ARCELORMITTAL NIPPON STEEL INDIA LIMITED

(Pursuant to an order dated April 28, 2021 of the Hon'ble National Company Law Tribunal, Ahmedabad Bench (Court-2), uploaded on the website of the Hon'ble Tribunal on May 11, 2021, in Company Application No. (CAA) No. 80 of 2020)

NOTICE OF THE NCLT CONVENED MEETING

OF

The Secured Creditors of the Company

Monday, June 21, 2021, at 5:00 p.m. IST

BY Video-Conferencing/ Other Audio-Visual Means

Proposed Composite Scheme of Arrangement

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with, Section 66 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement amongst ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited and their respective shareholders

AM/NS INDIA

NOTICE OF THE MEETING OF THE SECURED CREDITORS OF ARCELORMITTAL NIPPON STEEL INDIA LIMITED (FORMERLY KNOWN AS ESSAR STEEL INDIA LIMITED)

(To be convened pursuant to the Order dated April 28, 2021 (uploaded on May 11, 2021) of the Hon'ble National Company Law Tribunal, Ahmedabad Bench at, Ahmedabad in Company Application (CAA) No. 80 of 2020)

DETAILS OF THE MEETING:

Day	Monday
Date	June 21, 2021
Time	5:00 p.m. (IST)
Mode*	Meeting to be held through Video Conferencing or Other Audio-Visual Means
Remote e-voting start date and time	June 18, 2021 at 9:00 a.m. (IST)
Remote e-voting end date and time	June 20, 2021 at 5:00 p.m. (IST)

** Please note that there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19pandemic.*

DOCUMENTS ENCLOSED:

FORM NO. CAA 2

[***Pursuant to Section 230 (3) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016***]

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH, AT AHMEDABAD

COMPANY APPLICATION (CAA) NO. 80 OF 2020

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with, Section 66 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Arrangement amongst ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited and their respective shareholders

1. ArcelorMittal India Private Limited
   (CIN: U27100GJ2006PTC106923)
   A company registered under the Companies Act, 1956
   Having its registered office at:
   Office No. 126, 101-104, GCP Business Centre,
   Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar,
   Ahmedabad - 380 014, Gujarat, India

…………**Applicant Company No. 1/ Transferor Company/ Amalgamating Company**

2. AM Associates India Private Limited
   (CIN: U27209GJ2020PTC112781)
   A company registered under the Companies Act, 2013
   Having its registered office at:
   Chalet No. 29, Paragraph, B Wing, 17th Floor,
   Mondeal Heights, Nr. Novotel Hotel, S.G. Highway,
   Ahmedabad – 380 015, Gujarat, India

…………**... Applicant Company No. 2/ Transferee Company**

3. ArcelorMittal Nippon Steel India Limited
   (CIN: U27100GJ1976FLC013787)
   A company registered under the Companies Act, 1956
   Having its registered office at:
   'AMNS House', AMNS Township, 27th KM, Surat - Hazira Road,
   Hazira, Surat – 394 270, Gujarat, India;

……… **Applicant Company No. 3/ Amalgamated Company**

NOTICE UNDER SECTION 230 (3) OF THE COMPANIES ACT, 2013 READ WITH, RULE 6 OF COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 FOR CONVENING THE MEETING OF THE SECURED CREDITORS OF ARCELORMITTAL NIPPON STEEL INDIA LIMITED (FORMERLY KNOWN AS ESSAR STEEL INDIA LIMITED), AMALGAMATED COMPANY

To,
The Secured Creditors of
ArcelorMittal Nippon Steel India Limited (formerly known as Essar Steel India Limited)
(Applicant Company No. 3/Amalgamated Company)

Notice is hereby given that by an order dated April 28, 2021, uploaded on the website of the Hon'ble Tribunal on May 11, 2021, in Company Application No. (CAA) No. 80 of 2020 ("**Order**"), the Hon'ble National Company Law Tribunal, Ahmedabad Bench (Court-2) ("**Hon'ble Tribunal**"), has directed a meeting to be held of the Secured Creditors (as defined below in 'Notes') of ArcelorMittal Nippon Steel India Limited (formerly known as Essar Steel India Limited) for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed composite scheme of arrangement ("**Scheme**") between ArcelorMittal India Private Limited ("**AMIPL**" or "**Applicant Company No. 1**" or "**Transferor Company**" / "**Amalgamating Company**"), AM Associates India Private Limited ("**AMAIPL**" or "**Applicant Company No. 2**" or "**Transferee Company**") and ArcelorMittal Nippon Steel India Limited (formerly known as Essar Steel India Limited) ("**AMNSIL**" or "**Applicant Company No. 3**" or "**Amalgamated Company**") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("**Act"**) read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Act.

In pursuance of the Order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors of AMNSIL will be held on Monday, June 21, 2021 at 5:00 .p.m. (IST), ("**Meeting**") through video conferencing or other audio visual means ("**VC/ OAVM**"), following the operating procedures (with relevant modifications as may be required) referred to in Circular No.14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20 / 2020 dated May 5, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020 and No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs, Government of India. Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19 pandemic. At such day, date and time, the said Secured Creditors of AMNSIL are requested to attend the Meeting.

Persons entitled to attend and vote may vote through remote e-voting or through e-voting facility made available during the Meeting through VC/OAVM. AMNSIL has appointed Central Depository Services (India) Limited **("CDSL")** to provide facility for remote e-voting and e-voting during the Meeting, so as to enable the Secured Creditors of AMNSIL to consider and approve the Scheme by way of the resolution included in this notice, as well as to enable the Secured Creditors to attend and participate in the Meeting through VC/OAVM. Accordingly, voting by Secured Creditors shall be carried out through remote e-voting prior to the Meeting or e-voting facility made available during the Meeting, as stated below.

The facility of appointment of proxies by Secured Creditors will not be available for such Meeting. However, a body corporate which is a Secured Creditor is entitled to appoint a representative for the purposes of participating and/or voting during the Meeting. The remote e-voting shall commence from June 18, 2021 at 9:00 a.m. (IST) and end on June 20, 2021 at 5:00 p.m. (IST).

Each Secured Creditor can opt for only one mode of voting i.e., either e-voting at the Meeting or by remote e-voting. In case of any Secured Creditor exercising right to vote via both modes, i.e., casting vote by remote e-voting as well as during the Meeting, then remote e-voting shall prevail over voting by the said Secured Creditor during the Meeting. The vote cast during the Meeting by the Secured Creditor shall, in that case, be treated as invalid. Once the vote on the resolution is cast by the Secured Creditor, he or she will not be allowed to change it subsequently.

The Hon'ble Tribunal has appointed Mr. Abhishek Nagori, Practicing Chartered Accountant as the Chairperson of the Meeting, including for any adjournment(s) thereof. The Hon'ble Tribunal has also appointed Mr. Lokesh Khadaria, Practicing Chartered Accountant, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof. The Scheme, if approved at the Meeting, will be subject to the subsequent approval of the Hon'ble Tribunal.

The voting right of a Secured Creditor of AMNSIL for the purpose of remote e-voting prior to the Meeting or e-voting during the Meeting shall be in proportion to such Secured Creditor's outstanding value/ amount (due to the Secured Creditors by AMNSIL) as on September 8, 2020.

TAKE NOTICE that the following resolution is proposed under Section 230(3) and other applicable provisions of the Companies Act, 2013 and the provisions of the memorandum of association and the articles of association of AMNSIL, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme:

*"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("**Act**") read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Act, the applicable rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the provisions of the memorandum of association and the articles of association of ArcelorMittal Nippon Steel India Limited ("**AMNSIL**") and subject to the approval of the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**Hon'ble Tribunal**") or any other approvals of any regulatory and other authorities as may be required in accordance with the composite scheme of arrangement ("**Scheme**") between ArcelorMittal India Private Limited, AM Associates India Private Limited and AMNSIL, and their respective shareholders under Sections 230 to 232 read with Section 66 of the Act read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Act, and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble Tribunal , which may be agreed to by the board of directors of AMNSIL ("**Board**"), which term shall be deemed to mean and include one or more committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Scheme as enclosed to the notice of the Hon'ble Tribunal convened meeting of the Secured Creditors of AMNSIL, be and is hereby approved.*

***RESOLVED FURTHER THAT**, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the preceding resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/ or conditions, if any, which may be required and/ or imposed by the Hon'ble Tribunal while sanctioning the Scheme or by any authorities under applicable law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/ or making such adjustments in the books of accounts of AMNSIL as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."*

A copy of the explanatory statement under Sections 230 to 232 and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Explanatory Statement**"), the Scheme and other accompanying documents are enclosed and form part of the notice.

TAKE FURTHER NOTICE that a copy of the Notice (as defined below in the 'Notes') can also be obtained free of charge from the Registered Office of AMNSIL, situated at 'AMNS House', AMNS Township, 27th KM, Surat - Hazira Road, Hazira, Surat – 394270, Gujarat, India, between 11:00 A.M. and 1:00 P.M. on all days except Saturday, Sunday and public holidays up to the date of the Meeting. However, on account of COVID 19 pandemic and related restrictions as announced by the relevant governmental authorities from time to time, the registered office of AMNSIL is partially closed. Therefore, an advance notice should be given by email to AMNSIL at pankaj.chourasia@amns.in if any Secured Creditor wishes to obtain copies of the said documents from the registered office of AMNSIL. Alternatively, Secured Creditors may request for an electronic / soft copy of the said documents by writing an email to AMNSIL at pankaj.chourasia@amns.in. A copy of Notice and accompanying documents are also placed on the website of AMNSIL at www.amns.in and on the website of CDSL at www.evotingindia.com.

Sd/-	**Sd/-**
Pankaj S Chourasia Company Secretary and Authorized Signatory May 19, 2021 Place: Mumbai	Abhishek Nagori Chairperson appointed by Hon'ble Tribunal for the Meeting May 19, 2021 Place: Surat

Registered Office:
'AMNS House', AMNS Township, 27th KM,
Surat - Hazira Road, Hazira,
Surat – 394 270, Gujarat, India
CIN: U27100GJ1976FLC013787
Email: pankaj.chourasia@amns.in

NOTES:

1. THE NOTICE IN RELATION TO THE HON'BLE TRIBUNAL CONVENED MEETING OF THE SECURED CREDITORS OF AMNSIL, TOGETHER WITH THE DOCUMENTS ACCOMPANYING THE SAME, INCLUDING THE EXPLANATORY STATEMENT AND THE SCHEME (COLLECTIVELY, THE "NOTICE") IS BEING SENT BY E-MAIL (AT THE LAST KNOWN E-MAIL ADDRESS) IN VIEW OF THE ONGOING COVID-19 PANDEMIC, TO ALL THE SECURED CREDITORS OF AMNSIL WHOSE NAMES APPEAR IN THE CHARTERED ACCOUNTANT'S CERTIFICATE CERTIFYING THE LIST OF SECURED CREDITORS AS ON SEPTEMBER 8, 2020 AS HAD BEEN FILED WITH THE HON'BLE TRIBUNAL ("SECURED CREDITORS"). IN CASE THE E-MAIL ADDRESS OF ANY SECURED CREDITOR IS NOT REGISTERED WITH AMNSIL, THEN SUCH SECURED CREDITOR IS REQUESTED TO CONTACT AMNSIL FOR REGISTRATION OF THE SAME ON OR BEFORE 5:00 P.M. (IST) ON MAY 30, 2021 BY E-MAILING MR. PANKAJ S. CHOURASIA AT pankaj.chourasia@amns.in OR ALTERNATIVELY AT +91-9879102007. POST SUCCESSFUL REGISTRATION OF E-MAIL, THE SOFT COPY OF NOTICE AND THE LOGIN CREDENTIALS FOR ATTENDING THE MEETING AS WELL AS FOR REMOTE E-VOTING AND E-VOTING DURING THE MEETING WOULD BE SENT AT SUCH REGISTERED E-MAIL ID OF CONCERNED SECURED CREDITOR.

2. IN VIEW OF THE COVID-19 PANDEMIC, AND IN TERMS OF THE ORDER DATED APRIL 28, 2021 OF THE HON'BLE TRIBUNAL, AS UPLOADED ON THE WEBSITE OF THE HON'BLE TRIBUNAL ON MAY 11 2021 ("ORDER"), AMNSIL IS CONVENING THE ENSUING MEETING THROUGH VIDEO CONFERENCING/ OTHER AUDIO VISUAL MEANS ("VC/OAVM"), AND THERE SHALL BE NO MEETING REQUIRING PHYSICAL PRESENCE AT A COMMON VENUE.

3. A PERSON/ ENTITY WHO IS NOT A SECURED CREDITOR AS ON THE DATE REFERRED TO IN NOTE 1 ABOVE SHOULD TREAT THIS NOTICE FOR INFORMATION PURPOSES ONLY AND WILL NOT BE ENTITLED TO VOTE AND/OR PARTICIPATE IN THE MEETING.

4. THE NOTICE ALONG WITH ENCLOSURES THERETO WILL BE DISPLAYED ON THE WEBSITE OF AMNSIL AT www.amns.in AND THE WEBSITE OF CENTRAL DEPOSITORY SERVICES LIMITED ("CDSL") AT www.evotingindia.com.

5. THE SECURED CREDITORS OF AMNSIL ARE ENTITLED TO VOTE THROUGH ELECTRONIC MEANS, BOTH THROUGH REMOTE E-VOTING PRIOR TO THE MEETING OR E-VOTING DURING THE MEETING WHICH WILL BE HELD THROUGH VC/ OAVM, AS DESCRIBED BELOW. FURTHER, SINCE THE MEETING WILL BE HELD THROUGH VC/ OAVM, PHYSICAL ATTENDANCE OF SECURED CREDITORS HAS BEEN DISPENSED WITH.

6. THE VOTING BY SECURED CREDITORS THROUGH REMOTE E-VOTING SHALL COMMENCE ON JUNE 18, 2021 AT 9:00 A.M. (IST) AND END ON JUNE 20, 2021 AT 5:00 P.M. (IST) THE REMOTE E-VOTING MODULE SHALL BE DISABLED BY CDSL THEREAFTER. DURING THIS PERIOD, SECURED CREDITORS MAY CAST THEIR VOTE ELECTRONICALLY.

7. SECURED CREDITORS JOINING THE MEETING THROUGH VC/OAVM, WHO HAVE NOT ALREADY CAST THEIR VOTE BY MEANS OF REMOTE E-VOTING, SHALL BE ABLE TO EXERCISE THEIR RIGHT TO VOTE THROUGH E-VOTING AT THE MEETING. THE SECURED CREDITORS WHO HAVE CAST THEIR VOTE BY REMOTE E-VOTING PRIOR TO THE MEETING MAY ALSO JOIN THE MEETING THROUGH VC/OAVM BUT SHALL NOT BE ENTITLED TO CAST THEIR VOTE AGAIN.

8. THE VOTING RIGHTS OF SECURED CREDITOR FOR THE PURPOSE OF REMOTE E-VOTING PRIOR TO THE MEETING OR E-VOTING DURING THE MEETING SHALL BE IN PROPORTION TO THE SECURED CREDITOR'S OUTSTANDING VALUE/ AMOUNT (DUE TO THE SECURED CREDITORS BY AMNSIL) AS ON SEPTEMBER 8, 2020.

9. THE FACILITY FOR APPOINTMENT OF PROXIES BY THE SECURED CREDITORS WILL NOT BE AVAILABLE FOR THE MEETING AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

10. A BODY CORPORATE WHICH IS A SECURED CREDITOR OF AMNSIL IS ENTITLED TO APPOINT AN AUTHORIZED REPRESENTATIVE FOR THE PURPOSE OF PARTICIPATING AND/ OR VOTING DURING THE MEETING HELD THROUGH VC/ OAVM. FURTHER, SUCH BODY CORPORATES ARE REQUIRED TO SEND DULY SCANNED CERTIFIED COPY (PDF FILE) OF THE RELEVANT RESOLUTION/ AUTHORITY LETTER TO THE SCRUTINIZER AT amnsil.khadaria@gmail.com FROM THEIR REGISTERED E-MAIL ADDRESS WITH A COPY MARKED TO AMNSIL AT ITS EMAIL

ADDRESS VIZ. cs@amns.in, NO LATER THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

11. **SECURED CREDITORS ARE REQUESTED TO KINDLY GO THROUGH THE INSTRUCTIONS IN THE NOTES BELOW FOR CASTING VOTE THROUGH REMOTE E-VOTING PRIOR TO THE MEETING AND E-VOTING DURING THE MEETING, AS WELL AS FOR ATTENDING THE MEETING THROUGH VC/OAVM AND FOR REGISTRATION AS SPEAKER (IF THE SECURED CREDITOR WOULD LIKE TO EXPRESS VIEWS / ASK QUESTIONS DURING THE MEETING).**

12. **IN TERMS OF THE PROVISIONS OF SECTION 107 OF THE COMPANIES ACT 2013, SINCE THE VOTING ON THE RESOLUTION AS SET OUT IN THIS NOTICE IS BEING CONDUCTED THROUGH E-VOTING (INCLUDING REMOTE E-VOTING), THE SAID RESOLUTION WILL NOT BE DECIDED BY A SHOW OF HANDS AT THE MEETING.**

13. **SINCE THE MEETING WILL BE HELD THROUGH VC / OAVM MODE, THE ROUTE MAP IS NOT ANNEXED IN THIS NOTICE.**

14. **IN TERMS OF THE DIRECTIONS CONTAINED IN THE ORDER, THE QUORUM OF THE MEETING OF THE SECURED CREDITORS SHALL BE 2 SECURED CREDITORS. FURTHER, THE ORDER ALSO DIRECTS THAT IN CASE THE REQUIRED QUORUM FOR THE MEETING IS NOT MET WITHIN HALF-AN-HOUR FROM THE TIME APPOINTED FOR HOLDING THE MEETING, THEN THE PROVISIONS OF SUB-SECTIONS (2) AND (3) OF SECTION 103 OF THE COMPANIES ACT, 2013 SHALL BE APPLICABLE *MUTATIS MUTANDIS* TO SUCH MEETING AND TO THE ADJOURNED MEETING. IN TERMS OF SUB-SECTIONS (2) AND (3) OF SECTION 103, IF THE QUORUM IS NOT PRESENT WITHIN HALF-AN-HOUR FROM THE TIME APPOINTED FOR HOLDING THE MEETING, THE MEETING SHALL STAND ADJOURNED TO THE SAME DAY IN THE NEXT WEEK AT THE SAME TIME, AND IF AT THE ADJOURNED MEETING ALSO, THE QUORUM IS NOT PRESENT WITHIN HALF-AN-HOUR FROM THE TIME APPOINTED FOR HOLDING MEETING, THE SECURED CREDITORS PRESENT SHALL CONSTITUTE THE QUORUM.**

15. **IN TERMS OF SECTIONS 230 TO 232 OF THE ACT, THE SCHEME SHALL BE CONSIDERED APPROVED BY THE SECURED CREDITORS OF AMNSIL IF THE RESOLUTION MENTIONED ABOVE IN THE NOTICE HAS BEEN APPROVED BY A MAJORITY OF PERSONS REPRESENTING THREE-FOURTHS IN VALUE OF THE SECURED CREDITORS OF AMNSIL, VOTING THROUGH REMOTE E-VOTING AND E-VOTING FACILITY BEING MADE AVAILABLE DURING THE MEETING. SUBJECT TO THE RECEIPT OF REQUISITE NUMBER OF VOTES, THE RESOLUTION, AS SET FORTH IN THE NOTICE SHALL BE DEEMED TO BE PASSED ON THE DATE OF THE MEETING I.E. ON JUNE 21, 2021.**

16. **THE NOTICE CONVENING THE MEETING WILL BE PUBLISHED BY AMNSIL THROUGH ADVERTISEMENT IN THE "TIMES OF INDIA" IN ALL EDITIONS, IN ENGLISH AND "SANDESH" IN GUJARAT EDITION, IN GUJARATI**

17. **THE SCRUTINIZER WILL SUBMIT HIS REPORT TO THE CHAIRPERSON AFTER COMPLETION OF THE SCRUTINY OF THE VOTES CAST BY THE SECURED CREDITORS OF AMNSIL THROUGH REMOTE E-VOTING AND THROUGH E-VOTING DURING THE MEETING. THE SCRUTINIZER'S DECISION ON THE VALIDITY OF THE VOTES SHALL BE FINAL. THE RESULT ALONG WITH THE REPORT OF THE SCRUTINIZER SHALL BE DISPLAYED ON AMNSIL'S WEBSITE www.amns.in AND on CDSL'S WEBSITE www.evotingindia.com WITHIN THREE DAYS FROM THE CONCLUSION OF THE MEETING.**

I. INSTRUCTIONS FOR REMOTE E-VOTING FOR SECURED CREDITORS

(i) The remote e-voting period would commence from June 18, 2021 at 9:00 a.m. (IST) and end on June 20, 2021 at 5:00 p.m. (IST) The remote e-voting facility shall be disabled thereafter.

(ii) The Secured Creditors should log on to the e-voting website of CDSL www.evotingindia.com during the voting period.

(iii) Click on "Shareholders/ Members" tab.

(iv) Enter your User ID (which would be sent to the respective Secured Creditors at their e-mail address registered with AMNSIL).

(v) Next enter the Image Verification / Captcha as displayed on the screen and click on Login.

(vi) Enter your password (which would be sent to the respective Secured Creditors at their e-mail address registered with AMNSIL).

(vii) After entering these details appropriately, click on “SUBMIT” tab.

(viii) Select the EVSN of **ArcelorMittal Nippon Steel India Limited** on which you choose to vote.

(ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.

(x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details

(xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

II. INSTRUCTIONS FOR SECURED CREDITORS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) Secured Creditors will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Secured Creditors may access the same at www.evotingindia.com under ‘shareholders / members’ login using the remote e-voting credentials. The link for VC/OAVM will be available after successful login where the EVSN of AMNSIL will be displayed.

(ii) The Secured Creditors can join the Meeting through VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in this notice.

(iii) Secured Creditors are encouraged to join the Meeting through laptops / IPads for better experience.

(iv) Further, Secured Creditors will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting.

(v) Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

(vi) Secured Creditors are encouraged to submit their questions in advance with regard to the Scheme, from their registered e-mail address, mentioning their name, address, PAN, email id and mobile number, to reach AMNSIL at the Company’s e-mail address at cs@amns.in up to June 11, 2021.

(vii) Secured Creditors who would like to express their views or ask questions during the Meeting may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, address, PAN, email id and mobile number at cs@amns.in from Monday, June 7, 2021 to Friday, June 11, 2021.

(viii) Those Secured Creditors who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting for a maximum time of 3 (three) minutes each, once the floor is open for queries. Secured Creditors are requested to restrict their questions/views ONLY on the Scheme.

INSTRUCTIONS FOR SECURED CREDITORS FOR E-VOTING DURING THE MEETING AS UNDER:-

(i) The procedure for e-voting on the day of the Meeting is same as the instructions mentioned above for remote e-voting.

(ii) Only those Secured Creditors, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the Meeting.

(iii) If any votes are cast by the Secured Creditors through the e-voting facility available during the Meeting and if the same Secured Creditors have not participated in the Meeting through VC/OAVM facility , then the votes cast by such Secured Creditors shall be considered invalid as the facility of e-voting during the Meeting is available only to the Secured Creditors attending the Meeting.

(iv) Secured Creditors who have voted through remote e-voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

If you have any queries, grievances or issues regarding attending attending the Meeting through VC / OAVM or accessing the facility for remote e-voting and e-voting during the Meeting, you can contact following CDSL's representative:

(a) Mr. Nitin Kunder (Officer) at 022-23058738 or helpdesk.evoting@cdslindia.com
(b) Mr. Rakesh Dalvi (Manager) at 022-23058542/43 or helpdesk.evoting@cdslindia.com

Enclosures: As above

Sd/-	**Sd/-**
Pankaj S Chourasia Company Secretary and Authorized Signatory May 19, 2021 Place: Mumbai	Abhishek Nagori Chairperson appointed by Hon'ble Tribunal for the Meeting May 19, 2021 Place: Surat

Registered Office:
'AMNS House', AMNS Township, 27th KM,
Surat - Hazira Road, Hazira,
Surat – 394 270, Gujarat, India
CIN: U27100GJ1976FLC013787
Email: pankaj.chourasia@amns.in

`BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH,

AT AHMEDABAD

COMPANY APPLICATION (CAA) NO. 80 OF 2020

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with, Section 66 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions of the Companies Act, 2013;
AND

In the matter of Scheme of Arrangement amongst ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited~~,~~ and their respective shareholders.

1. **ArcelorMittal Nippon Steel India Limited**
(Formerly known as Essar Steel India Limited)
(CIN No. U27100GJ1976FLC013787)
A company incorporated under the Companies Act, 1956
Having its registered office at:
'AMNS House', AMNS Township,
27th KM, Surat - Hazira Road,
Hazira, Surat – 394270, Gujarat, India

…. Applicant Company No. 3/ Amalgamated Company

EXPLANATORY STATEMENT UNDER SECTIONS 230 TO 232 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. This explanatory statement is being furnished pursuant to Sections 230 to Section 232 and 102 of the Companies Act, 2013 ("**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**") ("**Explanatory Statement**").

2. Pursuant to the order dated April 28, 2021 *(uploaded on the website of the Hon'ble Tribunal on May 11, 2021)* ("**Order**") passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**Hon'ble Tribunal**" or "**NCLT**") under Section 230(1) of the Act in Company Application CAA No. 80 of 2020, a meeting of the Secured Creditors (as defined in the notice under 'Notes') of ArcelorMittal Nippon Steel India Limited is being convened on Monday, June 21, 2021, at 5:00 p.m. (IST) ("**Meeting**") through video conferencing or other audio visual means ("**VC/ OAVM**"), for the purpose of considering and, if thought fit, approving with or without modification(s), the composite scheme of arrangement between ArcelorMittal India Private Limited ("**AMIPL**" or "**Applicant Company No. 1**" or "**Transferor Company**" / "**Amalgamating Company**"), AM Associates India Private Limited ("**AMAIPL**" or "**Applicant Company No. 2**" or "**Transferee Company**") and ArcelorMittal Nippon Steel India Limited (formerly Essar Steel India Limited) ("**AMNSIL**" or "**Applicant Company No. 3**" or "**Amalgamated Company**") and their respective shareholders under Sections 230 to 232 read with Section 66 of the Act and Rules and other applicable provisions of the Act ("**Scheme**"). The Scheme as filed with the Hon'ble Tribunal is enclosed as **ANNEXURE 2**.

3. AMIPL, AMAIPL and AMNSIL are hereafter collectively referred as "**Applicant Companies**" or "**Scheme Entities**".

4. Capitalized terms which are used in this Explanatory Statement but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated.

5. The Scheme is presented pursuant to the provisions of Sections 230 to 232 read with Section 66 of the Act and Rules and other relevant provisions of the Act, for (a) transfer and vesting of Transferred Undertaking (defined under clause 1.4.25 of Part I of the Scheme) from Applicant Company No. 1 / Transferor Company into Applicant Company No. 2 / Transferee Company; (b) cancellation and reduction of paid-up equity share capital of Applicant Company No. 1 / Transferor Company; and (c) amalgamation of the Applicant Company No. 1/ Amalgamating Company comprising of the Residual Business Undertaking (defined under clause 1.4.18 of Part I of the Scheme) into and with Applicant Company No. 3 / Amalgamated Company. Additionally, the Scheme also provides for various other matters consequential or otherwise integrally connected with the Scheme. The accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act. Copies of the certificates issued by the statutory auditor of the Applicant Companies to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act are enclosed as **ANNEXURE 13**.

6. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Secured Creditors of Applicant Company No. 3 if the resolution mentioned above in the notice has been approved by e-voting during the Meeting through VC/OAVM or through remote e-voting facility by a majority of persons representing three-fourths in value of the Secured Creditors of Applicant Company No. 3, voting during the Meeting through VC/ OAVM or through remote e-voting facility.

7. Further, the Hon'ble Tribunal, pursuant to the Order was pleased to appoint Mr. Abhishek Nagori, Practicing Chartered Accountant (Membership No. 107954) as the Chairperson, and Mr. Lokesh Khadaria, Practicing Chartered Accountant (Membership No. 107691) as the Scrutinizer of the aforesaid Meeting.

Details of ArcelorMittal India Private Limited (i.e. AMIPL / Applicant Company No.1 / Transferor Company / Amalgamating Company)

8. As on September 8, 2020, the amount due to the unsecured creditors of AMIPL was Rs. 2,41,61,54,84,119 (Rupees Twenty Four Thousand One Hundred and Sixty One Crores, Fifty Four Lakhs, Eighty Four Thousand, One Hundred and Nineteen Only).

9. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel (KMPs) of AMIPL:

The directors and KMPs do not have any material interest, financial or otherwise in the Scheme. However, on the Scheme becoming effective, AMIPL shall stand dissolved without being wound up. Resultantly, upon the Scheme becoming effective, the existing directors and KMPs of AMIPL shall cease to be the directors and KMPs of AMIPL without any further act.

10. Disclosure about the effect of the Scheme on the following persons in relation to AMIPL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Creditors	• Effect due to transfer of Transferred Undertaking from AMIPL / Transferor Company to Transferee Company: As per the Scheme, including clause 3.2.5. of Part III of the Scheme, upon the Scheme becoming effective, and with effect from the Appointed Date, all the liabilities comprised in the Transferred Undertaking shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. • Effect due to cancellation and reduction of paid-up equity share capital of AMIPL / Transferor Company: The creditors of the Transferor Company shall not be affected in any manner by the proposed reduction of its paid-up equity share capital.

		• Effect due to amalgamation of AMIPL / Amalgamating Company comprising of Residual Business Undertaking with Amalgamated Company: As per the Scheme including clause 5.2.5 of Part V of the Scheme, upon the Scheme becoming effective, and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of the Amalgamating Company comprising of the Residual Business Undertaking, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. The rupee denominated external commercial borrowing availed by the Amalgamating Company from Oakey Holding B.V. ("**Oakey**")for funding under the Resolution Plan shall stand transferred to the Amalgamated Company and be deemed to be the debts, liabilities and obligations of the Amalgamated Company.
2.	Depositors/ Deposit Trustee	Not Applicable. As on date, AMIPL does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
3.	Debenture Holders/ Debenture Trustee	Not Applicable. As on date, AMIPL does not have any outstanding debentures and therefore the effect of the Scheme on any such debenture and debenture holders does not arise.
4.	Employees	• Effect due to transfer and vesting of Transferred Undertaking from AMIPL/Transferor Company into Transferee Company: Upon the Scheme becoming effective, any and all employees, who are on the pay roll of the Transferor Company in relation to Transferred Undertaking, shall be transferred to and engaged with Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of the Scheme. It is hereby clarified that the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous. • Effect due to cancellation and reduction of paid-up equity share capital of Transferor Company: The employees of the Transferor Company shall not be affected in any manner by the proposed reduction of its paid-up equity share capital. • Effect due to transfer and vesting of Residual Business Undertaking and amalgamation of the Amalgamating Company into and with Amalgamated Company: Upon the Scheme becoming effective, all employees of the Amalgamating Company comprising of Residual Business Undertaking, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of

		the Amalgamating Company, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of the Scheme. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous.
5.	Directors and KMPs	Upon the Scheme becoming effective, AMIPL shall stand dissolved without being wound up. Resultantly, upon the Scheme becoming effective, the existing directors and KMPs of AMIPL shall cease to be the KMPs of AMIPL without any further act.
6.	Promoter and Non-Promoter Shareholders and Members	• Effect due to transfer and vesting of Transferred Undertaking from AMIPL / Transferor Company into Transferee Company: Upon the Scheme becoming effective and consequent transfer and vesting of the Transferred Undertaking by AMIPL/Transferor Company to AMAIPL / Transferee Company, AMAIPL shall discharge consideration by issuing and allotting 118,45,38,161 (One Hundred Eighteen Crores, Forty-Five Lakhs, Thirty-Eight Thousand, One Hundred Sixty One) equity shares having a face value of Rs. 10/- (Indian Rupees Ten) each, fully paid up, of AMAIPL/Transferee Company ("**AMAIPL Equity Shares**") to AMIPL/ Transferor Company. • Effect due to cancellation and reduction of paid-up equity share capital of AMIPL / Transferor Company: AMIPL / Transferor Company is a wholly owned subsidiary of Oakey, wherein Oakey (being the promoter of AMIPL/Transferor Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Transferor Company comprising of 2817,03,37,129 (Two Thousand Eight Hundred and Seventeen Crore Three Lakh and Thirty Seven Thousand One Hundred and Twenty Nine) Equity Shares of Rs. 10 (Rupees Ten only) each. Upon the Scheme becoming effective, 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) Equity Shares of Rs. 10 (Rupees Ten only) each held by Oakey in AMIPL / Transferor Company shall stand cancelled and extinguished and the paid-up equity share capital of AMIPL / Transferor Company shall stand reduced to Rs. 26897,97,21,050 (Rupees Twenty-Six Thousand Eight Hundred Ninety-Seven Crores, Ninety-Seven Lakhs, Twenty-One Thousand, Fifty only) comprising of 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs. 10 (Rupees Ten only) each. The liability on cancellation of aforesaid Equity Shares of Oakey and the consequent reduction of paid-up equity share capital of AMIPL / Transferor Company shall be discharged by transfer and delivery of the AMAIPL Equity Shares (as defined above) to Oakey. Resultantly, upon the Scheme becoming effective, Oakey (being the promoter of AMIPL / Transferor Company) shall hold AMAIPL Equity Shares in the Transferee Company. • Effect due to amalgamation of AMIPL / Amalgamating Company into and with AMNSIL / Amalgamated Company: As referred above, AMIPL / Amalgamating Company is a wholly owned subsidiary of Oakey. Thus, upon the Scheme becoming effective, Oakey shall be entitled to receive Equity Shares of AMNSIL / Amalgamated Company in accordance with the share exchange ratio as provided in the valuation report. The Amalgamated Company shall issue and allot to Oakey 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamated Company for 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-

		Two Thousand, One Hundred Five) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamating Company. Further, as Amalgamated Company is wholly owned subsidiary of Amalgamating Company, wherein Amalgamating Company (being the promoter of Amalgamated Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamated Company, therefore, upon the Scheme becoming effective, the entire issued, subscribed and paid-up share capital of Amalgamated Company, as may be held by Amalgamating Company (being promoter of Amalgamated Company), shall, without any further application, act, instrument or deed, stand cancelled and extinguished.

11. In compliance with the provisions of section 232(2)(c) of the Act, the Board of AMIPL, has adopted a report, inter- alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of AMIPL is enclosed as **ANNEXURE 6.**

12. There are no proceedings/ investigation pending against AMIPL under the Act.

13. A copy of the Scheme has also been forwarded to the Registrar of Companies, Ahmedabad pursuant to Section 232(2)(b) of the Act in e-Form GNL-1 on May 15, 2021.

Details of AM Associates India Private Limited (i.e. AMAIPL/ Applicant Company No. 2/ Transferee Company)

14. That as on September 8, 2020, AMAIPL did not have any unsecured creditors.

15. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel (KMPs) of AMAIPL:

The directors and KMPs do not have any other material interest, financial or otherwise in the Scheme. There shall be no effect upon the directors and KMPs of AMAIPL.

16. Disclosure about the effect of the Scheme on the following persons in relation to AMAIPL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Creditors	As per the Scheme including clause 3.2.5 of Part III of the Scheme, upon the Scheme becoming effective, and with effect from the Appointed Date, all the liabilities comprised in the Transferred Undertaking shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms.
2.	Depositors/ Deposit Trustee	Not Applicable. As on date, AMAIPL does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
3.	Debenture Holders/ Debenture Trustee	Not Applicable. As on date, AMAIPL does not have any outstanding debentures and therefore the effect of the Scheme on any such debenture and debenture holders does not arise.
4.	Employees	Upon the Scheme becoming effective, any and all employees, who are on the pay roll of the Transferor Company in relation to Transferred Undertaking, shall be transferred to and engaged with Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any

		interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of the Scheme. It is hereby clarified that the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous. However, the aforesaid transfer and vesting of Transferred Undertaking, shall have no effect on the employees of the Transferee Company.
5.	Directors and KMPs	There shall be no effect of the Scheme upon the directors and KMPs of AMAIPL.
6.	Promoter and Non-Promoter Shareholders/ Members	Upon the Scheme becoming effective and consequent transfer and vesting of the Transferred Undertaking by AMIPL/ Transferor Company to AMAIPL/ Transferee Company, AMAIPL shall discharge consideration by issuing and allotting AMAIPL Equity Shares to the Transferor Company. Resultantly, the percentage of shareholding held by existing equity shareholders of AMAIPL/ Transferee Company would get diluted proportionately upon issuance of additional Equity Shares, as aforesaid, to AMIPL/Transferor Company.

17. In compliance with the provisions of section 232(2)(c) of the Act, the Board of AMAIPL, has adopted a report, inter-alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of AMAIPL is enclosed as **ANNEXURE 7**.

18. There are no proceedings/ investigation pending against AMAIPL under the Act.

19. A copy of the Scheme has also been forwarded to the Registrar of Companies, Ahmedabad pursuant to Section 232(2) (b) of the Act in e-Form GNL-1 on May 15, 2021.

Details of ArcelorMittal Nippon Steel India Limited (i.e. AMNSIL/ Applicant Company No. 3/ Amalgamated Company

20. As on September 8, 2020, the amount due towards unsecured debts by AMNSIL was Rs. 14,404,504,546.

21. Disclosure about the effect of the Scheme on the material interests of directors and key managerial personnel (KMPs) of AMNSIL:

    The directors and KMPs does not have any other material interest, financial or otherwise in the Scheme. There shall be no effect upon the directors and KMPs of AMNSIL.

22. Disclosure about the effect of the Scheme on the following persons in relation to AMNSIL:

S. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1. .	Creditors	Upon the Scheme becoming effective, as a result of AMIPL's amalgamation into AMNSIL, on and from the Effective Date, the debts owed by AMNSIL to AMIPL shall stand cancelled. Except for the above there shall be no effect of the Scheme on the creditors of AMNSIL.

2.	Depositors/ Deposit Trustee	Not Applicable. As on date, AMNSIL does not have any outstanding public deposits and therefore the effect of the Scheme on any such depositors and deposit trustee does not arise.
3.	Debenture Holders/ Debenture Trustee	AMNSIL has issued non-convertible debentures to AMIPL. As a result of the AMIPL's amalgamation into AMNSIL, on and from the Effective Date, the non-convertible debentures issued by AMNSIL to AMIPL shall, without any further application, act, instrument or deed, stand cancelled and extinguished.
4.	Employees	There shall be no effect on employees of the Amalgamated Company.
5.	Directors and KMPs	There shall be no effect of the Scheme upon the directors and KMPs of AMNSIL.
6.	Promoter and Non-Promoter Shareholders/ Members	AMIPL / Amalgamating Company is a wholly owned subsidiary of Oakey, wherein Oakey (being the promoter of Amalgamating Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamating Company. Thus, upon the Scheme becoming effective, Oakey, shall be entitled to receive Equity Shares of Amalgamated Company in accordance with the share exchange ratio as provided in the valuation report. The Amalgamated Company shall issue and allot to Oakey 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamated Company for 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamating Company. Further, as AMNSIL/Amalgamated Company is wholly owned subsidiary of AMIPL/Amalgamating Company, wherein Amalgamating Company (being the promoter of Amalgamated Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamated Company, therefore, upon the Scheme becoming effective, the entire issued, subscribed and paid-up share capital of Amalgamated Company, as may be held by Amalgamating Company (being promoter of Amalgamated Company), shall, without any further application, act, instrument or deed, stand cancelled and extinguished. Pursuant to the above, the AMNSIL/Amalgamated Company, being a wholly owned subsidiary of AMIPL/ Amalgamating Company, shall become a wholly owned subsidiary of Oakey and Oakey shall be holding beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamated Company.

23. In compliance with the provisions of section 232(2)(c) of the Act, the Board of AMNSIL, has adopted a report, inter- alia, explaining the effect of the Scheme on their respective shareholders and key managerial personnel among others. A copy of the report adopted by the Board of AMNSIL is enclosed as **ANNEXURE 8**.

24. There are no proceedings/ investigation pending against AMNSIL under the Act.

25. A copy of the Scheme has also been forwarded to the Registrar of Companies, Ahmedabad pursuant to Section 232(2)(b) of the Act in e-Form GNL-1 on May 15, 2021.

26. Description of the Scheme:

The Board of Directors of the Applicant Company No. 1, Applicant Company No. 2, and Applicant Company No. 3, by a resolution passed unanimously, at their respective Board meetings held on September 18, 2020, have unanimously approved the Scheme.

The Scheme *inter alia*, provides for:

(a) transfer and vesting of the Transferred Undertaking (defined under clause 1.4.25 of Part I of the Scheme) from the Transferor Company into the Transferee Company and discharge of consideration in lieu thereof by way of issuance of AMAIPL Equity Shares (defined above) by Transferee Company to Transferor Company;

(b) cancellation of the AMIPL Extinguished Shares (defined under clause 1.4.6. of Part I read with clause 4.1 of Part IV of the Scheme) and reduction of the AMIPL Extinguished Share Capital and in lieu thereof transfer by AMIPL of the AMAIPL Equity Shares to the shareholders of Transferor Company as consideration in respect of such reduction of share capital of Transferor Company; and

(c) amalgamation of Amalgamating Company comprising of the Residual Business Undertaking (defined under clause 1.4.18 of Part I of the Scheme) into and with the Amalgamated Company and in lieu thereof issue of Equity Shares by Amalgamated Company to the shareholder(s) of Amalgamating Company pursuant to Sections 230 to 232 read with Section 66 and other relevant provisions of the Act in the manner provided for in the Scheme.

27. Rationale of the Scheme and the benefits of the Scheme:

(a) As mentioned in Clause 1.2.3 (i) of Part I of the Scheme, AMNSIL underwent corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, and was acquired by AMIPL, in accordance with the Resolution Plan (defined under clause 1.2.3. of Part I IV of the Scheme) as approved by the Supreme Court of India vide judgement dated 15 November 2019. It was intended that AMNSIL (formerly known as Essar Steel India Limited) would be the primary vehicle for operating the steel business in India, such that the Residual Business Undertaking of AMIPL, comprising of assets and related liabilities which are more suited for business of AMNSIL or are otherwise related to acquisition of AMNSIL by AMIPL, would be consolidated with AMNSIL to improve efficiencies and lead to further synergies. To this extent merger of the resolution applicant i.e. AMIPL into AMNSIL was envisaged under the Resolution Plan. The Resolution Plan envisaged that AMIPL may merge into AMNSIL and the creditors and other stakeholders of AMNSIL shall have no objection to such merger and accordingly the Scheme is being filed. AMNSIL is wholly owned subsidiary of AMIPL and by following the proposed Scheme, the companies can recognize the strengths of each other and align the business operations undertaken by them.

(b) The Transferred Undertaking of AMIPL comprising of all assets and liabilities of AMIPL other than the Residual Business Undertaking, are proposed to be transferred and vested into AMAIPL.

