received the Prestigious 'Platinum award' from FICCI for 'Excellence in safety systems'

## About JSW

### JSW Steel Limited – Subsidiaries/JVS as on March 31, 2024

S. No.	List of Subsidiaries
1	Periama Holdings, LLC
2	JSW Steel (USA) Inc.
3	Purest Energy, LLC
4	Meadow Creek Minerals, LLC
5	Hutchinson Minerals, LLC
6	Planck Holdings, LLC
7	Lower Hutchinson Minerals, LLC
8	Caretta Minerals, LLC
9	Acero Junction Holdings, Inc.
10	JSW Steel (USA) Ohio, Inc.
11	JSW Panama Holdings Corporation
12	Inversiones Eurosh Limitada
13	JSW Natural Resources Limited
14	JSW Steel (Netherlands) B.V.
15	JSW Steel (UK) Limited
16	JSW Natural Resources Mozambique Limitada
17	JSW ADMS Carvao Limitada
18	JSW Steel Italy S.r.l.
19	JSW Steel Italy Piombino S.p.A.
20	Piombino Logistics S.p.A. - A JSW Enterprise
21	GSI Lucchini S.p.A.
22	Nippon Ispat Singapore (Pte.) Limited
23	JSW Steel Global Trade Pte Limited
24	JSW Steel Coated Products Limited
25	Amba River Coke Limited
26	JSW Jharkhand Steel Limited
27	JSW Bengal Steel Limited
28	JSW Natural Resources India Limited
29	JSW Energy (Bengal) Limited
30	JSW Natural Resource Bengal Limited
31	Peddar Realty Limited (formerly known as Peddar Realty Private Limited)
32	JSW Realty & Infrastructure Private Limited
33	JSW Industrial Gases Limited (formerly known as JSW Industrial Gases Private Limited)
34	JSW Utkal Steel Limited
35	Piombino Steel Limited

S. No.	List of Subsidiaries
36	Bhushan Power and Steel Limited
37	JSW Vijayanagar Metallics Limited
38	JSW Retail and Distribution Limited
39	Neotrex Steel Limited (formerly known as Neotrex Steel Private Limited)
40	NSL Green Steel Recycling Limited (w.e.f. September 27, 2023)
41	Chandranitya Developers Limited (formerly known as Chandranitya Developers Private Limited)
42	JSW AP Steel Limited (w.e.f. May 19, 2023)
43	National Steel and Agro Industries Limited (w.e.f. May 19, 2023)
44	Miivaan Steels Limited (w.e.f. July 31, 2023)
45	Monnet Cement Limited (w.e.f. July 31, 2023)
46	JSW Green Steel Limited (w.e.f. February 27, 2024)

S. No.	List of Joint Ventures
1	JSW Severfield Structures Limited
2	JSW Structural Metal Decking Limited
3	Rohne Coal Company Private Limited
4	JSW MI Steel Service Centre Private Limited
5	JSW MI Chennai Steel Service Centre Private Limited
6	Vijayanagar Minerals Private Limited
7	Gourangdih Coal Limited
8	Ayena Innovation Private Limited
9	JSW One Platforms Limited
10	JSW One Distribution Limited
11	JSW One Finance Limited
12	JSW JFE Electrical Steel Private Limited (Formerly known as JSW Electrical Steel Private Limited) (w.e.f. February 8, 2024)
13	Urtan North Mining Company Limited (w.e.f. July 31, 2023)
14	MP Monnet Mining Company Limited (w.e.f. July 31, 2023)

S. No.	List of Associates
1	JSW Renewable (Vijayanagar) Limited
2	JSW Paints Private Limited (w.e.f. August 22, 2023)



## About JSW

### Key financial parameters of JSW Steel Group across key geographies

The consolidated turnover pertaining to Sale of products by JSW Steel Group for the year ending March 2024 is ₹1,72,588 crores. Out of this, JSW Steel contributes 62.19%, with a turnover of ₹1,07,332 crores (excluding sales to subsidiaries). The three integrated steel plants (ISPs) at Vijayanagar, Dolvi and Salem continue to be the mainstay of JSW Steel. The export revenue of JSW Steel Group stands at ₹36,166 crores which is 20.96% of Consolidated Turnover.

Countries	India	USA	Italy	Other Countries <sup>#</sup>
Primary Activities	Integrated manufacturing of diverse range of steel products	Integrated manufacturing of Plate and Pipe Mill, hot rolled coils and mining operations	Integrated manufacturing of special long steel products	Other business operations
Turnover (Sale of products) (Excluding sales to subsidiaries)	₹1,59,210 Cr [92% of total turnover]	₹9,151 Cr [5% of total turnover]	₹3,724 Cr [2% of total turnover]	₹503 Cr
Profit (Loss) before tax	₹14,104 Cr *	(₹778 Cr)	₹285 Cr	(₹231 Cr)
Income tax expense (Current tax + Deferred tax)	₹4,364 Cr *	-	₹37 Cr	₹6 Cr
Current tax expenses as per profit and loss statement	₹3,632 Cr	-	₹36 Cr	₹6 Cr
Income tax paid (net of refunds)	₹2,767 Cr	-	₹6 Cr	₹6 Cr ^

The above figures are taken as reported in Consolidated Financial Statements.

\* Includes console adjustments.

# Other Countries include Singapore, Chile, UK, Mauritius and Netherlands.

^ Corporate tax of 6 Cr pertains to Singapore jurisdiction.

**JSW Steel group have more than 25,000 employees as on March 31, 2024 and has made a contribution of ₹560 crores towards social security contribution taxes paid during FY 2023-24.**

Particulars	India	USA	Italy	Other Countries
Number of employees	24,415	621	497	17
Contribution to Provident fund and other funds	₹282 Cr	₹169 Cr	₹108 Cr	₹0.81 Cr
Employee remuneration (including social security contributions)	₹3432 Cr	₹781 Cr	₹373 Cr	₹5 Cr

## 24.78 MNT

Consolidated Saleable Steel Sales

## ₹8,973 Cr

Consolidated Annual Net Profit After Tax

## ₹1,72,588 Cr

Consolidated Annual Revenue (Sale of products)

## ₹28,236 Cr

Consolidated Annual Operating EBITDA

## About JSW

### Objective of this Report

The nexus between the tax and our society runs both deep and strong. Tax has pervaded all walks of society as consumers, workers and stakeholders are keen to understand the tangible fiscal contribution made by the businesses they interact with in this ecosystem. This input goes into the choices they make. The spirit of the tax component pertaining to ESG is governed by a penchant for a progressively fair share of taxes rather than merely being paying taxes that fall due under the current fiscal framework. The needle has evidently moved from minimal tax to fair tax.

JSW Steel Group believes that as a corporate citizen it has responsibilities towards the society. These responsibilities include constantly endeavouring to make the world a better place to live. We aim to achieve these by focusing on our ESG goals and objectives. JSW Steel Group is a pioneer in persistently taking steps towards these ESG goals and objectives. We have embedded tax transparency as one of the significant ESG goal and towards this we are releasing this third edition of the Tax Transparency Report for FY 2023-24.