(c) The Board of Directors of Applicant Companies believe that, the Scheme shall be in the interest of all concerned stakeholders, including shareholders, creditors and employees of the respective Applicant Companies. Accordingly, the Applicant Companies have proposed the Scheme for the following reasons:

Rationale and benefit for transfer and vesting of Transferred Undertaking

(d) This transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company pursuant to the Scheme shall be in the interest of both the Transferor Company and the Transferee Company in the following ways:

(i) **Focused Entity:** This will facilitate creation of a separate, focused entity to take advantage of the future emerging opportunities. The Transferee Company shall more effectively and efficiently cater to the independent growth plan for the Transferred Undertaking and its future value recognition, expansion and diversification.

(ii) **Future Fund Raise:** The Transferred Undertaking has distinct resource requirements and challenges to expand and grow. Developing the Transferred Undertaking would need access to capital through various structured and innovative routes. The housing of Transferred Undertaking in a separate entity shall provide flexibility for future fund-raising capability through strategic / financial partnership(s).

(iii) **Management Focus:** It shall provide greater management focus and speedy decision process with respect to matters relating to the Transferred Undertaking.

(iv) **Transparency**: It shall provide greater transparency and visibility on the operations and financial performances of business of the Transferred Undertaking as well as accountability with autonomy for the Transferred Undertaking.

(e) The Transferor Company proposes to undertake reduction of its share capital and consequently transfer shares in Transferee Company as a consideration to its shareholder. The same is proposed to be undertaken as the shares in the Transferee Company (which consists of the Transferred Undertaking transferred in Part III of the Scheme) is neither related to business of AMNSIL nor linked to acquisition of AMNSIL and thus do not form part of the Residual Business which is proposed to be merged into Amalgamated Company in Part V of the Scheme.

Rationale for amalgamation of the Amalgamating Company into the Amalgamated Company

(f) The amalgamation of the Amalgamating Company into the Amalgamated Company pursuant to the Scheme as also envisaged under the Resolution Plan shall be in the interest of both the Amalgamating Company and the Amalgamated Company in the following ways:

(i) **Creation of synergies**: The concentration of the respective steel businesses of the Amalgamating Company comprising of the Residual Business Undertaking and the Amalgamated Company in one entity as contemplated in the Scheme, will enhance combined competitive strength and result in synergies, which shall best serve the existing market.

(ii) **Streamlining efficient structure**: The amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company will remove inefficiencies, unlocking intrinsic value of the assets, and combine similar business interests into a single corporate entity, resulting in operational synergies, simplification, and efficient administration. It will allow for similar assets to be clubbed into the same legal entity and be overseen by the same management and operational team.

(iii) **Consolidation of business operations**: The Amalgamated Company as the merged entity will have an enhanced value for the shareholders, arising out of consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimization of cash flows, thus contributing to the overall growth and long term value creation and maximizing the value and return to the shareholders of the Applicant Companies under the Scheme.

(iv) **Reduction in costs**: Consequent to the amalgamation, the Amalgamated Company shall be able to optimize the resources required for overall general and administrative purposes and avoid having to replicate such resources against several group companies operating within the same market space. The Amalgamated Company shall be able to use its existing resources as well as the resources of the Amalgamating Company, which is expected to reduce the cost of maintaining and using separate resources.

(v) **Value Maximization**: The amalgamation would permit the ArcelorMittal group to move symbiotic assets that are presently held by different vehicles into one vehicle to better enhance prospects for utilization, operations and inter-dependency and reduce redundancy thereby increasing the overall value generated by the businesses in India.

(g) Thus, the Board of Directors of the respective Applicant Companies believe that the Scheme is in the interest of all the stakeholders, including the shareholders, creditors and employees of the respective Applicant Companies, and shall enable the Applicant Companies to adopt a focused business approach for maximization of benefits to their respective stakeholders. The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders, creditors or/and general public at large.

28. Appointed Date, Effective Date, Record Date and Share Exchange Ratio and Other Considerations:

(a) **Appointed Date**: The appointed date for the Scheme means December 16, 2019 or such other date as may be approved by the Hon'ble Tribunal.

(b) **Effective Date**: The Scheme shall become effective on such date when the certified copy(ies) of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies, by the Scheme Entities or such other date as may be approved by the NCLT, as may be applicable. Such date shall be known as the "Effective Date". For the avoidance of doubt, it being clarified that in case the Scheme Entities make such filings on different dates, then the last date on which such filings are made with relevant Registrar of Companies shall be deemed as the Effective Date.

(c) **Record Date**: The "Record Date" means the date to be fixed by the Board of Directors of the Amalgamating Company for the purposes of determining the shareholders of the Amalgamating Company to whom Equity Shares will be issued and allotted by Amalgamated Company in terms of Part V of the Scheme.

(d) **Share Exchange Ratio/ Consideration**:

(i) For details regarding consideration for transfer of Transferred Undertaking from AMIPL / Transferor Company to AMAIPL / Transferee Company, kindly refer paragraph 10 (Row 6) above.

(ii) For details regarding consideration for cancellation and reduction of paid-up equity share capital of AMIPL / Transferor Company, kindly refer paragraph 10 (Row 6) above.

(iii) For details regarding share exchange ratio / consideration, for amalgamation of AMIPL / Amalgamating Company into and with AMNSIL / Amalgamated Company, kindly refer paragraph 10 (Row 6) above.

29. Salient Features of the Scheme:

The Scheme is divided into the following parts:

Part I - Introduction, Rationale, Definitions, and Interpretation;

Part II - Capital Structure of the Scheme Entities;

Part III - Transfer and vesting of the Transferred Undertaking of the Transferor Company into and with the Transferee Company, in accordance with the provisions of Sections 230 to 232, and other applicable provisions of the Act;

Part IV - Cancellation of the AMIPL Extinguished Shares and reduction of the AMIPL Extinguished Share Capital such that AMAIPL Equity Shares will be transferred to the shareholders of the Transferor Company in respect of such reduction in accordance with the provisions of Sections 230 to 232 read with Section 66, and other applicable provisions of the Act.

Part V - Amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company, in accordance with the provisions of Sections 230 to 232, and other relevant provisions of the Act; and

Part VI - General/residuary terms and conditions.

Part I, Clause 1.4.4 of the Scheme provides that the *""**Amalgamated Company**" means ArcelorMittal Nippon Steel India Limited i.e. AMNSIL as defined in clause 1.2.3 of Part 1.*"

Part I, Clause 1.4.5 of the Scheme provides that the *""**Amalgamating Company**" / "**Transferor Company**" shall mean ArcelorMittal India Private Limited, i.e. AMIPL as defined in clause 1.2.2 of Part 1 and includes:*

(i) any and all its assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

(ii) any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent;

(iii) *without prejudice to generality of the foregoing, Amalgamating Company shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto;*

(iv) *any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government Authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Amalgamating Company/ Transferor Company;*

(v) *any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Amalgamating Company/ Transferor Company;*

(vi) *any and all employees, who are on the pay roll of the Amalgamating Company/ Transferor Company, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund;*

(vii) *any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Amalgamating Company/ Transferor Company; and*

(viii) *all records, files, papers, information, computer programs, relating to Amalgamating Company."*

Part I, Clause 1.4.5 of the Scheme also clarifies that, "*for the purposes of this definition:*

*"**Amalgamating Company**" shall mean ArcelorMittal India Private Limited, i.e. AMIPL immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Scheme and constituting solely of the Residual Business Undertaking; and*

*"**Transferor Company**" means ArcelorMittal India Private Limited i.e. AMIPL as defined in Clause 1.2.1 immediately prior to the transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Scheme."*

Part I, Clause 1.4.9 of the Scheme provides that *"**"Appointed Date"** means December 16, 2019 or such other date as may be approved by the NCLT."*

Part I, Clause 1.4.12 of Part 1, read with Part VI, Clause 6.4 of the Scheme provides that "*This scheme shall become effective on such date when the certified copy(ies) of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies, by the Scheme Entities. Such date shall be known as the "**Effective Date**". For the avoidance of doubt, it being clarified that in case the Scheme Entities make such filings on different dates, then the last date on which such filings are made with relevant Registrar of Companies shall be deemed as the Effective Date.*"

Part I, Clause 1.4.16 of the Scheme provides that ""***Record Date**" means the date to be fixed by the Board of Directors of the Amalgamating Company for the purposes of determining the shareholders of the Amalgamating Company to whom Equity Shares will be issued and allotted by Amalgamated Company in terms of Part V of this Scheme;*"

Part I, Clause 1.4.18 of the Scheme provides that *""**Residual Business Undertaking**" means assets, rights, business, and liabilities of the Amalgamating Company / Transferor Company as a part of its continuing business and operations listed out at **Schedule A** of the Scheme **('Residual Business')** and includes:*

(a) *any and all assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and* *future liabilities including contingent liabilities and debts appertaining thereto, pertaining to the Residual Business;*

(b) *any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent, pertaining to the Residual Business;*

(c) *without prejudice to generality of the foregoing, the Residual Business Undertaking shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto, pertaining to the Residual Business;*

(d) *any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the or in relation to the Residual Business;*

(e) *any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Transferor Company pertaining to the Residual Business;*

(f) *any and all employees, who are on the pay roll of the Transferor Company in relation to Residual Business, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund for such employees of the Transferor Company in relation to Residual Business;*

(g) *any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Residual Business; and*

(h) *all records, files, papers, information, computer programs, relating to the Residual Business."*

Part I, Clause 1.4.24 of the Scheme provides that "*"**Transferee Company**" means AM Associates India Private Limited i.e. AMAIPL as defined in clause 1.2.2 of Part 1"*.

Part I, Clause 1.4.25 of the Scheme provides that "*"**Transferred Undertaking**" means all the assets, rights, business, and liabilities of the Transferor Company other than the Residual Business Undertaking."*

Transfer and vesting of the Transferred Undertaking of the Transferor Company.

Upon Part III of the Scheme becoming effective, and with effect from the Appointed Date, the Transferred Undertaking, including all present and future assets and liabilities whether known or unknown in relation to the Transferred Undertaking, shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and pursuant to the order of the Hon'ble Tribunal or any other appropriate authority sanctioning the Scheme, if required, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company. Without prejudice to the generality of the foregoing, Part III, Clause 3.2 of the Scheme provides that:

(a) All the assets comprised in the Transferred Undertaking that are movable or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to the Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The Scheme also clarifies that the vesting pursuant to this paragraph (a) shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

(b) All the assets comprised in the Transferred Undertaking that are movable properties other than those described under paragraph (a) above, including investments and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard;

(c) All the assets comprised in the Transferred Undertaking that are immovable properties, if any, including land, whether leasehold, freehold, leasehold cum sale basis, licensed or otherwise held by the Transferor Company, and rights or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Transferor Company, together with security deposits and advance / prepaid lease / license fee and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities, pursuant to the sanction of the Scheme by the Hon'ble Tribunal in accordance with the terms thereof. It is hereby clarified that all the rights, title and interest (including stamp duty paid) of the Transferor Company in the leasehold properties of the Transferred Undertaking, if any, shall, pursuant to Sections 230 to 232 of the Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company;

(d) All the rights, title, interests, benefits, entitlement and advantages, contingent rights, applications made to obtain rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Transferor Company may be entitled to subsequently and all other interests in connection with or relating to such Transferred Undertaking, continuing rights, title and interests in connection to such Transferred Undertaking and any of its equipment shall be vested in the Transferee Company with effect from the Appointed Date. The Transferee Company shall be deemed to be the applicant for mining lease(s) in place of the Transferor Company, comprised in the Transferred Undertaking (including any letters of intent issued with respect to the mining leases), for all purposes under the Mines and Minerals (Development and Regulation) Act, 1957 and rules made thereunder, as amended from time to time and any other applicable law and with effect from Appointed Date; all rights and liabilities in relation to such mining leases shall vest with Transferee Company and the Transferor Company or the Amalgamated Company shall not have any rights to or bear any liabilities in connection to the same;

(e) All the liabilities comprised in the Transferred Undertaking shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. The Scheme also clarifies that that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities duties and obligations have arisen in order to give effect to the provisions of this paragraph (e);

(f) All employees of the Transferor Company in relation to the Transferred Undertaking, who are on its pay roll shall be engaged by the Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of the Scheme. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous;

(g) The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Transferor Company and Transferee Company;

With regard to paragraph (g) above, the Scheme clarifies that –

(i) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Transferred Undertaking which has been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Transferred Undertaking have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered;

(ii) If any existing security in respect of any part of the abovementioned liabilities extends wholly or in part over the assets of the Transferor Company other than the Transferred Undertaking, then the Transferee Company shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Transferred Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Transferor Company other than the Transferred Undertaking shall be released and discharged from such encumbrance;

(iii) If any security or charge exists on the assets comprising of the Transferred Undertaking in respect of the loans and liabilities which have not been transferred to the Transferee Company pursuant to the Scheme, the Transferor Company shall create adequate security over the assets of the Transferor Company other than the Transferred Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Transferred Undertaking shall be released and discharged from such encumbrance;

(h) All cheques and other negotiable instruments, payment orders, if any, received in the name of the Transferor Company pertaining to the Transferred Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company;

(i) All the contracts, including memorandums of undertaking, guarantees, counter guarantees, consents, approvals, comfort letter, letter of intent, representations received from contractual counterparties and/or regulatory authorities in relation to the Transferred Undertaking shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Without prejudice to the generality of the foregoing, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the Transferred Undertaking which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, in terms of the Scheme or by operation of law pursuant to the vesting orders of the court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. In relation to the same, any procedural requirements which are to be fulfilled by the Transferor Company shall be fulfilled by the Transferee Company, as if it is the duly constituted attorney of the Transferor Company. Upon the Scheme becoming effective and with effect from the Appointed Date, any contract of the Transferor Company relating to or benefiting at present the remaining business of the Transferor Company (i.e. the entire business other than the Transferred Undertaking) and that of the Transferred Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Transferor Company and the Transferee Company;

(j) Upon the Scheme becoming effective, all permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses, whether statutory, regulatory or otherwise, relating to the Transferred Undertaking, shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, as more particularly provided in the Scheme. Notwithstanding such transfer/ vesting of the permissions, licenses, approvals etc., if any application is required to be filed with any authority to implement the transfer and vesting of the relevant permission, licenses etc., the Transferee Company shall make such filing, which shall be granted/ approved in favour of the Transferee Company based on the sanction order of the Scheme by the Hon'ble Tribunal;

(k) Upon coming into effect of the Scheme, the past track record of Transferor Company relating to the Transferred Undertaking, including the profitability, production volumes, experience, credentials, net worth, technical expertise, and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients. All the licenses of the Transferred Undertaking shall stand transferred to and vested in the Transferee Company. Such of the other permits, licenses, consents, approvals, authorizations, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Transferor Company, but relate to or benefitting at present the business of the Transferor Company other than the Transferred Undertaking and that of the Transferred Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Transferor Company and the Transferee Company by the relevant authorities pursuant to the sanction of the Scheme by the Hon'ble Tribunal. The Scheme also clarifies that if the consent of any third party or authority is required to give effect to the provisions of this paragraph (k), the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to sanction of the Scheme by the Hon'ble Tribunal. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

(l) The Transferee Company shall be entitled to the benefits and shall bear the burdens of any legal, judicial, quasi-judicial, regulatory or other proceedings (including Tax proceedings) to the extent relating to the Transferred Undertaking, initiated by or against the Transferor Company. If any suit, appeal or other proceedings to the extent relating to the Transferred Undertaking initiated by or against the Transferor Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of the Scheme and the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if the Scheme had not been effected. All reasonable costs incurred by the Transferor Company in respect of any proceedings initiated by or against the Transferor Company after the Appointed Date to the extent relating to the Transferred Undertaking shall be reimbursed by the Transferee Company upon submission by the Transferor Company to the Transferee Company of documents evidencing that the Transferor Company has incurred such costs. The Transferee Company shall file necessary application for effecting the transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the Transferred Undertaking;

(m) All rights, obligations, benefits available under any Taxes and any Tax Credits which may be obtained by the Transferor Company or which the Transferor Company is entitled to or which are or may be available to Transferor Company in respect of the Transferred Undertaking shall, pursuant to the sanction of the Scheme, be available to the Transferee Company. Any filings/ intimations to be made this regard to be made by the Transferee Company;

(n) The benefits of any and all corporate approvals as may have already been taken by the Transferor Company in relation to the Transferred Undertaking, whether being in the nature of compliances or otherwise, shall stand transferred to the Transferee Company and shall be deemed to have been taken by the Transferee Company, by virtue of approval of the Scheme; and

(o) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company for or in relation to the Transferred Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the Scheme becoming effective, pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

(p) Notwithstanding anything to the contrary contained in the Scheme, it is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records of the Transferor Company, except those pertaining to the Transferred Undertaking which are transferred to the Transferee Company in terms of Part III, Clause 3.2 of the Scheme, shall be transferred to, or vested in, the Transferee Company in terms of the provisions of the Scheme. The Board of Directors of, Transferor Company and the Transferee Company shall take such actions including execution of documents as may be necessary or desirable for the purpose of giving effect to the provisions of Part III, Clause 3.2 of the Scheme.

(q) The Transferee Company shall, at any time after the Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, in relation to the Transferred Undertaking, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferred

Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorized to execute any such writings in the name of and on behalf of the Transferor Company, in relation to the Transferred Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the Transferred Undertaking.

(r) The Transferee Company shall, at any time after the Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for, necessary approval, information and/or record purposes, as the case may be. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

Part III, Clause 3.7 of the Scheme provides that the remaining business of the Transferor Company (i.e. the Residual Business Undertaking, as set out in Part V) and all assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company until the Effective Date.

Part III, Clause 3.10 of the Scheme provides that in consideration of the transfer of the Transferred Undertaking by the Transferor Company to the Transferee Company, the Transferee Company shall issue and allot AMAIPL Equity Shares to the Transferor Company.

Part III, Clause 3.11 provides details of the accounting treatment in the books of the Transferee Company and the Transferor Company upon Part III of the Scheme becoming effective.

Reduction of the equity share capital of Transferor Company.

On Part IV of the Scheme becoming effective and with effect from the Appointed Date, the subscribed, issued and paid up equity share capital of the Transferor Company will stand reduced from Rs. 28170,33,71,290 (Rupees Twenty Eight Thousand One Hundred Seventy Crores and Thirty Three Lakhs Seventy One Thousand Two Hundred and Ninety only) divided into 2817,03,37,129 (Two Thousand Eight Hundred and Seventeen Crore Three Lakh and Thirty Seven Thousand One Hundred and Twenty Nine) Equity Shares of Rs. 10 (Rupees Ten only) each to Rs. 26897,97,21,050 (Rupees Twenty-Six Thousand Eight Hundred Ninety-Seven Crores, Ninety-Seven Lakhs, Twenty-One Thousand, Fifty only) divided into 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs. 10 (Rupees Ten only) each, by cancelling and extinguishing 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) paid-up Equity Shares of Rs. 10 (Rupees Ten only) each (hereinafter referred to as '**AMIPL Extinguished Shares**' and '**AMIPL Extinguished Share Capital**' shall be understood in the same context), without any further act, instrument or deed.

The liability on cancellation of the AMIPL Extinguished Shares and the consequent reduction of the AMIPL Extinguished Share Capital shall be discharged by transfer and delivery of the AMAIPL Equity Shares to the shareholders of the Transferor Company. The Scheme clarifies that there shall be no change and/ or reduction in the authorized share capital of the Transferor Company pursuant to the reduction and cancellation of the AMIPL Extinguished Share Capital.

Part IV, Clause 4.8 provides details of the accounting treatment in the books of the Transferor Company upon Part IV of the Scheme becoming effective.

Amalgamation of Amalgamating Company.

The Scheme provides that upon Part V of the Scheme becoming effective, and with effect from the Appointed Date, the Amalgamating Company comprising solely of the Residual Business Undertaking including all its present and future assets and liabilities whether known or unknown but specifically excluding those relating to the Transferred Undertaking and AMAIPL Equity Shares, shall stand transferred to and be vested in the Amalgamated Company, as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein, in accordance with Applicable Laws, if any, and the provisions contained in the Scheme.

Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, upon the Scheme becoming effective, and with effect from the Appointed Date, the whole of the business, personnel, property, assets, investments, rights, benefits and interest therein of the Amalgamating Company comprising of the Residual Business Undertaking shall, stand transferred to and be vested in the Amalgamated Company, without any further act or deed and by virtue of the order passed by the Hon'ble Tribunal. Without prejudice to the generality of the above, upon the Scheme becoming effective, and with effect from the Appointed Date the Amalgamating Company solely comprising of the Residual Business Undertaking shall stand transferred to and be vested in the Amalgamated Company in the manner described herein below:

(a) All assets of the Amalgamating Company comprising of the Residual Business Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to the Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The Scheme also clarifies that the vesting pursuant to this paragraph (a) shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty is payable on the transfer of such movable properties, being vested in the Amalgamated Company;

(b) All movable properties of the Amalgamating Company comprising of the Residual Business Undertaking, other than those specified in paragraph (a) above, including investments, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government and other authorities and bodies customers and other persons, shall without any further act, instrument or deed, become the property of the Amalgamated Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard;

(c) All immovable properties of the Amalgamating Company comprising of the Residual Business Undertaking, if any, including land whether freehold, leasehold cum sale basis, licensed or otherwise held by the Amalgamating Company, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Amalgamating Company, together with security deposits and advance / prepaid lease / license fee, documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to Amalgamated Company. The mutation or substitution of the title to the immovable properties shall, upon the Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities, pursuant to the sanction of the Scheme by the Hon'ble Tribunal in accordance with the terms thereof. It is hereby clarified that all the rights, title and interest (including stamp duty paid) of the Amalgamating Company in the leasehold properties, if any, shall, pursuant to Sections 230 to 232 and other applicable provisions of the Act and the provisions of the Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company;

(d) All the rights, title, interests, benefits, entitlement and advantages, contingent rights, applications made to obtain rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Amalgamating Company comprising of the Residual Business Undertaking, may be entitled to subsequently and all other interests, continuing rights, title and interests and any of its equipment shall be vested in the Amalgamated Company with effect from the Appointed Date. The Amalgamated Company shall be deemed to be the applicant for mining lease(s) in place of the Amalgamating Company comprising of the Residual Business Undertaking, for all purposes under the Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder, as amended from time to time and any other applicable law.

(e) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of the Amalgamating Company comprising of the Residual Business Undertaking, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. The Scheme also clarifies that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this paragraph (e);

(f) The rupee denominated external commercial borrowing availed by the Amalgamating Company from Oakey Holding B.V., Netherlands for funding under the Resolution Plan shall stand transferred to the Amalgamated Company and be deemed to be the debts, liabilities and obligations of the Amalgamated Company. It is hereby clarified that approval of the Reserve Bank of India was obtained for the purposes of the availing the rupees denominated external commercial borrowing by the Amalgamating Company; and application made to the Reserve Bank of India in this regard, also mentioned the amalgamation/merger of the Amalgamating Company into the Amalgamated Company and consequent transfer of the external commercial borrowing pursuant thereto;

(g) The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer of the Amalgamating Company comprising of the Residual Business Undertaking to the Amalgamated Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Amalgamating Company and Amalgamated Company;

With regard to paragraph (g) above, the Scheme clarifies that –

(i) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Residual Business Undertaking which has been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Residual Business Undertaking have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered.

(ii) If any existing security in respect of any part of the abovementioned liabilities extends wholly or in part over the assets of the Amalgamating Company other than the Residual Business Undertaking, then the Amalgamating Company shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Residual Business Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Amalgamating Company other than the Residual Business Undertaking shall be released and discharged from such encumbrance.

(iii) If any security or charge exists on the assets comprising of the Residual Business Undertaking in respect of the loans and liabilities which have not been transferred to Amalgamated Company pursuant to the Scheme, the Amalgamating Company shall create adequate security over the assets of the Amalgamating Company other than the Residual Business Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Residual Business shall be released and discharged from such encumbrance;

(h) All cheques and other negotiable instruments, payment orders, if any, received in the name of the Amalgamating Company pertaining to the Residual Business Undertaking after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company;

(i) All documents including memorandums of undertaking, guarantees, counter guarantees, consents, approvals, comfort letter, letter of intent, representations received from contractual counterparties and/or regulatory authority contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company comprising of the Residual Business Undertaking, or to the benefit of which, the Amalgamating Company may be eligible in relation to the Residual Business Undertaking and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect, with effect from Appointed Date and upon the Scheme becoming effective, on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, agreements with service providers or contractors for the supply of manpower or contract labour, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of

Amalgamating Company comprising of the Residual Business Undertaking or to the benefits of which Amalgamating Company in relation to Residual Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon the Scheme becoming effective, by operation of law pursuant to the vesting orders of the court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company. All agreements to which Amalgamating Company comprising of the Residual Business Undertaking is a party or to the benefits of which Amalgamating Company may be eligible in relation to the Residual Business Undertaking and which are subsisting or having effect immediately before the Effective Date shall stand vested in favour of Amalgamated Company on the same terms and conditions. Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder;

(j) Any notices, disputes, pending suit/appeal, legal, Tax, or any complaint or claim to any ombudsman, or other proceedings (including Tax proceedings) of whatsoever nature relating to the Amalgamating Company comprising of the Residual Business Undertaking, whether by or against the Amalgamating Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in the Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company, as if the Scheme had not been made. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company;

(k) All employees of the Amalgamating Company comprising of the Residual Business Undertaking, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company, upon the Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of the Scheme. It is hereby clarified that upon the Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous;

(l) All licenses, permissions, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, whether statutory, regulatory or otherwise, (including the licenses granted by Governmental Authorities for the purpose of carrying on its business or in connection therewith) held by the Amalgamating Company required to carry on its operations of the Residual Business Undertaking shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all permissions, approvals and consents, whether statutory, regulatory or otherwise, of the Amalgamating Company comprising of the Residual Business Undertaking shall vest in and become available to the Amalgamated Company pursuant to the Scheme. For the avoidance of doubt, the Scheme clarifies that if the consent of any third party or authority is required to give effect to the provisions of this paragraph (l), the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Amalgamated Company pursuant to the sanction of the Scheme by the court and upon the Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

(m) Upon coming into effect of the Scheme, the past track record of Amalgamating Company relating to the Residual Business Undertaking, including the profitability, production volumes, experience, credentials, net worth, technical expertise, and market share, shall be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Amalgamated Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

(n) Any and all registrations, goodwill, licenses appertaining to the Amalgamating Company comprising of the Residual Business Undertaking shall stand transferred to and vested in the Amalgamated Company;

(o) All Taxes, deferred tax balances, including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of the Amalgamating Company comprising of the Residual Business Undertaking, including all or any refunds or claims shall be treated as the Tax liability or refunds /Tax Credits / claims, as the case may be, of the Amalgamated Company and any Tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, Tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to the Amalgamating Company, shall pursuant to the Scheme becoming effective, be available to the Amalgamated Company.

(p) For the purpose of giving effect to the vesting and transfer order passed under Sections 230 to 232 of the Act, in respect of the Scheme, the Amalgamated Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments pursuant to the Scheme.

Part V, Clause 5.11 of the Scheme provides that upon Part V of the Scheme becoming effective, and consequent transfer and vesting of the Amalgamating Company comprising solely of the Residual Business Undertaking to the Amalgamated Company in terms of the Scheme, the Company shall issue and allot Equity Shares of Amalgamated Company as per Share Exchange Ratio to the shareholders of Amalgamating Company on the Record Date, i.e., 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Share having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamated Company shall be issued and allotted for 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamating Company.

Part V, Clause 5.15 provides details of the accounting treatment in the books of the Amalgamating Company and the Amalgamated Company upon Part V of the Scheme becoming effective.

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE SALIENT EXTRACTS THEREOF.

30. Summary of the Valuation Report including basis of valuation of the Registered Valuer:

(a) <u>Valuation undertaken in connection with transfer of Transferred Undertaking from AMIPL / Transferor Company / Applicant Company No. 1 to AMAIPL / Transferee Company/ Applicant Company No. 2</u>:

The fair valuation of Transferred Undertaking of the Applicant Company No. 1 and equity valuation of the Applicant Company No. 2 for the purpose of proposed transfer and vesting of the Transferred Undertaking into and with the Applicant Company No. 2 has been arrived at, by the registered valuer Mr. Vikarth Kumar. Based on the said valuation report, the Board of Directors of the Applicant Company No. 1 and the Applicant Company No. 2 have determined issuance and allotment of 118,45,38,161 (One Hundred Eighteen Crores, Forty-Five Lakhs, Thirty-Eight Thousand, One Hundred Sixty - One) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of the Applicant Company No. 2 to the Applicant Company No. 1 as consideration for the transfer and vesting of the Transferred Undertaking from the Applicant Company No. 1 to the Applicant Company No. 2. The valuation report dated September 16, 2020 by the registered valuer Mr. Vikarth Kumar, relating to the valuation of the Transferred Undertaking of the Applicant Company No. 1 is annexed herewith is annexed and marked as **ANNEXURE 3**.

(b) <u>Valuation undertaken in connection with cancellation and reduction of paid-up equity share capital of AMIPL / Transferor Company / Applicant Company No. 1</u>:

That the equity valuation of the Applicant Company No. 1 post transfer and vesting of the Transferred Undertaking from the Applicant Company No. 1 into and with the Applicant Company No. 2 has been arrived at by the registered valuer Mr. Vikarth Kumar. Based on the said valuation report, reduction of share capital of the Applicant Company No. 1 by way cancelling and extinguishing 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) paid-up Equity Shares of Rs. 10 (Rupees Ten only) each, has been arrived at and the Board of Directors of the Applicant Company No. 1 have agreed to discharge the consideration of the aforesaid capital reduction by transfer and delivery of the Equity Shares (as set out in above paragraph) of the Applicant Company No. 2 held by the Applicant Company No. 1 to the shareholders of the Applicant Company No. 1. The valuation report dated September 16, 2020 by the registered valuer Mr. Vikarth Kumar relating to equity valuation of the Applicant Company No. 1 post transfer and vesting of the Transferred Undertaking is annexed herewith and marked as **ANNEXURE 4**.

(c) Valuation undertaken in connection with amalgamation of AMIPL / Amalgamating Company / Applicant Company No. 1 into and with AMNSIL / Amalgamated Company / Applicant company No. 3:

That the fair valuation of shares of Applicant Company No. 1 and the Applicant Company No. 3 for the purpose of recommending the share exchange ratio for the proposed amalgamation of the Applicant Company No. 1 (comprising of the Residual Business Undertaking) into the Applicant Company No. 3 has been arrived at by the registered valuer Mr. Vikarth Kumar. Based on the said valuation report, Board of Directors of the Applicant Company No. 1 and the Applicant Company No. 3 have determined the share exchange ratio i.e., 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Shares of Rs 10 (Rupees Ten) each of Applicant Company No. 3 for 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs 10 (Rupees Ten) each of the Applicant Company No. 1, as consideration for transfer and vesting of the Applicant Company No. 1 comprising solely of the Residual Business Undertaking to the Applicant Company No. 3. The valuation report dated September 16, 2020 by the registered valuer Mr. Vikarth Kumar relating to valuation of shares of the Applicant Company No. 1 and the Applicant Company No. 3 is annexed herewith and marked as **ANNEXURE 5**.

31. Details of capital or debt restructuring, if any:

The Scheme does not contemplate any debt restructuring nor are any of the Applicant Companies are undergoing any debt restructuring. The manner in which capital of Applicant Companies would be restructured has been discussed under paragraph Nos. 10, 16, and 22 above.

32. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:

(a) Notice under Section 230(5) of the Act is being given to/filed with the Central Government through the office of Regional Director, Registrar of Companies, Income Tax Authorities and Official Liquidator in respect of the Scheme Entities for their representation to the Scheme.

(b) An application seeking approval of the Reserve Bank of India is being filed in relation to Part IV of the Scheme in connection with capital reduction of AMIPL and transfer of equity shares of AMAIPL.

(c) The Applicant Companies will obtain such necessary approvals/sanctions/no objection(s) from regulatory or other governmental authorities in respect of the Scheme as may be required in accordance with law.

(d) The Scheme has been filed with the Registrar of Companies in terms of the requirement under Section 232(2)(b) of the Act.

33. Inspection of documents:

Copies of the following documents will be open for inspection to the Secured Creditors of AMNSIL at its registered office situated at 'AMNS House', AMNS Township, 27th KM, Surat-Hazira Road, Hazira, Surat – 394 270, Gujarat, India between 11:00 A.M. and 1:00 P.M. on all days except Saturday, Sunday and public holidays up to the date of the Meeting. However, on account of COVID 19 pandemic and related restrictions as announced by the relevant governmental authorities from time to time, the registered office of AMNSIL is partially closed. Therefore, an advance notice should be given by email to AMNSIL at pankaj.chourasia@amns.in if any Secured Creditor wishes to physically inspect the documents at the registered office of AMNSIL. Copies of the below documents will be made available free of charge to Secured Creditors who may require the same within 1 day of the receipt of requisition. In case it would not be possible to facilitate the physical inspection of documents on account of the COVID 19 related restrictions, Secured Creditors may request for an electronic / soft copy of the below mentioned documents by writing an email to AMNSIL at pankaj.chourasia@amns.in or may access such documents on the website of AMNSIL at the following link https://www.amns.in/ or on the website of CDSL at the following link www.evotingindia.com.

(a) Latest audited financial statements of AMIPL as on March 31, 2020 including consolidated financial statements;

(b) Latest audited financial statements of AMNSI as on March 31, 2020

(c) Unaudited financial statements of AMAIPL as on March 31, 2020

(d) Copy of the order of the Hon'ble Tribunal in pursuance of which the meeting is to be convened;

(e) Copy of the Scheme;

(f) Auditor's certificate for accounting treatment under Section 133 of the Act;

Sd/-	**Sd/-**
Pankaj S Chourasia Company Secretary and Authorized Signatory May 19, 2021 Place: Mumbai	Abhishek Nagori Chairperson appointed by Hon'ble Tribunal for the Meeting May 19, 2021 Place: Surat

Registered Office:
'AMNS House', AMNS Township, 27th KM,
Surat - Hazira Road, Hazira,
Surat – 394 270, Gujarat, India
CIN: U27100GJ1976FLC013787
Email: pankaj.chourasia@amns.in

ANNEXURE 1

NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
Court 2

Free of Cost Copy

CA(CAA) 80 of 2020

Coram: HON'BLE Ms. MANORAMA KUMARI, MEMBER JUDICIAL
HON'BLE Mr. CHOCKALINGAM THIRUNAVUKKARASU, MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 28.04.2021

Name of the Company: Arcelor Mittal India Pvt. Ltd.
AM Associates India Pvt. Ltd.
Arcelor Mittal Nippon Steel India Ltd.

Section 230-232 of the Companies Act, 2013.

S.NO.	NAME (CAPITAL LETTERS)	DESIGNATION	REPRESENTATION	SIGNATURE
1.				
2.				

ORDER
(through video conferencing)

None appeared on behalf of Applicant.

The order is pronounced in the open court vide separate sheet.

CHOCKALINGAM THIRUNAVUKKARASU
MEMBER TECHNICAL

MANORAMA KUMARI
MEMBER JUDICIAL

Dated this the 28th day of April. 2021

NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH

COMPANY APPLICATION (CAA) NO. 80 / NCLT/ AHM/2020

IN THE MATTER OF:

ArcelorMittal India Private Limited
A company registered under
the Companies Act, 1956
having its registered office at
office no. 126, 101-104, GCP Business
Centre, opp. Memnagar Fire Station,
Vijay Cross Road, Memnagar,
Ahmedabad- 380014, Gujarat. .... **Applicant Company No. 1/TransferorCompany/**

AM Associates India Private Limited
A company registered under the
Companies Act, 2013 having its
Registered office at Chalet No. 29,
Paragraph, B Wing, 17th Floor, Moondeal
Heights, Nr. Novotel Hotel, SG Highway,
Ahmedabad- 380015, Gujarat. ... **Applicant Company No. 2/ Transferee Company**

ArcelorMittal Nippon Steel India Limited
A Company registered under
the Companies Act,1956 having
its Registered office
at AMNS House, AMNS
Township, 27th KM, Surat-Hazaria,
Surat-394270, Gujarat. .... **Applicant Company No. 3/ Amalgamated Company**

Order delivered on 28.04. 2021.

Coram:
Hon'ble Ms. Manorama Kumari, Member Judicial
Hon'ble Mr. Chockalingam Thirunavukkarasu, Member Technical

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

Chockalingam Manorama

Appearance:

Mr. Mihir Thakore, learned Senior Advocate, Mr. Navin Pahwa, learned Senior Advocate appearing with Mr. Nirag Pathak, Advocate and Mr. Tarun Dua, Advocate, for the Applicant Companies.

ORDER

[Per: Ms. Manorama Kumari, Member (Judicial)]

1. The instant Company Application is filed by three Applicant Companies under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 (hereinafter referred to as '**the Act**') and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (hereinafter referred to as 'the **Rules**'), more particularly as per Rule - 3(2) of the Rules.

2. The proposed scheme is a composite Scheme of Arrangement by and amongst, ArcelorMittal India Private Limited ('**Applicant Company No. 1**'/ '**Transferor Company**'/ '**Amalgamating Company**', as the context may permit), AM Associates India Private Limited ('**Applicant Company No. 2**'/ '**Transferee Company**', as the context may permit) and ArcelorMittal Nippon Steel India Limited ('**Applicant Company No. 3**'/ '**Amalgamated Company**', as the context may permit) (collectively referred as '**Applicant Companies**') and their respective shareholders whereby, the Transferred Undertaking (as defined under the scheme) of the Applicant Company No. 1 gets transferred from and vests into the Applicant Company No. 2 herein along with, reduction of Equity Share Capital of the Applicant Company No. 1 and simultaneously, the Applicant

Company No. 1 comprising of the Residual Business Undertaking (as defined under the Scheme) amalgamates into and with the Applicant Company No. 3 ("**Scheme**"), as provided in the Scheme annexed at **Annexure - A**, as a result of which benefits shall accrue to the Scheme Entities (as defined under the Scheme) and to their respective shareholders.

3. It is submitted by the learned lawyer for the applicant companies that the Applicant Company No. 1 and 2 are private limited companies while Applicant Company No. 3 is a public limited company and number of shareholders in each company is less than ten (10) in number.

4. The registered offices of the Applicant Companies are situated in Ahmedabad and Surat, which is within the State of Gujarat and accordingly, are under the jurisdiction of the National Company Law Tribunal, Ahmedabad Bench, at Ahmedabad.

5. It is further submitted by the learned lawyer for the applicant companies that none of the Applicant Companies are small companies as defined under Section 2(85) of the Act and the Applicant Companies are required to file the present proceedings under Sections 230 to 232 and not under Section 233 of the Act.

6. It is submitted by the learned lawyer for the Applicant Companies that, the present Scheme is proposed in order to simplify and streamline the current organizational structure. It will lead to advantages like, enhancing shareholders' value; creation of focused entity to effectively and efficiently meet the future emerging

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opportunities; flexibility for future fund raising capability; management focus; greater and better transparency; creation of synergies; consolidation of business operations and investments; reduction in costs including administrative, managerial and other expenditure and overheads and; maximization of value. This will be beneficial to the Amalgamating Company/ Transferor Company, the Transferee Company and the Amalgamated Company and their respective shareholders. Hence, the Scheme is in the interests of all the stakeholders including, shareholders, creditors and employees of the respective Applicant Companies and will not be prejudicial in any manner to their interests.

7. It is submitted by the learned lawyer for the applicant companies that, the proposed composite Scheme was approved unanimously by the Board of Directors of all the Applicant Companies, by separate Board Resolutions dated 18th September, 2020, copies of which have been filed at **Annexure - Y**, **Annexure - EE** and **Annexure - II**, respectively.

8. The Applicant Companies No. 1 & 3 have filed their respective audited financial statements for the year ended on 31st March, 2019 along with, the annual report at **Annexure - D** and **Annexure - O**, while all the Applicant Companies have filed their respective un-audited financial statements for the year ended on 31st March, 2020 at **Annexure - E**, **Annexure - J** and **Annexure - P** and the Supplementary Financial Statements as of 31st July, 2020 at **Annexure - F and Annexure - Q** with un-audited Supplementary Financial Statements for the Applicant Company No. 2 at **Annexure - K** along with, the extracts of

NATIONAL COMPANY LAW TRIBUNAL * AHMEDABAD *

Bhattacharyya

Kumar

the Board Resolution dated 18th September, 2020 of the Applicant Companies approving the same at **Annexure - G, Annexure - L and Annexure - R, respectively**.

9. The Valuation Reports dated 16th September, 2020, relating to the Transferred Undertaking of the Applicant Company No. 1; equity valuation of the Applicant Company No. 1 post transfer and vesting of the Transferred Undertaking are annexed at **Annexure - S** and **Annexure - T**, respectively and; valuation of shares of the Applicant Company No. 1 and Applicant Company No. 3, are also placed on record at **Annexure - U**. The Applicant Companies have also filed their respective Certificates of the Statutory Auditor confirming that, the proposed Scheme is in compliance of and in conformity with the Accounting Standards prescribed under Section 133 of the Act at **Annexure - V, Annexure - W** and **Annexure - X.**

10. The Applicant Companies have prayed for dispensation from the requirement of convening, holding and conducting the meetings of their respective Equity Shareholders, the Secured Creditors and the Unsecured Creditors but at the stage of admission of the Company Application, an Interlocutory Application No. 889 of 2020 has been filed by one of the unsecured creditors of the Applicant Company No. 3 namely, Essar Bulk Terminal Limited (hereinafter referred to as the "**Objector**") raising objections to the grant of dispensation of the meeting of unsecured creditors of the Applicant Company No. 3.

11. Heard the submissions made by Mr. Mihir Thakore, learned Senior Advocate and Mr. Navin Pahwa, learned Senior Advocate appearing with Mr. Nirag Pathak and Mr. Tarun

NATIONAL COMPANY LAW TRIBUNAL AHMEDABAD

Dua, learned Advocates for the Applicant Companies. Also heard the submissions made by Mr. Saurabh Soparkar, learned Senior Advocate appearing with Mr. Mit S. Thakkar, for the Objector.

12. In the course of hearing of the present Company Application, Mr. Mihir Thakore and Mr. Navin Pahwa learned Senior Advocates appearing for the Applicant Companies submits that, without prejudice to the rights and contentions of the parties in the Interlocutory Application No. 889 of 2020, which is in relation to, holding of the meeting of the Unsecured Creditors of the Applicant Company No. 3 and independent thereof. Further, all the Applicant Companies viz. the Applicant Company No. 1, the Applicant Company No. 2 and the Applicant Company No. 3 have expressed willingness and have no objection, to convene, hold and conduct the meetings of their respective Equity Shareholders, the Secured Creditors and the Unsecured Creditors, to the extent applicable and a Pursis there of dated 21st April, 2021 is also filed on record, declaring the aforesaid.

13. On perusal of record it is found that as on 8th September, 2020, the Applicant Company No. 1 had; two (2) Equity Shareholders and the certificate of Chartered Accountant certifying the number of the Equity Shareholders is placed on record at **Annexure - Z** (Vol. IV/ Pg. No. 751) and; did not have any Secured Creditors and the certificate of Chartered Accountant certifying the nil number of Secured Creditors is placed on record at **Annexure - BB** (Vol. IV/ Pg. No. 800) and Three (3) Unsecured Creditors and the certificate of Chartered Accountant certifying that there is

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only one Un- secured Creditors is placed on record at **Annexure - CC Colly.** (Vol. V/ Pg. Nos. 801-802);

14. On perusal of record it is found that as on 8th September, 2020, the Applicant Company No. 2 had; two (2) Equity Shareholders and the certificate of Chartered Accountant certifying the number of the Equity Shareholders is placed on record at **Annexure - FF** (Vol. V/ Pg. No. 856) and; did not have any Secured Creditors and Un-secured Creditors and the certificate of Chartered Accountant certifying the nil number of Secured Creditors and Un-secured Creditors is placed on record at **Annexure - HH** (Vol. V/ Pg. No. 873);

15. On perusal of record it is found that as on 8th September, 2020, the Applicant Company No. 3 had seven (7) Equity Shareholders and the certificate of Chartered Accountant certifying the number of the Equity Shareholders is placed on record at **Annexure - JJ** (Vol. V/ Pg. Nos. 877-880) and; five (5) Secured Creditors and the certificate of Chartered Accountant certifying the number of Secured Creditors is placed on record at **Annexure - LL** (Vol. V/ Pg. Nos. 886-889) and four (4) Unsecured Creditors (loans and acceptances from the banks) and One Thousand Eight Hundred and Sixty - Four (1,864) Unsecured Creditors (other than loans and acceptances from the banks) and the certificate of Chartered Accountant certifying the same is placed on record at **Annexure - NN** (Vol. V/ Pg. No. 920-1009);

16. Considering the entire facts and circumstances and in particular in view of the declaration made by the Applicant Companies through a Pursis dated 21st April, 2021, placed on record, the objections raised for convening /holding the

meeting by the Objector is redressed. Accordingly, it is directed that the meetings of; Shareholders and Unsecured Creditors of the Applicant Company No. 1; Shareholders of the Applicant Company No. 2 and; Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company No. 3, be convened, held and conducted for the purpose of considering and approving with or without modification(s), the proposed Scheme within 50 days of the uploading of this order. Upon receipt of the order, the Chairperson shall have the power to fix the date and time of the meeting in terms of the above directions.

17. Since there are no secured creditor in the applicant company no 1 the question of convening/holding the meeting does not arise at all.

18. Since there are no secured and unsecured creditor in the applicant company no 2 the question of convening/holding the meeting does not arise at all.

19. In view of the recent circulars of Ministry of Corporate Affairs *vide* Circular No. 14 of 2020 dated 8th April, 2020, Circular No. 17 of 2020 dated 13th April, 2020 and Circular No. 20 of 2020 dated 5th May, 2020, the aforesaid meetings of; Shareholders and Unsecured Creditors of the Applicant Company No. 1; Shareholders of the Applicant Company No. 2 and; Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company No. 3, shall be convened and conducted through, video conferencing or such other Audio Visual Means, at the option of the respective Applicant Companies, for the purpose of considering and approving with or without modification(s), the proposed Scheme.

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20. It is hereby clarified that, in view of Para A (x) of the MCA Circular No. 14/2020 dated 8th April, 2020, voting through Proxy shall not be permitted for the meeting. However, voting through Authorized Representative is permitted.

21. At least one month before the date of the aforesaid meetings, a notice in Form No. CAA.2 convening the said meetings indicating the day, the date, the time as aforesaid; along with instructions with regard to remote e-voting and e-voting at the respective meetings, together with a copy of the Scheme of Arrangement, copy of the Explanatory Statement required to be sent under Section 102 of the Act read with, Sections 230 and 232 of the Act and Rule 6 of the Companies (CAA) Rules, 2016 shall be sent by the respective Applicant Companies to each of; Shareholders and Unsecured Creditors of the Applicant Company No. 1; Shareholders of the Applicant Company No. 2 and; Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company No. 3, at their respective available addresses, either through e mail or courier or speed post or registered post.

22. At least one month before the date of the aforesaid meetings, an advertisement about convening the aforesaid meetings of Shareholders and Unsecured Creditors of the Applicant Company No. 1; Shareholders of the Applicant Company No. 2 and; Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company No. 3, indicating the day, the date, the time and the details of modalities for the meetings through video conferencing as aforesaid, shall be published by the respective Applicant Companies in the Newspapers, one in English and another in Vernacular having wide circulation in the area, where

NATIONAL COMPANY LAW TRIBUNAL * AHMEDABAD * the registered office of the respective Applicant Companies are situated. The publication shall also indicate that, the statement required to be furnished pursuant to Section 102 of the Act read with, Sections 230 and 232 of the Act can be obtained free of charge at the Registered Offices of the respective Applicant Companies in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016.

23. Mr. Abhishek Nagori, Practicing Chartered Accountant (Membership No. 107954), is hereby appointed as Chairperson of all the aforesaid meetings and in respect of any adjourned meeting thereof.

24. Mr. Lokesh Khadaria, Practicing Chartered Accountant (Membership No. 107691), shall act as the Scrutinizer for all the aforesaid meetings.

25. The Chairperson of the meetings shall have all powers under the Rules for deciding any questions, that may arise at the aforesaid meetings; or amendment(s) to the aforesaid Scheme or resolution, if any, proposed at the aforesaid meetings by any person(s); and to ascertain the decision of the respective meetings on a poll, i.e. e-voting.

26. The quorum for the aforesaid meetings of the respective Applicant Companies shall be as follows:

I. **Applicant Company No. 1**

A. For the meeting of Shareholders of the Applicant Company No. 1, the quorum shall be one (1) Shareholder;

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B. For the meeting of Unsecured Creditors of the Applicant Company No. 1, the quorum shall be two (2) Unsecured Creditor;

II. **Applicant Company No. 2**

A. For the meeting of Equity Shareholders of the Applicant Company No. 2, the quorum shall be one (1) Shareholder;

III. **Applicant Company No. 3**

A. For the meeting of Shareholders of the Applicant Company No. 3, the quorum shall be five (5) Shareholders;

B. For the meeting of Secured Creditors of the Applicant Company No. 3, the quorum shall be two (2) Secured Creditors and;

C. For the meeting of Unsecured Creditors of the Applicant Company No. 3, the quorum shall be Seventy-Five (75) Unsecured Creditors.

In case the quorum for the any of the aforesaid meetings is not met within half-an-hour from the time appointed for holding of the respective meetings, then the provisions of sub-sections (2) and (3) of Section 103 of the Companies Act, 2013 shall be applicable *mutatis mutandis* to such meeting and to the adjourned meeting.

27. Further, no meetings are required to be convened, held or conducted for; the Secured Creditors of the Applicant Company No. 1 and Secured and Un-secured Creditors of

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the Applicant Company No. 2, as there are no Secured Creditors for the Applicant Company No. 1 and Secured and Un-secured Creditors of the Applicant Company No. 2, as on 8th September, 2020;

28. The number and value of vote of each of the aforesaid meetings of the respective Applicant Companies, shall be in accordance with their respective books of accounts as on 8th September 2020. In the event of the dispute, the Chairperson shall decide the same.

29. The Chairperson shall file an affidavit not less than 7(seven) days before the date fixed for the holding of the respective meetings and to report to this Tribunal that the directions regarding issuance of notices and advertisement of the meetings have been duly complied with as per Rule 12 of the Companies (CAA) Rules, 2016.

30. It is further directed that the Chairperson shall report to this Tribunal the result of the said meetings in Form No. CAA.4 along with affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 within 30 (Thirty) days from the date of the respective meetings.

31. All the three Applicant Companies shall serve notice upon - (1) Central Government through the Regional Director, North Western Region, Ministry of Corporate Affairs, Ahmedabad; (2) The Registrar of Companies, Gujarat; (3) The Department of Income - Tax only for the Transferor Company clearly indicating PAN of the Transferor Company; (4) The Official Liquidator. The said Notices shall be sent either by the Registered Post or by Speed Post or by Courier or by Hand - Delivery, at the offices of the

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aforesaid authorities, as per Form No. CAA.3, as required under Sub - rule (2) of Rule - 8 of the Rules. The aforesaid authorities, who desire to make any representation under Sub - section (5) of Section - 230 of the Act, shall send the same, to this Tribunal within a period of thirty (30) days from the date of the receipt of such Notice, failing which it will be deemed that, they have no representation to make or objection to raise to the proposed Scheme of Arrangement.

32. Accordingly, the present Company Application filed by the Applicants is disposed of in the aforesaid terms. In view of the orders passed in the instant Company Application, the Interlocutory Application filed by the Objector stands disposed of.

Mr. CHOKALINGAM THIRUNAVUKKARASU
MEMBER (TECHNICAL)

Ms. MANORAMA KUMARI
MEMBER (JUDICIAL)

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KS PILLAI

Certified to be True Copy of the Original
Deputy Registrar
NCLT, Ahmedabad Bench
Ahmedabad

13/5/'21

COMPOSITE SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

AMONG

ARCELORMITTAL INDIA PRIVATE LIMITED
TRANSFEROR COMPANY / AMALGAMATING COMPANY

AM ASSOCIATES INDIA PRIVATE LIMITED
TRANSFEREE COMPANY

AND

ARCELORMITTAL NIPPON STEEL INDIA LIMITED
AMALGAMATED COMPANY

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

ARCELORMITTAL INDIA PRIVATE LIMITED

AM Associates India Private Limited

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PART I
INTRODUCTION, RATIONALE, DEFINITIONS AND INTERPRETATION

1 INTRODUCTION, DEFINITIONS AND INTERPRETATION

1.1 Preamble

This composite scheme of arrangement provides for the transfer and vesting the Transferred Undertaking from ArcelorMittal India Private Limited into AM Associates India Private Limited, reduction of equity share capital of ArcelorMittal India Private Limited and for simultaneous amalgamation of ArcelorMittal India Private Limited into ArcelorMittal Nippon Steel India Limited, pursuant to the provisions of Section 230 to Section 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. This scheme also provides for various other matters consequential thereto or otherwise integrally connected therewith.

1.2 Introduction

1.2.1 ArcelorMittal India Private Limited ("AMIPL")

(i) ArcelorMittal India Private Limited (hereinafter referred to as the **"Transferor Company"** or **"Amalgamating Company"**) is a private limited company incorporated under the provisions of the Companies Act, 1956 and is registered with the Registrar of Companies, Ahmedabad with Corporate Identification Number U27100GJ2006PTC106923. It was originally incorporated on April 10, 2006 as Mittal Steel Jharkhand Private Limited as a private limited company with the Registrar of Companies Bihar and Jharkhand. Its name was changed to Mittal Steel Jharkhand Limited on June 13, 2006 pursuant to its conversion to a public limited company, and subsequently to Mittal Steel India Limited on August 23, 2006. Thereafter, the name was changed to ArcelorMittal India Limited on August 27, 2007 and then to ArcelorMittal India Private Limited on September 22, 2014 pursuant to its conversion to a private limited company. On March 5, 2019 the registered of office the company was shifted from the State of Jharkhand to its current registered office in the State of Gujrat, Ahmedabad. As on date, registered office of the Amalgamating Company is situated at Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad, Gujarat, India-380014.

(ii) AMIPL is presently engaged in the business of setting up steel manufacturing plants in India including by way of acquiring mining leases/ prospecting licenses, acquiring steel plants and/or other supporting facilities for manufacture of steel, including power plants.

(i) The main objects of AMIPL as per its memorandum of association are as follows:

a) *To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing:*

(i) *in iron and steel as iron mongers, iron masters, steel makers and steel converters;*

(ii) *in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;*

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(iii) as miners, smelters, and iron founders;

(iv) in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials.

b) To construct, execute, develop, manage, install, operate, and maintain for the, above purposes all plants, building, mines, establishments, works, factories, communication and transportation ways, power houses, transmission lines, and all other works whatsoever, and generally to carry on the business of builders, contractors, engineers, estimators, and designers and to undertake works on contract basis and to tender for such works.

c) To act as consultants, advisors, principal or agent to individuals, firms and bodies corporate engaged in domestic and international trading, in all commodities, goods and materials, for sourcing products and arranging manufacturing programmes for importers, wholesalers and/or retailers worldwide and engaging in all activities to facilitate the foregoing, including without limitation, buying and selling raw materials and/or component parts and contributing finance to customers and suppliers and to perform consultancy services related to the above, including testing, quality assurance, financing, warehousing, storage and shipping, and as may be required to design, establish, provide and maintain industrial projects and for that purpose to prepare and get prepared reports, market studies, investigations, surveys, inspections, and any such other services.

d) To carry on the business as Processors, Distributors, Dealers, Stockist, Agents, Indentors, Traders, Exporters, Importers, Wholesalers including cash and carry wholesale trade, Bulk imports with ex-port/ ex-bonded warehouse sales related to Steel and Metal products including establishing Service centre for cutting, slitting, bending and caging of products, sales and after sales support and to provide end to end solutions for the business stated herein.

e) To carry on, manage, operate, supervise and control, whether directly or through any Special Purpose Vehicle and/or Joint Venture Company(ies), the business of manufacturing, generating, transmitting, supplying, distributing and dealing in electricity and all forms of energy and power generated by any source whether solar, wind, hydro, thermal and/or hydrocarbon fuel or any other form, kind or description and to setup and/or acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes.

f) *To carry on all such activities, including employment of persons, as may be necessary in order to promote and coordinate the activities of its promoters and subsidiaries, to help achieve their economic and financial*

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objectives/targets and secure optimal utilization of all resources placed at their disposal.

1.2.2 **AM Associates India Private Limited ("AMAIPL")**

(i) AM Associates India Private Limited (hereinafter referred to as the **"Transferee Company"**) is a private limited company registered with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 2013 with Corporate Identification Number U27209GJ2020PTC112781. The Transferee Company was incorporated on February 18, 2020. The registered office of the Transferee Company is currently situated at B-301, Safal Pegasus Prahladnagar, Ahemdabad, Gujarat 380015, India.

(ii) AMAIPL is presently engaged in the business of, inter alia, manufacturing, prospecting, operating and otherwise dealing in mining.

(iii) The main objects of AMAIPL as per its memorandum of association are as follows:

a) *To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, investing, selling, importing, exporting, purchasing, acquiring, holding or otherwise dealing:*

A. *in iron and steel as iron mongers, iron masters, steel makers and steel converters;*

B. *in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;*

C. *as miners, smelters, and iron founders;*

D. *in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials;*

E. *in any and all kinds of property, whether tangible, intangible, movable or immovable including land, factories, warehouses, securities of any person or entity, in connection with any of the aforesaid purposes.*

b) *To construct, execute, develop, hold, manage, install, operate, and maintain for the, above purposes all plants, land, building, mines, establishments, works, factories, communication and transportation ways, power houses, transmission lines, and all other works whatsoever, and generally to carry on the business of builders, contractors, engineers, estimators, and designers and to undertake works on contract basis and to tender for such works.*

c) *To act as consultants, advisors, principal or agent to individuals, firms and bodies corporate engaged in domestic and international trading, in all commodities, goods and materials, for sourcing products and arranging manufacturing programmes for importers, wholesalers and/or retailers*

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worldwide and engaging in all activities to facilitate the foregoing, including without limitation, buying and selling raw materials and/or component parts and contributing finance to customers and suppliers and to perform consultancy services related to the above, including testing, quality assurance, financing, warehousing, storage and shipping, and as may be required to design, establish, provide and maintain industrial projects and for that purpose to prepare and get prepared reports, market studies, investigations, surveys, inspections, and any such other services.

d) *To carry on the business as Processors, Distributors, Dealers, Stockist, Agents, Indentors, Traders, Exporters, Importers, Wholesalers including cash and carry wholesale trade, Bulk imports with ex-port/ ex-bonded warehouse sales related to Steel and Metal products including establishing Service centre for cutting, slitting, bending and caging of products, sales and after sales support and to provide end to end solutions for the business stated herein.*

e) *To carry on, manage, operate, supervise and control, whether directly or through any Special Purpose Vehicle and/or Joint Venture Company(ies), the business of manufacturing, generating, transmitting, supplying, distributing and dealing in electricity and all forms of energy and power generated by any source whether solar, wind, hydro, thermal and/or hydrocarbon fuel or any other form, kind or description and to setup, hold and/or acquire/ invest in any manner power transmission systems/networks, power systems of any kind, including solar parks, hydro power plants, generation stations, tie-lines, sub-stations and transmission or distribution systems from any person including State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes.*

f) *To render all kinds of advisory and support services and assistance to companies and/ or other enterprises, whether Indian or foreign including on inorganic growth opportunities available to the companies and other enterprise by the acquisition of Indian and/ or foreign companies and/or industrial/ production/ manufacturing/ business/ service units and rendering support and assistance by way of provision/ collection of data, analysis, feasibility studies, techno-economic reports or in any other manner whatsoever and / or providing personnel support for handling in-house business, compliance, statutory and operational matters, negotiations, discussions, general liaising, presentations or any other interactions whatsoever with other companies, persons, organizations, governmental/ judicial / quasi-judicial agencies or any other party whatsoever in respect of any of the aforesaid matters.*

g) *To carry on all such activities, including employment of persons, as may be necessary in order to promote and coordinate the activities of its promoters and subsidiaries, to help achieve their economic and financial objectives/targets and secure optimal utilization of all resources placed at their disposal.*

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1.2.3 **ArcelorMittal Nippon Steel India Limited ("AMNSIL")**

(i) ArcelorMittal Nippon Steel India Limited (previously known as Essar Steel India Limited and hereinafter referred to as the "**Amalgamated Company**" was incorporated on June 1, 1976 as Essar Constructions Limited, a public limited company with the Registrar of Companies, Ahmedabad, under the provisions of the Companies Act, 1956, with Corporate Identification Number U27100GJ1976FLC013787. Its name was changed to Essar Gujarat Limited on August 19, 1987, and subsequently to Essar Steel Limited on December 4, 1995. Thereafter, the name was changed to Essar Steel India Limited on January 18, 2012. On August 2, 2017, corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, was initiated in relation to Essar Steel India Limited. Consequently, AMIPL was declared the successful resolution applicant and the resolution plan submitted by AMIPL was approved by the Hon'ble Supreme Court of India *vide* its judgement dated November 15, 2019 *(after considering the order passed by the National Company Law Tribunal, Ahmedabad Bench dated March 8, 2019 and the order passed by the National Company Appellate Tribunal dated July 4, 2019)* ("**Resolution Plan**"). The Resolution Plan provided for acquisition of domestic debt of Essar Steel India Limited by AMIPL and ECB debt of Essar Steel India Limited by an offshore entity nominated by AMIPL and equity infusion by AMIPL into Essar Steel India Limited which steps were successfully implemented on December 16, 2019. Accordingly, as per the Resolution Plan, Essar Steel India Limited was acquired by AMIPL pursuant to which acquisition Essar Steel India Limited became a wholly owned subsidiary of AMIPL. Subsequently, the name of the company was changed from 'Essar Steel India Limited' to 'ArcelorMittal Nippon Steel India Limited' on January 8, 2020. The Resolution Plan envisaged that AMIPL may merge into Essar Steel India Limited which merger is now contemplated in this Scheme. The registered office of the Amalgamated Company is currently situated at 27km, Surat Hazira Road, Hazira, Surat – 394270, Gujarat, India.

(ii) AMNSIL is presently engaged in the business of manufacturing flat carbon steel including through ore beneficiation, pellet making, iron making and downstream facilities including cold rolling mill, galvanizing, pre-coated facility, extra wide plate mill and pipe mill.

(i) The main objects of AMNSIL as per its memorandum of association are as follows:

a) *To carry on business of constructional engineers, mechanical engineers, Iron Founders, Public Works and general Contractors, Constructors Builders, dealers, in bridges Steel Frames, Buildings, steel, iron, structures of all kinds, iron and steel converters, smiths, wood workers, painters, electrical engineers and electricians and dredgers.*

b) *To undertake any type of construction work comprising of Civil, Mechanical, Electrical and Electronic Works, including Construction of Jetties, Breakwater, Casting of Concrete Blocks, Beams, Tetrapods, Roads, Heavy Construction Works, etc.*

c) *To act as consulting engineers for construction of Harbour, Ports, Buildings, Bridges, Dams, Tunnels, etc., and to execute contracts for construction of such works.*

d) *To maintain and undertake repairs of Ships, Barges, Boats, Lorries, Tractors, Trailers, Cranes, Plant and Machineries of any kind including Earthmoving machineries.*

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e) *To deal in or manufacture, import, export, trade or use iron and steel, hardware, Cement, Lime, Stones, Bricks, Sand, China Clay and any other construction materials, Oils, Diesels, Timbers, Motor, Paints, Granite, Varnishes and other materials required for the purposes of business of the Company.*

f) *To carry out the work of Harbour and Port construction including dealing in blue metal, Quarrying of Stone and Stone-metals, Transport by means of Lorries, Tippers, Tractors, Trailers or any other suitable means, use Cranes or other earthmoving machineries, Compressors, Jack Hammers or other equipment. Transport over area by barges, floating Crafts, Lighters, Ships, Boats and Vessels, Launches, Motor Boats, etc., Passenger, Mail, Live Stock Goods, Foods and Merchandise and articles of all kinds.*

g) *To own, purchase, hire, import, export, dredgers or any other equipment required for dredging operation and any other relevant operations and to undertake construction for dredging Harbours, Ports, Rivers, Canals, Dams, etc.*

h) *To carry on business as manufacturers, merchants, dealers, agents, importers, exporters, buyers, sellers, stockists, distributors, processors, assemblers, traders, retailers and marketers in all kinds of goods including but not limited to consumers electronics, domestic appliances, entertainment products, machineries, equipment, media and content in all its forms, components and spares, accessories, communication services including pre-paid and post-paid connections, internet packages, all kinds of telecom related products including but not limited to mobile handsets, telephone instruments whether corded, cordless, mobile or of any other kind, tele-terminals, fax machines, telegraphs, recording instruments and devices, telephone message / answering machines and devices, dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc, telecom switching equipments of all kinds, telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and all kinds of services including but not limited to repairs, after sales services, food vending services and to assist, develop, procure, manage, operate and lease, servicing stations, retail outlets, depots and other modes of distribution, procurement and marketing of any of the above mentioned goods or services across India or overseas and to provide technical services in respect thereof or relating thereto.*

i) *To carry on the business of running an online shopping portal over internet for all kinds of industrial material, construction material, home decor and interior materials and consultancy services, mason and carpentry services, to act as commission agents for companies on behalf of other manufacturers, dealers, carrying and forwarding agents, retailers, sellers whose products are listed on the e-commerce portal, to act as agents or sub- agents for any other business whether of a similar nature or not and to accept and enter into sub-contracts for the performance and carrying on any of the purpose for which the company is formed, to offer promotion services, campaign and advertising services on and through web portal, providing solutions and services related to Web-Technologies, Internet and E-commerce, including to design, develop, maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, licence or otherwise deal in Internet portals, Internet networks, Media Portals, Internet solutions, Internet gateways, E-commerce, Web-site designing, Web based and Web enabled services and applications, E-commerce service provider, E-commerce solutions, E-commerce platforms, E-*

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commerce education, E-commerce technologies and E-business solutions and to provide consultancy services addressed to business process engineering, information technology and the design and implementation of information technology solutions for Industry and to establish computer network, either as part of international network or as stand-alone network or otherwise, development of websites, Portal Sites and provide high speed digital / analog communication links to other networks and any other service which is feasible by using internet or any other such international networks and to create, manage and protect the intellectual property and/ or rights associated with providing above-mentioned services.

1.2.4 **Rationale of the Scheme**

(i) As mentioned in paragraph 1.2.3 (i) above, AMNSIL underwent corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016, and was acquired by AMIPL, in accordance with the Resolution Plan *(as defined above)*. It was intended that AMNSIL (*formerly known as Essar Steel India Limited*) would be the primary vehicle for operating the steel business in India, such that the Residual Business Undertaking of AMIPL, comprising of assets and related liabilities which are more suited for business of AMNSIL or are otherwise related to acquisition of AMNSIL by AMIPL, would be consolidated with AMNSIL to improve efficiencies and lead to further synergies. To this extent merger of the resolution applicant i.e. AMIPL into AMNSIL was envisaged under the Resolution Plan. The Resolution Plan envisaged that AMIPL may merge into AMNSIL and the creditors and other stakeholders of AMNSIL shall have no objection to such merger and accordingly this Scheme is being filed. AMNSIL is wholly owned subsidiary of AMIPL and by following the proposed Scheme, the companies can recognize the strengths of each other and align the business operations undertaken by them.

(ii) The Transferred Undertaking of AMIPL comprising of all assets and liabilities of AMIPL other than the Residual Business Undertaking, are proposed to be transferred and vested into AMAIPL.

(iii) The Board of Directors of the Scheme Entities (defined herein below) believe that, the Scheme shall be in the interest of all concerned stakeholders, including shareholders, creditors and employees of the respective Scheme Entities. Accordingly, the Scheme Entities have proposed this Scheme for the following reasons:

<u>Rationale for transfer and vesting of Transferred Undertaking</u>

(iv) This transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company pursuant to this Scheme shall be in the interest of both the Transferor Company and the Transferee Company in the following ways:

a) **Focused Entity**: This will facilitate creation of a separate, focused entity to take advantage of the future emerging opportunities. The Transferee Company shall more effectively and efficiently cater to the independent growth plan for the Transferred Undertaking and its future value recognition, expansion and diversification.

b) **Future Fund Raise:** The Transferred Undertaking has distinct resource requirements and challenges to expand and grow. Developing the Transferred Undertaking would need access to capital through various structured and innovative routes. The housing of Transferred Undertaking in a separate entity shall provide flexibility for future fund-raising capability through strategic / financial partnership(s).

c) **Management Focus**: It shall provide greater management focus and speedy decision process with respect to matters relating to the Transferred Undertaking.

d) **Transparency**: It shall provide greater transparency and visibility on the operations and financial performances of business of the Transferred Undertaking as well as accountability with autonomy for the Transferred Undertaking.

(v) The Transferor Company proposes to undertake reduction of its share capital and consequently transfer shares in Transferee Company as a consideration to its shareholder. The same is proposed to be undertaken as the shares in the Transferee Company (which consists of the Transferred Undertaking transferred in Part III) is neither related to business of AMNSIL nor linked to acquisition of AMNSIL and thus do not form part of the Residual Business which is proposed to be merged into Amalgamated Company in Part V of this Scheme.

Rationale for amalgamation of the Amalgamating Company into the Amalgamated Company

(vi) The amalgamation of the Amalgamating Company into the Amalgamated Company pursuant to this Scheme as also envisaged under the Resolution Plan shall be in the interest of both the Amalgamating Company and the Amalgamated Company in the following ways:

a) **Creation of synergies**: The concentration of the respective steel businesses of the Amalgamating Company comprising of the Residual Business Undertaking and the Amalgamated Company in one entity as contemplated in the Scheme, will enhance combined competitive strength and result in synergies, which shall best serve the existing market.

b) **Streamlining efficient structure:** The amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company will remove inefficiencies, unlocking intrinsic value of the assets, and combine similar business interests into a single corporate entity, resulting in operational synergies, simplification, and efficient administration. It will allow for similar assets to be clubbed into the same legal entity and be overseen by the same management and operational team.

c) **Consolidation of business operations:** The Amalgamated Company as the merged entity will have an enhanced value for the shareholders, arising out of consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimization of cash flows, thus contributing to the overall growth and long term value creation and maximizing the value and return to the shareholders of the Scheme Entities under the Scheme.

d) **Reduction in costs:** Consequent to the amalgamation, the Amalgamated Company shall be able to optimize the resources required for overall general and administrative purposes and avoid having to replicate such resources against several group companies operating within the same market space. The Amalgamated Company shall be able to use its existing resources as well as

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the resources of the Amalgamating Company, which is expected to reduce the cost of maintaining and using separate resources.

e) **Value Maximization:** The amalgamation would permit the ArcelorMittal group to move symbiotic assets that are presently held by different vehicles into one vehicle to better enhance prospects for utilization, operations and inter-dependency and reduce redundancy thereby increasing the overall value generated by the businesses in India.

(vii) Thus, the Board of Directors of the respective Scheme Entities believe that the Scheme is in the interest of all the stakeholders, including the shareholders, creditors and employees of the respective Scheme Entities, and shall enable the Scheme Entities to adopt a focused business approach for maximization of benefits to their respective stakeholders. The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders, creditors or/and general public at large.

(viii) Accordingly, in order to achieve the above objectives, the Board of Directors of the respective Scheme Entities have resolved to make requisite applications and/or petitions before the Hon'ble NCLT and Governmental Authority *(to the extent applicable)* (as defined hereinafter) under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the rules framed thereunder for the sanction of this Scheme.

(ix) Part V of this Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income-Tax Act, 1961. If any terms or provisions of Part V of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-Tax Act, 1961, the provisions of Section 2(1B) of the Income-Tax Act, 1961 shall prevail and Part V of this Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-Tax Act, 1961, such that the modification to not affect other parts of the Scheme.

1.3 **Overview of the Scheme of Amalgamation and Arrangement**

1.3.1 This Scheme provides for (in the following sequence):

(i) transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company and discharge of consideration in lieu thereof by way of issuance of AMAIPL Equity Shares (defined herein below) by Transferee Company to Transferor Company;

(ii) cancellation of the AMIPL Extinguished Shares (defined herein below) and reduction of the AMIPL Extinguished Share Capital and in lieu thereof transfer by AMIPL of the AMAIPL Equity Shares to the shareholders of Transferor Company as consideration in respect of such reduction of share capital of Transferor Company; and

(iii) amalgamation of Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company and in lieu thereof issue of equity shares by Amalgamated Company to the shareholder(s) of Amalgamating Company;

all in accordance with Sections 230 to 232 read with Section 66 and other applicable provisions of the Act and the terms and conditions contained in this Scheme.

1.3.2 In order to avoid multiplicity of schemes and the consequent increase in effort that may have to be expended otherwise by the respective Scheme Entities, the Scheme Entities' shareholders

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and creditors (as may be applicable), NCLT(s) and Governmental Authorities (to the extent applicable), the Scheme Entities are proposing this composite scheme of arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act, as may be applicable.

1.3.3 This Scheme as set out herein in its present form along with any modifications and/or amendments, as may be approved in accordance with the terms of this Scheme or as may be directed by the NCLT, shall be deemed to be effective from the Appointed Date, and be operative from the Effective Date.

1.3.4 The Scheme is divided into 6 (Six) parts viz;

(i) **Part I** sets-forth the Introduction, Rationale, Definitions, and Interpretation;

(ii) **Part II** sets-forth the Capital Structure of the Scheme Entities;

(iii) **Part III** deals with the transfer and vesting of the Transferred Undertaking of the Transferor Company into and with the Transferee Company, in accordance with the provisions of Sections 230 to 232, and other applicable provisions of the Act;

(iv) **Part IV** deals with cancellation of the AMIPL Extinguished Shares and reduction of the AMIPL Extinguished Share Capital such that AMAIPL Equity Shares will be transferred to the shareholders of the Transferor Company in respect of such reduction in accordance with the provisions of Sections 230 to 232 read with Section 66, and other applicable provisions of the Act.

(v) **Part V** deals with the amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company, in accordance with the provisions of Sections 230 to 232, and other relevant provisions of the Act; and

(vi) **Part VI** deals with general/residuary terms and conditions.

1.4 **Definitions**

1.4.1 "**Act**" means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto;

1.4.2 "**Accounting Standards**" means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (IndAS), and all pronouncements including the applicable guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;

1.4.3 "**AMAIPL Equity Shares**" shall have the meaning as ascribed to the term in Clause 3.10.3 of Part III of this Scheme;

1.4.4 "**Amalgamated Company**" means ArcelorMittal Nippon Steel India Limited i.e. AMNSIL as defined in clause 1.2.3 of Part I;

1.4.5 "**Amalgamating Company**" / "**Transferor Company**" shall mean ArcelorMittal India Private Limited, i.e. AMIPL as defined in Clause 1.2.1 of Part I and includes:

(i) any and all its assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

(ii) any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent;

(iii) without prejudice to generality of the foregoing, Amalgamating Company shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto;

(iv) any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government Authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Amalgamating Company/ Transferor Company;

(v) any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Amalgamating Company/ Transferor Company;

(vi) any and all employees, who are on the pay roll of the Amalgamating Company/ Transferor Company, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund;

(vii) any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Amalgamating Company/ Transferor Company; and

(viii) all records, files, papers, information, computer programs, relating to Amalgamating Company;

It is hereby clarified that, for the purposes of this definition:

"**Amalgamating Company**" shall mean ArcelorMittal India Private Limited, i.e. AMIPL immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Scheme and constituting solely of the Residual Business Undertaking; and

"**Transferor Company**" means ArcelorMittal India Private Limited i.e. AMIPL as defined in Clause 1.2.1 immediately prior to the transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Scheme.

1.4.6 "**AMIPL Extinguished Shares**" shall have the meaning as ascribed to the term in Clause 4.1 of Part IV of this Scheme;

1.4.7 "**AMIPL Extinguished Share Capital**" shall have the meaning as ascribed to the term in Clause 4.1 of Part IV of this Scheme;

1.4.8 "**Applicable Law(s)**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, or other similar directives made pursuant to such laws, whether in effect on the date of this Scheme or at any time after such date by any concerned authority having jurisdiction over the matter in question;

1.4.9 "**Appointed Date**" means December 16, 2019 or such other date as may be approved by the NCLT;

1.4.10 "**Board of Directors**" or "**Board**", in relation to any company, means the board of directors of such company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorized by the board of directors or by such committee of directors;

1.4.11 "**Clause**" and "**sub-clause**" means the relevant clauses and sub-clauses of this Scheme;

1.4.12 "**Effective Date**" shall have the meaning as ascribed to the term in Clause 6.4 of Part VI of this Scheme, or such other date as may be approved by the NCLT, as may be applicable;

1.4.13 "**Equity Shares**", in regard to a company, means the fully paid-up equity shares of such a company;

1.4.14 "**Government**" or "**Governmental Authority**" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

1.4.15 "**NCLT**" means the Hon'ble National Company Law Tribunal, Ahmedabad, Gujarat, having jurisdiction in relation to the Amalgamating Company, the Amalgamated Company and the Transferee Company;

1.4.16 "**Record Date**" means the date to be fixed by the Board of Directors of the Amalgamating Company for the purposes of determining the shareholders of the Amalgamating Company to whom Equity Shares will be issued and allotted by Amalgamated Company in terms of Part V of this Scheme;

1.4.17 "**Registrar of Companies**" means the Registrar of Companies, Ahmedabad;

1.4.18 "**Residual Business Undertaking**" means assets, rights, business, and liabilities of the Amalgamating Company / Transferor Company as a part of its continuing business and operations listed out at **Schedule A ('Residual Business')** and includes:

(i) any and all assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto, pertaining to the Residual Business;

(ii) any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent, pertaining to the Residual Business;

(iii) without prejudice to generality of the foregoing, the Residual Business Undertaking shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto, pertaining to the Residual Business;

(iv) any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the or in relation to the Residual Business;

(v) any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Transferor Company pertaining to the Residual Business;

(vi) any and all employees, who are on the pay roll of the Transferor Company in relation to Residual Business, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund for such employees of the Transferor Company in relation to Residual Business;

(vii) any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Residual Business; and

(viii) all records, files, papers, information, computer programs, relating to the Residual Business.

It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine (as defined in Schedule A) vests in Amalgamated Company from the Amalgamating Company/Transferor Company, then paragraph (vi) shall be deemed excluded from Schedule A.

1.4.19 "**Rs.**" means Indian Rupees, the lawful currency of the Republic of India;

1.4.20 **"Scheme"** or "**the Scheme**" or "**this Scheme**" means this composite scheme of amalgamation and arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the Act, as applicable, and under all other Applicable Laws;

1.4.21 "**Scheme Entities**" means AMIPL, AMNSIL and AMAIPL;

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1.4.22 **"Tax(es)"** means all forms of taxes, duties, fees, premiums, assessments, levies, imposts, social security charges and other charges of any kind whatsoever (whether or not contingent, recorded, assessed, disputed, whether or not in relation to or on account of assessment, reassessment, notice, proceedings, compounding, non-compliance, non-filling, non-preparation of documents, reports including but not limited to pursuant to any surveys or summons) imposed by any Government Authority, including, without limitation, goods and services tax, corporate income tax, minimum alternate tax, wage withholding tax, other withholding tax (i.e. interest, rent, etc.), provident fund, employee state insurance and gratuity contributions, value added tax, service tax, professional tax, customs and excise duties, capital tax and other transaction taxes, stamp duty, dividend withholding tax, real estate taxes, municipal taxes and duties and environmental taxes and duties, together with all interest, penalties, fines, additions to tax, surcharges or other additional amounts imposed in respect or relating thereto that may be payable or due or levied, imposed upon or claimed to be owed in any relevant jurisdiction;

1.4.23 **"Tax Credits"** means all credits or advances or balances including Tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to Taxes including without limitation to sales tax credit, income tax credit, advance tax, minimum alternate tax credit, goods and services tax credit (including transitional credit), sales tax/VAT credit, advance tax;

1.4.24 "**Transferee Company**" means AM Associates India Private Limited i.e. AMAIPL as defined in clause 1.2.2 of Part I; and

1.4.25 "**Transferred Undertaking**" means all the assets, rights, business, and liabilities of the Transferor Company other than the Residual Business Undertaking.

1.5 **Interpretation**

1.5.1 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme;

1.5.2 The words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;

1.5.3 The words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;

1.5.4 Any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

1.5.5 The headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

1.5.6 Any reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;

1.5.7 Words in the singular shall include the plural and *vice versa*; and

1.5.8 References to one gender includes all genders.

PART II
SHARE CAPITAL STRUCTURE OF SCHEME ENTITIES

2 CAPITAL STRUCTURE

2.1 The share capital of the Transferor Company / Amalgamating Company as on July 31, 2020 was as under:

Share Capital	Amount in Rupees
Authorized Capital	
5000,00,00,000 Equity Shares of Rs 10/- each	50000,00,00,000
Total	**50000,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
2817,03,37,129 Equity Shares of Rs 10/- each	28170,33,71,290
Total	**28170,33,71,290**

2.2 The share capital of the Transferee Company as on July 31, 2020 was as under:

Share Capital	Amount in Rupees
Authorized Capital	
1,50,000 Equity Shares of Rs 10/- each	15,00,000
Total	**15,00,000**
Issued, Subscribed and Paid-up Share Capital	
50,000 Equity Shares of Rs 10/- each	5,00,000
Total	**5,00,000**

2.3 The share capital of Amalgamated Company as on July 31, 2020 was as under:

Share Capital	Amount in Rupees
Authorized Capital	
2990,00,00,000 Equity Shares of Rs. 10/- each	29900,00,00,000
10,00,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- each	100,00,00,000
Total	**30000,00,00,000**
Issued, Subscribed and Paid-up Share Capital	

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922,20,00,000 Equity Shares of Rs 10/- each	9222,00,00,000
Total	**9222,00,00,000**

2.4 As on date the Amalgamated Company is a wholly owned subsidiary of the Transferor Company / Amalgamating Company. The Transferee Company is a group company of the Transferor Company/Amalgamated Company.

2.5 The shares or any other securities of Scheme Entities are not listed on any stock exchange, whether in India or in any other country. Further, after the above-mentioned date(s) and till the date of this Scheme being approved by the respective Board of Directors of the Scheme Entities, there has been no change in the authorized capital or the issued, subscribed and paid-up capital of the respective Scheme Entities.

2.6 The Scheme Entities agree that till the Scheme becomes effective, the Scheme Entities shall be free to alter their authorized, issued, subscribed and paid-up share capital as may be required by the respective business requirements. If any consolidation, stock-split, sub-division, reorganization, reclassification or other similar action in relation to the share capital of any of the Scheme Entities occurs following the date of approval of the Scheme by the respective Board of Directors of the Scheme Entities and on or before the Scheme coming into effect, the share exchange ratio as mentioned in Clause 5.11.2 of Part V of this Scheme shall be subject to an equitable adjustment by the respective Board of Directors of the Scheme Entities to account for the aforementioned corporate actions.

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PART-III
TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING OF THE TRANSFEROR COMPANY

3 THE TRANSFER AND VESTING OF THE TRANSFERRED UNDERTAKING

3.1 Upon Part III of this Scheme becoming effective, and with effect from the Appointed Date, the Transferred Undertaking, including all present and future assets and liabilities whether known or unknown in relation to the Transferred Undertaking, shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, and pursuant to the order of the NCLT or any other appropriate authority sanctioning the Scheme, if required, and without any further act or deed, be transferred to and vested in and/or deemed to he transferred to and vested in the Transferee Company.