Tax transparency is increasingly seen as a method of demonstrating contribution to society and sustainability. By way of this Report, we aim to transparently share with the stakeholders, the key aspects of our tax affairs and our contribution by way of taxes and other contributions to the exchequer. At JSW Steel Group, we are sticklers for

transparency and as such a complete disclosure to all the stakeholders is of paramount importance. We aim, through this Report, to transparently disclose to the stakeholders our tax principles based on which tax laws are compiled in various jurisdictions where we operate. We have also captured total contributions made by the JSW Steel Group in India as well as the overseas jurisdictions. We have also captured tax governance framework which lays down the tax policy as well as other internal controls followed by the JSW Steel Group while meeting the tax obligations.

This is the Third Report released by the Company to reflect its commitment towards transparent disclosure of our tax framework. To the extent possible, this Report is prepared considering the guidance provided by Global Sustainability Standards Board through GRI 207.

This Standard is part of the set of Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards). The Standards are designed to be used by organisations to report about their impacts on the economy, the environment, and society.

We invite the views, concerns and feedback from our stakeholders (i.e., consumers, vendors, employees and other workers, governments, local communities, shareholders and Stakeholders) on our tax strategy/tax practices.





# MESSAGE FROM CFO



In a dynamic global environment, the role of tax in fostering sustainable growth and supporting local economies has never been more critical. Our tax contributions are not only a reflection of our strong financial performance but also demonstrate our long-term commitment to driving economic development, creating jobs, and supporting infrastructure projects in the regions we serve.

We recognize the importance of tax as a tool for societal progress, and we are committed to ensuring that our tax practices are transparent, responsible, and aligned with the expectations of our stakeholders. As a responsible corporate citizen, JSW Steel Group has directly and indirectly contributed more than ₹36,000 crores as tax and other contributions globally to the exchequer. This reflects our dedication to complying with tax regulations in all the markets where we operate, including both India and international jurisdictions.

To enhance our tax reporting and compliance processes, we have embarked on automation and digitalization of our

internal systems and processes. Further, we are streamlining workflows, reducing manual errors, and improving data accuracy and timeliness. This digital transformation not only strengthens our compliance capabilities but also enhances transparency and efficiency, enabling us to respond more effectively to evolving regulatory requirements.

In a world where the global tax landscape is rapidly changing, our focus remains on maintaining the highest standards of governance and compliance, while contributing meaningfully to the economies in which we operate. We believe that fair and responsible tax practices are essential for the long-term sustainability of both our business and the broader society.

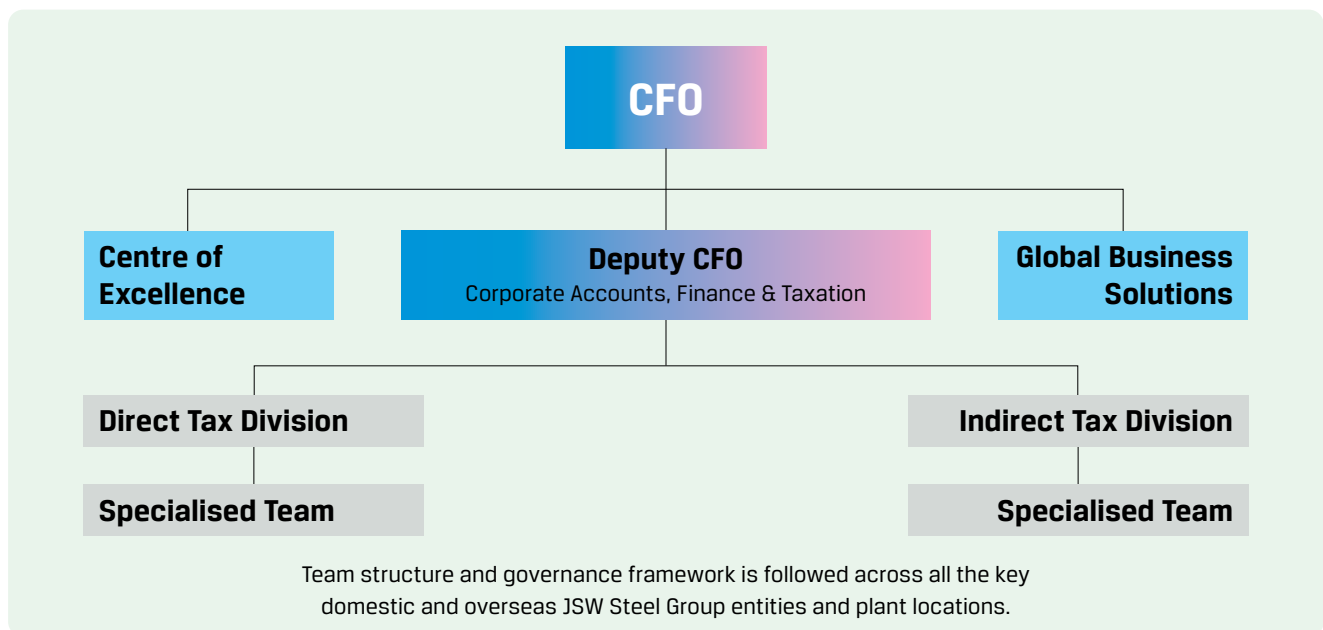
We will continue to strive for transparency and accountability in all aspects of our operations, ensuring that our tax contributions support a positive and lasting impact on the communities we serve.

**Swayam Saurabh**

# JSW TAX TEAM

We, at JSW Steel, have a robust team of tax professionals with rich experience, training and qualifications in the specialised areas of taxation who are responsible for the day-to-day management of our tax affairs and implementation of our tax principles and approach. The in-house tax team comprise of various sub divisions who specialise in their respective areas such as Income tax, GST, Customs, VAT and other taxes. Where considered necessary, the tax team is assisted by external tax advisors and legal counsels. The tax teams, along with our tax advisors, have a comprehensive knowledge of the tax laws and regulations of all the countries we operate in which is further strengthened continuously through various updation and training programmes.

JSW Steel's in-house tax team consistently reviews the tax positions adopted by the Company in light of ongoing tax developments and having regard to the Tax Principles of the Group, so as to identify sources of tax risks and take proactive steps towards early correction, control and/or mitigation of the same. Any significant tax development relevant to the JSW Steel Group business with its impact on the overall JSW Steel Group Tax Strategy are brought to the notice of the Deputy CFO and CFO. Further, any key tax matters where tax positions adopted by the Company are challenged by the tax authorities that may have material financial impact on Company under tax exposure analysis are brought to the notice of the Audit Committee on quarterly basis.





# APPROACH TOWARDS TAX



## Broad Approach

### Compliance

JSW Steel Group is committed to adherence to the laws and regulations of the countries in which we operate. We strictly comply with the applicable laws and regulations of each country in letter and spirit.

### Regular updation of changes in the law

We have an in-house team of competent tax professionals who monitor the tax positions adopted by the JSW Steel Group entities. JSW Steel's tax teams are carefully monitoring the developments around new taxes arising due to circulars, notifications, amendments in budgets in key jurisdictions where we have business presence. The tax team keeps providing periodical updates to the Deputy CFO and/or CFO and takes guidance on complex issues.

### Regular risk assessment

JSW Steel Group has internal tax framework which mandates independent evaluation on tax matters from technical and legal perspective coupled with analysing risk associated with it.

### Consistency in approach

This tax framework is consistently followed on all tax matters including matters related to transfer pricing, local income tax, cross-border taxation and indirect tax matters.