3.2 Without limiting the generality of the foregoing, upon this Scheme becoming effective, and with effect from the Appointed Date:

3.2.1 All the assets comprised in the Transferred Undertaking that are movable or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly;

3.2.2 All the assets comprised in the Transferred Undertaking that are movable properties other than those described under sub-clause 3.2.1 above, including investments and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard;

3.2.3 All the assets comprised in the Transferred Undertaking that are immovable properties, if any, including land, whether leasehold, freehold, leasehold cum sale basis, licensed or otherwise held by the Transferor Company, and rights or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Transferor Company, together with security deposits and advance / prepaid lease / license fee and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities, pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. It is hereby clarified that all the rights, title and interest (including stamp duty paid) of the Transferor Company in the leasehold properties of the Transferred Undertaking, if any, shall, pursuant to Sections 230 to 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company;

3.2.4 All the rights, title, interests, benefits, entitlement and advantages, contingent rights, applications made to obtain rights or benefits belonging to or in the ownership, power,

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possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Transferor Company may be entitled to subsequently and all other interests in connection with or relating to such Transferred Undertaking, continuing rights, title and interests in connection to such Transferred Undertaking and any of its equipment shall be vested in the Transferee Company with effect from the Appointed Date. The Transferee Company shall be deemed to be the applicant for mining lease(s) in place of the Transferor Company, comprised in the Transferred Undertaking (including any letters of intent issued with respect to the mining leases), for all purposes under the Mines and Minerals (Development and Regulation) Act, 1957 and rules made thereunder, as amended from time to time and any other applicable law and with effect from Appointed Date; all rights and liabilities in relation to such mining leases shall vest with Transferee Company and the Transferor Company or the Amalgamated Company shall not have any rights to or bear any liabilities in connection to the same;

3.2.5 All the liabilities comprised in the Transferred Undertaking shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities duties and obligations have arisen in order to give effect to the provisions of this sub-clause;

3.2.6 All employees of the Transferor Company in relation to the Transferred Undertaking, who are on its pay roll shall be engaged by the Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous;

3.2.7 The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer and vesting of the Transferred Undertaking from the Transferor Company to the Transferee Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Transferor Company and Transferee Company;

It is hereby clarified that –

(i) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Transferred Undertaking which has been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Transferred Undertaking have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered;

(ii) If any existing security in respect of any part of the abovementioned liabilities extends wholly or in part over the assets of the Transferor Company other than the Transferred

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Undertaking, then the Transferee Company shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Transferred Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Transferor Company other than the Transferred Undertaking shall be released and discharged from such encumbrance;

(iii) If any security or charge exists on the assets comprising of the Transferred Undertaking in respect of the loans and liabilities which have not been transferred to the Transferee Company pursuant to this Scheme, the Transferor Company shall create adequate security over the assets of the Transferor Company other than the Transferred Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Transferred Undertaking shall be released and discharged from such encumbrance;

3.2.8 All cheques and other negotiable instruments, payment orders, if any, received in the name of the Transferor Company pertaining to the Transferred Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company;

3.2.9 All the contracts, including memorandums of undertaking, guarantees, counter guarantees, consents, approvals, comfort letter, letter of intent, representations received from contractual counterparties and/or regulatory authorities in relation to the Transferred Undertaking shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Without prejudice to the generality of the foregoing, bonds, schemes, instruments, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements, agreements with service providers or contractors for the supply of manpower or contract labour, and such other agreements, deeds, documents and arrangements pertaining to the Transferred Undertaking which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, in terms of this Scheme or by operation of law pursuant to the vesting orders of the court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. In relation to the same, any procedural requirements which are to be fulfilled by the Transferor Company shall be fulfilled by the Transferee Company, as if it is the duly constituted attorney of the Transferor Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Transferor Company relating to or benefiting at present the remaining business of the Transferor Company (i.e. the entire business other than the Transferred Undertaking) and that of the Transferred Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Transferor Company and the Transferee Company;

3.2.10 Upon the Scheme becoming effective, all permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses, whether statutory, regulatory or otherwise, relating to the Transferred Undertaking, shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the permissions, licenses, approvals etc., if any application is required to be filed with any authority to implement the transfer and vesting of the relevant permission, licenses etc., the Transferee Company shall make such filing, which shall be granted/ approved in favour of the Transferee Company based on the sanction order of the Scheme by the NCLT;

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3.2.11 Upon coming into effect of this Scheme, the past track record of Transferor Company relating to the Transferred Undertaking, including the profitability, production volumes, experience, credentials, net worth, technical expertise, and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients. All the licenses of the Transferred Undertaking shall stand transferred to and vested in the Transferee Company. Such of the other permits, licenses, consents, approvals, authorizations, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Transferor Company, but relate to or benefitting at present the business of the Transferor Company other than the Transferred Undertaking and that of the Transferred Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Transferor Company and the Transferee Company by the relevant authorities pursuant to the sanction of this Scheme by the NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this sub-clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to sanction of this Scheme by the NCLT. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

3.2.12 The Transferee Company shall be entitled to the benefits and shall bear the burdens of any legal, judicial, quasi-judicial, regulatory or other proceedings (including Tax proceedings) to the extent relating to the Transferred Undertaking, initiated by or against the Transferor Company. If any suit, appeal or other proceedings to the extent relating to the Transferred Undertaking initiated by or against the Transferor Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been effected. All reasonable costs incurred by the Transferor Company in respect of any proceedings initiated by or against the Transferor Company after the Appointed Date to the extent relating to the Transferred Undertaking shall be reimbursed by the Transferee Company upon submission by the Transferor Company to the Transferee Company of documents evidencing that the Transferor Company has incurred such costs. The Transferee Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the Transferred Undertaking;

3.2.13 All rights, obligations, benefits available under any Taxes and any Tax Credits which may be obtained by the Transferor Company or which the Transferor Company is entitled to or which are or may be available to Transferor Company in respect of the Transferred Undertaking shall, pursuant to the sanction of this Scheme, be available to the Transferee Company. Any filings/ intimations to be made this regard to be made by the Transferee Company;

3.2.14 The benefits of any and all corporate approvals as may have already been taken by the Transferor Company in relation to the Transferred Undertaking, whether being in the nature of compliances or otherwise, shall stand transferred to the Transferee Company and shall be deemed to have been taken by the Transferee Company, by virtue of approval of this Scheme; and

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3.2.15 All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company for or in relation to the Transferred Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme becoming effective, pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

3.2.16 Notwithstanding anything to the contrary contained in this Scheme, it is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licenses, employees and books and records of the Transferor Company, except those pertaining to the Transferred Undertaking which are transferred to the Transferee Company in terms of this Clause 3.2, shall be transferred to, or vested in, the Transferee Company in terms of the provisions of this Scheme. The Board of Directors of, Transferor Company and the Transferee Company shall take such actions including execution of documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 3.2 of this Scheme.

3.2.17 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, in relation to the Transferred Undertaking, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferred Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorized to execute any such writings in the name of and on behalf of the Transferor Company, in relation to the Transferred Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company *inter alia* in its capacity as the successor-in-interest of the Transferor Company in relation to the Transferred Undertaking.

3.3 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Transferred Undertaking. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for, necessary approval, information and/or record purposes, as the case may be. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.4 **Saving of Concluded Transactions**

The transfer and vesting of assets, liabilities and business to, and the continuance of proceedings by or against, the Transferee Company as envisaged in this Part III in connection with the Transferred Undertaking shall not affect any transaction or proceedings already concluded by the Transferor Company till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself in so far as it relates to the Transferred Undertaking.

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3.5 **Conduct of business till Effective Date**

With effect from the Appointed Date and up to and including the Effective Date:

3.5.1 the Transferor Company shall carry on the business of the Transferred Undertaking, in its ordinary course with reasonable diligence and business prudence and in a manner consistent with its past practices;

3.5.2 the Transferor Company undertakes to carry on and shall be deemed to have carried on the business activities of the Transferred Undertaking and stand possessed of the properties and assets of the Transferred Undertaking, for and on account of and in trust for the Transferee Company;

3.5.3 all profits or income accruing to or received by the Transferor Company, out of the Transferred Undertaking and all Taxes paid thereon or losses arising in or incurred by the Transferor Company with respect to the Transferred Undertaking shall, for all purposes, be treated as and deemed to be the profits, losses, income or Taxes, as the case may be, of the Transferee Company;

3.6 **Conduct of business on Effective Date**

3.6.1 With effect from the Effective Date, the Transferee Company shall be authorized to hold and continue with the Transferred Undertaking of the Transferor Company.

3.6.2 For the purpose of giving effect to the vesting and transfer order passed under Sections 230 to 232 of Act, the Transferee Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments comprised in the Transferred Undertaking pursuant to the Scheme.

3.7 **The remaining business of Transferor Company**

3.7.1 The remaining business of Transferor Company (i.e. the Residual Business Undertaking and as set out in Part V) and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company until the Effective Date.

3.7.2 All legal, Tax or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which relate to the Residual Business Undertaking (i.e. the business of the Transferor Company other than the Transferred Undertaking) under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Transferor Company's business other than the Transferred Undertaking, shall be continued and enforced by or against the Transferor Company. The Transferee Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceeding against the Transferor Company, which relate to the Transferor Company's business other than the Transferred Undertaking.

3.7.3 All profits or losses pertaining to the Transferred Undertaking, up to the Appointed Date, which are recorded in the books of the Transferor Company shall, for all purposes, continue to be treated as the profit or losses of the Transferor Company and shall be retained in the books of the Transferor Company.

3.8 **Procedural formalities post sanction of the Scheme**

Upon the coming into effect of this Scheme in accordance with the provisions hereof, and in relation to the Transferred Undertaking:

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3.8.1 The Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferee Company has been a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings as if it were the Transferor Company, and to carry out or perform all such formalities or compliances referred to above as if it were the Transferor Company.

3.8.2 For statistical purposes only and without any separate deed, instrument or writing, the Transferee Company and/ or the Transferor Company shall, if required, simultaneously with the amendment in the register of charges and file particulars of the modified charge with the Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Transferee Company and/ or the Transferor Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Transferor Company.

3.8.3 All permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses, whether statutory, regulatory or otherwise, relating to the Transferred Undertaking, shall stand transferred to and vested in the Transferee Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the aforesaid, if any application is required for the statistical record of the statutory authorities to implement such transfer and vesting, as provided hereinabove, the Transferee Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Transferee Company based on the sanction order of the Scheme by the NCLT.

3.9 **Increase in the authorized share capital of Transferee Company**

3.9.1 Upon Part III of the Scheme coming into effect on the Effective Date, the authorized share capital of Transferee Company of Rs. 15,00,000 (Rupees Fifteen Lakh only) divided into 1,50,000 (One Lakh Fifty Thousand) Equity Shares having face value of Rs. 10 (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand increased to Rs. 1500,00,00,000 (Rupees One Thousand Five Hundred Crores only) divided into 150,00,00,000 (One Hundred and Fifty Crores) Equity Shares having face value of Rs. 10 (Rupees Ten) each, without any further act or deed by the Transferee Company for purpose of such increase of the authorized share capital of the Transferee Company.

3.9.2 Subsequent to the increase of the authorized share capital of the Transferee Company as contemplated in Clause 3.9.1 of Part III above, the authorized share capital clause of the Memorandum of Association (Clause V) of the Transferee Company shall stand modified and shall read as follows:

"The authorized share capital of the company is Rs. 1500,00,00,000 (Rupees One Thousand Five Hundred Crores) consisting 150,00,00,000 (One Hundred and Fifty Crores) equity shares having a face value of Rs. 10/- (Rupees Ten) each."

3.9.3 Pursuant to the effectiveness of Part III of this Scheme, the Transferee Company shall make the requisite filings with the RoC for the increase in its authorized share capital in the manner set out in this Clause 3.9.1.

3.9.4 It is hereby clarified that for the purposes of increasing the authorized share capital of the Transferee Company in accordance with Clause 3.9.1 of Part III above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Transferee Company

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and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 3.9 of Part III of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the Act and/or any other applicable provisions of the Act, would be required to be complied with.

3.10 **Consideration**

3.10.1 Upon this Scheme becoming effective and with effect from the Appointed Date and consequent transfer and vesting of the Transferred Undertaking by the Transferor Company to the Transferee Company in terms of this Scheme, the Transferee Company shall discharge consideration by issuing and allotting Equity Shares of Transferee Company to the Transferor Company as detailed in this Clause 3.10.

3.10.2 The Transferor Company and Transferee Company have engaged Mr. Vikarth Kumar, registered valuer, to provide a valuation report. In connection with such engagement, Mr. Vikarth Kumar, has issued a valuation report dated September 16, 2020. The Board of Directors of Transferor Company and the Transferee Company have determined the number of Equity Shares of Transferee Company to be issued and allotted to the Transferor Company as consideration for transfer and vesting of the Transferred Undertaking, based on their independent judgment and after taking into consideration the aforesaid valuation report at their respective meetings held on September 18, 2020.

3.10.3 Accordingly, the Transferee Company shall issue and allot 118,45,38,161 (One Hundred Eighteen Crores, Forty-Five Lakhs, Thirty-Eight Thousand, One Hundred Sixty One) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, to the Transferor Company (hereinafter referred to as "**AMAIPL Equity Shares**").

3.10.4 The AMAIPL Equity Shares to be issued and allotted by Transferee Company in terms of Clause 3.10.3 shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company and shall rank *pari passu* in all respects with the existing Equity Shares of Transferee Company.

3.10.5 Upon the Scheme becoming effective it shall be deemed that the members of the Transferee Company have also accorded their consent under Sections 42 and 62 of the Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of AMAIPL Equity Shares, to the Transferor Company, and all actions taken in accordance with this Clause 3.10 of Part III of this Scheme shall be deemed to be in full compliance of Sections 42 and 62 of the Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42 and 62 and/or any other applicable provisions of the Act shall be required to be passed or undertaken.

3.11 **Accounting Treatment**

Accounting in the books of Transferee Company

3.11.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of Transferred Undertaking from Transferor Company to Transferee Company shall be accounted in the financial statements of Transferee Company as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

(i) The Transferee Company shall identify and recognise the individual identifiable assets and liabilities at their respective fair values.

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(ii) The equity share capital issued as a consideration shall be recognised at its face value and the difference, if any, between the fair value of the net assets acquired and the face value of equity share capital issued shall be recognised in the securities premium account of the Transferee Company.

Accounting in the books of Transferor Company

3.11.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of Transferred Undertaking from Transferor Company to Transferee Company shall be accounted as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

(i) The Transferor Company shall derecognize the assets and liabilities transferred at the carrying value of the assets and liabilities respectively.

(ii) The Transferor Company shall recognise the investment in equity shares of Transferee Company at the fair value.

(iii) The difference, if any, between carrying value of the assets and liabilities (which will be transferred) and fair value of investment of Transferee Company shall be debited/ credited to profit and loss.

3.12 **Tax**

3.12.1 Any Tax liabilities (including contingent liabilities) allocable or related to the business of Transferor Company pertaining to Transferred Undertaking as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.

3.12.2 Any Tax Credits and refunds pertaining to Taxes including consequent to assessment made in respect of Transferred Business Undertaking, for which no credit is taken in the accounts, as on the date immediately preceding the Appointed Date, will also be transferred to Transferee Company.

3.12.3 The Tax payments whether by way of tax deducted at source by the customers, advance tax or otherwise, to the extent the same relates to the Transferred Undertaking, by Transferor Company after the Appointed Date, shall be deemed to be paid by Transferee Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source, pertaining to the Transferred Undertaking, by either the Transferor Company or the Transferee Company on account of inter-company transactions between them post the Appointed Date, shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

3.12.4 All Tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to Transferred Undertaking shall be continued and/or enforced until the Effective Date as desired by Transferee Company. As and from the Effective Date, the Tax proceedings/ appeals shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the transfer and vesting of the Transferred Undertaking into and with the Transferee Company.

3.12.5 Transferor Company and Transferee Company shall be entitled to, amongst others, file/or revise its Tax filings and returns or statutory returns, if required, even if the prescribed time limit for

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filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum.

3.13 **Amendment to the Memorandum of Association**

In order to carry on the relevant business activities in relation to Transferred Undertaking that are currently being carried on by the Transferor Company, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Transferor Company shall be added to the main objects of the memorandum of association of the Transferee Company, to the extent such objects are not already covered by those of the Transferee Company. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 13 or any other applicable provision of the Act would be required to be separately passed.

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PART-IV
REDUCTION OF THE EQUITY SHARE CAPITAL OF TRANSFEROR COMPANY

4 **REDUCTION OF THE EQUITY SHARE CAPITAL OF THE TRANSFEROR COMPANY**

4.1 On Part IV of the Scheme becoming effective and with effect from the Appointed Date, the subscribed, issued and paid up equity share capital of the Transferor Company will stand reduced from Rs. 28170,33,71,290 (Rupees Twenty Eight Thousand One Hundred Seventy Crores and Thirty Three Lakhs Seventy One Thousand Two Hundred and Ninety only) divided into 2817,03,37,129 (Two Thousand Eight Hundred and Seventeen Crore Three Lakh and Thirty Seven Thousand One Hundred and Twenty Nine) Equity Shares of Rs. 10 (Rupees Ten only) each to Rs. 26897,97,21,050 (Rupees Twenty-Six Thousand Eight Hundred Ninety-Seven Crores, Ninety-Seven Lakhs, Twenty-One Thousand, Fifty only) divided into 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs. 10 (Rupees Ten only) each, by cancelling and extinguishing 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) paid-up Equity Shares of Rs. 10 (Rupees Ten only) each (hereinafter referred to as '**AMIPL Extinguished Shares**' and '**AMIPL Extinguished Share Capital**' shall be understood in the same context), without any further act, instrument or deed.

4.2 The liability on cancellation of the AMIPL Extinguished Shares and the consequent reduction of the AMIPL Extinguished Share Capital shall be discharged by transfer and delivery of the AMAIPL Equity Shares to the shareholders of the Transferor Company. It is clarified that there shall be no change and/ or reduction in the authorized share capital of the Transferor Company pursuant to the reduction and cancellation of the AMIPL Extinguished Share Capital.

4.3 The Transferor Company has engaged Mr. Vikarth Kumar, registered valuer, to provide a valuation report. In connection with such engagement, Mr. Vikarth Kumar, registered valuer, has issued a valuation report dated September 16, 2020. The Board of Directors of Transferor Company have agreed to discharge the consideration by transfer and delivery of the AMAIPL Equity Shares to the shareholders of the Transferor Company, based on their independent judgment and after taking into consideration the aforesaid valuation report at their meeting held on September 18, 2020.

4.4 On effecting the reduction of the AMIPL Extinguished Share Capital, the share certificates in respect of the AMIPL Extinguished Shares held by the holder(s) of AMIPL Extinguished Shares shall also be deemed to have been cancelled and extinguished.

4.5 The reduction of the AMIPL Extinguished Share Capital shall be effected as an integral part of this Scheme itself, and not under a separate procedure, in terms of Section 66 and other applicable provisions of the Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 and other applicable provisions of the Act, confirming such reduction of share capital. The consent of the shareholders and creditors of the Transferor Company to this Scheme shall be deemed to be the consent of its respective shareholders and creditors for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.

4.6 It is clarified that the reduction of the AMIPL Extinguished Share Capital shall not cause any holder of AMIPL Extinguished Shares to hold any fractional shares in the Transferor Company.

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4.7 The employees of the Transferor Company shall not be affected in any manner by the proposed reduction of the AMIPL Extinguished Share Capital.

4.8 **<u>Accounting Treatment on reduction of AMIPL Extinguished Share Capital</u>**

Accounting in the Books of Transferor Company

4.8.1 Upon the Scheme becoming effective and with effect from the Appointed date, the financial statements of the Transferor Company shall be accounted as per Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in the following manner:

(i) Transferor Company shall derecognise the equity share capital outstanding on account of cancellation of its equity shares equivalent to the value of equity share received from Transferee company.

(ii) Transferor Company shall derecognise the investment in equity shares of Transferee Company at its carrying value.

4.8.2 The difference, if any, between the carrying value of investments derecognized and the share capital cancelled shall be recognised in other equity.

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PART-V
AMALGAMATION OF AMALGAMATING COMPANY

5 **THE TRANSFER BY WAY OF AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY**

5.1 Upon Part V of this Scheme becoming effective, and with effect from the Appointed Date, the Amalgamating Company comprising solely of the Residual Business Undertaking including all its present and future assets and liabilities whether known or unknown but specifically excluding those relating to the Transferred Undertaking and AMAIPL Equity Shares, shall stand transferred to and be vested in the Amalgamated Company, as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein, in accordance with Applicable Laws, if any, and the provisions contained therein

5.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, upon the Scheme becoming effective, and with effect from the Appointed Date, the whole of the business, personnel, property, assets, investments, rights, benefits and interest therein of the Amalgamating Company comprising of the Residual Business Undertaking shall, stand transferred to and be vested in the Amalgamated Company, without any further act or deed and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, upon the Scheme becoming effective, and with effect from the Appointed Date the Amalgamating Company solely comprising of the Residual Business Undertaking shall stand transferred to and be vested in the Amalgamated Company in the manner described herein below:

5.2.1 All assets of the Amalgamating Company comprising of the Residual Business Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause 5.2.1 shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty is payable on the transfer of such movable properties, being vested in the Amalgamated Company;

5.2.2 All movable properties of the Amalgamating Company comprising of the Residual Business Undertaking, other than those specified in sub-clause 5.2.1 above, including investments, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government and other authorities and bodies customers and other persons, shall without any further act, instrument or deed, become the property of the Amalgamated Company and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard;

5.2.3 All immovable properties of the Amalgamating Company comprising of the Residual Business Undertaking, if any, including land whether freehold, leasehold cum sale basis, licensed or otherwise held by the Amalgamating Company, including any right or interest in the buildings and structures standing thereon and all lease / license or rent agreements entered into by Amalgamating Company, together with security deposits and advance / prepaid lease / license fee, documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the

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Amalgamating Company and/or the Amalgamated Company. The Amalgamated Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to Amalgamated Company. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Amalgamated Company by the appropriate authorities, pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. It is hereby clarified that all the rights, title and interest (including stamp duty paid) of the Amalgamating Company in the leasehold properties, if any, shall, pursuant to Sections 230 to 232 and other applicable provisions of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Amalgamated Company;

5.2.4 All the rights, title, interests, benefits, entitlement and advantages, contingent rights, applications made to obtain rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, the Amalgamating Company comprising of the Residual Business Undertaking, may be entitled to subsequently and all other interests, continuing rights, title and interests and any of its equipment shall be vested in the Amalgamated Company with effect from the Appointed Date. The Amalgamated Company shall be deemed to be the applicant for mining lease(s) in place of the Amalgamating Company comprising of the Residual Business Undertaking, for all purposes under the Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder, as amended from time to time and any other applicable law.

5.2.5 All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, of the Amalgamating Company comprising of the Residual Business Undertaking, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause 5.2;

5.2.6 The rupee denominated external commercial borrowing availed by the Amalgamating Company from Oakey Holding B.V., Netherlands for funding under the Resolution Plan shall stand transferred to the Amalgamated Company and be deemed to be the debts, liabilities and obligations of the Amalgamated Company. It is hereby clarified that approval of the Reserve Bank of India was obtained for the purposes of the availing the rupees denominated external commercial borrowing by the Amalgamating Company; and application made to the Reserve Bank of India in this regard, also mentioned the amalgamation/merger of the Amalgamating Company into the Amalgamated Company and consequent transfer of the external commercial borrowing pursuant thereto;

5.2.7 The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer of the Amalgamating Company comprising of the Residual Business Undertaking to the Amalgamated Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Amalgamating Company and Amalgamated Company;

It is hereby clarified that –

(i) Existing security, if any, in respect of abovementioned liabilities shall extend to and operate only over the assets comprised in the Residual Business Undertaking which has been charged and secured in respect of the abovementioned liabilities. If any of the assets comprised in the Residual Business Undertaking have not been charged or secured in respect of the abovementioned liabilities, such assets shall remain unencumbered.

(ii) If any existing security in respect of any part of the abovementioned liabilities extends wholly or in part over the assets of the Amalgamating Company other than the Residual Business Undertaking, then the Amalgamating Company shall create adequate security in respect of such part of the abovementioned liabilities over the assets of the Residual Business Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Amalgamating Company other than the Residual Business Undertaking shall be released and discharged from such encumbrance.

(iii) If any security or charge exists on the assets comprising of the Residual Business Undertaking in respect of the loans and liabilities which have not been transferred to Amalgamated Company pursuant to this Scheme, the Amalgamating Company shall create adequate security over the assets of the Amalgamating Company other than the Residual Business Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Residual Business shall be released and discharged from such encumbrance;

5.2.8 All cheques and other negotiable instruments, payment orders, if any, received in the name of the Amalgamating Company pertaining to the Residual Business Undertaking after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company;

5.2.9 All documents including memorandums of undertaking, guarantees, counter guarantees, consents, approvals, comfort letter, letter of intent, representations received from contractual counterparties and/or regulatory authority contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company comprising of the Residual Business Undertaking, or to the benefit of which, the Amalgamating Company may be eligible in relation to the Residual Business Undertaking and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect, with effect from Appointed Date and upon this Scheme becoming effective, on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees and letters of credit, agreements with any Governmental Authority, hire purchase agreements, agreements with service providers or contractors for the supply of manpower or contract labour, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Amalgamating Company comprising of the Residual Business Undertaking or to the benefits of which Amalgamating Company in relation to Residual Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of Amalgamated Company. All agreements to which Amalgamating Company comprising of the Residual Business Undertaking is a party or to the

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benefits of which Amalgamating Company may be eligible in relation to the Residual Business Undertaking and which are subsisting or having effect immediately before the Effective Date shall stand vested in favour of Amalgamated Company on the same terms and conditions. Amalgamated Company and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder;

5.2.10 Any notices, disputes, pending suit/appeal, legal, Tax, or any complaint or claim to any ombudsman, or other proceedings (including Tax proceedings) of whatsoever nature relating to the Amalgamating Company comprising of the Residual Business Undertaking, whether by or against the Amalgamating Company, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company, as if this Scheme had not been made. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company;

5.2.11 All employees of the Amalgamating Company comprising of the Residual Business Undertaking, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company, upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous;

5.2.12 All licenses, permissions, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, whether statutory, regulatory or otherwise, (including the licenses granted by Governmental Authorities for the purpose of carrying on its business or in connection therewith) held by the Amalgamating Company required to carry on its operations of the Residual Business Undertaking shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all permissions, approvals and consents, whether statutory, regulatory or otherwise, of the Amalgamating Company comprising of the Residual Business Undertaking shall vest in and become available to the Amalgamated Company pursuant to the Scheme. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause 5.2, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of Amalgamated Company pursuant to the sanction of this Scheme by the court and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Amalgamated Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

5.2.13 Upon coming into effect of this Scheme, the past track record of Amalgamating Company relating to the Residual Business Undertaking, including the profitability, production volumes, experience, credentials, net worth, technical expertise, and market share, shall be deemed to be the track record of the Amalgamated Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the

Amalgamated Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

5.2.14 Any and all registrations, goodwill, licenses appertaining to the Amalgamating Company comprising of the Residual Business Undertaking shall stand transferred to and vested in the Amalgamated Company;

5.2.15 All Taxes, deferred tax balances, including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of the Amalgamating Company comprising of the Residual Business Undertaking, including all or any refunds or claims shall be treated as the Tax liability or refunds /Tax Credits / claims, as the case may be, of the Amalgamated Company and any Tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, Tax losses, including brought forward loss, unabsorbed depreciation, etc., as would have been available to the Amalgamating Company, shall pursuant to this Scheme becoming effective, be available to the Amalgamated Company.

5.2.16 For the purpose of giving effect to the vesting and transfer order passed under Sections 230 to 232 of the Act, in respect of this Scheme, the Amalgamated Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments pursuant to the Scheme.

5.3 **Saving of Concluded Transactions**

The transfer of assets, liabilities and business to, and the continuance of proceedings by or against, the Amalgamated Company as envisaged in this Part V of the Scheme in relation to the Residual Business Undertaking shall not affect any transaction or proceedings already concluded by the Amalgamating Company till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company in respect thereto as done and executed on behalf of itself in so far as it relates to the Residual Business Undertaking.

5.4 **Procedural formalities post sanction of the Scheme**

5.4.1 The Amalgamated Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company comprising of the Residual Business Undertaking, has been a party, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company in so far as it relates to the Residual Business Undertaking.

5.4.2 Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Amalgamating Company comprising of the Residual Business Undertaking and/or the Amalgamated Company shall, if required, simultaneously with the amendment in the register of charges, file particulars of the modified charge with the Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Amalgamating Company and the Amalgamated Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Amalgamating Company.

5.4.3 Upon the Scheme becoming effective, all permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses,

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whether statutory, regulatory or otherwise, relating to the Amalgamating Company comprising of the Residual Business Undertaking, shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the aforesaid licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of such licenses, as provided hereinabove, the Amalgamated Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Amalgamated Company based on the sanction order of the Scheme by the NCLT.

5.4.4 Upon the Scheme becoming effective, the Amalgamated Company is expressly entitled to revise its Tax returns and related withholding certificates and shall be entitled to claim Tax refund, Tax Credits pertaining to the Amalgamating Company comprising of the Residual Business Undertaking, if any.

5.4.5 From the Effective Date, all bank accounts of the Amalgamating Company comprising of the Residual Business Undertaking shall be permitted to be continued with the same balances as of the Effective Date in the name of the Amalgamated Company and for statistical record the Amalgamated Company shall be permitted to file names and particulars of the new authorized signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.

5.5 **Conduct of Business**

5.5.1 With effect from the Appointed Date and until occurrence of the Effective Date:

(i) the Amalgamating Company comprising of the Residual Business Undertaking shall carry on its business in its ordinary course with reasonable diligence and business prudence and in a manner consistent with its past practices;

(ii) the Amalgamating Company undertakes to carry on and shall be deemed to have carried on all its business activities and stand possessed of its properties and assets in relation to the Residual Business Undertaking, for and on account of and in trust for the Amalgamated Company;

(iii) all profits accruing to the Amalgamating Company comprising of the Residual Business Undertaking and all Taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, Taxes or losses, as the case may be, of the Amalgamated Company;

5.6 Between the Appointed Date and the Effective Date, as per agreement between the Amalgamating Company and Amalgamated Company, some employees of the Amalgamating Company comprising of the Residual Business Undertaking who are on its pay roll may get transferred to and be engaged by the Amalgamated Company.

5.7 It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine vests in Amalgamated Company from the Amalgamating Company/Transferor Company, then paragraph (vi) shall be deemed excluded from Schedule A.

5.8 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Amalgamating Company comprising of the Residual Business Undertaking, as on the close of business on the date preceding the Appointed Date, whether or not provided in their books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Amalgamated Company.

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5.9 With effect from the Effective Date, the Amalgamated Company shall commence and carry on and shall be authorized to carry on the business of the Amalgamating Company comprising of the Residual Business Undertaking.

5.10 For the purpose of giving effect to the amalgamation order passed by the NCLT under Sections 230 to 232 and other applicable provisions of the Act in respect of the Scheme, the Amalgamated Company shall, at any time pursuant to the order on the Scheme, be entitled to get the recordal of the change in the legal right(s) in its name upon the amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act.

5.11 **Consideration**

5.11.1 Upon this Scheme becoming effective, and consequent transfer and vesting of the Amalgamating Company comprising solely of the Residual Business Undertaking to the Amalgamated Company in terms of this Scheme, the shareholders of Amalgamating Company as of the Record Date, shall be entitled to receive Equity Shares of Amalgamated Company as detailed in this Clause.

5.11.2 Amalgamating Company and Amalgamated Company have engaged Mr. Vikarth Kumar, registered valuer, to provide a valuation report. In connection with such engagement, Mr. Vikarth Kumar, registered valuer, has issued a valuation report dated September 16, 2020. The Board of Directors of Amalgamating Company and Amalgamated Company have determined the share exchange ratio i.e., 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Share of Rs 10 (Rupees Ten) each of Amalgamated Company: 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs 10 (Rupees Ten) each of the Amalgamating Company ("**Share Exchange Ratio**"), based on their independent judgment and after taking into consideration the aforesaid valuation report at their respective meetings held on September 18, 2020.

5.11.3 The Amalgamated Company shall issue and allot Equity Shares of Amalgamated Company as per Share Exchange Ratio to the shareholders of Amalgamating Company on Record Date, i.e., 2504,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Share having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamated Company shall be issued and allotted for 2689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares having a face value of Rs. 10/- (Rupees Ten) each, fully paid up, of Amalgamating Company.

5.11.4 The Equity Shares to be issued and allotted by Amalgamated Company in terms of this Clause 5.11 shall be subject to the provisions of the memorandum of association and articles of association of Amalgamated Company and shall rank *pari passu* in all respects with the existing Equity Shares of Amalgamated Company.

5.12 **Cancellation of Equity Shares held by Amalgamating Company in Amalgamated Company**

5.12.1 Simultaneous with the issuance of the Equity Shares to the shareholders of Amalgamating Company, in accordance with this Clause 5.12.1, the issued and paid up equity share capital of Amalgamated Company, comprising of 922,20,00,000 (Nine Hundred Twenty Two Crores Twenty Lakh) Equity Shares of Rs. 10 each, aggregating to Rs. 9222,00,00,000 (Rupees Nine Thousand Two Hundred Twenty Two Crores only) as held by Amalgamating Company, shall, without any further application, act, instrument or deed, be automatically cancelled and extinguished.

5.12.2 The cancellation of the equity share capital held by Amalgamating Company in Amalgamated Company, in accordance with this Clause 5.12 of the Scheme, shall be effected as a part of this Scheme itself and not under a separate procedure, in terms of Section 66 of the Act and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act, or any other applicable provisions, confirming such reduction of share capital. The consent of the shareholders and creditors of Amalgamated Company to this Scheme shall be deemed to be the consent of its respective shareholders and creditors for the purpose of effecting the reduction under the provisions of Section 66 of the Act as well and no further compliances would be separately required.

5.12.3 The reduction of capital of Amalgamated Company, as above, does not involve any diminution of liability in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form. The Amalgamated Company shall not be required to add the words "and reduced" as suffix to its name consequent upon the reduction of its capital under Clause 5.12 of this Scheme.

5.13 **Change in Authorized Share Capital**

5.13.1 Upon this Scheme becoming effective and upon the vesting and transfer of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company pursuant to the terms of this Scheme, the entire authorized share capital of the Amalgamating Company shall stand transferred / added to and be merged with the authorized share capital of Amalgamated Company, without any liability for payment of any additional fees or stamp duty.

5.13.2 By virtue of sub-clause 5.13.1 above, the authorized share capital of the Amalgamated Company shall stand increased by an amount of Rs. 80000,00,00,000 (Rupees Eighty Thousand Crores only) and **Clause V** of the memorandum of association of the Amalgamated Company shall stand substituted/amended to read as follows:

"V. The Authorized Share Capital of the Company is Rs. 79900,00,00,000 (Rupees Seventy Nine Thousand Nine Hundred Crores) divided into 7990,00,00,000 (Seven Thousand Nine Hundred and Ninety Crore) Equity Shares of Rs. 10/- (Rupees Ten) each, and 10,00,00,000, 10% Cumulative Redeemable Preference Shares of Rs 10/- each with the rights, privileges and conditions attaching thereto as provided by the requisitions of the Company for the time being with power to increase and reduce the capital of the Company and divide the shares in the Capital for the time being into several classes to attach thereto or in accordance with the Articles of the Company for the time being in force, and to modify, enlarge or abrogate any such right, privilege or conditions in such manner as may be permitted by the said Act or provided by the articles of association of the Company for the time being force."

5.13.3 It is hereby clarified that for the purposes of increasing the authorized share capital of the Amalgamated Company in accordance with Clause 5.13.1 and 5.13.2 of Part V , the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in the authorized share capital of the Amalgamated Company and consequential amendments in Clause V of its Memorandum of Association and all actions taken in accordance with this Clause 5.13 of Part V of this Scheme shall be deemed to be in full compliance of Sections 13, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Sections 13, 61 and 64 of the Act and/or any other applicable provisions of the Act, would be required to be complied with.

5.13.4 For the avoidance of doubt, it is clarified that, in case, the authorised share capital of Amalgamated Company and / or, Amalgamating Company , as the case may be, undergoes any change during the pendency of the Scheme, either as a consequence of any corporate actions or

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otherwise, then this Clause 5.13 shall automatically stand modified / adjusted accordingly to take into account the effect of such change.

5.13.5 The stamp duty or registration filing fees paid on the authorized share capital of the Amalgamating Company are permitted to be utilized and applied towards the increase in the authorized share capital of the Amalgamated Company in accordance with Clauses 5.13.1 and 5.13.2 above, and no further demand of additional stamp duty or filing/registration fee shall be raised or made upon the Amalgamated Company by any regulatory authorities in relation to such increase in the authorized share capital of the Amalgamated Company, including by the Registrar of Companies.

5.14 **Reduction of capital reserve and capital redemption reserve of the Amalgamated Company**

5.14.1 The amount lying as balance in the Balance Sheet of the Amalgamated Company (as accumulated losses) under the head 'Retained Earnings' forming part of 'Other Equity', as on the Appointed Date, shall be, in the books of the Amalgamated Company, adjusted/reduced as follows in accordance with provisions of Sections 230 to 232, Section 66 and Section 55 of the Act and any other applicable provisions of law:

(i) Firstly, against reduction of Capital Reserve Account of the Amalgamated Company amounting to Rs. 2356,28,91,335 (Rupees Two Thousand Three Hundred Fifty Six Crores Twenty Eight Lacs, Ninety One Thousand, Three Hindered and Thirty Five only);

(ii) Secondly, against reduction of Capital Redemption Reserve Account of the Amalgamated Company amounting to Rs. 202,92,48,320 (Rupees Two Hundred and Two Crores Ninety Two Lakh Forty Eight Thousand, Three hundred and Twenty only);

(iii) The remaining balance, lying in the Balance Sheet of the Amalgamated Company (as accumulated losses) under the head 'Retained Earnings' forming part of 'Other Equity' in the books of the Amalgamated Company, shall be carried in the books of the Amalgamated Company as on Appointed Date.

5.14.2 For giving effect to the above provisions, the permission from the shareholders of the Amalgamated Company shall be deemed to have been received as contemplated by the Act and the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for this purposes and all actions taken in accordance with this Clause 5.14 of Part V of this Scheme shall be deemed to be in full compliance of applicable provisions of the Act.

5.14.3 The reduction in the Capital Reserve Account and / or Capital Redemption Reserve Account as aforesaid, of the Amalgamated Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any unpaid share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction of Capital Reserve Account and /or Capital Redemption Reserve Account. Such a reduction shall be deemed to be effective on and from the Appointed Date. The Amalgamated Company shall not be required to add "and reduced" as a suffix.

5.15 **Accounting Treatment**

Accounting in the books of Amalgamated Company

5.15.1 Upon the Scheme becoming effective and with effect from the Appointed date, the financial statements of the Amalgamated Company shall be accounted as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

(i) The Amalgamated Company shall record the assets and liabilities of the Amalgamating Company vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of accounts of the Amalgamating Company;

(ii) The balance of the retained earnings appearing in the financial statements of the Amalgamating Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company;

(iii) The identity of the reserves shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company.

5.15.2 The difference, if any, between the carrying amounts of the net assets (including reserves) acquired, and the face value of the equity share capital of the Amalgamated company issued to the shareholders of the Amalgamating Company upon cancellation of the reduced share capital of Amalgamating Company, including difference resulting from elimination of intercompany balances, shall be recognised as capital reserve.

Accounting in the books of Amalgamated Company (in relation to the reduction of capital reserve and capital redemption reserve of the Amalgamated Company)

5.15.3 Upon the Scheme becoming effective and with effect from the Appointed Date, the financial statements of the Amalgamated Company shall be accounted, in the following manner:

(i) The debit balance of retained earnings appearing in the financial statements of the Amalgamated Company shall be set-off against the credit balance of the capital reserve and capital redemption reserve appearing in its financial statements.

5.16 **Tax**

5.16.1 Any Tax liabilities (including contingent liabilities) of the Amalgamating Company allocable or related to the Residual Business Undertaking shall be transferred to the Amalgamated Company.

5.16.2 Any Tax assets such as Tax Credits or refunds pertaining to Taxes including consequent to the assessment made in respect of Amalgamating Company allocable or related to the Residual Business Undertaking, for which no credit is taken in the accounts, shall also belong to and be received by Amalgamated Company. Amalgamating Company and/or Amalgamated Company will undertake due compliances to effect the same.

5.16.3 The Tax payments whether by way of tax deducted at source by the customers, advance tax or otherwise howsoever, by Amalgamating Company allocable or related to the Residual Business Undertaking after the Appointed Date, shall be deemed to be paid by Amalgamated Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Amalgamating Company or the Amalgamated Company on account of inter-company transactions between Amalgamated Company and Amalgamating Company post the Appointed Date, shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

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5.16.4 All Tax assessment proceedings/appeals of whatsoever nature by or against the Amalgamating Company pending and/or arising at the Appointed Date and relating to the Residual Business Undertaking shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the Tax proceedings/ appeals shall be continued and enforced by or against Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against Amalgamating Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company comprising of the Residual Business Undertaking with Amalgamated Company or anything contained in the Scheme.

5.16.5 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Amalgamating Company allocable or related to the Residual Business Undertaking, shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

5.16.6 The provisions of this Part V of the Scheme as they relate to the amalgamation of Amalgamating Company comprising of the Residual Business Undertaking into and with Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of this Part V of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act. 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961, shall prevail and this Part V of the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

5.16.7 Amalgamating Company and Amalgamated Company shall be entitled to, amongst others, file/or revise its Tax filings and returns, or any other statutory returns, if required, even if the prescribed time limit for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum.

5.16.8 All the expenses incurred by the Amalgamating Company and the Amalgamated Company wholly and exclusively for the purposes of amalgamation, including stamp duty expenses, if any, shall be allowed as deduction to the Amalgamated Company in accordance with the Section 35DD of the Income -tax Act, 1961 over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.

5.17 **Dissolution of Amalgamating Company**

5.17.1 On the Scheme becoming effective the Amalgamating Company shall stand dissolved without being wound up.

5.18 **Change of status of Amalgamated Company from 'Public Limited' to 'Private Limited'**

5.18.1 Upon the Scheme coming into effect, the Amalgamated Company shall stand converted from a "public limited company" to a "private limited company" as an integral part of the Scheme without any further act or deed provided the number of members excluding present and past employees remains below 200 (two hundred). Accordingly, the name of the Amalgamated Company upon effecting the status change would read and appear as "ArcelorMittal Nippon Steel India Private Limited". It shall be deemed that the shareholders of the Amalgamated Company have resolved and accorded all relevant consents under Sections 13 and 14 or any other applicable provision of the Act. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sections 13 and 14 or any other applicable provision of the Act for the amendment of the articles of association and memorandum of association.

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The amendments to the articles of association of the Amalgamated Company shall be deemed to have effected without any further act or deed and shall be treated as an integral part of the Scheme. The sanction of this Scheme by the NCLT shall be deemed to be in compliance with the applicable provisions of the Act and any other consents and approvals required in this regard.

5.18.2 Further, the Amalgamated Company agrees to comply with any specific requirement, if necessary or directed by NCLT for completing the change in status from a "public" to "private company", filing of the necessary documents, forms etc. with the relevant Registrar of Companies or any other applicable authority to give effect to the status change of the Amalgamated Company.

5.19 **Amendment to the Memorandum of Association**

5.19.1 In order to carry on the activities currently being carried on by the Amalgamating Company comprising of the Residual Business Undertaking, upon coming into effect of the Scheme, the main objects in the memorandum of association of the Amalgamating Company comprising of the Residual Business Undertaking including:

"To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing:

(i) in iron and steel as iron mongers, iron masters, steel makers and steel converters;

(ii) in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;

(iii) as miners, smelters, and iron founders;

(iv) in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials;"

shall be added to the main objects of the memorandum of association of the Amalgamated Company, to the extent such objects are not already covered by those of the Amalgamated Company. The consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13 or any other applicable provision of the Act would be required to be separately passed.

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PART-VI
GENERAL / RESIDUARY TERMS AND CONDITIONS

6 **GENERAL / RESIDUARY TERMS AND CONDITIONS**

6.1 The Transferor Company/Amalgamating Company, Transferee Company and the Amalgamated Company, shall, with all reasonable dispatch, simultaneously, make necessary applications/ petitions to the NCLT, for sanctioning this Scheme and all matters ancillary or incidental thereto (including seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and/or creditors) under Sections 230 to 232 and other applicable provisions of the Act, as per the requirements of the Act.

6.2 Upon the Scheme coming into effect, the name of the Transferee Company shall stand changed to that of the Transferor Company viz., ArcelorMittal India Private Limited, as an integral part of the Scheme without any further act, things or deed, subject to the Transferee Company filing necessary form/application with the Registrar of Companies, as may be required in this regard. It is hereby clarified that the approval/consent to the Scheme by the respective shareholders of Transferor Company and Transferee Company shall be deemed to be requisite shareholders' approval required under the Act for effecting such change of name, including necessary amendments in the Memorandum of Association and Articles of Association of Transferee Company in relation to such change of name.

6.3 The Scheme is conditional upon and subject to the following:

6.3.1 Subject to necessary dispensations from convening any meeting(s) of members and/or creditors, as may be granted by the NCLT, the Scheme being approved by the requisite majority in number and value of the members and creditors of the Scheme Entities as required under the Act and as may be directed by the NCLT;

6.3.2 the Scheme being sanctioned by the NCLT under Sections 230 to 232 and other applicable provisions of the Act;

6.3.3 Any other sanction or approval of any Governmental Authority or regulatory authority, as may be considered necessary and appropriate by the Board of Directors of the Scheme Entities, being obtained and granted in respect of any of the matters for which such sanction or approval is required; and

6.3.4 the certified copy(ies) of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies, by the Scheme Entities.

6.4 This Scheme shall become effective on such date when the certified copy(ies) of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies, by the Scheme Entities. Such date shall be known as the "**Effective Date**". For the avoidance of doubt, it being clarified that in case the Scheme Entities make such filings on different dates, then the last date on which such filings are made with relevant Registrar of Companies shall be deemed as the Effective Date.

6.5 Upon this Scheme becoming effective, the following shall be deemed to have occurred simultaneously on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

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AM Associates India Private Limited ★

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6.5.1 transfer and vesting of the Transferred Undertaking from the Transferor Company into the Transferee Company in accordance with Part III of this Scheme;

6.5.2 increase in the authorized share capital of Transferee Company (including amendment of its memorandum of association) as provided in Part III of this Scheme;

6.5.3 issue and allotment of AMAIPL Equity Shares to the Transferor Company in accordance with Part III of this Scheme;

6.5.4 cancellation of the AMIPL Extinguished Shares in its entirety and consequent reduction of the AMIPL Extinguished Share Capital, without any further act or deed as provided in Part IV of this Scheme;

6.5.5 transfer and delivery of the AMAIPL Equity Shares to the shareholders of the Transferor Company as provided in Part IV of this Scheme;

6.5.6 amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with the Amalgamated Company as provided in Part V of this Scheme;

6.5.7 transfer of the authorized share capital of Amalgamating Company to Amalgamated Company as provided in Part V of this Scheme, and consequential increase in the authorized share capital of Amalgamated Company (including amendment of its memorandum of association) as provided in Part V of this Scheme;

6.5.8 issue and allotment of Equity Shares of the Amalgamated Company to the shareholders of the Amalgamating Company as of Record Date in accordance with Part V of this Scheme;

6.5.9 cancellation of the shareholding of Amalgamating Company in Amalgamated Company in its entirety, without any further act or deed as provided in Part V of this Scheme;

6.5.10 reduction of share capital of the Amalgamated Company in accordance with Part V of this Scheme;

6.5.11 reduction of capital reserve and capital redemption reserve of the Amalgamated Company in accordance with Part V of this Scheme;

6.5.12 dissolution of Amalgamating Company without being wound -up;

6.5.13 change in status of the Amalgamated Company from 'Public Limited' to 'Private Limited'; and

6.5.14 change in the name of the Transferee Company to that of the Transferor Company viz., ArcelorMittal India Private Limited.

6.6 The provisions of this Scheme are inextricably inter-linked with the other provisions of this Scheme and this Scheme constitutes an integral whole. This Scheme shall be given effect to only in its entirety and in the sequence and order mentioned in Clause 6.4 above.

6.7 Upon this Scheme becoming effective, it shall be binding on the Scheme Entities and their respective shareholders, creditors and all other stakeholders.

6.8 The Scheme Entities (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The Scheme Entities (acting through its respective Boards of Directors) be

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and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. The Scheme Entities shall be at liberty to withdraw from this Scheme or a part thereof in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them, or for any other reason as may be considered necessary or desirable by the companies for such withdrawal.

6.9 All costs, expenses, charges, fees, Tax, levies and all incidental expenses arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto pertaining to transfer and vesting of the Transferred Undertaking and amalgamation shall be borne by the Amalgamated Company and shall be treated as per the relevant provisions of the Income-tax Act, 1961 and the Central Goods & Services Tax Act, 2017.

6.10 If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under Applicable Laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

6.11 In the event any of the sanctions and approvals as may be considered necessary and appropriate by the Board of Directors of the Scheme Entities not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

6.12 In case any doubt or difference or issue (in relation to the Scheme) arises between Scheme Entities, any of their shareholders, creditors, employees or persons, as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of Scheme Entities shall mutually resolve all such disputes and its decision shall be final and binding on all concerned.

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SCHEDULE A

Residual Business means the following and Annexure A to this Schedule A

(i) All physical assets consisting of furniture & fixtures including office equipment and computers & peripherals acquired by AMIPL for the office premises situated COWRKS, 2nd Floor of Birla Centurion, Worli Century Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai, Maharashtra 400030 ("**AM Mumbai Office**"). Security Deposit paid by AMIPL for AM Mumbai Office.

(ii) AMIPL's investment in the equity shares of ArcelorMittal Nippon Steel India Limited *(previously known as Essar Steel India Limited)*.

(iii) Indebtedness/loans of Essar Steel India Limited acquired by AMIPL from banks and financial institutions pursuant to the Resolution Plan (as defined in Part I above). Interest receivable from ArcelorMittal Nippon Steel India Limited *(previously known as Essar Steel India Limited)*.

(iv) Indebtedness/loans of Uttam Galva Steel Limited acquired by AMIPL from banks and financial institutions.

(v) Inter corporate deposits provided to Uttam Galva Steel Limited.

(vi) Thakurani Mine Business Undertaking comprising of all rights and obligations under the mining lease executed by AMIPL with the State Government of Odisha for mining of iron ore at the mines situated at Thakurani ("**Thakurani Mine**"), including all assets, books and records, liabilities, employees, contracts (including vendor/customer), licenses, approvals, creditors, debtors all advance monies, earnest monies and/or security deposits Tax and Tax Credits other statutory dues, inventories of iron ore stock and upfront payment made to State Government of Odisha in relation to the Thakurani Mine.

(vii) Rupee denominated external commercial borrowing availed by the AMIPL from Oakey Holding B.V., Netherlands and accrued interest on such borrowing.

(viii) Advances received from ArcelorMittal Nippon Steel India Limited *(previously known as Essar Steel India Limited)* for supply of iron ore.

(ix) Advance Income Tax, Cash & Bank Balances, Trade Payable & Provisions and Statutory dues payable as mentioned at Annexure A.

It is hereby clarified tbat, during the pendency of the Scheme in the event the ownership of the Thakurani Mine vests in Amalgamated Company from the Amalgamating Company/Transferor Company, then paragraph (vi) shall be deemed excluded from this Schedule A.

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Annexure A

ArcelorMittal India Private Limited

Net Assets Value of Residual Business as at 31 December 2019

(All amount in ₹ Million)

	As at 31 December 2019
Assets	
Non-current assets	
Property, plant and equipment	-00
Financial assets	
Investments	-00
Loans	-00
Other non-current assets	-00
Total non-current assets	**4,32,844**
Current assets	
Financial assets	
Cash and cash equivalents	**-00**
Loans	**-00**
Other current assets	
Total current assets	**7,205**
Total assets	**4,40,049**
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	**-00**
Provisions	-00
Total non-current liabilities	**2,40,000**
Current liabilities	
Financial liabilities	
Trade payables	
(a) Total outstanding dues of micro enterprises and small enterprises: and	-00
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-00
Other financial liabilities	-00
Other current liabilities	-00
Provisions	-00
Current tax liabilities (net)	-00
Total current liabilities	**1,376**
Total Liabilities	**2,41,376**
Net Assets	**1,98,673**

STRICTLY PRIVATE AND CONFIDENTIAL

16 September 2020

Board of Directors
AM Associates India Private Limited
Chalet No. 29, Paragraph, B Wing,
17th Floor, Mondeal Heights,
Nr. Novotel Hotel, S.G. Highway Ahmedabad,
Ahmedabad,
Gujarat – 380 015

Board of Directors
ArcelorMittal India Private Limited
Uppal's M-6 Plaza,
6th Floor, Unit C & D,
Jasola District Centre,
New Delhi – 110 025
Delhi

Dear Sir / Madam,

Re: Fair Valuation of Transferred Undertaking of ArcelorMittal India Private Limited and equity valuation of AM Associates India Private Limited for the purpose of proposed transfer and vesting of the Transferred Undertaking into and with AM Associates India Private Limited pursuant to the Composite Scheme of Arrangement under the relevant provisions of the Companies Act, 2013

With reference to the letter agreement dated 18 February 2020 along with the addendums dated 20 March 2020 and 2 September 2020 (collectively referred to as the "Letter Agreement") engaging Mr. Vikarth Kumar (the "**Registered Valuer**" or "**I**") for carrying out the fair valuation of Transferred Undertaking of ArcelorMittal India Private Limited ("AMIPL" or the "Transferor Company") and the equity valuation of AM Associates India Private Limited ("AMAIPL" or the "Transferee Company"), for the purpose of the proposed transfer of the Transferred Undertaking of AMIPL (the "Transferred Undertaking") into and with AMAIPL pursuant to the provisions of Section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 as provided for in the Draft Composite Scheme of Arrangement (the "Draft Scheme") with effect from the Appointed Date of 16 December 2019 (the "Appointed Date").

In the following paragraphs, I have summarized my conclusion and valuation analysis together with the description of the methodologies used and limitations on my scope of work.

1. BACKGROUND INFORMATION

a) ArcelorMittal India Private Limited was originally incorporated on 10 April 2006 and is engaged in the business of setting up steel manufacturing plants in India including by way of acquiring mining leases/ prospecting licenses, acquiring steel plants and/ or other supporting facilities for manufacture of steel including power plants.

b) AM Associates India Private Limited was incorporated on 18 February 2020 for manufacturing, prospecting, operating and otherwise dealing in mining. AMAIPL is indirectly 100% owned by ArcelorMittal SA through its stepdown subsidiary ArcelorMittal Ventures India Private Limited ("AM Ventures").

c) The current issued, subscribed and paid-up share capital of AMAIPL is INR 500,000 comprising of 50,000 equity shares of INR 10.0 each fully paid-up. AMAIPL is 100% owned by AM Ventures.

d) As per the Draft Scheme, the transferred undertaking of AMIPL (the "Transferred Undertaking") means all the assets, rights, business and liabilities of the Transferor Company other than the Residual Business Undertaking.

e) As per the Draft Scheme, the Residual Business Undertaking means assets, rights, business and liabilities of the Transferor Company as a part of its continuing business and operations, listed out at Schedule A (the "Residual Business") of the Draft Scheme and includes:

- any and all assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto, pertaining to the Residual Business;

- any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent, pertaining to the Residual Business;

- without prejudice to generality of the foregoing, the Residual Business Undertaking shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto, pertaining to the Residual Business;

- any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the or in relation to the Residual Business;

- any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Transferor Company pertaining to the Residual Business;
- any and all employees, who are on the pay roll of the Transferor Company in relation to Residual Business, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund for such employees of the Transferor Company in relation to Residual Business;
- any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Residual Business; and
- all records, files, papers, information, computer programs, relating to the Residual Business;

It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine (as defined in Schedule A of the Draft Scheme) vests in Amalgamated Company (as defined in the Draft Scheme) from the Transferor Company, then paragraph (vi) shall be deemed excluded from this Schedule A.

f) I understand that the Transferred Undertaking does not have any material operations as of the Appointed Date and as of the date of this report. Accordingly, the management of the Transferor Company has confirmed that they do not have any visibility regarding the future profitability of the Transferred Undertaking.

2. Context And Purpose

a) I have been informed by the management of AMIPL (the "Management") that the Board of Directors of AMIPL (the "Board") are considering a proposal for the transfer and vesting of the Transferred Undertaking of the Transferor Company into and with the Transferee Company with effect from the Appointed Date.

b) As a consideration for the transfer and vesting of the Transferred Undertaking into and with the Transferee Company, it is proposed that equity shares of the Transferee Company will be issued to the Transferor Company.

c) Section 247 of the Companies Act, 2013 requires that where a valuation is to be made of any property, stocks, shares, debentures, securities or goodwill or any assets or net worth of a company or its liabilities under the provisions of the Companies Act, 2013, the same shall be valued by a person having the requisite qualifications, experience, registered as a valuer and member of a registered valuers organization, in the manner prescribed in the Rules thereunder.

d) In this regard, I have been appointed by the Board to carry out the fair valuation of the Transferred Undertaking and the equity valuation of AMAIPL as of the Appointed Date for the proposed transfer and vesting of the Transferred Undertaking into and with the Transferee Company, for the consideration of the Board (including audit committee, as applicable) in accordance with the applicable laws, rules and regulations.

e) I, Registered Valuer having registration number IBBI/RV/05/2018/10112, specialize in the asset class securities or financial assets with the Insolvency and Bankruptcy Board of India ("IBBI").

f) This report is my deliverable for the above engagement.

g) The scope of my services is to conduct the valuation of the Transferred Undertaking and the equity shares of the Transferee Company and report on the number of shares to be issued for the proposed transfer and vesting in accordance with generally accepted professional standards.

h) This report is subject to the scope, assumptions, exclusion, limitations and disclaimers as detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

3. VALUATION APPROACH & METHODOLOGY

3.1. VALUATION PROCEDURES

In connection with this exercise, I have adopted the following procedures to carry out the valuation of the Transferred Undertaking and AMAIPL:

- Discussions with the managements of the Transferor Company and the Transferee Company (collectively referred to as the "Managements") to:
  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analysis of key trends and implied valuation multiples of comparable companies and comparable transactions.
  - Other publicly available information.
- Selection of appropriate internationally acceptable valuation methodologies after deliberations.
- Determination of valuation of the company under different methodologies.

3.2. VALUATION PARAMETERS

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. In transaction of the nature of transfer of assets and liabilities where the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an entitlement ratio considering the valuation of the Transferred Undertaking. Considering the nature of this exercise, I have considered absolute value using the Fair Value as the Valuation Base.

Premise of Value: Premise of Value refers to the conditions and circumstances how an asset is deployed. I have considered “As-Is-Where-Is” Value as applicable to the Transferred Undertaking and the Transferee Company being valued, as the Premise of Value.

Intended Users: This report is intended for consumption of the Board of Directors of the AMIPL and Board of Directors of AMAIPL (collectively referred to as the “Boards”), the management of AMIPL, its advisors & representatives for the purpose of submission to the relevant regulatory authorities.

Valuation Date: The Valuation Date considered for this engagement is 16 December 2019.

3.3. VALUATION APPROACH & METHODOLOGY

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Specific nature of the business
- Whether the entity is listed on a stock exchange
- Industry to which the company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. Certain valuation techniques have evolved over time and are commonly in vogue.

It should be understood that the valuation of any business/ company or its assets/ equity shares is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. Valuation results could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financial and otherwise, and other factors which generally influence the valuation of companies.

The application of any method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. The choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guidelines and my reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments of similar nature.

In compliance with the Act I have evaluated the following valuation methodologies as per any internationally accepted pricing methodology on arm's length basis. The valuation techniques can be broadly categorised as follows:

- **Market Approach:**
    - Market Price method
    - Comparable Companies Market Multiples method
    - Comparable Companies Transaction Multiples method
- **Income Approach:** Discounted Cash Flows method
- **Cost Approach:** Net Asset Value method and Adjusted Net Asset Value method

The generally accepted valuation methodologies, as may be applicable, which have been considered are discussed hereunder:

- **Market Price (MP) Method**

The market price of an equity share as quoted on a Stock Exchanges is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, equity shares of both the Transferor Company and the Transferee Company are not listed on a stock exchange. Therefore, I have not used this method to arrive at the values of the Transferred Undertaking and the Transferee Company.

- **Comparable Companies Market Multiple ("MM") Method**

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. As mentioned previously, the Transferred Undertaking does not have any material operations, and the management of AMIPL does not have any visibility regarding its future profitability. Since, as of the date of this report, prior to the transfer and vesting of the Transferred Undertaking, the Transferee Company had only a share capital of INR 5 lakhs on its balance sheet. Accordingly, I have not used this method to estimate the fair value of the Transferred Undertaking or the value of the equity shares of the Transferee Company.

- **Comparable Companies Transaction Multiple ("CTM") Method**

This method is also known as Guideline Transaction Method. It involves valuing an asset based on transaction multiples derived from prices paid in transactions of assets to be valued /market comparable (comparable transactions).

There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the transaction selected in terms of size and nature of business and competitive landscape as compared to my subject company and factor any changes in the marketplace environment into the analysis.

As mentioned previously, the Transferred Undertaking does not have any material operations, and the management of AMIPL does not have any visibility regarding its future profitability. Since, as of the date of this report, prior to the transfer and vesting of the Transferred Undertaking, the Transferee Company had only a share capital of INR 5 lakhs on its balance sheet. Accordingly, I have not used this method to estimate the fair value of the Transferred Undertaking or the value of the equity shares of the Transferee Company.

- **Discounted Cash Flows (DCF) Method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

- ***Estimating future free cash flows:*** Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

- ***Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*** This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

As mentioned previously, the Transferred Undertaking does not have any material operations, and the management of AMIPL does not have any visibility regarding its future profitability. Since, as of the date of this report, prior to the transfer and vesting of the Transferred Undertaking, the Transferee Company had only a share capital of INR 5 lakhs on its balance sheet. Accordingly, I have not used this method to estimate the fair value of the Transferred Undertaking or the value of the equity shares of the Transferee Company.

- **Net Asset Value (NAV) Method**

The value arrived at under this approach is based on the latest available audited/ unaudited financial statements of the business and may be defined as the Shareholder's Funds or Net Assets owned by the business/ company.

The Adjusted Net Asset Value method further adjusts the NAV of the business/ company as per the financial statements for market values of assets, potential/ contingent liabilities, if any, to arrive at the fair value of the business/ company.

I have used the Net Asset Value method to estimate the fair value of the equity shares of the Transferee Company which is equivalent to the face value of equity shares of INR 10.0 per share based on the provisional balance sheet of AMAIPL as of 31 March 2020 which is considered as a representative of the balance sheet as of the Appointed Date.

I have used the Adjusted Net Asset Value method to estimate the fair value of the Transferred Undertaking based on the provisional carved-out balance sheet of the Transferred Undertaking as of 31 December 2019, which is considered as a representative of the balance sheet as of the Appointed Date. While arriving at the Adjusted Net Asset Value of the Transferred Undertaking, I have made the following adjustments:

- The book value of land in Karnataka and Jharkhand of INR 265.9 crores under the Transferred Undertaking has been adjusted for the fair value of said lands of INR 354.3 crores i.e. INR 347.9 crores for fair value of 2,643.25 acres of land in Karnataka based on the Valuation Report dated 22 February 2020 by Praveen Subramanya (Reg. No. IBBI/RV/08/2019/12346) and INR 6.42 crores for fair value of 272.73 acres of land in Jharkhand based on the Valuation Report dated 21 February 2020 by Sanjay Kumar (Valuer Reg. No – F-18357). Please refer to the *Appendices* section for the respective valuation reports.
- The book value of Non-Current Investment in AM Mining India Limited of INR 1.0 crores has been adjusted for the fair value of the investment of INR 0.7 crores, which is based on the net asset value of AM Mining India Limited, as provided to me by the management of AMIPL.
- As per the provisional carved-out balance sheet as of 31 December 2019, the Transferred Undertaking also had investments in Seregarha Mines Limited (“Seregarha”) and Rampia Coal Mines & Energy Private Limited (“Rampia”), both of which investments have been fully impaired to a carrying value of nil due to the following reasons:
    - I have been informed by the management of AMIPL, Seregarha and Rampia was set-up on allocation of coal mining leases which were subsequently cancelled by the Hon’ble Supreme Court of India.
    - Further, I have been informed that Seregarha has no operations or any visibility of future operations, and Rampia in under the process of liquidation as of the Appointed Date and the date of this report. Accordingly, the management of AMIPL does not expect to recover any value from investments in Seregarha and Rampia.
    - Based on the above, the book value of investments in Seregarha and Rampia of nil have been considered to be the fair values of these investments.
- The book value of Financial Amounts Receivable (both Long Term and Short Term) from KSS Petron Private Limited of INR 785.8 crores has been adjusted for the fair value of such receivables of INR 744.5 crores as of 31 December 2019 as provided to me by the management of AMIPL.
- As informed to me by the Management, the Transferred Undertaking has contingent liabilities pertaining to a counter bank guarantee aggregating to INR 18.0 crores to the Ministry of Coal

on behalf of its investment in Seregarha in terms of letter of allocation of coal block to Seregarha. In prior years, the Hon'ble Supreme Court of India passed a judgement declaring the allocation of all coal blocks by the Government of India as illegal and accordingly all coal blocks were de-allocated including that of Seregarha. With respect to the counter bank guarantee, the Ministry of Coal in the prior years sought to partially invoke the bank guarantee amounting to INR 6.29 crores being the share of the Transferred Undertaking in Seregarha for not meeting milestones as per the letter of allocation of the coal blocks which has been stayed by the Hon'ble Delhi High Court in response to a writ petition filed by the company. The writ petition is currently pending in Delhi High Court. Accordingly, the management of AMIPL does not expect the contingent liability pertaining to the counter bank guarantee to get realized.

- In respect of 2,659.75 acres of land allotted to the company by Karnataka Industrial Area Development Board ("KIADB"), several owners of 302.15 acres of land did not accept the consent award and had inter alia filed a petition before the Karnataka High Court. Thereafter, based on various developments in the legal cases pertaining to the same, the matter is currently before the Karnataka High Court and the Supreme Court of India in another matter. However, the management of AMIPL does not expect any liability or amount payable to be realized pertaining to the same.
- In April 2010, the central government approved grant of Prospecting Lease ("PL") for manganese and iron ore over an area of 662.95 hectares in Karampada, Jharkhand. Subsequently, the PL was granted to AMIPL and the PL deed was executed in February 2011 for a period of three years. In year 2015, the Government of India amended the Mines and Minerals Development & Regulation (MMDR) Act, mandating the grant of future mining leases only through the auction route resulting in the cancellation of several mining concessions. However, the mining concessions of AMIPL were placed in the qualified category and accordingly AMIPL completed all prospecting/ exploration activities in respect of Karampada PL within the stipulated date and submitted an application to the state government for mining lease which is pending for consideration. In addition, the Karampada mining lease for 202.35 hectares for iron and manganese ore would have remained intact subject to fulfilment of all conditions, obtaining all statutory approvals and signing of the mining lease by 11 January 2017. However, the mining lease was not signed as the government did not grant forest clearance. The matter is pending in Delhi High Court currently and is sub-judice vis-à-vis the provisions of the MMDR Act. Accordingly, the management of AMIPL does not have any visibility regarding the resolution of the same and as of the Appointed Date there is no value as per the provisional carved-out financials and there is no economic value that can be attributed to the mines in Karampada as no Lease Deed has been signed yet. Accordingly, a value of nil has been considered pertaining to the same.
- Further, based on my discussions with the management of AMIPL, I understand that the carrying value of the remaining line items of the balance sheet (including both assets and liabilities) represent the fair value of such line items as of 31 December 2019.

Based on the above-mentioned analysis, I have estimated the fair value of the Transferred Undertaking of INR 1,184.5 crores. Please refer to *Annexure I* for the Adjusted Net Asset Value of the Transferred Undertaking.

4. Sources of Information

In connection with this exercise, I have used the following information received from the Management and/ or gathered from public domain:

- Draft Composite Scheme of Arrangement among ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited and their respective shareholders and creditors;

- Group Holding Structure of the Transferor Company as on the Appointed Date provided by management of AMIPL;

- Group Holding Structure of the Transferee Company as on the Appointed Date provided by the management of AMAIPL;

- Provisional carved-out financial statements for the 9-month period ending 31 December 2019 of the Transferred Undertaking provided to me by the management of AMIPL;

- Provisional balance sheet as of 31 March 2020 of the Transferee Company provided to me by the management of AMAIPL;

- Valuation Report dated 22 February 2020 by Praveen Subramanya (Reg. No. IBBI/RV/08/2019/12346) for fair valuation of 2,643.25 acres of land in Karnataka;

- Valuation Report dated 21 February 2020 by Sanjay Kumar (Valuer Reg. No – F-18357) for fair valuation of 272.73 acres of land in Jharkhand;

- Correspondence with the managements of AMIPL and AMAIPL including Management Representation.

During the discussions with the Management, I have also obtained explanations and information considered reasonably necessary for my exercise. The Management has been provided with the opportunity to review the draft report as part of my standard practice to make sure that factual inaccuracies/ omissions are avoided in my final report.

5. Caveats, Limitations and Disclosures

My report is subject to the scope limitations detailed hereinafter and outlined in the Letter Agreement. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Provision of valuation recommendations and considerations of the issues described herein do not represent accounting, audit, and financial due diligence review, consulting, transfer pricing or domestic tax-related services by Registered Valuer.

My analysis and review of the Transferred Undertaking and the Transferee Company does not constitute an audit in accordance with Auditing Standards. I have relied on explanations and information provided by the managements of the Transferor Company and Transferee Company and accepted the information provided to me as accurate. I have not independently investigated or otherwise verified the data provided. Nothing has come to my attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the report.

I have relied on data from external sources. These sources, although considered to be reliable, are external and hence, I assume no liability for the accuracy of the data. I have assumed that the business continues normally without any disruptions due to statutory or other external/ internal occurrences. I have also assumed that the transaction proceeds as envisaged without any delays or disruptions and is consummated immediately.

The valuation analysis recommendation contained herein is not intended to represent the fair values at any time other than the date that is specifically stated in this report. This report is issued on the understanding that the Management have drawn attention to all matters of which they are aware, to the best of their knowledge, concerning the financial position of the businesses, which may have an impact on the report up to the date of issue, for the purpose of the proposed transfer, including any significant changes that have taken place or are likely to take place in these, subsequent to the Appointed Date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I have no responsibility to update, revise or reaffirm this report for such events and circumstances occurring after the date of this report. I understand from Managements, the shareholding ownership of the Transferee Company has not changed between the Appointed Date and the date of this report. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

The scope of work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover. It may be noted that Valuation is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill.

The management of AMIPL has been provided with the opportunity to review the draft report to make sure that factual inaccuracies / omissions are avoided in the final report.

The fee for this report is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Company. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the Company.

I have no present or planned future interest in the Transferor Company or the Transferee Company and the fee for this report is not contingent upon the values reported herein. My analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Transferor Company or the Transferee Company.

My report is not, nor should it be construed as my opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The recommendation rendered in this report only represents my recommendation based upon information till date, available in the public domain, furnished by the Managements (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (my recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed fair value. While I have provided my recommendation of the fair value based on the information available to me and within the scope of my engagement, others may have a different opinion. The final responsibility for the determination of the fair values at which the proposed transfer and vesting shall take place will be with the Board of Directors of AMIPL and AMAIPL who should take into account other factors such as their own assessment of the proposed transfer and vesting and input of other advisors.

In the course of the valuation, I was provided with both written and verbal information, including information as detailed in the section - Sources of Information. I have not audited, reviewed or otherwise investigated the financial information provided to me by the Managements. Accordingly, I do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Managements, I have been given to understand from the Managements that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with me in case of any doubt. My conclusions are based on the assumptions and information given by/ on behalf of the Transferor Company or the Transferee Company. The Management has indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/results. Also, I assume no responsibility for technical information furnished by the Transferor Company or the Transferee Company. However, nothing has come to my attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. I do not imply, and it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.

The Managements has informed that the business activities of the Transferor Company or the Transferee Company have been carried out in the normal and ordinary course between Appointed Date and the date of this report and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The report assumes that the Transferred Undertaking and AMAIPL comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that the Transferred Undertaking and AMAIPL will be managed in a competent and responsible manner.

This report does not look into the business/ commercial reasons behind the proposed transfer and vesting nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed transfer and vesting as compared with any other alterative business transaction or other alternatives or whether or not such alternatives could be achieved or are available. In addition, I express no opinion or recommendation as to how the shareholders of the AMIPL and AMAIPL should vote at any shareholders' meeting(s) to be held in connection with the proposed transfer and vesting.

No investigation/ inspection of the Transferred Undertaking and AMAIPL claim to title of assets has been made for the purpose of this report and the Transferred Undertaking's and AMAIPL's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for this engagement is not contingent upon the results reported herein.

I owe responsibility to only the Boards of Directors of the Transferor Company that have appointed me under the terms of my Letter Agreement and nobody else. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Transferred Undertaking and AMAIPL. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Transferred Undertaking and AMAIPL, their directors, employees or agents.

I do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion on the fair values. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This report is subject to the laws of India. The report should be used in connection with the Draft Scheme.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed transfer and vesting, without my prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI and National Company Law Tribunal or as required under applicable law.

The fair value of the Transferred Undertaking and equity shares of AMAIPL is based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to available information base, key underlying assumptions and limitations. To arrive at the fair values, suitable averaging and rounding off in the values arrived at have been done wherever necessary/ applicable.

VI. DISTRIBUTION OF REPORT

Unless specifically governed by statute or regulation, the report and deliverables issued by the Registered Valuer in accordance with the Letter Agreement are strictly confidential and for use by the Boards for the purpose specified in the Letter Agreement. Further I shall not be responsible for the use or implementation of the output of the services. The reports and other deliverables may not be used, reproduced or circulated for any other purpose, whether in whole or in part, without the Registered Valuer 's prior written consent, which consent shall only be given after full consideration of the circumstances at the time. However, I understand that the Report may be shared with the AMIPL and its advisors and representatives and relevant regulatory authorities on the understanding that I owe no duty of care to any party other than the Boards.

Please note that I owe no duty of care to or any other third party and cannot accept any responsibility for reliance by them in acting or refraining from acting on the contents of the report. AMIPL shall indemnify and hold harmless me against all claims by third parties, including the regulators arising directly or indirectly as a result of the Report being shared with third parties. The analyses are invalid if used for any purpose other than that stated herein.

6. CONCLUSION

Based on the forgoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above, for the proposed transfer and vesting of the Transferred Undertaking into and with the Transferee Company, I conclude the following:

1,18,45,38,161 (One Hundred Eighteen Crores, Forty-Five Lakhs, Thirty-Eight Thousand, One Hundred Sixty One) fully paid up equity shares of INR 10.0 each of AMAIPL to be issued to AMIPL for the transfer and vesting of the Transferred Undertaking from AMIPL to AMAIPL.

Your Sincerely,
Vikarth Kumar
Registered Valuer
Registration No. IBBI/RV/05/2018/10112

Place: Gurugram
Dated: 16 September 2020

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ANNEXURE I – ADJUSTED NET ASSET VALUE OF TRANSFERRED UNDERTAKING (INR CRORES)

Details as of,		31-Dec-19
Property, Plant & Equipment		266.3
Capital Work-In Progress		2.1
Non-Current Investments		1.0
Security Deposits	0.1	
Financial Amount Receivable	40.7	
Long Term Loans		40.8
Income Tax Assets (Net)		0.0
Other Non-Current Assets		35.0
Total Non-Current Assets		**345.2**
Cash & Cash Equivalents		51.6
Security Deposits	0.8	
Financial Amount Receivable	745.1	
Short Term Loans		745.9
Other Financial Assets		1.7
Other Current Assets		0.4
Total Current Assets		**799.6**
TOTAL ASSETS		**1,144.8**
Long Term Borrowings		0.0
Long Term Provisions		1.5
Total Non-Current Liabilities		**1.5**
Trade Payables		3.3
Other Financial Liabilities		1.2
Other Current Liabilities		0.5
Short Term Provisions		0.3
Current Tax Liabilities		0.3
Total Current Liabilities		**5.6**
TOTAL LIABILITIES		**7.1**
NET ASSET VALUE (INR CR)		**1,137.6**
Adjustments:		
Less: Book Value of Land		265.9
Less: Book Value of Financial Amount Receivable		785.8
Less: Book Value of Investment of Non-Current Investments		1.0
Add: Fair Value of Land		354.3
Add: Fair Value of Financial Amount Receivable		744.5
Add: Fair Value of Non-Current Investments		0.7
ADJUSTED NET ASSET VALUE (INR CR)		**1,184.5**

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ANNEXURE II – VALUATION REPORT FOR THE FAIR VALUATION OF 2,643.25 ACRES OF LAND IN KARNATAKA DATED 22 FEBRUARY 2020 BY PRAVEEN SUBRAMANYA (AS ATTACHED BELOW)

ANNEXURE III – VALUATION REPORT FOR THE FAIR VALUATION OF 272.73 ACRES OF LAND IN JHARKHAND DATED 21 FEBRUARY 2020 BY SANJAY KUMAR (AS ATTACHED BELOW)

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Client: ArcelorMittal India Private Ltd.

Valuation Report of 2,643.25 acres of leasehold land in Bellary, Karnataka

Registered Valuer: Praveen Subramanya

Report Dated: 22 February 2020

Abstract

The executive summary below is to be used in conjunction with the Valuation report of which it forms a part and is subject to the assumptions, caveats and bases of valuation stated herein and should not be read in isolation.

Client Name	ArcelorMittal India Private Ltd.
Purpose of Report	Composite scheme merger of ArcelorMittal India Pvt. Ltd. into ArcelorMittal Nippon Steel India Ltd. and demerger of land to ArcelorMittal Associates India Private Limited a 100% ArcelorMittal company in India
Subject Property	Vacant industrial land parcel abutting NH 63 in Bellary
Address	Various survey numbers** in Kuditini village and Veniveerapura village, Kurugoduhobli, Bellary taluk, Bellary district ** Sy Nos attached in Annexure III
Description	Valuation of a leasehold land parcel of 2,643.25 acres in Bellary, Karnataka
Location	Kuditini village and Veniveerapura village in Bellary district Google Coordinates of subject property: 15°11'48.4"N 76°46'26.2"E and 15°11'40.1"N 76°46'47.3"E
Areas	Land Area – 2,643.25 acres i.e. 1,06,96,764 sq m
Rights and Interest	Leasehold (with registered lease cum sale agreement)
Lessor	KIADB
Lessee	ArcelorMittal India Private Ltd.
Period of Lease	Ten years starting from 22 October 2018
Valuation Approach	Combination of Market Approach and Cost Approach
Valuation Date	16 December 2019
Date of Site Visit	20 February 2020
Report Date	22 February 2020
Market Value	Market Value: **INR 3,479Mn** **Indian Rupees Three Thousand Four Hundred andSeventy-Nine Million**
Valuer's Details	**Praveen Subramanya** Registration number IBBI/RV/08/2019/12346

In preparing this report, no allowances are made for any liability which may arise for payment of Corporation Tax or Capital Gains Tax, or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. No allowances are made in thisvaluation for any expenses of realization, or to reflect the balance of any outstanding mortgages, either in respect of capital or interest accrued thereon. All Valuations are given without any adjustment for capital-based Government grants received or potentially receivable on the date of the valuation.

Praveen Subramanya
Registered Valuer
IBBI/RV/08/2019/12346

Abbreviations & Measurements

Abbreviations

INR	Indian Rupee	GDP	Gross Domestic Product
Mn	Million	R & D	Research & Development
Cr	Crore	DG	Diesel Generator
Nos.	Numbers	RCC	Reinforced Cement Concrete
sq. ft.	Square Feet	KVA	Kilo Volt Ampere
Sq. Km.	Square Kilometre	QC	Quality Control
Sq. mt.	Square Metre	MS	Mild Steel
DRC	Depreciated Replacement Cost	SGDP	State Gross Domestic Product
NH	National Highway	CPI	Consumer Price Index
SH	State Highway	KIADB	Karnataka Industrial Areas Development Board
EMD	Earnest Money Deposit		

Measurements

1 acre	43,560 sq. ft.
1 mn	10 Lakh
1 sq. km.	100 Ha
1 sq. mt.	10.764 sq. ft.
1 hectare	2.47 Acre

Table of Contents

1. Instructions

1.1 Engagement of registered valuer

1.1.1 Engagement

On the instructions received from ArcelorMittal IndiaPvt. Ltd. (The Client) and subsequent contract dated 20 February 2020, Mr Praveen Subramanya has been appointed to give a valuation report for a vacant land parcel in Bellary, Karnataka. The propertyis spread on 2,643.25 acres i.e. 1,06,96,764sq m of land. This is currently a leasehold property, with a lease cum sale agreement executed between ArcelorMittal India Private Limited and KIADB. This report is addressed and issued to ArcelorMittal India Private Limited.

1.1.2 Valuation Standard

This exercise has been undertaken in accordance with International Valuation Standards and as per the guidelines of RICS vide their Global Standards 2017 and “Red book”.

1.1.3 Purpose of Report

The client has confirmed that the Valuation report is required for the purpose of composite scheme merger of ArcelorMittal India Pvt. Ltd. into ArcelorMittal Nippon Steel India Ltd. and demerger of land to ArcelorMittal Associates India Private Limited a 100% ArcelorMittal company in India. The valuation is conducted for therequirements of Section 230 and 232 of Companies Act, 2013.

1.1.4 Scope of Work

The scope of services with regard to the valuation involves:

- Inspect the property
- Conduct market study required for the assessment
- Preparation of detailed valuation report as per international valuation standards
- Present soft and hard copy of the report to the client

1.1.5 Conflict of Interest

The valuer confirms thathe has no conflict of interest in providing this report to the client, and that he is acting as external valuer for the exercise.

1.1.6 Currency and Measurement

The currency used in the report forvaluation of the Subject Propertyis Indian Rupees (INR). This is the currency normally used for property transactions in India. All measurements are in acres (1 acre = 4,046.8sqm) as this is the prevailing market practice in thelocal market. Land transactions are done in acres and for ease of understanding the same is used in this report, which is not as per international measurement standards.

1.1.7 Responsibility to Third Parties

This report is only for the use of my client and no responsibility is accepted to any third party for the whole or any part of its contents.

1.1.8 Disclosure and Publication

Neither the whole nor any part of this report nor any reference thereto may be included in any published document, circular or statement, nor published in anyway, without the valuers prior written approval of the form or context in which it may appear. If my opinion of values isdisclosed to persons other than the addressee of this report, the basis of the valuation should be stated.

1.1.9 Limitations on Liability

No claim arising out of or in connection with thisValuation report may be brought against the valuer.

The valuer's total liability to any direct loss or damage caused by the negligence or breach of contract in relation to this instruction and Valuation report is limited to the amount specified in the terms of the engagement letter (if any). The valuer does not accept any liability for any indirect or consequential loss (such as loss of profit).

1.2 Scope of Enquiries and Investigations

1.2.1 Inspection

Theinspection of the property was undertaken on 20 February byMr Praveen Subramanya.

1.2.2 Enquiries

In carrying out these instructions the valuer has undertaken verbal / web-based enquiries referred to in relevant sections of the report. The valuer has relied upon this information as being accurate and complete.

1.2.3 Legal Parameters of Property

The valuer has been provided with legal documents related to the property and has relied on this information provided by the client as and when required during the valuation exercise.

It is recommended that the all property documents are subject to formal legal inspection in order to ensure that there are no elements, restriction or charges contained which are likely to have a detrimental effect upon the valuation provided. He has relied on the area details provided by the client for the purpose of this valuation exercise. The same is tabulated below.

Property Address	Rights and	Present	Land	Land Area

	Interest	ownership	Area (acre)	(sq m)
Various survey numbers** in Kuditini village and Veniveerapura village, Kurugoduhobli, Bellary taluk, Bellary district ** Sy Nos attached in Annexure III	Leasehold (with registered leasecum sale agreement)	KIADB	2,643.25	1,06,96,764

Source: Information shared by the client

1.2.4 Environmental Aspects

For the purpose of this report, the valuer has assumed that the property is not subject to environmental contamination. However, it is recommended that an appropriate consultant may be engaged to confirm my assumptions. If the subsequent investigation identifies any environmental contamination on the site this report may require revision.

1.2.5 Information Provided

In this report the valuer has been provided with information by the client, its advisors and other third parties. He has relied upon this information being materially correct in all respects and has not physically measured or verified the same from any government authorities. The documents shared with us include:

- Government of Karnataka in principle approval to M/s. ArcelorMittal India Pvt. Ltd. to establish a 6 Million TPA Integrated Steel Plant and 750MW Power Generation Plant through a Government order no. CI 47 SPI 2010, Bangalore dated 09-02-2010.
- Memorandum of Understanding between M/s. ArcelorMittal India Pvt. Ltd. and The Government of Karnataka dated 03-06-2010 in the Global investors meet
- Allotment letter issued by KIADB for 1,827.6 acres in Kuditini, Bellary district dated 30-11-2011
- Possession certificate of 1,827.6 acres issued by KIADB in Kuditini village, dated 05-12-2011
- Permission granted by KIADB for construction of fencing along the perimeter of the property, dated 16-10-2012
- Allotment letter issued by KIADB for 832.15 acres in Kuditini and Veniveerapura village, Bellary district dated 19-10-2012
- Possession certificate of 832.15 acres issued by KIADB in Kuditini and Veniveerapura village, dated 19-10-2012
- Land Order from Revenue Department, Government of Karnataka for allotment of government land of 136.33 acres through KIADB transferrable to ArcelorMittal at a price of INR 0.8 Mn per acre dated 04-03-2014
- Payment overdue letter from KIADB to ArcelorMittal IndiaPvt. Ltd. for payment of lease rent and interest for the FY 2012-13 to 2015-16 dated 05-10-2016

- Payment overdue letter from KIADB to ArcelorMittal India Pvt. Ltd. for payment of lease rent and interest for the FY 2012-13 to 2015-16 for an extent of 2,659.75 acres dated 06-12-2016
- Letter from ArcelorMittal India Pvt. Ltd. for payment of lease rent and interest under protest for 2,659.75 acres of land to KIADB dated 15-12-2016
- Letter from ArcelorMittal India Pvt. Ltd. for payment of lease rent for 832.15 acres of land to KIADB dated 12-10-2017
- Letter from ArcelorMittal India Pvt. Ltd. for payment of lease rent for 1,827.6 acres of land to KIADB dated 04-12-2017
- Letter from ArcelorMittal India Pvt. Ltd. for payment of lease rent for 1,827.6 acres of land to KIADB dated 17-12-2017
- Letter issued by ArcelorMittal India Pvt. Ltd. to KIADB requesting for deletion of 16.5 acres of land in the lease cum sale agreement dated 22-12-2017
- Unregistered lease cum sale agreement executed on 22-12-2017 between KIADB known as lessor and M/s. ArcelorMittal India Pvt. Ltd. known as lessee for allotment of land for setting up of an industrial project in Bellary district.
- Letter from KIADB to ArcelorMittal for handing over land having an extent of 2 acres as this is samadhi land on 08-02-2018
- Request submitted to Karnataka Udyog Mitra on 11-06-2018 seeking extension of Government order no. CI 47 SPI 2010
- Lease cum sale agreement executed on 14-11-2018 between KIADB known as lessor and M/s. ArcelorMittal India Pvt. Ltd. known as lessee for allotment of land for setting up of an industrial project in Bellary district.
- Revised Possession certificate of 2,643.25 acres issued by KIADB dated 22-10-2018
- Letter from ArcelorMittal India Pvt. Ltd. for payment of lease rent for 2,643.25 acres of land to KIADB dated 19-12-2019
- Letter issued by ArcelorMittal India Pvt. Ltd. to KIADB requesting for extension in time for commencement of construction by an additional 15 months dated 12-02-2020.
- List of Survey numbers falling in 16.5 acres of land
- Survey numbers and village details of the property is attached in Annexure III
- Map of industrial land parcel measuring 2,643.25 acres and 136.33 acres of government land in Annexure IV
- Map showing proposed alternate SH132 in Annexure IV

Summary from the information provided:

- Government approval obtained to establish a 6 Million TPA Integrated Steel Plant and 750MW Power Generation Plant with an investment of INR 3,00,000 Mn, generating employment to about 10,000 persons. As per the Government order, this approval is valid for a period of two years.