External support of experts: While adopting tax position on any unique matter involving contentious issues, the Company seeks external guidance and the tax position adopted are backed by the opinions of expert professionals and tax consultants having subject matter expertise. In case of any divergent views on a particular transaction, we consult senior legal counsels before taking a tax position. Open tax matters are reviewed periodically and presented on a quarterly basis to Audit Committee.

## APPROACH TOWARDS TAX

### Robust tax framework

While adopting a tax position, a detailed evaluation is done on "more likely than not" chances of success before the appellate forums. In case any new tax position is agreed upon or any existing position is revised, a detailed internal analysis backed with technical propositions is done and presented to the Deputy CFO and/or CFO of the Company. After their agreement, such tax position are implemented by the Company.

Overseas companies of JSW Steel Group are managed by Professional board and senior management team/ CFO/ CEO of the respective company, therefore such companies have its place of effective management in those relevant jurisdictions.

### Abreast with recent developments

We follow the OECD framework along with the domestic laws relevant to transfer pricing of goods and services among the all related parties entities. OECD has proposed an international coordinated system of taxation intended to ensure large multinational enterprise (MNE) groups to pay a minimum level of tax on the income arising in each of the

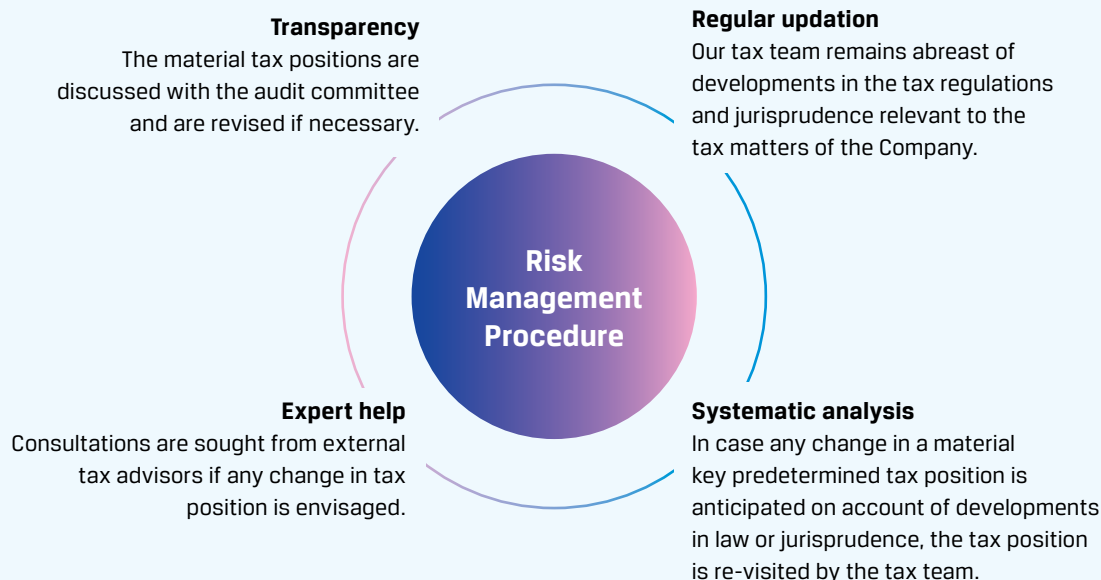
jurisdictions where they operate. We, as a group, are actively following developments in the OECD Pillar 1 and 2 discussions, and have been undertaking discussions for analysis of their impact, if any, with regards to all our jurisdictions so as to ensure proper compliance with the global minimum tax regime, as and when implemented.

### Anti-Tax-Avoidance policy

We have a strict resistance against using jurisdictions classified as tax havens or low tax jurisdictions for diverting profits. We refrain from creating cross border tax structures without any commercial substance. As a part of any acquisition, if there are entities that fall in low tax jurisdictions, then a process is initiated to streamline the holding structure of the same.

### Related party transactions

We undertake related party transactions, both domestic and international, on arm's length basis in compliance with the Transfer pricing law of the relevant jurisdiction and in accordance with OECD principles.



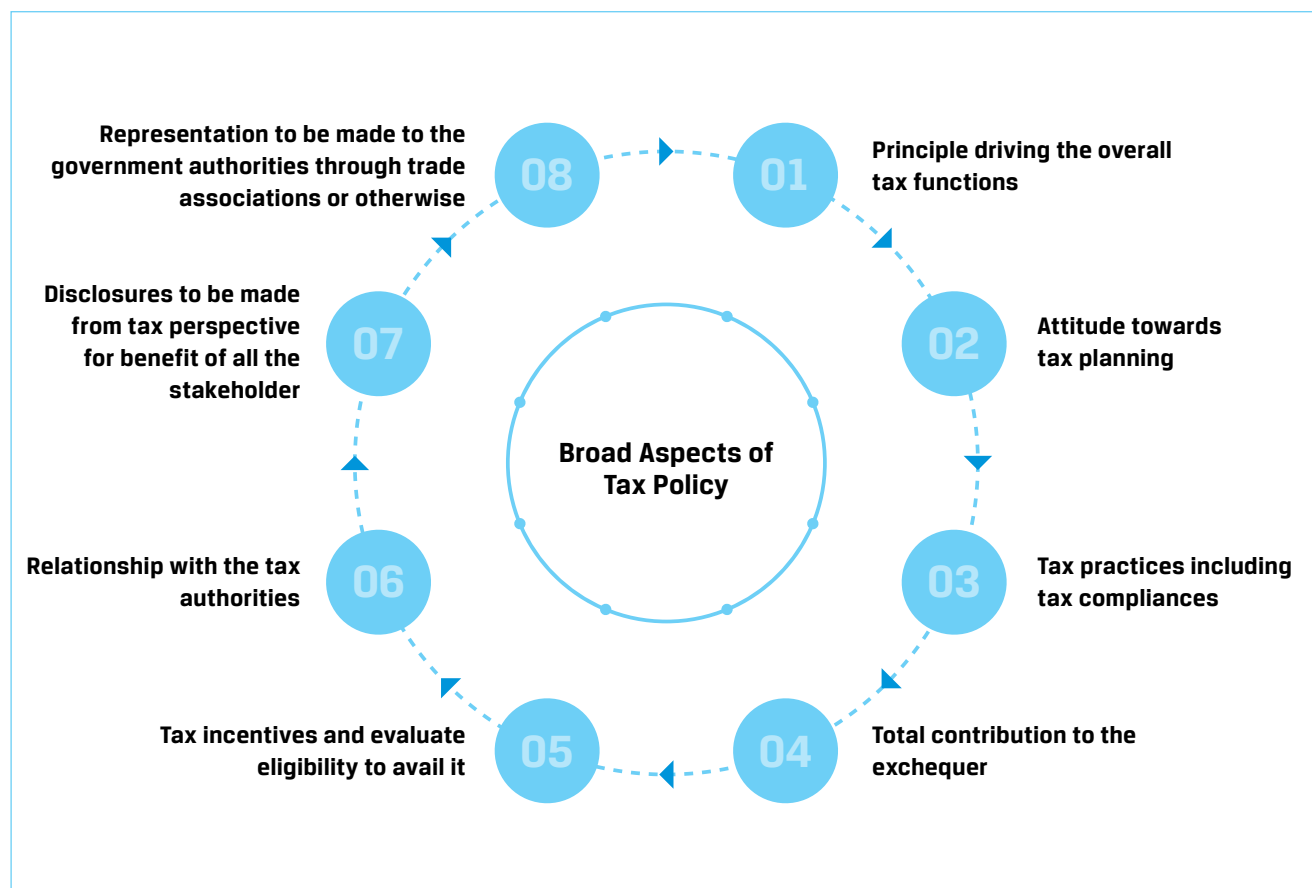


## APPROACH TOWARDS TAX

### Proactive risk mitigation

The Company adopts a proactive action in case of any change in law or judicial views which impact their predetermined tax positions causing a tax risk to the Company. Such potential tax risks are identified in advance by the tax team and acted upon in advance so as to mitigate such risks for the Company. To avoid any non-compliance, the Company has applied proper internal controls on its data compilation, accounting and reporting so to avoid any human errors to the extent possible.

The head of tax teams is responsible for formulating and updating the tax positions reviewed by the Deputy CFO and/or overseen by CFO of the Company.



### Transparency

We strive to comply with all the tax and regulatory requirements including transparent disclosure of tax matters where tax authorities have enquired into/challenged the positions taken by the Company. Accordingly, we categorise all the open tax matters in three buckets based on the likelihood of an outcome viz. "Probable, Possible or Remote".

In relation to the open tax matters where tax positions adopted by the Company are challenged, the Company keeps performing periodic assessment. Where there is a possibility that the tax position adopted by the Company may not be accepted at the highest appellate level on account of aspects like alternative interpretation of law, amendments to the law, new jurisprudence etc. the Company makes appropriate tax provision for the same.

On the other hand, where the open tax matters are uncertain of the final outcome at the highest appellate level the Company evaluates the probability of adverse tax outcome and report it as a contingent liability. Neither a provision is made nor a reporting is done as a contingent liability, in relation to the matter where an adverse outcome is "Remote".

The tax positions adopted by the Company in case of disputes and their classification as probable, possible and remote are reviewed by the third party tax consultants. Apart from the above disclosure, the outstanding tax liabilities on account of open tax matters are reported as Key Audit Matters in the Audit report by the statutory auditor of the Company and contingent liabilities in Page 612 and 613 of the Annual report of the JSW Steel Group.

The above tax exposure analysis is reviewed by the Deputy CFO and/or overseen by the CFO of the Company and presented before the Audit Committee on quarterly basis.

## APPROACH TOWARDS TAX

### Tax Principles

At JSW Steel Group, we abide by the following tax principles which drive our overall tax functions:

01

To maintain integrity, diligence and transparency while undertaking various compliances and reporting

05

Have our business constituents follow our standards of tax practices in dealing with others

02

To follow a zero-tolerance approach towards any delay/lapse in tax compliances

06

To promptly respond to the notices received from various tax authorities and to take action wherever required

03

To abide by the spirit of the legislation and to avail only the legitimate intended tax benefits allowed under the tax laws and policies

07

To maintain a respectful and professional demeanour and maintain a transparent and honest relationship with the Government authorities

04

Strict resistance against any form of tax evasion

08

To make true and fair disclosure of all the pending tax matters in the financial statements either as a tax provision or contingent liability





### Contributions in India

**The contribution to the exchequer of the JSW Steel Group on consolidated basis for the FY 2023-24 is depicted below (on cash basis)**

**Tax Collected** (Amounts in ₹ Cr)

Category	FY 2023-24	FY 2022-23
GST (paid in Cash i.e after adjusting ITC)	13,181	14,048
TDS and TCS	1,443	1,697
VAT and Professional Tax	14	19
<b>Total</b>	<b>14,638</b>	<b>15,764</b>

**Tax Borne** (Amounts in ₹ Cr)

Category	FY 2023-24	FY 2022-23
Income Tax	2,767	561
Custom duty/IGST	5,703	6,064
Electricity Duty and Others Misc. Taxes	1,427	889
<b>Total</b>	<b>9,897</b>	<b>7,514</b>

**Others** (Amounts in ₹ Cr)

Category	FY 2023-24	FY 2022-23
Royalty	2,160	1,969
Bid Premium	8,713	6,920
CSR expenses	413	291
<b>Total</b>	<b>11,286</b>	<b>9,180</b>



## CONTRIBUTION TO THE EXCHEQUER

### Overseas contributions

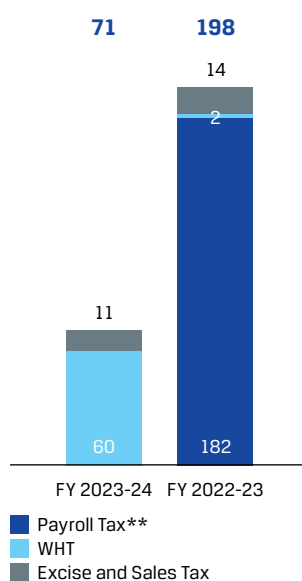
JSW Steel Group, as a global citizen, plays a proud role in contributing to the exchequer of the world economies through its various overseas subsidiaries primary being Italy and USA. The Company aims to provide returns to the societies of these countries who have helped JSW Steel Group set up base and earn revenues there from. Over the time, the growth

and expansion of our overseas subsidiaries shall lead to an increased contribution of JSW Steel Group to the economies of these countries in form of tax revenues. Additionally, like India, the overseas subsidiaries of the Company also act as an agent of the government in deducting/ collecting taxes at source while undertaking the business transactions. We have contributed ₹296 crores to the exchequer in the form of various taxes and levies outside India.

### USA JURISDICTION

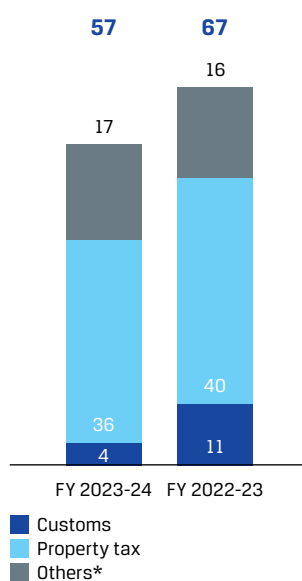
#### Tax Collected

(Amounts in ₹ Cr)



#### Tax Borne

(Amounts in ₹ Cr)



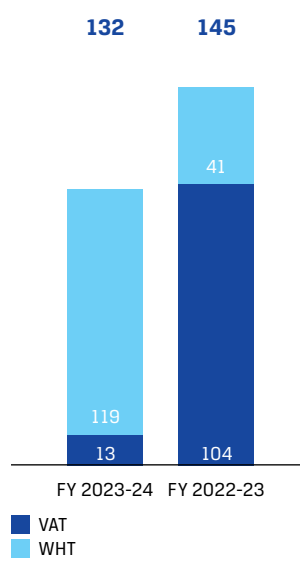
\* Others include CAT, Killowatt Hour tax, Louisiana Franchise Tax, Delaware Franchise Tax, Coal Severance Tax and Transfer Tax.

\*\* Payroll tax for FY 2023-24 is shown separately on page 6 in the report.