- A request seeking extension of validity of the above order till December 2023 has been submitted to Karnataka Udyog Mitra
- As per the allotment letter issued by KIADB on 30-11-2011, a land area of 1,827.6 acres has been allotted to M/s ArcelorMittal India Ltd. for INR 166,76,13,256. This includes a board service charge of INR 15,07,59,600, slum cess of INR 92,47,656 and an EMD of INR 10,000.
- As per the allotment letter issued by KIADB on 19-10-2012, a land area of 832.15 acres has been allotted to M/s ArcelorMittal India Ltd. for INR 81,10,36,279. This includes a board service charge of INR 8,64,45,600 and a slum cess of INR 42,10,679.
- A total allotment price of INR 2,227.9 Mn towards land cost has been paid by M/s ArcelorMittal India Ltd. for a land area of 2,659.3 acres. Additional charges of INR 250.6 Mn towards board service charge, slum cess and EMD has been paid. The total consideration towards purchase of this land was paid in the year 2011-12.
- An initial possession of 1,827.6 acres and 832.15 acres, amounting to a total land extent of 2,659.75 acres has been given to ArcelorMittal India Pvt. Ltd. by KIADB in 2011-12.
- Permission for perimeter fencing and patrolling track has been provided for 2,796.08 acres in 16-10-2012. As confirmed by the client an amount of INR 36 Mn has been spent towards fencing of the entire property.
- As per the unregistered lease cum sale agreement dated 22-12-2017, a total allotment consideration of INR 2,227.9 Mn has been paid till date to the lessor towards the allotment of subject property having an area of 2,659.75 acres
- Towards widening of the NH63an extent of 14.5 acres and towards samadhi land an extent of 2 acreshas been returned to KIADB. A total extent of 16.5 acres of the entire property has been returned to KIADB on 22-12-2017. The balance land area of the subject property available with the client is 2,643.25 acres.
- The subject property is spread on two separate parcels on either sides of the NH63. The smaller parcel is of 566.08 acres and the larger parcel is of 2,077.17 acres.
- Total available area of the subject property is 2,643.25 acres i.e. 1,06,96,764 sq m
- Revised possession certificate is issued by KIADB on 22-10-2018 for 2,634.25 acres
- The agreement was initially not registered as lessee was trying to get an exemption on stamp duty.
- As per the registered lease cum sale agreement dated 14-11-2018, a total allotment consideration of INR 2,208.9 Mn has been paid till date to the lessor towards the allotment of subject property having an area of 2,643.25 acres. A surplus of INR 188.6 Mn is deposited with KIADB.
- As confirmed by the client, a stamp duty of INR 135 Mn is paid towards the lease cum sale agreement

- The rights and interest on the propertyis currently leasehold with KIADB as the lessor ffrom22-10-2018. After the lease period, on meeting the conditions of the covenants on development and other lease terms, the lease cum sale agreement could be converted to an absolute sale at no extra cost other than registration.
- Lease rent of INR 100 per acre per is payable for a period of ten years on the 22nd day of October of each and every year for 2,643.25 acres
- Land use is classified as industrial general and industrial hi-tech
- An additional 136.33 acres of government land has been acquired for M/s. ArcelorMittal India Pvt.Ltd by KIADB.Allotment and possession for the same has not been given by KIADB. This is in addition to the subject property of 2,643.25 acres. The Government land is inscattered bits, interspersed within the subject property. The same has not been handed over to the lessee through KIADB.
- As per the allotment letter and the lease cum sale agreement, the promoters of the allottee company should hold a minimum of 51% share throughout the lease period. Any reduction in the shareholding less than 51% by the promoters of the allottee company would result in a transfer fee payable to KIADB for approval.
- As per the registered lease agreement, in case of resumption of the subject property, the lessor shall forfeit 25% of the allotment consideration paid together with the rents payable, interest due payable on the unpaid rents, EMDand the residuary amount would be paid to the lessee.
- The SH132 currently passes through the larger parcel of the subject property. An alternate similar road needs to be provided by M/s. ArcelorMittal India Pvt. Ltd.

1.3 Basis of Valuation

In accordance with instructions from the client, the valuer has provided opinions on valuation of the property on the following basis:

1.3.1 Market Value

The Market Value of the leasehold interest in the property in its current physical condition is the basis of valuation.Valuation has been made on the assumption that the property is sold in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to alter the value of the Property.

No allowance has been made in thisvaluation for any charges, mortgages or amounts owing on the Property or for any expenses or taxation, which may be incurred in effecting a sale. It has been clarified by the client that no encumbrances exist on the land in the form of mortgages or claims though no checks have been done to confirm the same.However, as clarified by the client, there is a suit pending in the court by the farmers against KIADB for the enhancement of compensation.Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the value.

1.3.2 Date of Valuation

The date of valuation is 16 December 2019. The date of issuing the report is 22February 2020.

2. Economic Snapshot: India

2.1 Economic Indicators

PARAMETER	VALUE
GDP Growth Rate – Annual 2019-20 at constant prices (2011-12)	5 %
Per capita income (2019-20) in real terms	INR 96,563
Inflation – CPI – January 2020 (Provisional)	7.59 %
CRR and SLR	4.00% and 18.25%
Repo Rate	5.15 %
Bank Rate	5.40 %
Savings Deposit Rate	3.25 % – 3.50 %
Term Deposit Rate > 1 year	6.10 % - 6.40 %
INR/ 1 USD (As of 13 February 2020)	71.469
Risk Free Rate on Government Securities: 6.45% GS 2029	6.4263 %
Risk Free Rate on 364-day Government T Bill	5.2397 %

Source: MOSPI, RBI

2.2 Real Estate Indicators

Parameter	Value (INRmn)
FDI Inflow in Construction Development: Townships, Housing, Built-up Infrastructure (April 2019 – September 2020)	18,360
FDI Inflow in Construction Development: Townships, Housing, Built-up Infrastructure (April 2018 – March 2019)	15,030
FDI Inflow in Construction Development: Townships, Housing, Built-up Infrastructure (April 2017 – March 2018)	34,720
FDI Inflow in Construction Development: Townships, Housing, Built-up Infrastructure (April 2016 – March 2017)	7,030

Source: http://dipp.nic.in

3. Bellary Overview

Bellary District is the sixth largest district in terms of area in Karnataka and is the district with highest deposits of Iron Ore in India. Bellary City, which is the district headquarters of Bellary district is popularly called as Steel City or Mining City. Bellary City with a population 409,644 in 2011 is the 8th largest city in Karnataka State. Bellary is centrally located on the Guntakal Hubli Broad gauge Railway line. It is connected by rail to the state capital and other state capitals like Chennai, Hyderabad and Bombay via Guntakal. It is connected by air to Bangalore and Hyderabad. It is directly connected by road to Bangalore the state capital. It is an important Industrial centre along with agricultural trading. The main occupation of people of Bellary are Agriculture and Mining. About 75% of the people of Bellary district are involved in agriculture and allied activities with primary crops being cotton, groundnuts, corn, sunflower among others. Due to cotton production, Bellary has many low-grade denim manufacturing facilities. It also has many unorganized edible oil manufacturing facilities also due to the kind of crops grown.

Tourism is another important industry due to the presence of famous UNESCO heritage site in Hampi, which was the seat of the famous Vijayanagara Empire of yesteryears.

Bellary City lies in between the meridians of 14 13' and 15 50' North Latitude and 75 40' and 77 11' East Longitude. The altitude of the place is 449.0 meters above the M.S.L The city is situated at a distance of 324 km away from the state capital

3.1 Real Estate Market Overview – Bellary

With a population of over 4 lakhs, Bellary has high potential for organized retail given the high disposable incomes of the upper middle- and higher-income groups. As such, there is a dearth of quality retail space as there no Grade A commercial complexes in the city. Several famous brands have their outlets/showrooms out of standalone developments or on ground floors of mixed-use developments. These include Raymond, Vodafone, Nokia, Woodland, Adidas and Bata. Commercial office developments like Banks and Financial Institutions would be prospective tenants for quality office space. Current retail rentals are between INR 30 to 65 per sq. ft. per month for ground floor space (it decreases with the higher floor rises). Station road, Royal Circle, Double road, Court Road and Parvathinagar Main Road are some of the notable high street areas. Commercial land rates in these locations vary between INR 3,000 to INR 4,500 per sq. ft. The real estate sector in Bellary was affected post the ban of mining in the surrounding areas during 2011. However, Bellary has seen tepid recovery over the last 5 years.

The industrial real estate has seen a few takers in the past few years post mining ban. The industrial real estate consists primarily the KIADB developed lands for industrial purposes and the unorganized industrial spaces used for edible oil and denim manufacturing in between residential and commercial developments. The organized industrial land has few takers as the size of these lands are large compared to the primary requirement of smaller spaces for the inorganized players. The organized players are primarily steel manufacturers and power plants which require large land parcels and are allotted by KIADB.

4. Karnataka Industrial Area Development Board

Development Karnataka Industrial Areas Development Board (KIADB) is a statutory bodyconstituted to promote rapid and orderly establishment and development of industries and for providing industrial infrastructural facilities and other amenities in Industrial areas in the State of Karnataka. They follow expeditious acquisition of lands for industrial and infrastructure purposes under the KIADB Act 1966.

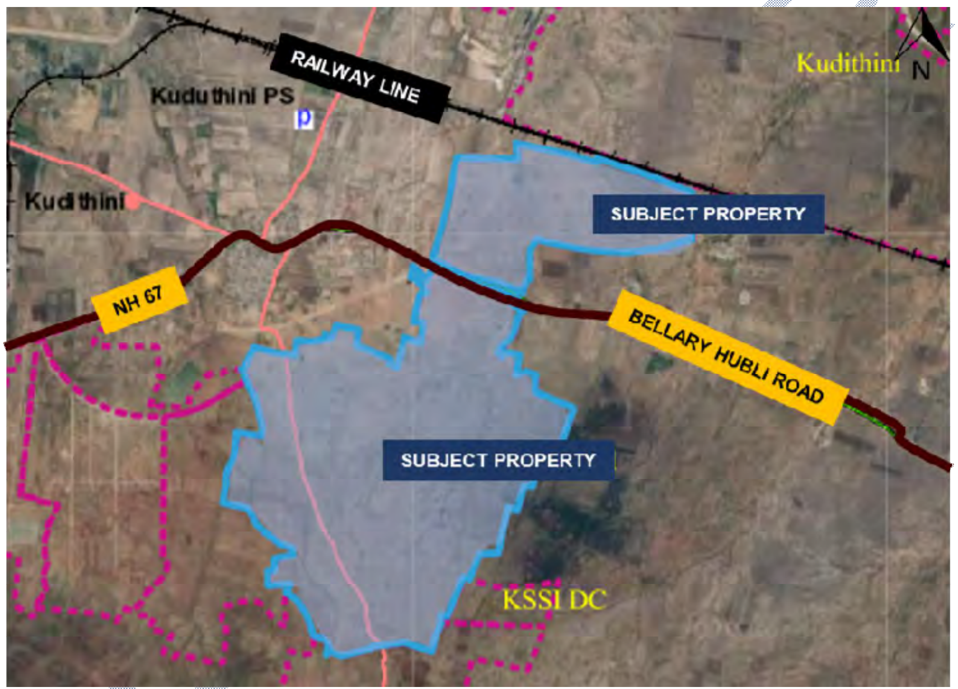
Their primary objective is to promote rapid and orderly development of industries in the state, assist in implementation of policies of Government within the purview of KIAD Act, facilitate in establishing infrastructure projects and function on “No Profit – No Loss” basis. Their facilitate in acquisition of land and develop industrial areas in the state, provide basic infrastructure in the industrial areas, acquire land for single unit complexes, acquire land for government agencies and develop housing colonies for labour force working in industrial units.

KIADB also acquires land for large scale industries to facilitate economic development and employment generation. Under the special cell unit with the state/central Government, they allot large contiguous land parcels to industrialists in undeveloped/raw form. Such land parcels are allotted on lease cum sale basis with a set of predefined terms and conditions for setting up the agreed establishment. On fulfilment of these terms and payment of lease rent, the ownership is transferred to the industrial unit.

5. The Property

The Subject Propertyis a vacant land having an extent of 2,643.25 acre. This property is split into two parcels, situated on either side ofNH 63 also known as NH 67. Both the parcels have been barricaded with barbed wire fencing. The smaller parcel spread on 566.08 acres, is situated along the railway line. The smaller parcel has one entry and exit from the National Highway. The larger parcel of 2,077.17 acres is located adjacent to the KIADB textile park, Women Entrepreneurs' Park and KSSIDC. This parcel houses security rooms and urinal block. It also houses a private temple.

Satellite view of the property is shown below



Source: KIADB, research and Google Maps

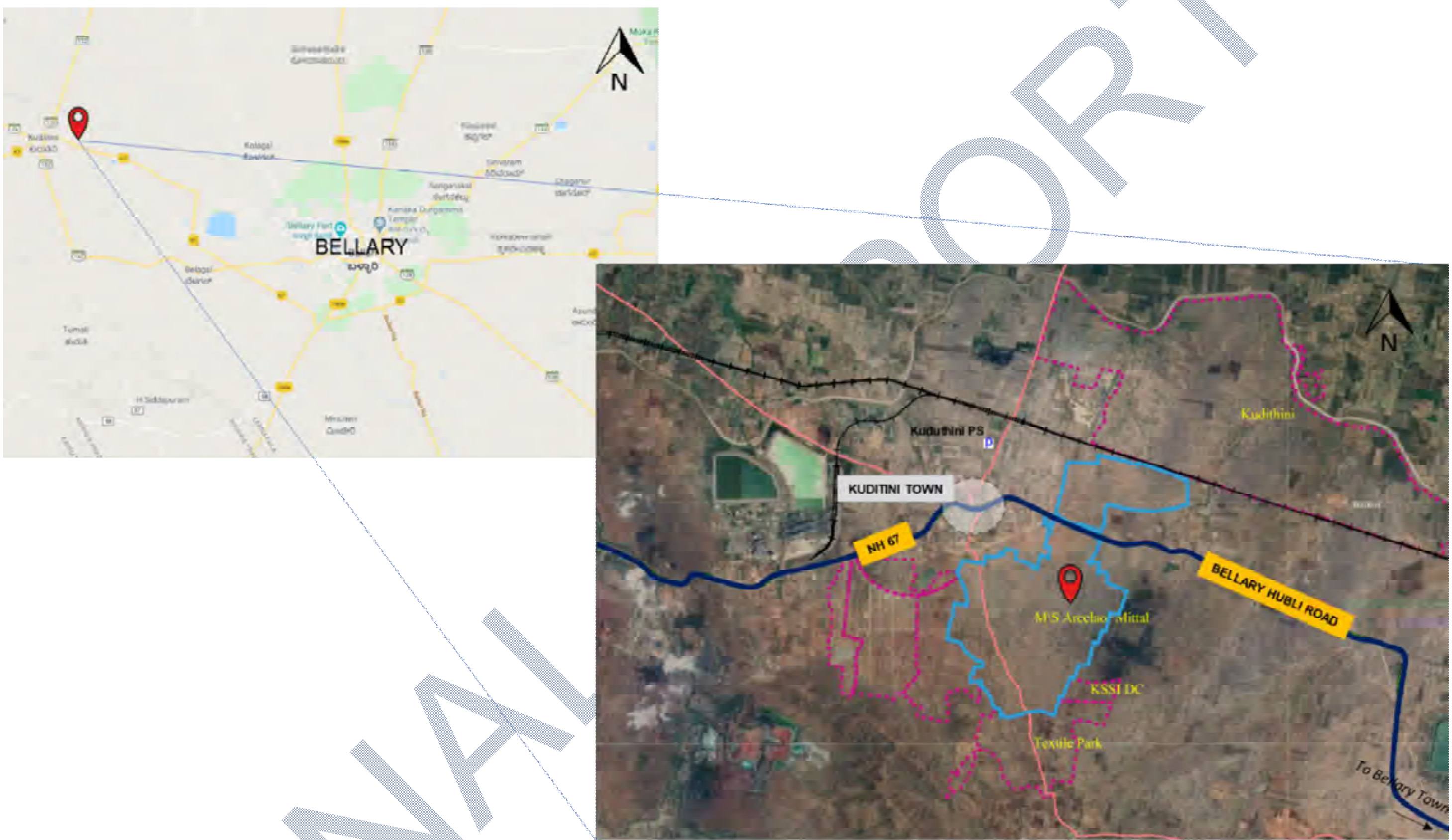
The property has fairly even topography with elevated points at some parts of the property. Both the sites have a Nala passing through the property, currently running dry. Portions of the sites have sapling plantation. The site has borewell and electricity connection. The SH132 currently passes through the larger parcel of the subject property, running from North to South. This State Highway is untarred and used by the local villagers to commute from Kudiniti village to Haraginadoni village.

The Subject Property has ten borewells and one open well. Two borewells in the larger parcel are operational. The National Highway abutting the property is currently under development towards road widening. A portion of the property fronting the highway has been given towards widening of NH67.

5.1 Location

The Subject Propertyis located in the north western region of Bellary, in close proximity to Kuditini town. This property is located in the sub urban region of Bellary, at a distance of 20 km from Bellary town. Google Coordinates of subject property are 15°11'48.4"N 76°46'26.2"E and 15°11'40.1"N 76°46'47.3"E.

The map below shows the position of the Subject Property:



Source: KIADB, internal research and Google Maps

The smaller parcel is surrounded at its boundary as follows:

North	Railway line
South	NH67
East	Private property and village
West	ACC Cement and Private property

The larger parcel is surrounded at its boundary as follows:

North	NH67
South	KIADB Industrial land
East	Private property and KIADB Industrial land
West	Private property and KIADB Industrial land

5.2 PropertyPhotographs

View of the Subject Property

View of the Subject Property

View of the Subject Property

View of the Subject Property

View of thelarger parcel of the subject property

View of the gate 2 at the entrance of the larger parcel


View of the gate 3 in the larger parcel


View of gate 1 in the smaller parcel

5.3 Connectivity and Neighbourhood

This location enjoys good connectivity to Bellary, Hosapet and Kampli. This neighbourhood has the presence of large-scale industries like Karnataka Power Corporation Limited, HothurIspat and Agarwal Sponge Iron Limited, and Ultratech Cement, ACC Cement. Other developments in the vicinity include automobile showrooms, residential plotted layouts, gas stations operated by Indian Oil, Hindustan Petroleum and Bharath Petroleum. With developing social infrastructure in the neighbourhood, schools and colleges like Morarji Desai Residential school, Vijayanagar Sri Krishnadevaraya University and Ballari Institute of Technology and Management have marked their presence here.

Some of the prominent developing and developed KIADB industrial areas in the neighbourhood include KSSIDC spread on 100 acres, Textile park on 820 acres, Steel ancillary units on 538 acres, KPTCL is operational and spread on 260 acres and Residential township on 205 acres.

Following are the distance to key networks/nodes in the city from the Subject Property

Node	Distance (Km)
Jindal Vidyanagar Airport	18
Bellary Cantonment Railway station	14
Kuditini Railway station	3.5
Kuditini bus stand	1.5
Hosapet	45
Basaveshwara circle	17

5.4 Legal and Regulatory Aspects

Legal Title

- As stated in general terms of business, the valuer does not undertake searches or inspections of any kind including web-based searches for title information, searches in any publicly available land registers or land revenue cards.

- The valuer has not been provided by any land registry entries or reports on title.
- It is assumed that the property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.
- It is recommended that the understanding of all legal title issues is referred to legal experts for their confirmation that the valuers understanding is correct. If any matters come to light as a result of the legal expert's review, it isrecommend that these matters are referred back to the valuer, as this information may have an important bearing on the values.

5.5 Site Inspection and Observations

- The valuer hasnot been provided with a copy of the ground condition report for the site.It is assumed that there are no adverse ground or soil conditions and that the load bearing capacity of the site is sufficient for the buildings constructed / being constructed / proposed to be constructed.
- My site observation did not bring out any significant flood risk to the site and hence for the purpose of the valuation the site is considered to be under low flood risk.
- The valuer is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor does a valuer undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.
- Subject to above, while carrying out valuation inspection, the valuer has not been made aware of any uses conducted at the Subject Propertythat would give cause for concern as to possible environmental contamination. The valuation is based on an assumption that the Subject Propertyis unaffected.

6. Valuation Analysis

On the instructions received from ArcelorMittal India Pvt Ltd. (the Client), the valuer has been appointed to give a Valuation report for a leasehold vacant land parcel in Bellary, Karnataka.

For the Valuation report, the valuation of the property has been carried out on the basis of the area statement provided to us and the same is tabulated as below:

Property Address	Rights and Interest	Present ownership	Land Area (acre)
Various survey numbers** in Kuditini village and Veniveerapura village, Kurugoduhobli, Bellary taluk, Bellary district ** Sy Nos attached in Annexure III	Leasehold (with registered lease cum sale agreement)	KIADB	2,643.25

Source: Information shared by the client

6.1 Methodology - Valuation

There are three approaches used in real estate property valuation:

i) Market approach – Comparison method
ii) Income approach –Discounted Cash Flow method
iii) Cost approach –Summation Method

- **Market Approach – Comparison Method with Weightage Score System**

This method is applicable to all properties that are capable of being bought and sold in the market. A comparison is made for the purpose of valuation with similar properties that have recently been sold in the market and thus have a transaction price. The market comparison approach is the preferred approach when the sales data is available.Sales prices of comparable properties are usually considered the best evidence of the market value of the property being valued.

Weightage Score System is an advanced method of comparison. It models the behaviour of the market by comparing the properties being appraised with similar properties that have recently been sold or for which offers to purchase have been made. Comparable properties are selected for similarity to the Subject Property considering attributes like age, size, shape, quality of construction, building features, condition, design, gentry, etc. These attributes are grouped into different parameters. Weightages are considered for each parameter affecting value of the property. The sale prices are then adjusted for their difference from the Subject Property. Finally, a market value for the Subject Propertyis estimated from the adjusted sales price of the comparable properties.

- **Income Approach – Discounted Cash Flow method**

Income approach valuation is applicable to properties that are for investment purposes. All investments are intended to generate income or so to say profit. The valuation consists in ascertaining the present value of future earnings. The income approach should begin with analysis of the present income and series of projected incomes in future. The primary factors that decide the yield of the property are the location and neighbourhood, occupational use, infrastructure provided and age of the property.

- **Cost Approach – Summation method**

In case of specialised properties, customised properties or the properties wherein methods under market approach or income approach cannot be applied due to lack of required data, Land and Building method under Cost approach is applied. The valuation by this method involves the following steps.

For Land

- Value the land by an appropriate method – Comparison Method under Market Approach

For Buildings / Civil Structures / Fencing

- Estimate the current construction cost of improvement including minor buildings, development and fencing on lumpsum basis
- Subtract the accrued depreciation if any, and
- Depending on the age of the building, the depreciated replacement cost of building is derived

For Cost incurred towards maintenance of Lease

- Lease rent already paid from the start of lease till date
- Lease rent payable for the unexpired period of lease

Summation of the value of the land and the depreciated replacement cost of the building gives the total value of the Subject Property.

Depending upon the type, nature and location of the property, purpose of valuation and market dynamics, a combination of methods are used. Comparison method under market approach and Summation method under Cost approach has been adopted for this valuation exercise, where land value is derived from comparison method and other improvements on the site like fencing, any minor structures etc. that are visible at the site are estimated by cost approach.

6.2 Valuation Basis

The valuation base for this report is Market Value. Market Value is defined within RICS valuation standards as:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.'

6.3 Valuation Assumption

This valuation is based on a number of assumptions that have been drawn to your attention in the General Principals and Limited Conditions (Annexure I), General Assumptions (Annexure II) and within this report.

6.4 Valuation Considerations

- The Subject Property is a vacant industrial land located in Kuditini village and Veniveerapura village,Bellary district
- This land is given on lease for a period often years by KIADB
- Land use is classified as industrial general and industrial hi-tech
- Approval to establish a 6 Million TPA Integrated Steel Plant and 750MW Power Generation Plant with an investment of INR 3,00,000 Mn, generating employment to about 10,000 persons
- The entire property has been fenced with barbed wire. The cost towards the same as shared by the client is INR 36 Mn
- A lumpsum cost of 4 Mn has been considered for other improvements towards security room, toilet blocks etc.
- Lease cum Sale agreement executed between KIADB known as lessor and M/s. ArcelorMittal India Pvt. Ltd. known as lessee for allotment of land for setting up of an industrial project in Bellary. Total available land area of the subject property is 2,643.25 acres.
- The rights and interest on the property is currently leasehold. After the lease period, on meeting the conditions of the covenants on development and other lease terms, the lease cum sale agreement could be converted to an absolute sale at no extra cost other than registration.
- A sum of INR 2,208.9 Mn has been paid to the lessoras land compensation for the subject property having an extent of 2,643.25 acres.
- The board service charge, taxes paid to the government, slum cess and EMD charges are not considered in the valuation

- The lessee has been paying an annual lease rent of INR 2,64,325 from the date of allotment, i.e. 30-11-2011 and 19-10-2012 for the two land parcels. Payment of lease rent has commenced soon after the allotment of land.
- The registered lease cum sale agreement was executed on 14 November 2018 states that the lease rent of INR 100 per acre per year is payable for a period of ten years on the 22nd day of October of each and every year for 2,643.25 acres
- As per the allotment letter and instructions from KIADB, the lessor commenced payment of lease rent from the date of allotment. However,the commencement of ten years lease period officially starts from October 2018 and terminates in October 2028. The same has been considered for the valuation.
- As per the registered lease agreement, in case of resumption of the subject property, the lessor shall forfeit 25% of the allotment consideration paid together with the rents payable, interest due payable on the unpaid rents, EMDand the residuary amount would be paid to the lessee.
- As per the allotment letter and the lease cum sale agreement, the promoters of the allottee company should hold a minimum of 51% share throughout the lease period. Any reduction in the shareholding less than 51% by the promoters of the allottee company would result in a transfer fee payable to KIADB for approval.
- The Bellary real estate market has been going through a slump with significant reduction is sale price and number of transactions and hence the possibility of appreciation of land values in the recent years is low.
- The date of valuation is 16 December 2019

6.5 Disclosures

- A total allotment price of INR 2,227.9 Mn towards land cost has been paid by M/s ArcelorMittal India Ltd. for a land area of 2,659.3 acres. The total consideration towards purchase of this land was paid in the year 2011-12.
- Towards widening of the NH 63 and samadhi land, 16.5 acres of the entire property has been returned to KIADB on 22-12-2017. The balance land area of the subject property available with the client is 2,643.25 acres. The allotment price of the revised extent is INR 2,208.9 Mn.
- An additional 136.33 acres of government land has been acquiredfor M/s. ArcelorMittal India Pvt. Ltd. by KIADB. Allotment and possession for the same has not been given by KIADB. This is in addition to the subject property of 2,643.25 acres. The Government land is in scattered bits, interspersed within the subject property. The same has not been handed over to the lessee through KIADB. The same has not been considered for the purpose of this valuation report.

- As confirmed by the client, there is a court case pending with the families of 130 famers, who gave their land towards acquisition of the subject property. They have claimed for enhancement of compensation under LARRA, 2013.

6.6 Cost to Lessee

As per the lease cum sale deed executed between KIADB and ArcelorMittal India Pvt Ltd., the client becomes the absolute owner of the property only on fulfilment of the given terms. Some of the important terms that has an impact of the leasehold valuation are the lease rent to be paid for the property and other costs incurred in the property.

The cost incurred and to be incurred by the lessee from the allotment of the subject property and execution of lease cum sale deed to the end of lease term are:

- Inclusion of lease rent paid from December2011 to October 2019
- Additional cost incurred towards fencing, minor buildings and other developments on the subject property
- Deduction towards lease rent payable for the unexpired lease period of eight years until October 2028

6.7 Historic market transactions

The key transactions in Kuditini and the neighbouring villages have been identified and recorded in 2011-12. This forms the basis of the valuation.

Name of Allottee	Uttam Galva			ArcelorMittal		
Total land area (acres)	4,877.80			2,643.25		
Date of allotment	2011-12			2011-12		
Allotment rate basis	**Area (in acres)**	**Rate in INR per acre**	**Land value (INR)**	**Area (in acres)**	**Rate in INR per acre**	**Land value (INR)**
NH fronting agri land in first 500 m						
Agri land in first 500 m	1,463	6,00,000	87,80,04,000	223	12,00,000	26,77,68,000
Agri land > 500 m depth	3,414	5,00,000	1,70,72,30,000	2,415	8,00,000	1,93,16,00,000
NA land				5.61	16,00,000	89,76,000
418 Sites of 1,200 sq ft (per sq ft)						
Total Land Cost in INR	**4,877.80**		**2,58,52,34,000**	**2,643.25**		**2,20,83,44,000**
Average Allotment Rate INR per acre			**5,30,000**			**8,35,465**
Other charges in INR (10% board service charge, EMD, slum cess, building cost etc.)			14,96,66,000			25,06,73,535
Total allotment price in INR			**2,73,49,00,000**			**2,45,90,17,535**
All-inclusive Average Allotment Rate in INR per acre			5,60,683			9,30,301

Source: KIADB and market research

Key observations are:

- KIADB's allotment rate has two components, one the land cost and two includes other charges comprising board service charge, slum cess and EMD. Other charges are not taken into account while considering the allotment price for valuation as this exercise is to estimate the fair market value for ArcelorMIttal India Pvt. Ltd.
- The market observes twotransactions which are similar in nature, interest and rights in the year 2011-12, one by ArcelorMittal and the other byUttam Galva

- Both these properties lie adjacent to each other on either side of the railway line. However, it is observed that the allotment rate of ArcelorMittal is significantly higher than Uttam Galva's property.
- Hence it is understood that ArcelorMittal's property was purchased at a premium and the same needs to be adjusted to the current market value.
- The latestallotment in the neighbourhood by KIADB of land having similar usage, interest, scale and nature is to NMDC in the year 2017. This transaction comes under the purview of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 also known as LARRA, 2013
- The LARRA, 2013 was enforced in 2014 and enacted in 2013. The Act provided enhanced compensation to landowners on acquisition of land.
- The various compensations to be paid for land acquisition under LARRA, 2013 include:
    - Market value of the land and building
    - Damage sustained by the person interested by reason of taking any standing crops and trees, severity, injurious affection, person affected having to change his residence or place of business, the damage (if any) bona fide resulting from diminution of the profits, any other ground which may be in the interest of equity, justice and beneficial to the affected families
    - Solatium

  which has increased the cost of acquisition of land for individual boards across the country
- Although the subject property and Uttam Galva's property were acquired by KIADB around the same time in 2011, it was governed by the KIADB Act, 1966 which had a different compensation structure. Whereas NMDC's property has been acquired under LARRA, 2013 in 2017 and the compensation fixed is higher in comparison to the KIADB Act.
- Considering that the NMDC's allotment was the most recent transaction in the subject market, we have used NMDC as the primary basis of comparison. It gives an indication of the current market scenario under LARRA, 2013 and aid in assessing the fair market value of the subject property.
- It is to be noted that any property currentlyunder acquisition having similar usage, scale and nature would fall under the purview of LARRA, 2013.
- Since the property is being valued as on date, where LARRA, 2013 is prevalent, the value and rights held by ArcelorMittal India Pvt. Ltd. in the subject property is also adjusted in the valuation.
- The adjusted value of the Uttam Galva's property with effect from LARRA, 2013 is at INR 1.13 Mn per acre

6.8 Comparison method

Market inquiries of land parcels that have been recently sold or are available for sale in the vicinity of the subject property to estimate land value of the subject land parcel has been done. The sources of market survey and enquiries include market participants like:

- Local residents,
- Government employee of local authorities (Sub Registrar, etc.),
- Landlords,
- Real estate agents, etc.
- KIADB Officers considering the nature of property and its transaction

In order to estimate the market value of the subject property, premiums and discounts have been allocated to the comparable properties taking into consideration some of the parameters for comparison. As per valuation standards, there are certain parameters to be used for such comparisons. The valuer has compared the subject property with the two comparable instances on the following parameters:

- *Physical Attributes of the Site* - Size, shape, frontage and topography are the key physical features that have an implication on the property worth. Size of the land parcel affects the number of alternatives and usages for which it can be developed. Frontage of the land determines the number of access points and the visibility that a proposed development would enjoy. Shape of a site influences the utility i.e. the percentage of usable land or the efficiency that can be achieved on the same. Topography can be classified as level, gently sloping, severely sloping, undulating or a combination thereof.
- *Location and Connectivity*– Location of the property can be explained in terms of administrative jurisdiction, distance from arterial roads, distance from CBD, social infrastructure, site surroundings and neighbouring land use. The usage of properties in the neighbourhood establishes the perception of the location. The mix of land use and physical condition of the adjoining property can either enhance or detract the visual perception and subsequently influence the property worth. Connectivity can be assessed in terms of linkages to the site from different modes and networks. Physical access is a universal requirement for properties of every nature. Once availability of access to a property has been established the quality of access is ascertained. Quality of access implies the width of road, surface of the road, traffic volumes, travel time etc. The importance of the nature, ease and quality of access is subjective to the usage of the property/development.
- *Present status and condition* – The current status of development of the subject property, the governing authority of the property, its nature of tenure and rights and interest and maintenance of the property for future use are considered. Land parcels for large scale economic development having special sanction from the State

Government, given on lease cum sale terms by KIADB has been the basis of this parameter.

- *Time Factor* – Considering the unique characteristic of the property and scarcity of occurrence, actual historic transactions of similar properties have been used as the basis for market data. An appropriate premium/discount has been considered to account for the time factor.

Properties (land parcels) of similar scale, nature, governing regulations, usage and economic benefit, recently transacted or available for sale are taken into account for valuation purpose by fixing appropriate weightages to the above parameters based on valuer's assessment of the market from a valuation perspective. These parameters are accordingly discounted or appreciated based on the relevance of each parameter of the property in comparison to the subject property. For example, if a parameter of the subject property is of better importance than the comparable property, then the same parameter of the comparable property is increased to bring the comparable property in nearest comparison to the subject property, likewise a parameter of the comparable property is decreased if it has better significance than the subject property. In doing so the comparable properties are balanced in accordance with the attributes of the subject property thus ensuring that the subject property and the comparable properties are of equivalent valuation significance. Sum of the parameters of the comparable property is done to arrive at the effective appreciation / discount of the comparable properties. A time factor is then applied to understand the price movement based on the trend prevailing in the market per transactions recorded. If no price appreciation or depreciation has taken place then no time significance is allotted to the comparable properties. Finally, the average of the weighted appreciation/discount of the comparable is multiplied with the land area of subject property to arrive at the estimated market value of the subject land parcel.

During the survey, there were limited quoted sale comparable instances of similar nature, extent and usage in the catchment area of the subject property located in Kuditini and Veniveerapura village, Bellary District. In the absence of instances and quotes of such large land parcels, the recent allotment price of KIADB for lease cum sale properties are considered as the basis for arriving at the fair market value. These are KIADB issued raw land allotted on lease cum sale basis for a period of ten years.

Based on historic factual data of similar sale instances, the valuer has derived the fair market value of the subject property.

Map showing similar comparable properties in the neighbourhood:

Source: Google maps and research

Valuation of Land - Sales Comparison Method	Subject Property	Land Comparable	
		C1	C2
Location	**Various Sy Nos., Kuditini village and Veniveerapura village, Bellary**	Veniveerapura village and Janakunte village, Bellary	Kuditini village, Veniveerapura village and Kollegal village, Bellary
Status of Land	**Allotted**	Allotted	Allotted
Name of Allottee	**ArcelorMittal India Pvt Ltd**	**NMDC**	**Uttam Galva**
Date of Allotment	**2011-12**	**2017**	**2011**
Distance from Subject site (km)		5.0	3.5
Land Area (acres)	**2,643**	**2,858**	**4,878**

Valuation of Land - Sales Comparison Method	Subject Property	Land Comparable	
		C1	C2
Width of Abutting Road (ft)	**60 ft**	60 ft	40 ft
Land Use Status	Industrial	Industrial	Industrial
Allotted Price (INR Mn)	2,208	5,550	2,585
Average Allotted Land rate (INR Mn/Acre)	0.8	1.9	0.5
Effective Land Rate (INR/Acre)	8,35,465	19,42,251	5,30,000
Parameter for Comparison	**Weightage**	**C1**	**C2**
Physical attributes	35%	0%	10%
Location & Neighbourhood	30%	-10%	20%
Present status and condition of property	35%	5%	5%
Total	**100%**		
Effective (weighted average) discount/appreciation		**-1.25%**	**11.25%**
Land rate in comparison to the comparable properties		19,17,973	5,89,625
Time Adjustment			
Average appreciation / market correction of land value from the point of transaction (% per annum)		0%	16%
Material Date of Valuation	**16-December-2019**		
Time Factor		1.00	1.16
Time adjusted rate (INR Mn per acre)		**19,17,973**	**6,83,965**
Average land rate (INR per acre)	**13,00,969**		
Land area of subject property (acres)	2,643		
Market Value of the Subject Land Parcel (INR Mn)	**3,439**		

The market value of the land parcel by comparison method is **INR 3,439 Mn.**

The comparable property C2 has not been adjusted for the impact of the transaction of C1 and hence the growth rate of the properties from 2011-2019 cannot be compared.The adjusted rate for comparison for C2 is INR 1.13 Mn per acre.

6.9 Cost incurred by lessor

The cost incurred and to be incurred by the lessee from theallotment of land to the end of lease term are – lease rent paid and payable, cost towards development, fencing and improvements. The same is tabulated below:

Period of Lease	Lease rent paid (INR)	Lease rent payable in future(INR)
Oct-11	1,81,110	
Oct-12	2,64,325	
Oct-13	2,64,325	
Oct-14	2,64,325	
Oct-15	2,64,325	

Period of Lease	Lease rent paid (INR)	Lease rent payable in future(INR)
Oct-16	2,64,325	
Oct-17	2,64,325	
Oct-18	2,64,325	
Oct-19	2,64,325	
Oct-20		-2,64,325
Oct-21		-2,64,325
Oct-22		-2,64,325
Oct-23		-2,64,325
Oct-24		-2,64,325
Oct-25		-2,64,325
Oct-26		-2,64,325
Oct-27		-2,64,325
Total Rent (INR)	**22,95,710**	**-21,14,600**
Net lease rent (INR Mn)	**0.18**	
Fencing Cost (INR Mn)	36	
Other improvements on site (INR Mn)	4	
Total Cost incurred by Lessee (INR Mn)	**40**	

The total cost incurred and to be incurred by the lessee is **INR 40 Mn**

6.10 Abstract of the Valuation by Summation method

Particular	Amount	Unit
Market value of land	3,439	INR Mn
Cost incurred towards payment of lease rent and other improvements on site	40	
Total Market value of the leasehold property	**3,479**	

Based on the information collected from market participants, transacted sales instances, allotment nature, location attributes, physical characteristics of the site, lease rent paid and payable and improvements and minor developments done on the site,the estimated market value of the subject property is **INR3,479Mn**, located on NH63, Kuditini and Veniveerapura village, Bellary.

Praveen Subramanya
Registered Valuer
IBBI/RV/08/2019/12346

7. Summary

On the basis of assumptions, methodology of valuation and on the belief that there are no onerous restrictions, covenants or unusual outgoings, the valuer isof the opinion that the market value of the Subject Property as on 16 December 2019 tabulated below is fair and reasonable.

Property Address	Rights and Interest	Present ownership	Land Area (acre)	Method of valuation	Market value
Various survey numbers** in Kuditini village and Veniveerapura village, Kurugoduhobli, Bellary taluk, Bellary district ** Sy Nos attached in Annexure III	Leasehold (with registered lease cum sale agreement)	KIADB	2,643.25	Combination of Comparison method and Summation method	INR 3,479 Mn (Indian Rupees Three Thousand Four Hundred and Seventy-Nine Million)

By Praveen Subramanya,

Registration number IBBI/RV/08/2019/12346

Praveen Subramanya
Registered Valuer
IBBI/RV/08/2019/12346

Note:

This valuation is only for use of the party to whom it is addressed, and no responsibility is accepted to any third party for the whole or any part of its content

8. Disclaimer

“The statements, information and opinions expressed or provided in this publication are intended only as a guide to some of the important considerations that relate to property investment. Although it is believed they are correct and not misleading, with every effort having been made to ensure that they are free from error, they should not be taken to represent, nor are they intended to represent, investment advice or specific proposals, which must always be reviewed in isolation due to the degree of uniqueness that will attach thereto”.

Neither the valuer nor any persons involved in the preparations of this publication give any warranties as to the contents nor accept any contractual, tortuous or other form of liability for any consequences, loss or damage which may arise as a result of any person acting upon or using the statements, information or opinions in the publication. This publication is confidential to the addressee and is not to be the subject of communication or reproduction wholly or in part.”

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Annexure I: General Principles and Limiting Conditions

General Principles Adopted and Limiting Conditions in the Preparation of Valuations and Reports

These are the general principles and limiting conditions upon which the valuation report is normally prepared; they apply unless it is specifically mentioned otherwise in the body of the report.

1) **Confidentiality**

These valuation reports are confidential to the client or to whom they are addressed for the specific purpose to which they refer. They may be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party. No responsibility is accepted to any other party and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without my prior written approval of the form and context in which it will appear.

2) **Use of Report**

The opinion of value expressed in this Report shall be used for the purpose stated in this Report only. The valuer is not responsible for any consequences arising from the Valuation being quoted out of context.

3) **Source of Information**

Where it is stated in the Report that information has been supplied by the sources listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so. All other information stated without being attributed directly to another party is obtained from my searches of records, examination of documents or enquiries with the relevant authorities. This Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to the valuer and he cannot accept any liability or responsibility in any event, unless such full disclosure has been made.

4) **Legal Title**

Whilst the valuer may have inspected the title of the property as recorded in the Register Document of Title, the valuer cannot accept any responsibility for its legal validity.

5) **Town Planning and other Statutory Regulations**

Whilst the valuer may make verbal enquiries or gather information on Town Planning, he does not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, the valuer recommends that verification be obtained from the Client's lawyers or other professional advisors.