### Italy Jurisdiction

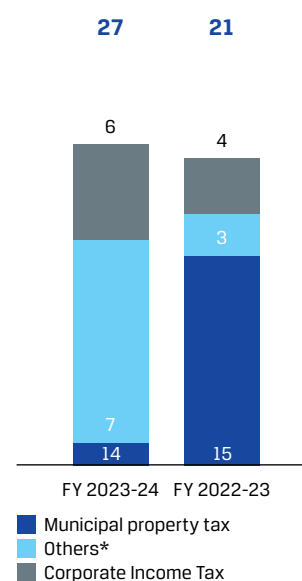
#### Tax Collected

(Amounts in ₹ Cr)



#### Tax Borne

(Amounts in ₹ Cr)



\* Others include regional Income Tax, corporate Income Tax, stamps, chamber of commerce tax, other municipal tax and minor taxes.





## CONTRIBUTION TO THE EXCHEQUER

### Others\*

(Amounts in ₹ Cr)

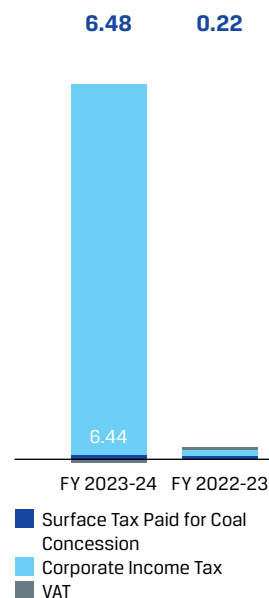
Particulars	Amount FY 2023-24	Amount FY 2022-23
<b>Tax Collected</b>	<b>2.18</b>	<b>1.16</b>
WHT	2.18	1.16
<b>Tax Borne</b>	<b>6.48</b>	<b>0.22</b>
Surface Tax Paid for Coal Concession	0.09	0.08
Corporate Income Tax	6.44	0.10
VAT	(0.04)	0.04
<b>Total</b>	<b>8.66</b>	<b>1.38</b>

\* Others include Mozambique, Singapore, UK, Netherlands, Canada.

### Tax Collected (Amounts in ₹ Cr)



### Tax Borne (Amounts in ₹ Cr)

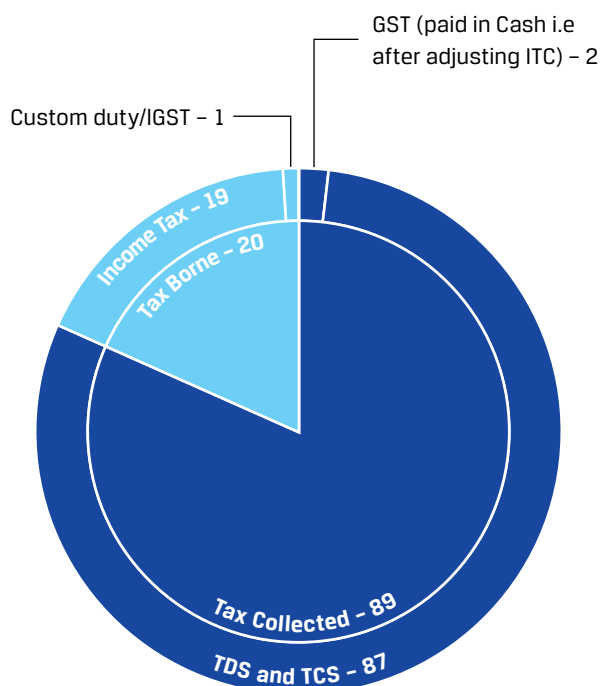


## CONTRIBUTION TO EXCHEQUER BY JOINT VENTURES AND ASSOCIATES

During the FY 2023-24, JSW Steel Group has through its Joint Ventures and Associate Companies contributed an amount of ₹ 140 crores (considering its proportionate share) to exchequer in the form of taxes. The summary of the same is as follows:

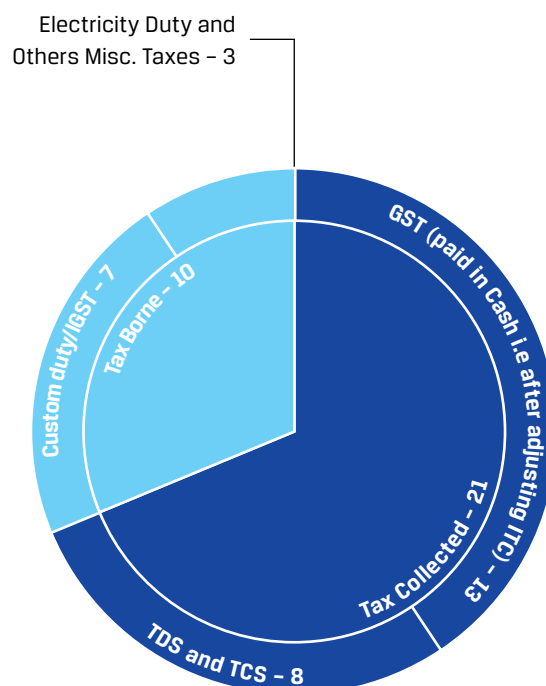
### JSW Steel Joint Ventures FY 2023-24

(Amounts in ₹ Cr)



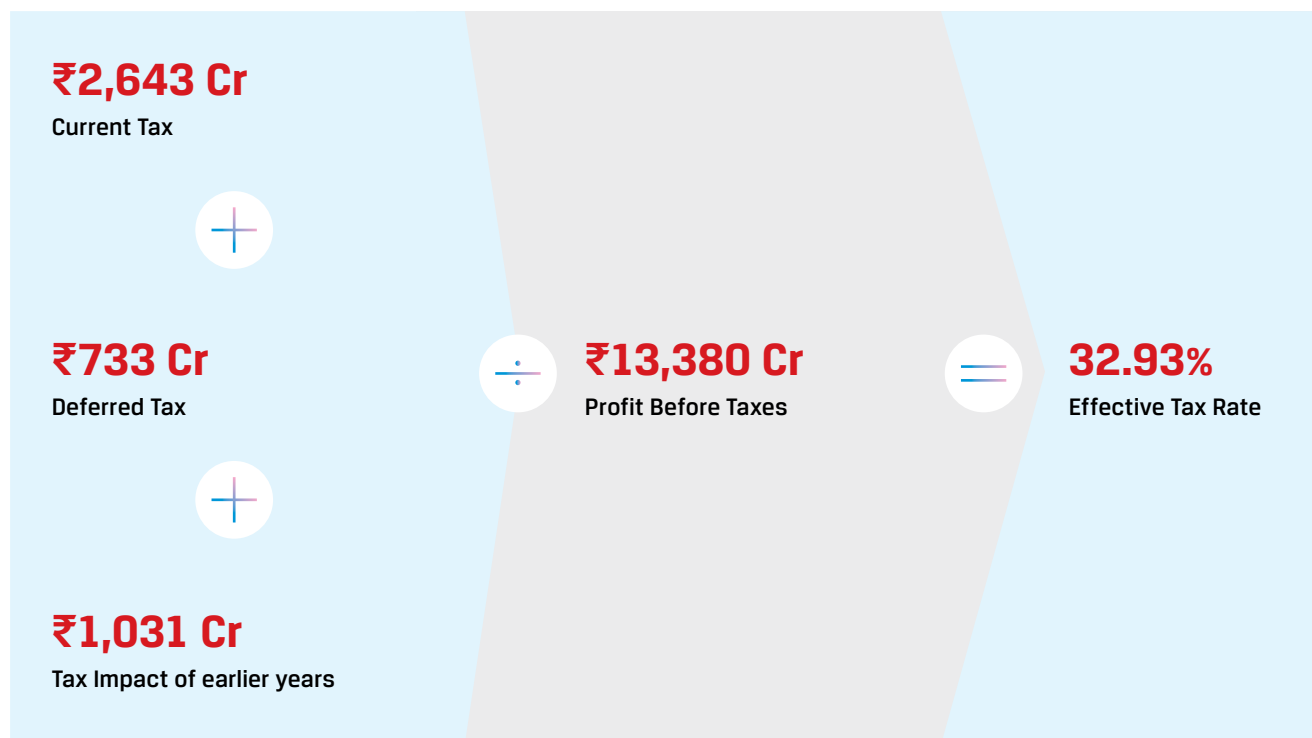
### JSW Steel Associates FY 2023-24

(Amounts in ₹ Cr)