Valuation reports are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been or will be issued with a Certificate of Fitness for Occupation by the competent authority.

6) Leases and Tenancies

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenant.

7) Development Agreements

Unless otherwise stated, no allowances are made in the valuation for any joint venture agreement, development right agreement or other similar contracts.

8) Site Surveys

The valuer has not conducted any boundary checks; however, the valuer assumes that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

9) Structural Surveys

The valuer has neither carried out a building survey nor any testing of services, nor has inspected those parts of the property which are inaccessible. Hecannot express an opinion about or advice upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair are noted during the course of inspection, The valuer is not able to give any assurance in respect of rot, termite or pest infestation or other hidden defects.

10) Site Conditions

The valuer does not normally carry out investigations on the property or neighbouring land (including the past and present uses) in order to determine the suitability of the ground conditions (including contamination or potential for contamination) and services for the existing or any new development, nor has undertaken any archaeological, ecological or environmental surveys. Unless the valuer is otherwise informed, the Valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

11) Deleterious or Hazardous Materials

No investigation was carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the properties,or have since been incorporated and the valuer therefore is unable to account or report for such in this report.

12) Diseases and Infestations

Whilst due care is taken to note the presence of any disease or infestation, the valuer has not carried out any test to ascertain possible latent infestations or diseases affecting crops or stock. The valuer is therefore unable to account for such in this Report.

13) Outstanding Debts

In the case of buildings where works are in hand or have recently been completed,the valuer does not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

14) Taxation, Encumbrances, Statutory Notices and Outgoings

Unless otherwise stated, no allowances are made in this valuation for any expense of realization or for taxation which might arise in the event of a disposal, deemed or otherwise. The valuer has considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. The valuer also assumed the property is free of statutory notices and outgoings.

15) Attendance

The instruction and the valuation assignment does not automatically bind the valuer to attendance in court or to appear in any enquiry before any government or statutory bodies in connection with the Valuation unless agreed when the instruction is given.

Annexure II: General Assumptions

- The valuerassumes that information provided by client or its representative for this Valuation for all relevant projects is true and accurate. It includes details of measurements of land and built up area, etc.
- The valuer has not gone through the legal aspects like documents of title deed, revenue records, court matters (if any), and documentation like joint development with other companies. The valuer also assumes for this valuation assignment, that the title and development rights of all the properties lies with the Company and is clear, marketable and free of all encumbrances, restrictions, easements or charges which may have detrimental effect upon the value of the property. It is also assumed that company has paid all property related taxes.
- The valuer has neither carried out any soil testing nor structural surveys nor is an expert in the field of structural survey. Therefore,the valuer does not give any assurance that properties are free from structural defect. If any investigation identifies any structural defect in the property this report may require revision. Neither is the valuer an expert in the town planning to factor the town planning aspects in the project. Sewers, main services and the roads giving access to the property have been provided.
- The valuer assumes that all the constructed structures and proposed construction is/will be free from harmful materials and/or techniques. This valuation is on the basis that no such materials or techniques have been used.
- Unless advised by the company or representative of the company, the valuer does not normally make allowance for any liability already incurred, but not yet discharged, in respect of balance land cost, completed works, or obligations in favour of contractors, subcontractors or any other professional.
- The valuer has assumed that demand; supply, pricing, fiscal and monetary policies of Government, taste of public will remain same as on date of valuation over the period of time of development. All of these factors are in strong relation with the value of property. Any radical change in any of the factor may affect estimation at large.
- Unless advised by the company or representative of the company, no allowance is made for any expense of realization or for taxation, which may arise in the event of a disposal. The property is considered as if free and clear of all mortgages or other charges that may be secured thereon.
- For the purpose of this report the valuer has assumed that the property is not subject to environmental contamination. However, as the valuer is not the expert in this field,

and recommends that an appropriate consultant may be engaged to confirm theseassumptions.If the subsequent investigation identifies any environmental contamination on the site, this report may require revision.

Annexure III: Survey Numbers of Subject Property

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I. Details of Land Measuring 2561.41 Acres-(A)

Name of the Village: Kuditini Hobli: Kurugodu Taluk: Ballari

Sl. No.	Sy. No.	Extent (in acres)	Sl. No.	Sy. No.	Extent(in acres)
1.	373/A	0.20	42.	386/E	8.88
2.	373/B	0.20	43.	387/2	1.20
3.	373/C	0.20	44.	387/3	3.71
4.	373/D	0.20	45.	388/B	5.70
5.	373/E	0.20	46.	388/C	3.70
6.	374/A	2.21	47.	388/D	5.50
7.	374/B	2.42	48.	573/A	3.82
8.	374/C	2.70	49.	573/B	1.17
9.	374/D	2.65	50.	574/A	4.22
10.	374/E	2.62	51.	574/B	6.42
11.	375/1a	6.11	52.	576/A1	3.90
12.	375/1b	5.90	53.	576/A2/A	3.48
13.	375/1C	6.60	54.	576/A2/b1	1.33
14.	375/1d	3.83	55.	576/A2/b2	2.09
15.	375/2	9.50	56.	576/A2/c1	0.41
16.	376	30.21	57.	576/A2/c2/a	2.00
17.	377	18.22	58.	576/A2/c2/b	1.00
18.	378	19.77	59.	576/B1	4.43
19.	379/1	5.67	60.	576/B2	4.43
20.	379/2	5.67	61.	577/A	28.25
21.	380/A1	0.86	62.	577/B1	16.89
22.	380/A2	0.82	63.	577/B2	5.64
23.	380/B	1.47	64.	577/C1	4.99
24.	381/A1	0.70	65.	577/C2	4.80
25.	381/A2	0.73	66.	577/D	10.07
26.	381/B	1.29	67.	577/E	10.32
27.	382/A1	3.06	68.	577/F	9.20
28.	382/A2	3.00	69.	579/A	6.60
29.	382/A3	1.38	70.	579/B	5.84
30.	382/A4	1.15	71.	579/C	9.85
31.	382/B	7.53	72.	580(P)	4.00
32.	383/1	1.12	73.	581/A	4.99
33.	383/2	1.13	74.	581/B	6.05
34.	384/A	7.00	75.	583/A	3.39
35.	384/B1	1.91	76.	583/B	4.80
36.	384/B2	1.91	77.	584/A	1.31
37.	385	5.35	78.	584/B	1.31
38.	386/A	0.72	79.	584/C	3.54
39.	386/B	1.34	80.	585/A1	12.43
40.	386/C	12.47	81.	585/A2	5.04
41.	386/D	0.38	82.	585/B1	2.00

For ArcelorMittal India Pvt. Ltd.,
Authorized Signatory

For ArcelorMittal India Pvt. Ltd.,
Rameshak
Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

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Sl. No.	Sy. No.	Extent (in acres)	Sl. No.	Sy. No.	Extent (in acres)
83	585/B2	2.00	122	624/B1	4.00
84	585/B3	0.62	123	624/B2	3.43
85	585/B4/a	0.50	124	625/A1	6.96
86	585/B/4b	0.50	125	625/A2	3.74
87	585/B/4c	1.00	126	625/A3	3.92
88	585/B5	2.30	127	625/B/B1/2	4.79
89	585/B6	2.00	128	627/A	5.32
90	585/B7	2.00	129	627/B	6.14
91	585/B8	2.00	130	628/A1	2.00
92	585/B9	0.86	131	628/A2	2.00
93	585/B10	0.61	132	628/A3	2.30
94	588	12.48	133	628/B	9.36
95	589/1A	1.42	134	629/A1	2.00
96	589/2	2.41	135	629/A2	1.35
97	589/2b	1.00	136	629/BC1	1.10
98	589/3	7.25	137	629/BC2	5.69
99	590/1	0.35	138	630/A	4.11
100	590/2	0.34	139	630/BCD1	2.41
101	590/3	1.03	140	630/BCD2	5.05
102	591	1.80	141	631/A	5.61
103	592	15.82	142	631/B1	2.64
104	593/A	2.40	143	631/B2	2.53
105	593/B	14.45	144	631/B2	0.05
106	611/A1	5.26	145	632/A1	2.28
107	611/A2	5.25	146	632/A2	6.25
108	611/B1	6.04	147	632/B1	3.75
109	611/B2	2.00	148	632/B2	3.75
110	611/C	7.42	149	633/1	3.24
111	612	19.91	150	633/2	6.95
112	613/A	4.13	151	634/1	2.96
113	613/B	4.18	152	634/2	3.00
114	614/A	1.00	153	635/1	1.42
115	614/B	1.22	154	635/2	2.64
116	615	4.47	155	636/1	2.20
117	616	2.07	156	638	5.90
118	617	7.28	157	639	7.01
119	624/a1	2.40	158	640	2.05
120	624/A2	2.13	159	641	7.21
121	624/A3	2.00	160	642	6.51

For ArcelorMittal India Pvt. Ltd.,
Authorized Signatory

For ArcelorMittal India Pvt. Ltd.,
Rameshak
Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

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Sl. No.	Sy. No.	Extent (in acres)		Sl. No.	Sy. No.	Extent (in acres)
161	643/A	5.35		200	871/E1	10.27
162	643/B	5.75		201	871/E2	1.99
163	644	8.00		202	871/F1	9.17
164	645	9.94		203	871/F2	2.79
165	646/A	3.40		204	872/B	0.72
166	646/B	6.10		205	873	7.42
167	647/A	1.45		206	874/1	4.26
168	647/B1	4.46		207	874/2	2.13
169	647/B2	4.54		208	874/3	2.14
170	648/A1	4.42		209	879/A	4.04
171	648/A2	4.42		210	879/B	3.50
172	648/B1	2.25		211	879/C	3.50
173	648/B2	0.60		212	880/A1	1.46
174	648/B3	0.45		213	880/A2	1.40
175	648/B4	5.71		214	880/B1	5.10
176	650	6.12		215	880/B2a	2.00
177	651/1	6.52		216	880/B2/b	2.00
178	651/2	6.47		217	880/B2c	1.87
179	652/A	1.68		218	880/C	1.98
180	653	5.65		219	880/D	2.31
181	654	19.19		220	880/E	4.37
182	655	10.69		221	880/F	4.33
183	656	8.71		222	880/G	12.77
184	657/A	5.30		223	882/A1	9.62
185	657/B	5.46		224	882/A2	1.45
186	658/A1	2.53		225	882/A3	3.88
187	658/A2	2.72		226	882/A4	1.60
188	658/B	4.77		227	882/A5	8.67
189	659	8.05		228	882/B1	7.64
190	660/A	5.30		229	882/B2	2.18
191	660/B	2.50		230	882/B3	2.00
192	660/C	2.70		231	882/B4	2.10
193	661/A	1.47		232	882/B5	9.38
194	661/B	4.23		233	883	10.84
195	661/C	6.05		234	884/A	9.91
196	871/A	7.70		235	884/B	5.00
197	871/B	8.49		236	886	2.30
198	871/C	6.00		237	887/A	6.10
199	871/D	11.36		238	887/B1	3.88

For ArcelorMittal India Pvt. Ltd.,

Authorized Signatory

For ArcelorMittal India Pvt. Ltd.,

Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

Source: Lease cum Sale agreement

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Sl. No.	Sy. No.	Extent (in acres)		Sl. No.	Sy. No.	Extent (in acres)
239	887/B2/a	1.86		278	912/A	2.85
240	887/B2/b	0.50		279	912/B	4.05
241	887/B2/C	0.50		280	913/A1	1.50
242	887/B2/d	0.50		281	913/A2	0.72
243	887/B2/e	0.75		282	913/B	15.97
244	887/B2/f	0.64		283	913/C1	5.96
245	887/C1	4.38		284	913/C2	5.62
246	887/C2	2.93		285	913/D1	5.35
247	887/C3	7.13		286	913/D2	5.35
248	888/A	15.91		287	913/E	5.56
249	888/B1	5.00		288	914/A	3.10
250	888/B2	5.31		289	914/B	3.17
251	888/C	9.91		290	915	7.97
252	890/A	11.6		291	918/A	4.00
253	890/B1/a	4.80		292	918/B	8.23
254	890/B1/b	3.04		293	921	17.42
255	890/B2	7.95		294	922	15.28
256	890/C	8.96		295	923	23.31
257	891	4.26		296	924/A	5.14
258	892/A	9.05		297	924/B	4.76
259	892/B	7.07		298	925	6.93
260	893/A	4.79		299	926/A1	44.45
261	893/B	3.06		300	926/A2	4.77
262	894/A	11.32		301	926/A3	4.77
263	894/B	11.89		302	926/A4	9.50
264	895	42.97		303	926/B1	1.90
265	897	27.90		304	926/B2	0.23
266	902/A	6.75		305	926/B3	0.23
267	902/B	6.86		306	926/B4	0.50
268	903/A	0.12		307	927	6.92
269	905	19.12		308	928/A1	1.19
270	906/A	14.75		309	928/A2	2.36
271	906/B	8.10		310	928/B	3.49
272	907/A	6.10		311	929	4.36
273	907/B	6.38		312	930	11.70
274	908	3.14		313	931/A	3.00
275	909	7.52		314	931/A1	3.25
276	911/A	7.92		315	931/A2	1.22
277	911/B	5.33		316	931/B	9.33

For ArcelorMittal India Pvt. Ltd.,
Authorized Signatory

For ArcelorMittal India Pvt. Ltd.,
Rameshak.
Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

Source: Lease cum Sale agreement

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Sl. No.	Sy. No.	Extent (in acres)		Sl. No.	Sy. No.	Extent (in acres)
317	932/A1	8.06		356	1081/B3	0.33
318	932/A2	1.00		357	1081/B4	1.17
319	932/B	2.14		358	1081/B5	1.17
320	933	14.2		359	1081/B6	1.18
321	934/1	2.69		360	1081/B7	1.83
322	934/2	3.25		361	1081/B8	4.00
323	934/3	5.00		362	1081/B9	0.70
324	934/4	10.00		363	1081/B10	1.41
325	934/5	5.23		364	1081/B11	1.41
326	934/6	2.61		365	1082/A1	1.00
327	934/7	2.62		366	1082/A2	1.00
328	936/A	3.02		367	1082/A3	4.31
329	936/B1	3.20		368	1082/A4	6.32
330	936/B2	3.20		369	1082/B	9.09
331	936/C	6.60		370	1082/C	0.70
332	936/D	6.63		371	1083/A	0.11
333	937/A	6.54		372	1083/B	0.15
334	937/B	2.95		373	1083/C	9.67
335	938/A	5.28		374	1083/D1	1.55
336	938/B	5.32		375	1083/D2	1.55
337	939/A	2.06		376	1083/D3	1.55
338	939/B	2.06		377	1083/D4	1.55
339	939/C1	1.00		378	1083/D5	1.55
340	939/C2	1.50		379	1083/D6	1.57
341	939/C3	1.00		380	1084	8.22
342	939/C4	1.00		381	1085/A	5.29
343	939/C5	4.50		382	1085/B1	0.91
344	940	7.70		383	1085/B2	4.00
345	941/A	1.03		384	1085/B3	0.91
346	942/A	15.95		385	1085/C	5.84
347	942/B	6.52		386	1086/A	2.29
348	950/B(p)	0.65		387	1086/B	1.82
349	951(p)	2.78		388	1086/C	6.28
350	954/B1(p)	1.14		389	1087/1	1.71
351	1076/A	8.83		390	1087/2	2.00
352	1076/B	10.92		391	1087/3	3.39
353	1081/A	3.04		392	1087/4	3.50
354	1081/B1	0.34		393	1089/1	3.00
355	1081/B2	0.33		394	1089/2	3.00

For ArcelorMittal India Pvt. Ltd.,
Authorized Signatory

For ArcelorMittal India Pvt. Ltd.,
Rameshk.
Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

Source: Lease cum Sale agreement

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Sl. No.	Sy. No.	Extent (in acres)		Sl. No.	Sy. No.	Extent (in acres)
395	1089/3	7.00		434	1102/C2	4.33
396	1090/A	16.76		435	1102/D	4.06
397	1090/B1	1.62		436	1103/A	4.23
398	1090/B2	1.63		437	1103/B	3.85
399	1090/B3	3.60		438	1104/A	8.14
400	1090/C	6.73		439	1104/B	8.41
401	1090/D	3.28		440	1105	11.71
402	1090/E1	2.90		441	1106	5.12
403	1090/E2	3.04		442	1107	2.30
404	1090/F1	2.41		443	1108	10.77
405	1090/F2	2.00		444	1109/A1	2.89
406	1091	16.62		445	1109/A2	2.89
407	1092/1	12.33		446	1109/B	0.69
408	1092/2	7.00		447	1110/A	3.82
409	1092/3	7.00		448	1110/B1	5.17
410	1093/A	5.61		449	1110/B2	5.16
411	1093/B	2.98		450	1110/C	1.41
412	1093/C	2.46		451	1111/A1	5.69
413	1094/A	0.11		452	1111/A2	1.69
414	1094/B	3.92		453	1111/B	1.62
415	1094/B	0.03		454	1112	9.34
416	1094/C	1.41		455	1113/A1	4.43
417	1094/D	3.13		456	1113/A2	1.43
418	1095	5.09		457	1113/B	7.89
419	1096/A	3.71		458	1114/A	4.07
420	1096/B	3.70		459	1114/B1	4.48
421	1097/A	4.85		460	1114/B2	5.95
422	1097/B	8.70		461	1116/A	0.80
423	1097/C	4.15		462	1116/B	2.66
424	1098/A	20.09		463	1117	3.81
425	1098/B	18.98		464	1118/A	1.96
426	1099	7.81		465	1118/B	6.34
427	1100	8.57		466	1119	3.26
428	1101/A	3.51		467	1120	5.43
429	1101/B	8.50		468	1121/A	5.76
430	1101/C	3.89		469	1121/B	1.44
431	1102/A	0.53		470	1122/A	4.56
432	1102/B	1.48		471	1122/B	0.96
433	1102/C1	1.10		472	1123/A	4.87

or ArcelorMittal India Pvt. Ltd.,
Authorized Signatory

For ArcelorMittal India Pvt. Ltd.,
Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

Source: Lease cum Sale agreement

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Sl. No.	Sy. No.	Extent (in acres)		Sl. No.	Sy. No.	Extent (in acres)
473	1123/B	5.03		512	1159(p)	4.26
474	1124/A	8.53		513	1160/A1	2.59
475	1124/B	0.20		514	1160/A2	2.58
476	1125	2.65		515	1160/B	4.82
477	1126/A	9.80		516	1161	16.00
478	1126/B	5.50			**Total (A)**	**2561.41**
479	1127/A	4.27				
480	1127/B	4.15				
481	1128/A	9.17		**Veniveerapura Village**		
482	1128/B1	2.96		1	186	3.95
483	1128/B2	3.50		2	187	8.59
484	1129/1	1.00		3	188	16.06
485	1129/2	2.00		4	189/1A	4.00
486	1129/3	2.00		5	189/1B	10.11
487	1129/4	2.04		6	189/2	14.11
488	1129/5	4.00		7	190/A	12.51
489	1130	11.41		8	190/B1	2.00
490	1132/A	2.58		9	190/B2	4.00
491	1132/B	2.97		10	190/B3	6.51
492	1132/C	3.13			**Total (B)**	**81.84**
493	1132/D	3.25				
494	1132/E1	7.55				
495	1132/E2	5.45				
496	1133/A	6.30		**Total Extent (A)**		**2561.41**
497	1133/B	6.82		**Total Extent (B)**		**81.84**
498	1134/A	9.31		**Grand Total**		**2643.25**
499	1134/B1	4.63				
500	1134/B2	6.00				
501	1136/1	12.96				
502	1136/2	2.24				
503	1152/A	2.27				
504	1152/B	0.65				
505	1154/A	6.09				
506	1154/B1	1.15				
507	1154/B2	3.76				
508	1155/A	2.43				
509	1155/B	6.04				
510	1158	4.32				
511	1159	1.84				

rcelorMittal India Pvt. Ltd.,
Authorized Signatory

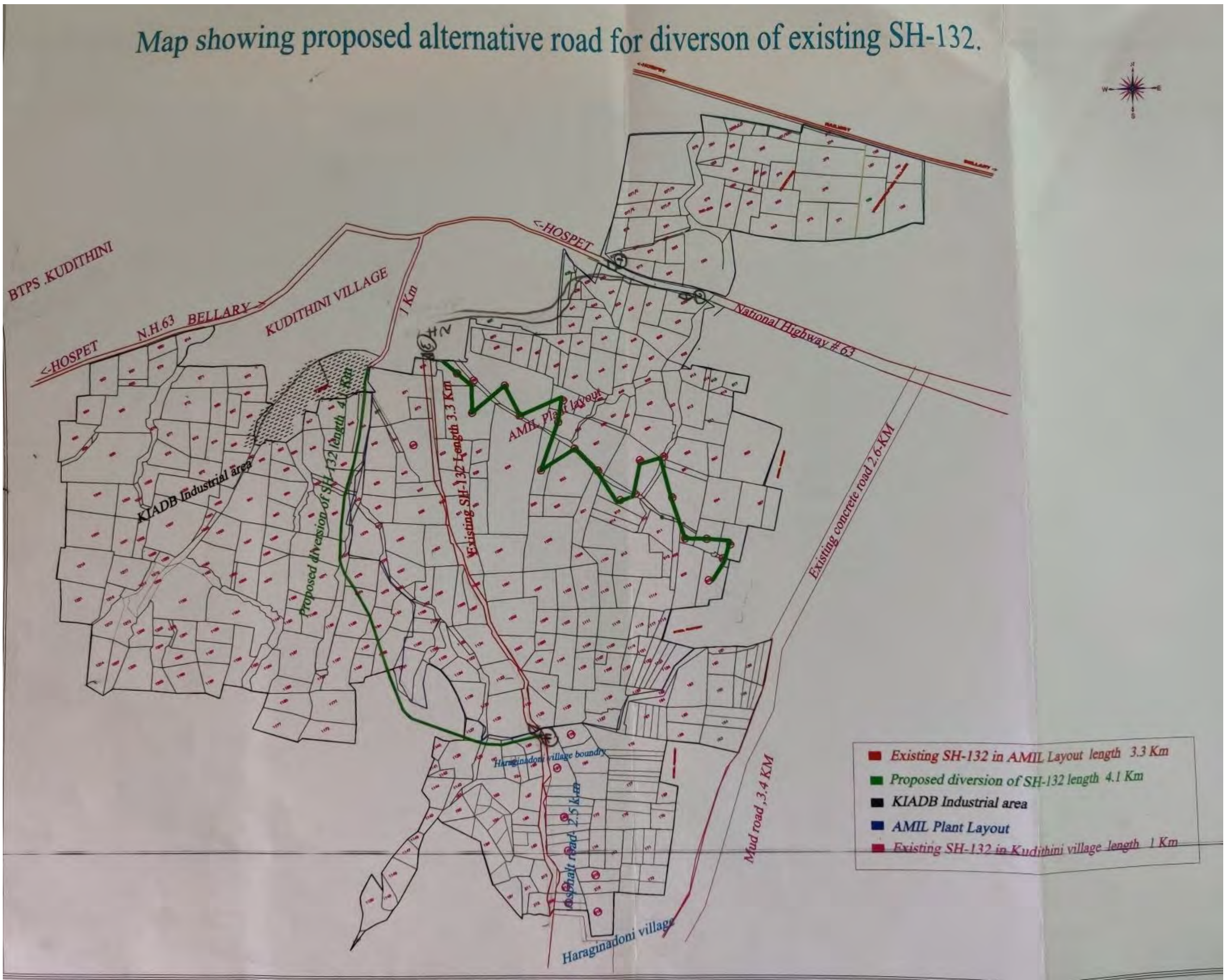
For ArcelorMittal India Pvt. Ltd.,
Ramesh
Authorized Signatory

Deputy Development Officer &
Assistant Executive Engineer
KIADB, BALLARI.

Source: Lease cum Sale agreement

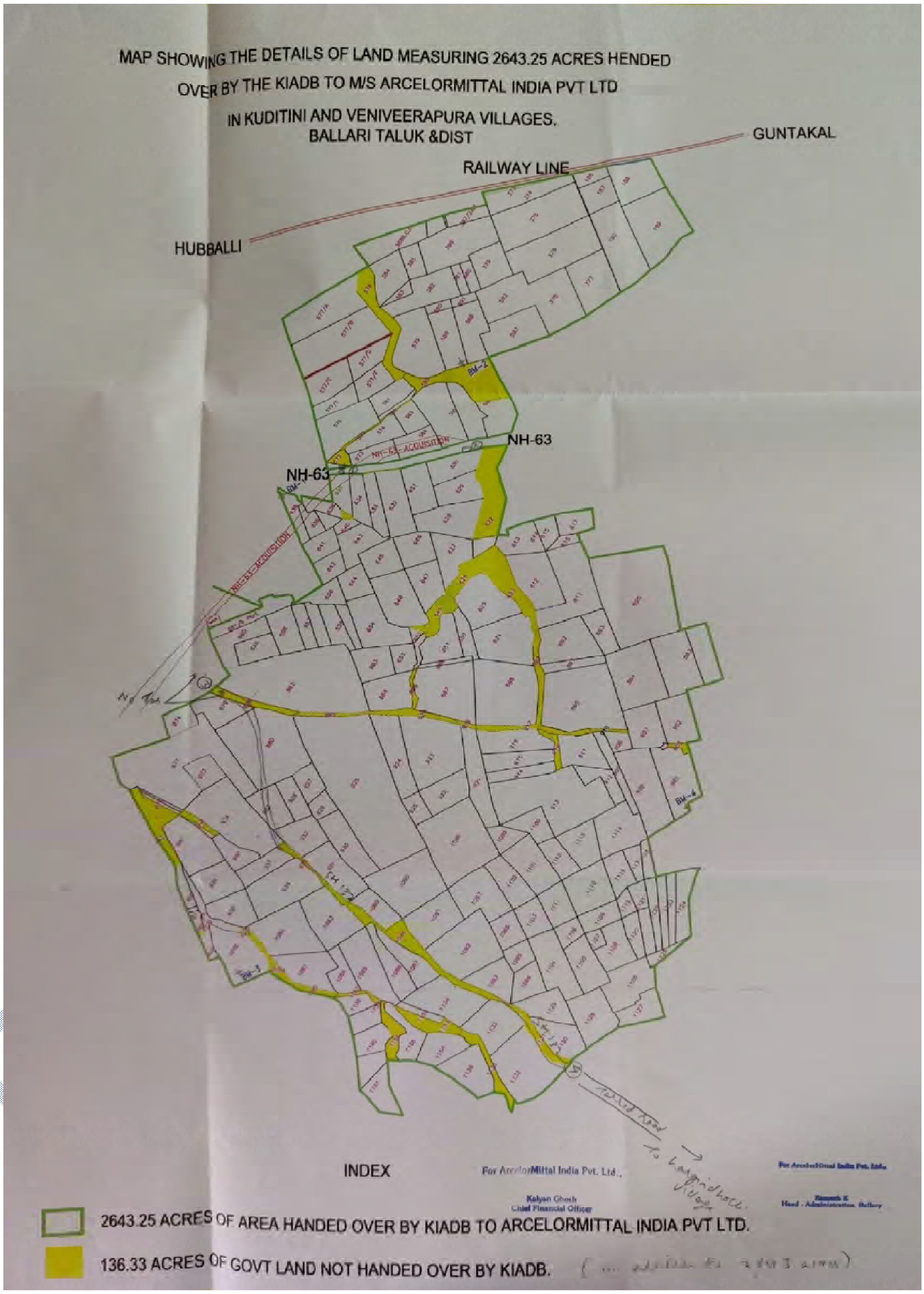
Annexure IV: Map of the Subject Property

Map of the proposed alternate road for SH 132



Source: As shared by the client

Map of the subject property measuring 2,643.25 acres



Source: As shared by the client

SANJAY KUMAR
Surveyor/Loss Assessor
License No. SLA/59439
Date of Expiry: 11:05:2020
Valuer Reg. No- F-18357
Income Tax Reg. No-28/2008
Ref. No.-San/Val/Feb/2019-20

WITHOUT PREJUDICE

PH.No:9835781406
0651-2240596
House No- F-111
Ashok Vihar
Opp. Ashok Nagar, Gate No. 1
RANCHI-834002
Date:-21/02/2020

SUMMARY OF VALUATION

To,
Arcelor Mittal India Private Limited
3rd Floor, JD Corporate
Near Mahabir Tower
Main Road, Ranchi – 834001
Jharkhand, India

1.) Subject: - Valuation report of the tand land of **Land Area 39.51 Acre equal to 3951 Dec.** through Deed No – 4294, Serial No. – 4313, Dated 03/06/2011 (Mansion in Annexure-I) Situated at Mauza – Karma alias Khuri, Anchal – Chiniya, Tauzi No. – 89, Khewat No. – 2, Thana No. – 10, Thana – Ranka, Dist. – Garhwa, State – Jharkhand. Stand registered in the name of M/S **Arcelor Mittal India Limited** for the purpose of current market rate.
(Valuation Amount of Rs.79,61,625.00)

2.) Subject: - Valuation report of the tand land, Land Area 32 Acre equal to 3200 Dec. in Deed No – 5829, Serial No. – 5950, Dated 06/08/2012 (Mention in Annexure-I) + Land Area 36.04 Acre equal to 3604 Dec. in Deed No – 5830, Serial No. – 5951, Dated 06/08/2012 (Mention in Annexure-II) + + Land Area 34.79 Acre equal to 3479 Dec. in Deed No – 5831, Serial No. – 5952, Dated 06/08/2012 (Mention in Annexure-III) + Land Area 34.16 Acre equal to 3416 Dec. in Deed No – 5911, Serial No. – 6033, Dated 17/08/2012 (Mention in Annexure-IV), **Total Land Area 136.99 Acre Equal to 13699 Decimals.** Situated at Mauza – Ghujwa, Tauzi No. – 2, Khewat No. – 3, Halka No. – 10, Thana No. – 386, Thana - Chhatarpur, Dist. – Palamu, State – Jharkhand. Stand registered in the name of **Arcelor Mittal India Limited** for the purpose of current market rate.
(Valuation Amount of Rs.3,56,72,196.00)

3.) Subject: - Valuation report of the tand land of of Land Area 45.76 Acre equal to 4576 Dec. through Deed No – 7311, Serial No. – 7456, Dated 06/07/2011 (Mansion in Annexure-I) & Land Area 48.14¾ Acre equal to 4814.75 Dec. & through Deed No – 3468, Serial No. – 3533, Dated 29/03/2011 (Mansion in Annexure-II) **Total Land Area 93.90¾ Acre Equal to 9390.75 Decimals.** Situated at Mauza – Kelhar, Anchal – Chainpur, Tauzi No. – 89, Khewat No. – 1, Halka No. – 7, Thana No. – 75, Thana Chainpur, Dist. – Palamu, State – Jharkhand. Stand registered in the name of M/S **Arcelor Mittal India Limited** for the purpose of current market rate.
(Valuation Amount of Rs.1,81,14,756.00)

Sanjay Kumar
B.E. (Civil) F.I.V.
Govt. Approved Valuer
Licence No.- 18357
Income Tax Reg. No.- 28 / 2008

4.) Subject: - Valuation report of the tand land of Land Area 42.00 Dec. through Deed No – 4531, Serial No. – 4563, Dated 30/10/2010 (As mention in Annexure-I) + Land Area 50.00 Dec. through Deed No – 4532, Serial No. – 4564, Dated 30/10/2010 (As mention in Annexure-I) + Land Area 140.50 Dec. through Deed No – 4533, Serial No. – 4565, Dated 30/10/2010 (As Mantion in Annexure-II), **Total Land Area 2.325 Acre equal to 232.50 Decimals.** Situated at Mauza – Ormo, Tauzi No. – 28, Khewat No. – 1, Halka No. – III, Thana No. – 117, Thana – Kasmar, Dist. – Bokaro, State – Jharkhand. Stand registered in the name of M/S **Arcelor Mittal India Limited** for the purpose of current market rate. **(Valuation Amount of Rs.24,16,140.00)**

Sl. No.	**Village Name**	**Land Area in Acre**	**Valuation Amount in Rs.**	
1	Karma alias Khuri	39.51		Rs.79,61,625.00
2	Ghujwa	136.99		Rs.3,56,72,196.00
3	Kelhar	93.90¾		Rs.1,81,14,756.00
4	Ormo	2.325		Rs.24,16,140.00
Total Land Area		**272.725**	**Total Valuation Amount**	**Rs.6,41,64,717.00**

SANJAY KUMAR

Govt. Approved Valuer

Sanjay Kumar
B.E. (Civil) F.I.V.
Govt. Approved Valuer
Licence No.- 13357
Income Tax Reg. No.- 26 / 2008

STRICTLY PRIVATE AND CONFIDENTIAL

16 September 2020

Board of Directors
ArcelorMittal India Private Limited
Uppal's M-6 Plaza,
6th Floor, Unit C & D,
Jasola District Centre,
New Delhi – 110 025
Delhi

Dear Sir / Madam,

Re: Equity valuation of ArcelorMittal India Private Limited and AM Associates India Private Limited post transfer and vesting of the Transferred Undertaking from ArcelorMittal India Private Limited into and with AM Associates India Private Limited pursuant to the Composite Scheme of Arrangement under the relevant provisions of the Companies Act, 2013.

With reference to the letter agreement dated 18 February 2020 along with the addendums dated 20 March 2020 and 2 September 2020 (collectively referred to as the "Letter Agreement") engaging Mr. Vikarth Kumar (the "**Registered Valuer**" or "**I**") for carrying out the equity valuation of ArcelorMittal India Private Limited and AM Associates India Private Limited post the transfer and vesting of the Transferred Undertaking from ArcelorMittal India Private Limited into and with AM Associates India Private Limited, pursuant to the provisions of Section 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 as provided for in the Draft Composite Scheme of Arrangement (the "Draft Scheme") with effect from the Appointed Date of 16 December 2019 (the "Appointed Date").

ArcelorMittal India Private Limited post the transfer and vesting of the Transferred Undertaking has been referred to as "AMIPL" and AM Associates including the transfer and vesting of the Transferred Undertaking has been referred to as "AMAIPL".

In the following paragraphs, I have summarized my conclusion and valuation analysis together with the description of the methodologies used and limitations on my scope of work.

1. BACKGROUND INFORMATION

a) ArcelorMittal India Private Limited was originally incorporated on 10 April 2006 and is engaged in the business of setting up steel manufacturing in India including by way of acquiring mining leases/ prospecting licenses, acquiring steel plants and/ or other supporting facilities for manufacture of steel including power plants.

b) The issued, subscribed and paid-up share capital of AMIPL as of 31 December 2019 is 22,188,337,129 equity shares of INR 10.0 each fully paid-up. AMIPL is 100% owned by Oakey Holding BV ("Oakey"). I understand from the Management that Oakey has made a capital infusion of INR 5,982 crores on 11 February 2020 and the shares were allotted to Oakey on 9 April 2020. As on the date of this report, the total share capital of AMIPL is INR 281,703,371,290 comprising of 28,170,337,129 equity shares of INR 10 each.

c) AM Associates India Private Limited was incorporated on 18 February 2020 for manufacturing, prospecting, operating and otherwise dealing in mining. AMAIPL is indirectly 100% owned by ArcelorMittal SA through its stepdown subsidiary ArcelorMittal Ventures India Private Limited ("AM Ventures").

d) The current issued, subscribed and paid-up share capital of AMAIPL is INR 500,000 comprising of 50,000 equity shares of INR 10.0 each fully paid-up. AMAIPL is 100% owned by AM Ventures.

e) ArcelorMittal Nippon Steel India Limited (erstwhile known as Essar Steel India Limited) was incorporated on 1 June 1976 and is presently engaged in the business of manufacturing flat carbon steel including through ore beneficiation, pellet making, iron making and downstream facilities including cold rolling mill, galvanizing, pre-coated facility, extra wide plate mill and pipe mill. On 2 August 2017, corporate insolvency resolution process under IBC, 2016 was initiated in relation to Essar Steel India Limited and consequently, AMIPL was declared the successful resolution applicant and the resolution plan submitted by AMIPL was approved by the Hon'ble Supreme Court of India vide its judgement dated 15 November 2019. The resolution plan was successfully implemented on 16 December 2019 whereby Essar Steel India Limited was acquired by AMIPL as a wholly owned subsidiary and renamed to AMNSIL. The resolution plan further provided for the amalgamation of AMIPL into AMNSIL which is being contemplated in the Draft Scheme.

f) The issued, subscribed and paid-up share capital of AMNSIL was INR 20,000,000,000 comprising of 2,000,000,000 equity shares of INR 10.0 each fully paid-up as of the Appointed Date. Further, I understand that the board of directors of AMNSIL approved a right issue of 7,222,000,000 equity shares at a face value of INR 10.0 each offered to the existing equity shareholders of AMNSIL. As I have been informed by the management of AMNSIL, the capital infusion pertaining to the right issue took place on 13 February 2020, however, the issuance of equity shares took place on 13 March 2020. As on the date of this report, the total share capital of AMNSIL is INR 92,220,000,000 comprising of 9,222,000,000 equity shares of Rs. 10 each.

g) As per the Draft Scheme, the transferred undertaking of AMIPL (the "Transferred Undertaking") means all the assets, rights, business and liabilities of the Transferor Company other than the Residual Business Undertaking as defined in the Draft Scheme.

h) As per the Draft Scheme, the following transactions have been proposed:

- Transfer and vesting of the Transferred Undertaking from AMIPL into and with AMAIPL and discharge of consideration in lieu thereof by way of issuance of equity shares of AMAIPL to AMIPL (hereinafter defined as "Step 1");

- Reduction in the share capital of AMIPL held by Oakey such that the equity shares of AMAIPL issued to AMIPL in Step 1 will be transferred to Oakey as a consideration in respect of such reduction of share capital of AMIPL (hereinafter defined as “Step 2”).

i) In this regard, I have been appointed by the management of AMIPL to carry out the equity valuation of AMIPL and fair value of equity shares of AMAIPL held by AMIPL for the purpose of carrying out Step 2 of the Draft Scheme as of the Appointed Date.

2. Context And Purpose

a) I have been informed by the Management that the Board of Directors of AMIPL (the “Board”) is considering a proposal for reduction in share capital of AMIPL with effect from the Appointed Date.

b) As a consideration for the reduction in the share capital of AMIPL, the equity shares of AMAIPL issued to AMIPL in Step 1 will be transferred to Oakey.

c) Section 247 of the Companies Act, 2013 requires that where a valuation is to be made of any property, stocks, shares, debentures, securities or goodwill or any assets or net worth of a company or its liabilities under the provisions of the Companies Act, 2013, the same shall be valued by a person having the requisite qualifications, experience, registered as a valuer and member of a registered valuers organization, in the manner prescribed in the Rules thereunder.

d) In this regard, I have been appointed by the Board to carry out the equity valuation of AMIPL i.e. ArcelorMittal India Private Limited including the Residual Business Undertaking and the equity valuation of AMAIPL i.e. AM Associates India Private Limited including the Transferred Undertaking, for the considering of the Board of Directors of AMIPL (including audit committees, as applicable) in accordance with the applicable laws, rules and regulations.

e) I, Registered Valuer having registration number IBBI/RV/05/2018/10112, specialize in the asset class securities or financial assets with the Insolvency and Bankruptcy Board of India (“IBBI”).

f) This report is my deliverable for the above engagement.

g) This report is subject to the scope, assumptions, exclusion, limitations and disclaimers as detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

3. Valuation Approach & Methodology

3.1. Valuation Procedures

In connection with this exercise, I have adopted the following procedures to carry out the valuation of the Transferred Undertaking and AMAIPL:

- Discussions with the managements of the Transferor Company and the Transferee Company (collectively referred to as the “Managements”) to:

- Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analysis of key trends and implied valuation multiples of comparable companies and comparable transactions.
  - Other publicly available information.
- Selection of appropriate internationally acceptable valuation methodologies after deliberations.
- Determination of valuation of the company under different methodologies.

3.2. VALUATION PARAMETERS

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. In transaction of the nature of transfer of assets where the consideration is often discharged primarily by issue of securities in the nature of equity of the acquirer or transferee entity with reference to an entitlement ratio considering the valuation of the equity shares of AMAIPL. Considering the nature of this exercise, I have considered absolute value using the Fair Value as the Valuation Base.

Premise of Value: Premise of Value refers to the conditions and circumstances how an asset is deployed. I have considered Going Concern Value and "As-Is-Where-Is" Value as applicable to AMAIPL being valued, as the Premise of Value.

Intended Users: This report is intended for consumption of the Board of Directors of the AMIPL (the "Board"), the management of AMIPL, its advisors & representatives for the purpose of submission to the relevant regulatory authorities.

Valuation Date: The Valuation Date considered for this engagement is 16 December 2019.

3.3. VALUATION APPROACH & METHODOLOGY

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Specific nature of the business
- Whether the entity is listed on a stock exchange
- Industry to which the company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. Certain valuation techniques have evolved over time and are commonly in vogue.

Valuation results could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financial and otherwise, and other factors which generally influence the valuation of companies.

The application of any method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. The choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guidelines and my reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments of similar nature.

In compliance with the Act, I have evaluated the following valuation methodologies as per any internationally accepted pricing methodology on arm's length basis. The valuation techniques can be broadly categorised as follows:

- **Market Approach:**
  - Market Price method
  - Comparable Companies Market Multiples method
  - Comparable Companies Transaction Multiples method
- **Income Approach:** Discounted Cash Flows method
- **Cost Approach:** Net Asset Value method and Adjusted Net Asset Value method

FAIR VALUE OF EQUITY SHARES OF AMAIPL

I have estimated the fair value of equity shares of AMAIPL including the fair value of Transferred Undertaking to be held by AMIPL at **INR 1,184.5 crores** using internationally accepted pricing methodology on arm's length basis as on the Appointed Date.

The detailed computation of the fair value of the equity shares of AMAIPL as on Appointed Date post Step 1 using the generally accepted valuation methodologies, as may be applicable, are discussed hereunder:

Asset Based

- **Net Asset Value Method ("NAV Method")**

The value arrived at under this approach is based on the latest available audited/ unaudited/ provisional financial statements of the business and may be defined as the Shareholder's Funds or Net Asset Value of the company.

Considering the Company has significant capital employed in physical assets on its balance sheet and keeping in mind the context and purpose of the valuation, I have used this method for arriving at the valuation of AMAIPL based on the provisional balance sheet of AMAIPL as of 31 December 2019 post the transfer and vesting of the Transferred Undertaking, as provided to me by the management of AMAIPL which is considered as a representative of the balance sheet as of the Appointed Date.

Accordingly, in the event of the Composite Scheme of Arrangement getting implemented, the fair value of equity shares of AMAIPL post the transfer and vesting of the Transferred Undertaking to be held by AMIPL using the Adjusted Net Asset Value method has been estimated at INR 1,184.5 crores under this method. Refer *Annexure I* for details.

Market Based

- **Market Price Method ("MP Method")**

Under this method the market price of equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. As AMAIPL is not listed, this method of valuation is not applicable.