# EFFECTIVE TAX RATE

The effective rate of income-tax borne by the JSW Steel Group is 32.93% based on the audited Consolidated Financial Statements for the financial year ended March 31, 2024. The same has been determined as follows:



**A comparative analysis of effective tax rate basis the audited Financial Statements as per the Companies Act in current year vis-à-vis in last year is tabulated as under**

Particulars	FY 2023-24	FY 2022-23
Standalone Basis	33.55%	29.15%
Consolidated Basis	32.93%	26.81%

The JSW Steel Group maintains reconciliation of the enacted/ statutory tax rate and effective income tax rate in its financial statements. The primary reasons for the variance are provided as under:

During the year ended March 31, 2024, JSW Steel Ltd. had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 to pay corporate income tax at 22% plus surcharge and cess (aggregating to tax rate of 25.17%) from the FY 2022-23. Accordingly, it re-measured its current tax and deferred tax charge for the year ended March 31, 2023 basis the new tax regime and recognised a non-cash tax charge of ₹1,031 crores pertaining to the

previous years mainly representing write off of MAT credit not availed and change in tax rate on deferred tax assets of the Company.

In view of this exercise of the option to transition to the new regime, it has recognised provision for current tax and deferred tax for the year ended March 31, 2024 at the tax rate of 25.17%.

JSW Steel Group is committed to abiding by the spirit of the legislation and avails only the legitimate tax benefits allowed by the government under the tax laws. We have a strict resistance against any form of tax evasion.



# TAX PRACTICE

## Compliance

The guiding principle of JSW Steel Group is to maintain integrity, diligence and transparency while undertaking compliance and reporting under the laws and regulations in all the countries we operate. Our tax team is mindful of various tax compliance and its importance for the stakeholders as well as government. We have robust internal controls and protocols to ensure that all the statutory compliances are appropriately complied within the due dates. We also maintain a tax calendar to ensure timely compliance. The JSW Steel Group follows a zero-tolerance approach towards any delay/lapse in tax compliance.

The tax positions required to be taken by the respective JSW Steel Group companies in its tax returns are analysed by the in-house tax team and vetted by the external tax advisors. These tax positions are then reviewed/discussed with the Deputy CFO and/or CFO of the Company. If required, the opinion of legal counsels and other tax advisors are taken on the positions adopted by the Company. The tax position taken, along with the rationale, pros and cons, are duly documented. After appropriate consultation, the tax positions are adopted by the Company.

As a part of overall tax compliance, we follow make checker, two step verification processes which makes the internal system more fool proof. In case of compliance for payment of statutory taxes like withholding tax, advance tax, self-assessment tax, goods and service tax, the roles and responsibilities are pre-defined within the team to ensure payment of accurate taxes are within the time limits specified under the law.

JSW Steel Group has Legal Compliance Software to monitor and comply to various statutory compliances. There is a robust mechanism to ensure timely compliance with automated controls. The compliance officer with the help of risk management and legal team ensures compliance to applicable Laws.

## Tax Incentives

JSW Steel Group goals are aligned with the founding principles of the respective country which ensure an egalitarian development of all the parts of the nation. In this light, JSW Steel Group endeavours to contribute towards the development of India by setting up and expanding manufacturing facilities in those regions. This results into an

increased rate of employment and improvement in the overall standard of living of the people and the society. JSW Steel Group have made substantial capital investment in Indian regions towards this objective.

JSW Steel Group is happy to share that these efforts of ours have been recognised in India by various State Governments and tax incentives have been awarded to the Company for the capital investments made and the employment opportunities generated in notified areas including improvements in standard of living of consumers and vendors. JSW Steel Group have also undertaken rehabilitation initiatives for those who are affected by our mining operations.

The Company is eligible for claiming incentives for investments made under the Industrial Policy of the Government of Maharashtra under PSI Scheme 2007 & PSI 2013 Scheme. The Company completed the Phase 1 expansion of 3.3 MTPA to 5 MTPA at Dolvi, Maharashtra in May 2016 and has also received the eligibility certificate for the same basis which it has started availing incentives under the PSI 2007 since then.

Further, the Company completed the second phase of expansion from 5 MTPA to 10 MTPA at Dolvi Maharashtra during the FY 2021-22 and the Company has received interim Eligibility Certificate for the investment relating to Phase 2 capacity expansion from 5 MTPA to 10 MTPA in FY 2022-23, basis which it has started availing incentives under PSI 2007 Scheme.

Further, JSW Steel Coated Products Ltd. is eligible for claiming incentives for investments made at Vasind, Tarapur and Kamleshwar location under the Industrial Policy of the Government of Maharashtra under PSI 2013 Scheme. It has received the eligibility certificate for two locations from the Government of Maharashtra. Basis the eligibility certificate, it has recognised government grant for Vasind and Tarapur location w.e.f. November 1, 2022.

JSW Vijayanagar Metallics Limited and Neotrex Steel Private Limited has opted for lower tax regime under Section 115BAB of the Act wherein the tax liability is computed at 15% plus applicable surcharge and cess.

The business decisions of the JSW Steel Group are driven by the commercial rationale, with taxation aspect and implications being given a fair consideration in the overall decision-making process.

## TAX PRACTICE

### Country by Country Reporting

We consider that it is important to increase the stakeholder's understanding of tax matters and their trust in larger corporate groups by being transparent about our tax affairs and cooperating with the tax authorities. More people than ever have a vested interest in tax matters and wish to obtain insights and understanding of board tasks and responsibilities, board oversight, effective tax-risk management, and auditable tax reporting. Tax transparency, reporting and the tax gap are in greater focus for governments and public at large.

We ensure that we provide adequate transparent disclosure of our tax affairs so that our stakeholders including the government are informed about how efficient tax system/policies are there in our JSW Steel Group and what are our tax governance practices. By making timely and adequate payment of taxes, we contribute to government revenues which support public infrastructure and services. We are committed to disclose our tax information (Tax contribution, our compliance with laws and regulations, etc.) under global sustainability standards and reporting of the public Country by Country (CbC) report. We are transparent about our tax payments, and we strive for an open dialogue with governments.

### Approach towards Related Party Transactions

The related party transactions between JSW Steel Limited and the related parties adhere to the arm's length principle contained in the Companies Act, 2013, Income-tax Act, 1961, Income-tax Rules, 1962 and the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations ('OECD Guidelines – January 2022') published by the Organisation

for Economic Cooperation and Development. To determine the appropriate pricing and other terms of each transaction (including inter-corporate loans, guarantees, sale and purchase of goods, availing of services), a detailed analysis is carried out on the terms and conditions of the transaction, market rates, market demand and supply trends, third party pricing, third party quotations, government circulars, economic analysis, etc. which facilitates the characterisation of the transactions between related parties and assists in establishing a degree of comparability with similar transactions in uncontrolled conditions. The transactions entered into by the Company with related parties (including inter-corporate loans, guarantees, sale and purchase of goods, availing of services), are approved by the Audit Committee, Board of Directors and the Shareholders of the Company, as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2022.

Adequate documentation as required under the respective laws and regulations is maintained to substantiate the arm's length principle.

The policy on dealing with related parties as approved by the Board is uploaded on the Company's website (<https://www.jsw.in/investors/investor-relations-steel>). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.





# ENGAGING WITH TAX AUTHORITIES AND REGULATORS

## Tax Representations

JSW Steel Group proactively share our views and suggestions on the overall tax framework of the Country keeping in mind the changing practicalities of the commercial landscape. JSW Steel Group aim to ensure an inclusive growth of the business and economy as a whole.

As part of our tax advocacy initiative, we engage with governments as a member of trade associations, to represent our views on proposed amendments to the existing or proposed law which has an industry-wide impact and possible challenges in its implementation.

On certain occasions, we also directly represent to the government or make representation highlighting any concerns faced by the Company.

At all times, we maintain a respectful and professional demeanour towards the Government authorities. Our representations and discussion with the government is unbiased and keeping in mind the overall economic development of the Country as a whole. We have a stringent policy against any unethical and illegal gratifications. JSW Steel has developed and implemented a robust policy on Ethical Business Conduct which is uploaded on the website of the Company (<https://www.jsw.in/groups/sustainability-policies>).

## Tax Assessments and Litigations

In case any adverse view is taken against the Company by the tax department or any of the Appellate authorities, the tax team of the Company analyses the detailed fact pattern, extant law of that time and jurisprudence on the subject matter to decide on the correct interpretation of law before taking a decision to appeal against in the higher Appellate forum. The Company also consults its external tax advisors and legal counsels at the time of taking such decision.

JSW Steel Group tax team maintains a list of ongoing tax assessments and open tax matters initiated by or against the Company, which is updated on a real time basis. JSW Steel Group endeavour is to file timely responses to the information sought from various tax authorities and act promptly to co-operate with the tax authorities on any ongoing tax scrutiny matters. JSW Steel Group responses provide a detailed explanation on the technical as well as the factual aspects based on which tax positions are adopted by the Company,

supported by legal precedents or technical interpretations of the law. The Company represents the tax matters and also assistance is taken from the external tax advisors and legal counsels for representation as well as submitting required explanation. JSW Steel Group actively take assistance from external tax advisors and senior legal counsels for drafting our responses while making representations.

A detailed tax exposure analysis is carried out by the Company which is reviewed and vetted by the external tax advisors and the same is presented before the Audit Committee on an quarterly basis.

The key matters constituting the contingent liabilities of the JSW Steel Group as on March 31, 2024 are reported under Note 46 (Page 612 and 613) of the Annual report. An indicative list of such key matters are as follows:

- The Company has challenged a levy of Forest Development Tax('FDT')/Forest Development Fee('FDF') by the Government of Karnataka under Karnataka Forest (Amendment) Act 2016. The matter has been decided in favour of the Company by the High Court of Karnataka. Presently, an appeal filed by Karnataka Government against this order is admitted by Hon'ble Supreme Court. The appeal was admitted by the Supreme Court in 2018, however, refund has been stayed. Since judgement has not been stayed, the Company continues to recognise the FDF as contingent liability. Both the FDT and FDF appeals are pending before the Hon'ble Supreme Court and yet to be scheduled for hearing. The total contingent liability recognised in this regard is 4,689 crores. Total Amount Paid under Protest up to March 31, 2024 is ₹1,985 crores and amount charged to P&L is ₹1,102 crores.

- The State of Goa has levied Green Cess on coal and coke amongst other materials under The Goa Cess on Products and Substances Causing Pollution (Green Cess) Act, 2013. This levy has been challenged before the Goa Bench of Bombay High Court and the court has passed a final order upholding the constitutional validity of the Goa Green Cess Act & dismissing the writ petition. There after company filed SLP in the Supreme Court against the High Court order & Court has passed interim order directing the State of Goa to proceed to make the assessment and issue formal demand to the company & pay to the State 50% of the said demand. The total contingent liability in this matter recognised in this regard is ₹389 crores, provision has been created in the books and hence reduced from the contingent liability.

## ENGAGING WITH TAX AUTHORITIES AND REGULATORS

– The Company is in receipt of a show cause notice for payment of rural cess under The Goa Rural Improvement Welfare Cess Act, 2000. The Company has responded to the notice and also filed a writ petition before Bombay High Court wherein the court has suspended the demand and sought a reply from the State Transport Department. The total contingent liability recognised in this regard is ₹1,047 crores.

– GST – Enforcement unit had issued a show cause notice on cross charge of invoices raised from JSW Odisha registration to JSW Mumbai (ISD registration). Consequently, in a writ petition filed by the Company before Odisha High Court, the GST authorities were directed to hold fresh adjudication and pass a revised order. Accordingly, a revised order has been passed and the GST authorities have raised a demand of ₹2,678 crores. Further, the Department has passed order dated September 30, 2022 for ₹326 crores and the Company has filed appeal in December 2022 against which department has turned down our appeal vide order in original dated August 28, 2023 and upheld the demand. Hence, the total demand for this matter as on March 31, 2024 totalling to ₹3,004 crores out of which ₹217 crores is recognised as contingent liability and remaining amount is treated as remote. Appeal has to be filled against demand orders once GST Tribunals are operational. Company has paid pre deposit of ₹317 crores.

An indicative key issues of remote contingent liabilities are as follows:

**Income Tax** - In the re-assessment/assessment proceedings for the AY 2013-14 and AY 2017-18, the tax officer has made transfer pricing adjustments, disallowed certain expenses and made certain additions in the income, which are having a tax impact of ₹1,667 crores and ₹1,940 crores respectively. While doing so, the tax officer has not considered the facts and judicial precedents on the issues involved. Aggrieved by the same, the Company has litigated the issue at appropriate appellate forums, which are currently pending for hearing. The Company has received an interim stay order from the Hon'ble Bombay High Court for AY 2013-14. The possibility of above assessment / reassessment proceedings going against the Company has been assessed as remote.

The legal department of the Company peruse open litigations in the respective codes based on the scheduled hearings for their earliest resolution. The Company is keeping updated on the judicial developments on the issue under litigation and also takes the opinion of the legal counsels from time to time.

Any matter that arises in a tax proceeding are updated and discussed with Deputy CFO and/or CFO of the Company for decision making and suitable action.





# BASIS OF PREPARATION

JSW Steel Group have reported the Contribution to Exchequer for JSW Steel, its subsidiaries, joint ventures and associates listed above on cash basis. The major contribution is bifurcated amongst India, USA and Italy. Contribution in other jurisdiction is reflected under 'Others' category.

The reporting methodology followed for each type of Contribution to Exchequer has been detailed below:

## Taxes Borne

### Corporate Tax/Income Tax

Direct Tax comprises of Corporate Income Tax but does not include Deferred Tax. These taxes are the actual payments made and TDS credit (net off refunds received in cash) during the financial year under consideration with respect to Corporate Income Tax of the same year and/or of previous years.

### Indirect Taxes

Indirect Tax payments such as Customs Duty represent payments remitted to the Government Exchequer on cash basis. Indirect tax payments made for reverse charge liability and on imports paid in cash also form part of the amount of customs duty reported. Also, any indirect taxes paid which are not available as input tax credit are considered here. Also refunds received in cash during the year are netted off while arriving at the final figures.

### Other Taxes and Charges

This comprises taxes/cess/charges paid on consumption of water, generation of electricity, DMF and NMET (mining related payments for the extraction of minerals and ore) property tax, municipal taxes, vehicle tax, panchayat tax and other taxes borne.

## Taxes Collected

### Indirect Taxes

It comprises of other indirect taxes such as GST (net off refunds), VAT, professional tax, etc. which have been collected from customers or employees and deposited with the government. Payment of taxes on procurements paid to vendors are not considered here. Typically, the amounts of indirect tax payments have been obtained

from various statutory periodic forms/ returns and statements/challans or any other documents being filed and maintained with the relevant government authorities.

### Withholding Taxes

This includes withholding taxes deducted from vendors and employees and taxes collected at source from customers. A withholding tax is an income tax to be paid to the

government by the payer of the income rather than by the recipient of the income by deducting the same from the consideration payable to the recipient. Withholding taxes usually apply to payments made to employees, vendors, service providers, non-residents, etc., of the company. This also includes taxes collected on various payments received from customers for prescribed goods or services.

## Others

### Corporate Social Responsibility (CSR)

This comprises of some social expenditures in the form of Corporate Social Responsibility (CSR) related contributions, etc. mandated under section 135 of The Companies Act, 2013.

### Bid Premium and Royalties

This comprises contributions made to the government in the form of Bid-premium and royalties payments made as per contractual terms of the Mining Development and Production Agreement entered with respective state governments.

# INDEPENDENT AUDITOR'S REPORT ON TOTAL CONTRIBUTION

To  
The Board of Directors  
JSW Steel Limited  
JSW Centre,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai - 400051

**Re: Independent Auditor's Report on the  
"Contribution to Exchequer" schedule forming  
part of the Tax Transparency Report for  
FY 2023-24 of JSW Steel Limited.**

1. We, BANSI S. MEHTA & CO., Chartered Accountants, have been appointed by JSW Steel Limited (hereinafter referred as "the Company") vide engagement letter dated April 22, 2024 to issue a Report expressing our opinion on the accuracy of the "Contribution to Exchequer" schedule (consisting of Total Contribution by the Company, its subsidiaries, joint ventures and associate) for Financial Year 2023-24 ("the Statement") prepared by the Management, which forms part of its Tax Transparency Report for Financial Year 2023-24, based on the "Basis of Preparation" schedule included in the said Tax Transparency Report.

## Management's Responsibility

2. The preparation of the Statement in accordance with the Basis of Preparation is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents supporting its contents.
3. The Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance as to whether the Statement is prepared in accordance with the Basis of Preparation.

5. We have conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

7. Based on our examination and according to the information and explanations and representations given to us, we are of the opinion that the Statement is prepared, in all material respects, in accordance with the "Basis of Preparation".
8. This report is not issued under any statute/law.

## Restriction on use

9. This report has been issued at the request of the Company solely for the purpose of forming part of the Tax Transparency Report for the Financial Year 2023-24 and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **BANSI S. MEHTA & CO.**  
Chartered Accountants  
Firm Registration No. 100991W

**ANKIT AGRAWAL**  
Partner

Place: New Delhi  
Date: December 30, 2024

Membership No. 131266  
UDIN: 24131266BKDGUT3579



# GLOSSARY

BIS	Bureau of Indian Standards
CFO	Chief Financial Officer
COE	Centre of Excellence
CSR	Corporate Social Responsibility
CTO	Certificate to Operate
DMF	District Mineral Foundation
ESG	Environment, Social, and Governance
FY	Financial Year
GBS	Global Business Solutions
GST	Goods and Service Tax
INR	Indian Rupee
JSW Steel or the Company	JSW Steel Limited
JSW Steel Group	JSW Steel Limited and it's Subsidiaries
MAT	Minimum Alternate Tax
NMET	National Mineral Exploration Trust
Report	Tax Transparency Report
UK	United Kingdom
USA	United States of America
VAT	Value Added Tax
WHT	Withholding Tax

JSW Steel is the flagship business of the diversified, US\$23 billion JSW Group. As one of India's leading business houses, JSW Group also has interests in energy, infrastructure, cement, paints, sports, and venture capital. Over the last three decades, JSW Steel has grown from a single manufacturing unit to become India's leading integrated steel company with a capacity of 29.7 MTPA in India and the USA. Its next phase of growth in India will take its total capacity to 43.5 MTPA by September 2027. The Company's manufacturing unit in Vijayanagar, Karnataka is the largest single location steel-producing facility in India.

- JSW Steel has always been at the forefront of research and innovation. It has a strategic collaboration with global leader, JFE Steel of Japan, enabling JSW to access new and state-of-the-art technologies to produce and offer high-value special steel products to its customers. These products are extensively used across industries and applications including construction, infrastructure, automobile, electrical applications, and appliances.
- JSW Steel is widely recognized for its excellence in business and sustainability practices. Some of these recognitions include World Steel Association's Steel Sustainability Champion (consecutively from 2019 to 2024), Leadership Rating in CDP climate change disclosure (A-) and in CDP Water Disclosure (A) for 2023, Deming Prize for TQM for its facilities at Vijayanagar (2018), and Salem (2019). It is now part of the World Dow Jones Sustainability Index (DJSI) and Emerging Markets during 2023, along with inclusion in the S&P Global's Sustainability Yearbook (consecutively from 2020 to 2023).
- JSW Steel's SEED project has been awarded with Energy Transition Changemakers at COP28.
- In December 2023, JSW Steel was ranked 8th among the top 35 world-class steelmakers, according to the 'World-Class Steelmaker Rankings' by World Steel Dynamics (WSD), based on a variety of factors.
- As a responsible corporate citizen, JSW Steel's CO<sub>2</sub> emission reduction goals are aligned with India's Climate Change commitments under the Paris Accord.
- JSW Steel aims to reduce its CO<sub>2</sub> emissions by 42% from its steel-making operations by 2030 and has committed to achieve net neutral in carbon emission for all operations under its direct control by 2050.
- JSW Steel aims to lead the energy transition by powering steel-making operations entirely by renewable energy by 2030.
- Other sustainability targets include achieving no-net loss in biodiversity at the operating sites by 2030, substantially improving air quality and reducing water consumption in all operations and maintaining Zero Liquid Discharge.
- JSW Steel has emerged as an organisation with a strong cultural foundation. It is certified by Great Places to Work (2021, 2022 and 2023) as well as ranked as one of the Best Employers among Nation Builders (2023) and one of India's Best Workplaces in Health and Wellness (2023).