- **Comparable Companies Market Multiple ("MM") Method**

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. In the event of the Composite Scheme of Arrangement getting implemented the Transferred Undertaking will transfer and vest into AMAIPL. Given the context and scope of work I have not used this method to estimate the equity value of AMAIPL.

- **Comparable Transaction Multiple Approach ("CTM")**

This method is similar to the above Market Multiple Method, with the exception that the companies used as guidelines are those that have been recently acquired. Under the Transaction Multiple Method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. In the event of the Composite Scheme of Arrangement getting implemented the Transferred Undertaking will transfer and vest into AMAIPL. Given the context and scope of work I have not used this method to estimate the equity value of AMAIPL.

Income Based

- **Discounted Cash Flows (DCF) Method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

- ***Estimating future free cash flows:*** Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

- ***Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*** This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

In the present case, I have not been provided with financial projections of AMAIPL. In the event of the Composite Scheme of Arrangement getting implemented the Transferred Undertaking will transfer and vest into AMAIPL. Given the context and scope of work I have not used this method to estimate the equity value of AMAIPL.

FAIR VALUE OF EQUITY SHARES OF AMIPL

I have estimated the fair value of equity shares of AMIPL at **INR 26,225.8 crores or INR 9.31 per equity share** using internationally accepted pricing methodology on arm's length basis as on the Appointed Date.

The detailed computation of the fair value of the equity shares of AMIPL as on Appointed Date post Step 1 using the generally accepted valuation methodologies, as may be applicable, are discussed hereunder:

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Asset Based

- **Net Asset Value Method ("NAV Method")**

The value arrived at under this approach is based on the latest available audited/ unaudited/ provisional financial statements of the business and may be defined as the Shareholder's Funds or Net Asset Value of the company.

Considering the Company has significant capital employed in physical assets on its balance sheet and keeping in mind the context and purpose of the valuation, I have used this method for arriving at the valuation of AMIPL based on the provisional carved-out balance sheet of AMIPL as of 31 December 2019 post the transfer and vesting of the Transferred Undertaking, as provided to me by the management of AMIPL which is considered as a representative of the balance sheet as of the Appointed Date. The Net Asset Value thus arrived at has been adjusted for the following:

- Book value of AMIPL's investment in AMNSIL of INR 2,000 crores has been adjusted for the fair value of AMIPL's investment in AMNSIL of INR 7,174.0 crores which includes the subsequent equity share capital infusion of INR 7,222.0 crores by AMIPL. Please refer *Annexure III* for details.
- Book value of AMIPL's investment in Transferred Undertaking of INR 1,137.6 crores has been adjusted for the fair value of equity shares of AMAIPL issued to AMIPL in Step 1 of INR 1,184.5 crores.

Further, I understand from the management of AMIPL subsequent to the Appointed Date, INR 338.3 crores from the existing cash and cash equivalents of INR 718.3 crores has been utilised to pay towards the advance for mining lease with the State Government of Odisha for mining or iron ore at the mines situated at Thakurani as of July 2020.

Accordingly, in the event of the Composite Scheme of Arrangement getting implemented the fair value of equity shares of AMIPL post the transfer and vesting of the Transferred Undertaking using the Adjusted Net Asset Value method has been estimated at INR 26,225.8 crores or INR 9.31 per equity share under this method for a total number of equity shares outstanding of 28,17,03,37,129 post equity infusion of INR 5,982.0 crores by Oakey. Refer *Annexure II* for details.

Market Based

- **Market Price Method ("MP Method")**

Under this method the market price of equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. As AMIPL is not listed, this method of valuation is not applicable.\

- **Comparable Companies Market Multiple ("MM") Method**

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Since AMIPL on standalone basis does not have any material operations I have not used this method to estimate the equity value of AMIPL.

- **Comparable Transaction Multiple Approach ("CTM")**

This method is similar to the above Market Multiple Method, with the exception that the companies used as guidelines are those that have been recently acquired. Under the Transaction Multiple Method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique.

Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Since AMIPL on standalone basis does not have any material operations, I have not used this method to estimate the equity value of AMIPL.

Income Based

- **Discounted Cash Flows (DCF) Method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

- o ***Estimating future free cash flows:*** Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

- o ***Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*** This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

In the present case, I have not been provided with financial projections of AMIPL. Additionally, as mentioned previously, AMIPL on standalone basis does not have any material operations. Given these limitations, the DCF method has not been used as a methodology to determine the value of AMIPL.

4. Sources of Information

In connection with this exercise, I have used the following information received from the Management and/ or gathered from public domain:

- Draft Composite Scheme of Arrangement among ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited and their respective shareholders and creditors;
- Provisional balance sheet of AMIPL and AMAIPL as of the Appointed Date as provided to me by the Managements;
- Group Holding Structure of AMIPL as on the Appointed Date provided by management of AMIPL and certified by the Company Secretary of AMIPL;
- Shareholding pattern of AMNSIL as on the Appointed Date provided by the management of AMNSIL and certified by the Company Secretary of AMNSIL;
- Letter of offer for right issue of 7,222,000,000 equity shares of face value INR 10 at an aggregate consideration of INR 72,220,000,000 provided by the management of AMNSIL and certified by the Company Secretary of AMNSIL;
- Public information including details of financial information pertaining to publicly listed companies and comparable transactions from public sources including international database and worldwide web;
- Correspondence with the management of AMIPL including Management Representation;

In addition to the above, I have also obtained such other information and explanations which were considered relevant for the purpose of my Analysis.

During the discussions with the Management, I have also obtained explanations and information considered reasonably necessary for my exercise. The Management has been provided with the opportunity to review the draft report as part of my standard practice to make sure that factual inaccuracies/ omissions are avoided in my final report.

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5. Caveats, Limitations and Disclosures

My report is subject to the scope limitations detailed hereinafter and outlined in the Letter Agreement. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Provision of valuation recommendations and considerations of the issues described herein do not represent accounting, audit, and financial due diligence review, consulting, transfer pricing or domestic tax-related services by Registered Valuer.

My analysis and review of the AMIPL and AMAIPL does not constitute an audit in accordance with Auditing Standards. I have relied on explanations and information provided by the managements of the respective companies and accepted the information provided to me as accurate. I have not independently investigated or otherwise verified the data provided. Nothing has come to my attention to indicate that the information provided had material misstatements or would not afford reasonable grounds upon which to base the report.

I have relied on data from external sources. These sources, although considered to be reliable, are external and hence, I assume no liability for the accuracy of the data. I have assumed that the business continues normally without any disruptions due to statutory or other external/ internal occurrences. I have also assumed that the transaction proceeds as envisaged without any delays or disruptions and is consummated immediately.

The valuation analysis recommendation contained herein is not intended to represent the fair values at any time other than the date that is specifically stated in this report. This report is issued on the understanding that the Management have drawn attention to all matters of which they are aware, to the best of their knowledge, concerning the financial position of the businesses, which may have an impact on the report up to the date of issue, for the purpose of the proposed transfer, including any significant changes that have taken place or are likely to take place in these, subsequent to the Appointed Date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I have no responsibility to update, revise or reaffirm this report for such events and circumstances occurring after the date of this report. I understand from Managements, the shareholding ownership of AMIPL and AMAIPL has not changed between the Appointed Date and the date of this report. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

The scope of work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover. It may be noted that Valuation is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill.

The management of AMIPL has been provided with the opportunity to review the draft report to make sure that factual inaccuracies / omissions are avoided in the final report.

The fee for this report is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the AMIPL or AMAIPL. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the AMIPL or AMAIPL.

I have no present or planned future interest in AMIPL or AMAIPL and the fee for this report is not contingent upon the values reported herein. My analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with AMIPL and AMAIPL.

My report is not, nor should it be construed as my opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The recommendation rendered in this report only represents my recommendation based upon information till date, available in the public domain, furnished by the Managements (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (my recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed fair value. While I have provided my recommendation of the fair value based on the information available to me and within the scope of my engagement, others may have a different opinion. The final responsibility for the determination of the fair values at which the proposed transfer and vesting shall take place will be with the Board of Directors of AMIPL and AMAIPL who should take into account other factors such as their own assessment of the proposed transfer and vesting and input of other advisors.

In the course of the valuation, I was provided with both written and verbal information, including information as detailed in the section - Sources of Information. I have not audited, reviewed or otherwise investigated the financial information provided to me by the Managements. Accordingly, I do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Managements, I have been given to understand from the Managements that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with me in case of any doubt. My conclusions are based on the assumptions and information given by/ on behalf of AMIPL or AMAIPL. The Managements have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/results. Also, I assume no responsibility for technical information furnished by AMIPL or AMAIPL. However, nothing has come to my attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. I do not imply, and it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.

The Managements has informed that the business activities of AMIPL or AMAIPL have been carried out in the normal and ordinary course between Appointed Date and the date of this report and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The report assumes that AMIPL and AMAIPL comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that AMIPL and AMAIPL will be managed in a competent and responsible manner.

This report does not look into the business/ commercial reasons behind the proposed transfer and vesting nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed transfer and vesting as compared with any other alterative business transaction or other alternatives or whether or not such alternatives could be achieved or are available. In addition, I express no opinion or recommendation as to how the shareholders of the AMIPL and AMAIPL should vote at any shareholders' meeting(s) to be held in connection with the proposed transfer and vesting.

No investigation/ inspection of AMIPL and AMAIPL claim to title of assets has been made for the purpose of this report and AMIPL and AMAIPL's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for this engagement is not contingent upon the results reported herein.

I owe responsibility to only the Boards of Directors of AMIPL that have appointed me under the terms of my Letter Agreement and nobody else. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to AMIPL and AMAIPL. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of AMIPL and AMAIPL, their directors, employees or agents.

I do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion on the fair values. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This report is subject to the laws of India. The report should be used in connection with the Draft Scheme.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed transfer and vesting, without my prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI and National Company Law Tribunal or as required under applicable law.

The fair value of equity shares of AMIPL and equity shares of AMAIPL is based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to available information base, key underlying assumptions and limitations. To arrive at the fair values, suitable averaging and rounding off in the values arrived at have been done wherever necessary/ applicable.

VI. DISTRIBUTION OF REPORT

Unless specifically governed by statute or regulation, the report and deliverables issued by the Registered Valuer in accordance with the Letter Agreement are strictly confidential and for use by the Board for the purpose specified in the Letter Agreement. Further I shall not be responsible for the use or implementation of the output of the services. The reports and other deliverables may not be used, reproduced or circulated for any other purpose, whether in whole or in part, without the Registered Valuer 's prior written consent, which consent shall only be given after full consideration of the circumstances at the time. However, I understands that the Report may be shared with AMIPL/ AMAIPL and its advisors and representatives and relevant regulatory authorities on the understanding that I owe no duty of care to any party other than the Board.

Please note that I owe no duty of care to or any other third party and cannot accept any responsibility for reliance by them in acting or refraining from acting on the contents of the report. AMIPL shall indemnify and hold harmless me against all claims by third parties, including the regulators arising directly or indirectly as a result of the Report being shared with third parties. The analyses are invalid if used for any purpose other than that stated herein.

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6. CONCLUSION

Based on the above analysis and subject to the assumptions and limitations stated in this report and in the Letter Agreement, in the event of the Composite Scheme of Arrangement being implemented, the subscribed, issued and paid up equity share capital of AMIPL will stand reduced by the fair value of AMIPL's investment in equity shares of AMAIPL of INR 1,184.5 crores divided into 1,27,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) equity shares of face value INR 10.0 each i.e. the subscribed, issued and paid up equity share capital of AMIPL will stand reduced from INR 2,81,70,33,71,290 (Indian Rupees Twenty-Eight Thousand One Hundred Seventy Crores, Thirty-Three Lakhs, Seventy-One Thousand, Two Hundred Ninety) divided into 28,17,03,37,129 (Two Thousand Eight Hundred Seventeen Crores, Three Lakhs, Thirty-Seven Thousand, One Hundred Twenty-Nine) equity shares of face value INR 10.0 each, to INR 2,68,97,97,21,050 (Indian Rupees Twenty-Six Thousand Eight Hundred Ninety-Seven Crores, Ninety-Seven Lakhs, Twenty-One Thousand, Fifty) divided into 26,89,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) equity shares of face value INR 10.0 each.

Your Sincerely,
Vikarth Kumar
Registered Valuer
Registration No. IBBI/RV/05/2018/10112

Place: Gurugram
Dated: 16 September 2020

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ANNEXURE I – NET ASSET VALUE OF AMAIPL (INR CRORES)

Details as of,		31-Dec-19
Property, Plant & Equipment	354.7	
Capital Work-in-Progress	2.1	
Long Term Loans	745.5	
Investments	0.7	
Other Non-Current Assets	35.0	
Total Non-Current Assets		**1,138.0**
Cash & Cash Equivalents	51.7	
Short Term Loans	0.0	
Other Financial Assets	1.7	
Other Current Assets	0.4	
Total Current Assets		**53.7**
TOTAL ASSETS		**1,191.7**
Long Term Borrowings	0.0	
Long Term Provisions	1.5	
Total Non-Current Liabilities		**1.5**
Trade Payables	3.3	
Short Term Provisions	0.3	
Other Current Financial Liabilities	1.2	
Other Current Liabilities	0.8	
Total Current Liabilities		**5.6**
TOTAL LIABILITIES		**7.2**
NET ASSET VALUE (INR CR)		**1,184.6**
Less: Share Capital held by AM Ventures India Private Limited		0.05
FAIR VALUE OF AMIPL'S INVESTMENT IN AMAIPL (INR CR)		**1,184.5**

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ANNEXURE II – ADJUSTED NET ASSET VALUE OF AMIPL (INR CRORES)

c		31-Dec-19
Property, Plant & Equipment	0.4	
Capital Work-In-Progress	-	
Financial Assets		
Investments	3,137.6	
Loans	41,265.4	
Other Non-Current Assets	18.5	
Total Non-Current Assets		**44,422.1**
Cash & Cash Equivalents*	718.3	
Current Loans & Advances	2.3	
Total Current Assets		**720.5**
TOTAL ASSETS		**45,142.6**
Non-Current Borrowings	24,000.0	
Total Non-Current Liabilities		**24,000.0**
Trade Payables	127.4	
Other Current Liabilities	7.9	
Current tax liabilities (net)	2.4	
Total Current Liabilities		**137.6**
TOTAL LIABILITIES		**24,137.6**
NET ASSET VALUE (INR CR)		**21,005.0**
Less: Book Value of Transferred Undertaking		1,137.6
Less: Book Value of Investment in AMNSIL		2,000.0
Add: Fair Value of Investment in AMAIPL**		1,184.5
Add: Fair Value of Investment in AMNSIL***		7,174.0
ADJUSTED NET ASSET VALUE (INR CR)		**26,225.8**
No. of Shares Post Equity Infusion by Oakey (Cr)		2,817.0
ADJUSTED NET ASSET VALUE PER SHARE (INR)		**9.31**

**As discussed previously, subsequent to the Appointed Date as of July 2020, INR 338.3 crores from the existing cash and cash equivalents of INR 718.3 crores has been utilised to pay towards the advance for mining lease with the State Government of Odisha for mining or iron ore at the mines situated at Thakurani.*

***Please refer Annexure I.*

****Please refer Annexure III.*

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ANNEXURE III – ADJUSTED NET ASSET VALUE OF AMNSIL (INR CRORES)

Details as of,	31-Dec-19	
Property, Plant & Equipment	38,402.7	
Intangible Assets	1.2	
Capital Work-In-Progress	3,204.1	
Right of Use Asset	1,496.2	
Investments in Associates	11.7	
Other Investments	1.1	
Other Non-Current Financial Assets	250.8	
Other Non-Current Assets	235.0	
Deferred Tax Assets (Net)	0.0	
Total Non-Current Assets		**43,602.8**
Inventories	4,614.4	
Current Investments	403.5	
Trade Receivables	852.7	
Cash & Cash Equivalents	589.4	
Other Bank Balances	1,694.5	
Current Loans & Advances	141.6	
Derivative Financial Assets	0.0	
Other Current Financial Assets	29.8	
Other Current Assets	924.2	
Current Tax Assets (Net)	94.4	
Total Current Assets		**9,344.5**
TOTAL ASSETS		**52,947.3**
Non-Current Borrowings	40,055.8	
Lease Liability	1,028.4	
Other Non-Current Liabilities	177.0	
Non-Current Provisions	33.4	
Deferred Tax Liabilities (Net)	48.0	
Total Non-Current Liabilities		**41,342.5**
Current Borrowings	6,675.5	
Trade Payables	1,428.3	
Derivative Financial Liabilities	0.0	
Other Current Financial Liabilities	3,113.4	
Other Current Liabilities	433.0	
Current Provisions	2.6	
Total Current Liabilities		**11,652.8**
TOTAL LIABILITIES		**52,995.3**
NET ASSET VALUE (INR CR)		**(48.0)**
Add: Equity Infusion by AMIPL		7,222.0
ADJUSTED NET ASSET VALUE (INR CR)		**7,174.0**

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STRICTLY PRIVATE AND CONFIDENTIAL

16 September 2020

Board of Directors
ArcelorMittal India Private Limited
Uppal's M-6 Plaza,
6th Floor, Unit C & D,
Jasola District Centre,
New Delhi – 110 025
Delhi

Board of Directors
ArcelorMittal Nippon Steel India Limited
2nd Floor, Birla Centurion,
Century Mills Compound
Pandurang Budhkar Marg
Worli, Mumbai – 400 030
Maharashtra

Dear Sir/ Madam,

Re: Recommendation of Share Exchange Ratio for the purpose of proposed amalgamation of ArcelorMittal India Private Limited into ArcelorMittal Nippon Steel India Limited (erstwhile known as Essar Steel India Limited) pursuant to the Composite Scheme of Arrangement under the relevant provisions of the Companies Act, 2013.

With reference to the Letter Agreements dated 10 February 2020 and 19 February 2020 engaging Mr. Vikarth Kumar (the "**Registered Valuer**" or "**I**") for recommending a Share Exchange Ratio for the proposed amalgamation of ArcelorMittal India Private Limited ("AMIPL" or "Amalgamating Company") into and with ArcelorMittal Nippon Steel India Limited ("AMNSIL" or the "Amalgamated Company"), pursuant to the provisions of Section 230 to 232 read with section 66 and other relevant provisions of the Companies Act, 2013 as provided for in the Draft Composite Scheme of Arrangement (the "Draft Scheme") with effect from the Appointed Date of 16 December 2019 (the "Appointed Date").

In the following paragraphs, I have summarized my conclusion and valuation analysis together with the description of the methodologies used and limitations on my scope of work.

1. Background Information

a) ArcelorMittal India Private Limited was originally incorporated on 10 April 2006 and is engaged in the business of setting up steel manufacturing in India including by way of acquiring mining leases/ prospecting licenses, acquiring steel plants and/ or other supporting facilities for manufacture of steel including power plants.

b) ArcelorMittal Nippon Steel India Limited (erstwhile known as Essar Steel India Limited) was incorporated on 1 June 1976 and is presently engaged in the business of manufacturing flat carbon steel including through ore beneficiation, pellet making, iron making and downstream facilities including cold rolling mill, galvanizing, pre-coated facility, extra wide plate mill and pipe mill. On 2 August 2017, corporate insolvency resolution process under IBC, 2016 was initiated in relation to Essar Steel India Limited and consequently, AMIPL was declared the successful resolution applicant and the resolution plan submitted by AMIPL was approved by the Hon'ble Supreme Court of India vide its judgement dated 15 November 2019. The resolution plan was successfully implemented on 16 December 2019 whereby Essar Steel India Limited was acquired by AMIPL as a wholly owned subsidiary and renamed to AMNSIL. The resolution plan further provided for the amalgamation of AMIPL into AMNSIL which is being contemplated in the Draft Scheme.

c) The issued, subscribed and paid-up share capital of AMIPL as of 31 December 2019 is 22,188,337,129 equity shares of INR 10.0 each fully paid-up. AMIPL is 100% owned by Oakey Holding BV ("Oakey"). I understand from the Management that Oakey has made a capital infusion of INR 5,982 crores on 11 February 2020 and the shares were allotted to Oakey on 9 April 2020. As on the date of this report, the total share capital of AMIPL is INR 281,703,371,290 comprising of 28,170,337,129 equity shares of INR 10.0 each. Pursuant to the Draft Scheme, the existing equity shares held by Oakey in AMIPL and existing equity shares held by AMIPL in AMNSIL shall stand cancelled and new shares shall be issued by AMNSIL to Oakey.

d) The issued, subscribed and paid-up share capital of AMNSIL was INR 20,000,000,000 comprising of 2,000,000,000 equity shares of INR 10.0 each fully paid-up as of the Appointed Date. Further, I understand that the board of directors of AMNSIL approved a right issue of 7,222,000,000 equity shares at a face value of INR 10.0 each offered to the existing equity shareholders of AMNSIL. As informed to me by the management of AMNSIL, the capital infusion pertaining to the right issue took place on 13 February 2020 however, the issuance of equity shares took place on 13 March 2020. As on the date of this report, the total share capital of AMNSIL is INR 92,220,000,000 comprising of 9,222,000,000 equity shares of Rs. 10 each.

2. CONTEXT AND PURPOSE

a) I have been informed by the managements of AMIPL and AMNSIL (collectively referred to as the "Managements") that the Board of Directors of AMIPL and AMNSIL (collectively referred to as the "Boards") are considering a proposal for the amalgamation of the Amalgamating Company into and with the Amalgamated Company with effect from the Appointed Date.

b) As per the Draft Scheme, the "Amalgamating Company" shall mean AMIPL immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Draft Scheme and constituting solely of the Residual Business Undertaking.

c) As per the Draft Scheme, the Residual Business Undertaking means assets, rights, business and liabilities of the Amalgamating Company as a part of its continuing business and operations, listed out at Schedule A (the “Residual Business”) of the Draft Scheme and includes:

- any and all assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities including continuing rights, title and interests in connection with the land and the buildings thereon, if any, whether freehold or otherwise, plant and machinery, whether leased or otherwise, hire purchase equipment(s), together with all present and future liabilities including contingent liabilities and debts appertaining thereto, pertaining to the Residual Business;

- any and all loans and advances (including inter-corporate loans, including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent, pertaining to the Residual Business;

- without prejudice to generality of the foregoing, the Residual Business Undertaking shall include all investments in the capital of other companies and body corporate whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto, pertaining to the Residual Business;

- any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Government authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names, Tax Credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the or in relation to the Residual Business;

- any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities and external commercial borrowings), present or future, undertakings and obligations of the Transferor Company pertaining to the Residual Business;

- any and all employees, who are on the pay roll of the Transferor Company in relation to Residual Business, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees’ state insurance, gratuity fund, superannuation fund for such employees of the Transferor Company in relation to Residual Business;

- any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Residual Business; and

- all records, files, papers, information, computer programs, relating to the Residual Business;

It is hereby clarified that, during the pendency of the Scheme in the event the ownership of the Thakurani Mine (as defined in Schedule A of the Draft Scheme) vests in Amalgamated Company (as defined in the Draft Scheme) from the Transferor Company, then paragraph (vi) shall be deemed excluded from this Schedule A.

d) As per the Draft Scheme the Amalgamating Company would be amalgamated into and with AMNSIL based on a going concern basis without assigning any values to the individual assets or liabilities, for which the shareholders of the Amalgamating Company will be entitled to receive equity shares of AMNSIL.

e) Section 247 of the Companies Act, 2013 requires that where a valuation is to be made of any property, stocks, shares, debentures, securities or goodwill or any assets or net worth of a company or its liabilities under the provisions of the Companies Act, 2013, the same shall be valued by a person having the requisite qualifications, experience, registered as a valuer and member of a registered valuers organization, in the manner prescribed in the Rules thereunder.

f) In this regard, I have been appointed by the Boards to recommend a Share Exchange Ratio for the proposed amalgamation of the Amalgamating Company into and with the Amalgamated Company, for the consideration of the Board of Directors of AMIPL and AMNSIL (including audit committees, as applicable) in according with the applicable laws, rules and regulations.

g) I, Registered Valuer having registration number IBBI/RV/05/2018/10112, specialize in the asset class securities or financial assets with the Insolvency and Bankruptcy Board of India (“IBBI”).

h) This report is my deliverable for the above engagement.

i) The scope of my services is to conduct the valuation of the Amalgamated Company and Amalgamating Company and report on the number of shares to be issued for the proposed transaction in accordance with generally accepted professional standards.

j) This report is subject to the scope, assumptions, exclusion, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and no in parts, in conjunction with the relevant documents referred to therein.

3. VALUATION APPROACH & METHODOLOGY

3.1. VALUATION PROCEDURES

In connection with this exercise, I have adopted the following procedures to carry out the valuation of the Amalgamating Company and the Amalgamated Company:

- Discussions with the Managements to:

  - Understand the business and fundamental factors that affect its earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Undertook Industry Analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation.
  - Analysis of key trends and implied valuation multiples of comparable companies and comparable transactions.
  - Other publicly available information.
- Selection of appropriate internationally acceptable valuation methodologies after deliberations.
- Determination of valuation of the company under different methodologies.
- Determination of relative value of the Amalgamating Company and the Amalgamated Company,
- Estimation of the Share Exchange Ratio.

3.2. VALUATION PARAMETERS

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. In transaction of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature of Equity of the acquirer or transferee entity with reference to an exchange ratio/ entitlement ratio considering the fair values of equity shares of Amalgamated Company and Amalgamating Company. Considering the nature of this exercise, I have considered Fair Value as the Valuation Base and used relative values to arrive at the exchange ratio/ entitlement ratio.

Premise of Value: Premise of Value refers to the conditions and circumstances how an asset is deployed. I have considered Going Concern Value and "As-Is-Where-Is" Value as applicable to the to the Amalgamating Company and the Amalgamated Company the being valued, as the Premise of Value.

Intended Users: This report is intended for consumption of the Board of Directors of the AMIPL and AMNSIL, its managements, its advisors & representatives for the purpose of submission to the relevant regulatory authorities.

Valuation Date: The Valuation Date considered for this engagement is 16 December 2019.

3.3. VALUATION APPROACH & METHODOLOGY

Valuation of a business is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill. This exercise may be carried out using various methodologies, the relative emphasis of each often varying with:

- Specific nature of the business

- Whether the entity is listed on a stock exchange
- Industry to which the company belongs
- Past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated
- Extent to which industry and comparable company information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgment of the valuer. Certain valuation techniques have evolved over time and are commonly in vogue.

It should be understood that the valuation of any business/ company or its assets/ equity shares is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. Valuation results could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions, financial and otherwise, and other factors which generally influence the valuation of companies.

The application of any method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. The choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guidelines and my reasonable judgement, in an independent and bona fide manner based on my previous experience of assignments of similar nature.

The Draft Scheme contemplates the proposed amalgamation of the Amalgamating Company into and with the Amalgamated Company. Arriving at the Share Exchange Ratio for the proposed amalgamation would require determining the value of the equity shares of Amalgamating Company and Amalgamated Company independently but on a relative basis and without considering the current transaction. The Draft Scheme contemplates the proposed amalgamation pursuant to the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013.

In compliance with the Act I have evaluated the following valuation methodologies as per any internationally accepted pricing methodology on arm's length basis. The valuation techniques can be broadly categorised as follows:

- **Market Approach:**
  - Market Price method
  - Comparable Companies Market Multiples method
  - Comparable Companies Transaction Multiples method
- **Income Approach:** Discounted Cash Flows method
- **Cost Approach:** Net Asset Value method and Adjusted Net Asset Value method

FAIR VALUE OF EQUITY SHARES OF AMALGAMATED COMPANY

I have estimated the fair value of the equity shares of AMNSIL as of the 31 December 2019 of **INR 7,174.0 crores or INR 7.78 per equity share**, using the internationally accepted pricing methodology on arm's length basis as on the Appointed Date.

The detailed computation of the fair value of the equity shares of the Amalgamated Company as on Appointed Date using the generally accepted valuation methodologies, as may be applicable, are discussed hereunder:

Asset Based

- **Net Asset Value Method ("NAV Method")**

The value arrived at under this approach is based on the latest available audited/ unaudited/ provisional financial statements of the business and may be defined as the Shareholder's Funds or Net Asset Value of the company.

Considering the Company has significant capital employed in physical assets on its balance sheet and keeping in mind the context and purpose of the valuation, I have used this method for arriving at the valuation of the Amalgamated Company based on the provisional consolidated balance sheet of the Amalgamated Company as of 31 December 2019, as provided to me by the management of AMNSIL which is considered as a representative of the balance sheet as of the Appointed Date.

Accordingly, Net Asset Value of the Amalgamated Company as on the Appointed Date is negative INR 48.0 crores. This Net Asset Value has been adjusted to add the equity infusion of INR 7,222.0 crores by AMIPL subsequent to the Appointed Date to arrive at an Adjusted Net Asset Value of INR 7,174.0 crores. Refer *Annexure I* for details.

Market Based

- **Market Price Method ("MP Method")**

Under this method the market price of equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. As the Amalgamated Company is not listed, this method of valuation is not applicable.

- **Comparable Companies Market Multiple ("MM") Method**

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from prices of market comparable companies traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Under this Method, I have identified comparable Indian publicly listed companies that are integrated steel producers in India and then derived the median Enterprise Value ("EV")/ Million Tonne Per Annum ("MTPA") Capacity multiple for the comparable companies as on the Appointed Date, based on the installed capacities of these companies. Refer *Annexure* II for details of comparable companies considered.

The multiple of comparable companies thus arrived, has been adjusted based on the risk profile of the company being valued in comparison to the listed comparable companies for factors including size, diversity, capital structure position, rate of growth of earnings and profitability. Accordingly, I have adjusted the median multiple considered above for a discount of 10% attributable to abovementioned factors to arrive at the concluded multiple.

The concluded multiple was then applied to the installed capacity of Amalgamated Company as on the Appointed Date to arrive at the enterprise value. The enterprise value has then been adjusted for debt, minority interest, investments, cash & cash equivalents and equity infusion by AMIPL to arrive at the equity value of INR 1,158.2 crores based on the provisional consolidated balance sheet of AMNSIL as of 31 December 2019 as provided to me by the management of AMNSIL which is considered as a representative of the balance sheet as of the Appointed Date. The detailed computation is summarized in the table below:

Details	INR Cr
Selected Multiple*	**4,233.5**
Discount	10.0%
Adjusted Multiple	**3,810.2**
AMNSIL's Capacity (MTPA)	10.0
Enterprise Value (INR Cr)	**38,101.6**
Less: Debt	46,864.1
Less: Minority Interest	1.4
Add: Investments	416.3
Add: Cash & Cash Equivalents	2,283.9
Add: Equity Infusion by AMIPL	7,222.0
Equity Value (INR Cr)	**1,158.2**

**Refer to Annexure II for details*

- **Comparable Transaction Multiple Approach ("CTM")**

This method is similar to the above Market Multiple Method, with the exception that the companies used as guidelines are those that have been recently acquired. Under the Transaction Multiple Method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique.

Based on the availability of comparable transactions operating in similar business segment in India, I have considered this method for the valuation of Amalgamated Company. Under this method, I have identified transactions where insolvency resolution process has been completed and therefore, I have not applied any premium or discount on the average EV/ MTPA Capacity multiple. Refer *Annexure III* for details of comparable transactions considered.

The selected multiple was applied to the installed capacity (MTPA) of Amalgamated Company as on Appointed Date to arrive at the enterprise value. The enterprise value has then been adjusted for debt, cash & cash equivalents and equity infusion by AMIPL to arrive at the equity value of negative INR 6,480.5 crores based on the provisional consolidated balance sheet of AMNSIL as of 31 December 2019 as provided to me by the management of AMNSIL which is considered as a representative of the balance sheet as of the Appointed Date. The detailed computation is summarized in the table below:

Details	INR Cr
Selected Multiple*	**3,087.8**
AMSNIL's Capacity (MTPA)	10.0
Enterprise Value (INR Cr)	**30,877.8**
Less: Debt	46,864.1
Add: Cash & Cash Equivalents	2,283.9
Add: Equity Infusion by AMIPL	7,222.0
Equity Value (INR Cr)	**(6,480.5)**

**Refer to Annexure III for details.*

- **Discounted Cash Flows (DCF) Method**

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

- ***Estimating future free cash flows:*** Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

- ***Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*** This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

In the present case, I have not been provided with financial projections of Amalgamated Company as of the Appointed Date. Further, considering the Amalgamated Company has gone through insolvency resolution process, the performance of AMNSIL is not at optimum levels and there is uncertainty, therefore it is difficult to estimate the future cash flows. Given these limitations, the DCF method has not been used as a methodology to determine the value of the Amalgamated Company.

Based on the above analysis the equity value per share of the Amalgamated Company is estimated to be INR 7.78 which is shown in the table below:

Method	Weights	Equity Value (INR Cr)
Net Asset Value Method	100%	7,174.0
Comparable Companies Market Multiples Method	0%	1,158.2
Comparable Companies Transaction Multiples Method	0%	(6,480.5)
Concluded Equity Value (INR Cr)		**7,174.0**
Number of Shares Outstanding (Cr)		922.2
Concluded Equity Value per Share (INR)		**7.78**

As mentioned above, the fair value of equity shares of AMNSIL is INR 7.78 per equity share, hence for the purpose of issue of shares the par value per share of INR 10.0 has been considered.

FAIR VALUE OF EQUITY SHARES OF AMALGAMATING COMPANY

As mentioned in the earlier part of the report, post the conclusion of the process of acquisition of AMNSIL on 16 December 2016, AMIPL infused fresh equity capital of INR 20,000,000,000 comprising of 2,000,000,000 equity shares issued at the face value of INR 10.0 each fully paid-up as of Appointed Date. Post this infusion, AMNSIL became the wholly owned subsidiary of AMIPL as of Appointed Date. I also understand from the management of AMIPL that AMIPL also paid INR 36,097.9 crores to the lenders of AMNSIL and acquired the debt of AMNSIL from the lenders. I understand from the management of AMIPL that the acquisition of AMNSIL’s debt has been recognized as financial amount receivable in the books of accounts of AMIPL as per the provisional carved-out balance sheet of AMIPL as of 31 December 2019 immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Draft Scheme, which is considered as a representative of the balance sheet as of the Appointed Date.

Further I understand the financial creditors of Uttam Galva Steels Limited (“UGSL”) had filed for insolvency of UGSL under Insolvency and Bankruptcy Code (“IBC”) in December 2017 after the UGSL defaulted on its loan. As per the provisions of IBC, promoters of an insolvent company are barred from participating in resolution plans for any other companies. I understand that the ultimate shareholders of AMIPL had its former shareholding in the UGSL (where ArcelorMittal sold its 29.1% shareholding during the financial year ended 31 March 2018) basis which AMIPL was not eligible to participate in a resolution plan of AMNSIL. Hence, in order to clear its disqualification of participation in a resolution process for AMSNIL, AMIPL cleared the debt of UGSL and made payment to the financial creditors of UGSL based on a SC judgement of 4th October 2018.

I understand from the management of AMIPL that the acquisition of UGSL debt has been recognized as financial amount receivable in the books of accounts of AMIPL as per the provisional carved-out balance sheet of AMIPL as of 31 December 2019, which is considered as a representative of the balance sheet as of the Appointed Date.

Based on the above the value of financial amount receivables pertaining to the acquisition of debt of AMNSIL and UGSL was INR 36,097.9 crores and INR 5,167.6 crores, respectively as on 31 December 2019.

Further, I understand from the management of AMIPL subsequent to the Appointed Date, INR 338.3 crores from the existing cash and cash equivalents of INR 718.3 crores has been utilised to pay towards the advance for mining lease with the State Government of Odisha for mining or iron ore at the mines situated at Thakurani as of July 2020.

I have used the Net Asset Value method to estimate the fair value of the equity of the Amalgamating Company based on the provisional carved-out balance sheet of AMIPL as of 31 December 2019 immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Draft Scheme which is considered as a representative of the balance sheet as of the Appointed Date.

The Net Asset Value thus arrived at has been adjusted for the book value of AMIPL's investment in AMNSIL of INR 2,000 crores for the fair value of AMIPL's investment in AMNSIL of INR 7,174.0 crores which includes the subsequent equity share capital infusion of INR 7,222.0 crores by AMIPL in order to arrive the fair value of the Amalgamating Company at INR 25,041.3 crores as of the Appointed Date. Refer *Annexure IV* for details.

4. SOURCES OF INFORMATION

In connection with this exercise, I have used the following information received from the Managements and/ or gathered from public domain.

- Draft Composite Scheme of Arrangement among ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited and their respective shareholders and creditors;
- Group Holding Structure of the Amalgamating Company as on the Appointed Date provided by management of AMIPL and certified by the Company Secretary of AMIPL;
- Shareholding pattern of AMNSIL as on the Appointed Date provided by the management of AMNSIL and certified by the Company Secretary of AMNSIL;
- Letter of offer for right issue of 7,222,000,000 equity shares of face value INR 10 at an aggregate consideration of INR 72,220,000,000 provided by the management of AMNSIL and certified by the Company Secretary of AMNSIL;
- Provisional consolidated balance sheet of AMNSIL as of the Appointed Date as provided by the Management;

- Provisional carved-out balance sheet of AMIPL as of the Appointed Date immediately after transfer and vesting of the Transferred Undertaking and capital reduction as contemplated under the Draft Scheme as provided by the Management;
- Public information including details of financial information pertaining to publicly listed companies and comparable transactions from public sources including international database and worldwide web;
- Correspondence with the management of AMIPL including Management Representation;

In addition to the above, I have also obtained such other information and explanations which were considered relevant for the purpose of my Analysis.

During the discussions with the Management, I have also obtained explanations and information considered reasonably necessary for my exercise. The Management has been provided with the opportunity to review the draft report as part of my standard practice to make sure that factual inaccuracies/ omissions are avoided in my final report.

5. CAVEATS, LIMITATIONS AND DISCLOSURE

My report is subject to the scope limitations detailed hereinafter and outlined in the engagement letter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Provisions of recommendations and considerations of the issues described herein do not represent accounting, audit, and financial due diligence review, consulting, transfer pricing or domestic/ international tax-related services by Registered Valuer.

This report does not look into the business/ commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits as compared with any other alterative business transaction or other alternatives or whether such alternatives could be achieved or are available. In addition, I express no opinion or recommendation as to how the shareholders of the Amalgamating Company and the Amalgamated Company should vote at any shareholders' meeting(s) to be held in connection with the proposed transaction.

My analysis and review of the Amalgamating Company and the Amalgamated Company does not constitute an audit in accordance with Auditing Standards. I have relied on explanations and information provided by the managements of the respective companies and accepted the information provided to me as accurate. I have not independently investigated or otherwise verified the data provided. Nothing has come to my attention to indicate that the information provided had material mis-statements or would not afford reasonable grounds upon which to base the report.

I have relied on data from external sources. These sources, although considered to be reliable, are external and hence, I assume no liability for the accuracy of the data. I have assumed that the business continues normally without any disruptions due to statutory or other external/ internal occurrences. I have also assumed that the transaction proceeds as envisaged without any delays or disruptions and is consummated immediately.

The scope of work has been limited both in terms of the areas of the business and operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.

It may be noted that Valuation is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill.

The recommendation contained herein is not intended to represent the Share Exchange Ratio at any time other than the date that is specifically stated in this report. This report is issued on the understanding that the Managements have drawn my attention to all matters of which they are aware concerning the financial position of the businesses, which may have an impact on my report up to the date of issue, for the purpose of the proposed transfer, including any significant changes that have taken place or are likely to take place in these, subsequent to the Appointed Date. I understand from Managements, the shareholding pattern of the Amalgamating Company and the Amalgamated Company has not changed between the Appointed Date and the date of this report except for the details mentioned above in this report. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

I have no present or planned future interest in the Amalgamating Company or the Amalgamated Company and the fee for this report is not contingent upon the values reported herein. My analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any transaction with the Amalgamating Company or the Amalgamated Company.

My report is not, nor should it be construed as my opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The Management has been provided with the opportunity to review the draft report to make sure that factual inaccuracies / omissions are avoided in my final report.

I owe responsibility to only the Boards of Directors of the Amalgamating Company and the Amalgamated Company that have appointed me under the terms of our engagement letter and nobody else. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Company. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Company, their directors, employees or agents.

The recommendation rendered in this report only represents my recommendation based upon information till date, available in the public domain, furnished by the Managements (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (my recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Exchange Ratio. While I have provided my recommendation of the Share Exchange Ratio based on the information available to me and within the scope of my engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the proposed transfer and vesting shall take place will be with the Board of Directors of the Amalgamating Company and Amalgamated Company who should take into account other factors such as their own assessment of the proposed transfer and vesting and input of other advisors.

In the course of the valuation, I was provided with both written and verbal information, including information as detailed in the section - Sources of Information. I have not audited, reviewed or otherwise investigated the financial information provided to me by the Managements. Accordingly, I do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Managements, I have been given to understand from the Managements that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with me in case of any doubt. My conclusions are based on the assumptions and information given by/ on behalf of the Amalgamating Company or the Amalgamated Company. The Managements have indicated to me that they have understood that any omissions, inaccuracies or misstatements may materially affect my valuation analysis/results. Also, I assume no responsibility for technical information furnished by the Amalgamating Company or the Amalgamated Company. However, nothing has come to my attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. I do not imply, and it should not be construed that I have verified any of the information provided to me, or that my inquiries could have verified any matter, which a more extensive examination might disclose.

The Managements have informed that the business activities of the Amalgamating Company or the Amalgamated Company have been carried out in the normal and ordinary course between Appointed Date and the date of this report and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The report assumes that the Amalgamating Company and the Amalgamated Company comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that the Amalgamating Company and the Amalgamated Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the financial statements of the Amalgamating Company and the Amalgamated Company.

No investigation/ inspection of the Amalgamating Company and the Amalgamated Company claim to title of assets has been made for the purpose of this report and Amalgamating Company and the Amalgamated Company's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature. The fee for this engagement is not contingent upon the results reported herein.

I do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This report is subject to the laws of India. The report should be used in connection with the Draft Scheme.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed transfer and vesting, without my prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges, SEBI and National Company Law Tribunal or as required under applicable law.

VI. DISTRIBUTION OF REPORT

Unless specifically governed by statute or regulation, the report and deliverables issued by the Registered Valuer in accordance with the Letter Agreement are strictly confidential and for use by the Boards for the purpose specified in the Letter Agreement. Further I shall not be responsible for the use or implementation of the output of the services. The reports and other deliverables may not be used, reproduced or circulated for any other purpose, whether in whole or in part, without the Registered Valuer 's prior written consent, which consent shall only be given after full consideration of the circumstances at the time. However, I understand that the report may be shared with the Managements and its advisors and representatives and relevant regulatory authorities on the understanding that I owe no duty of care to any party other than the Boards.

Please note that I owe no duty of care to or any other third party and cannot accept any responsibility for reliance by them in acting or refraining from acting on the contents of the report. The Managements shall indemnify and hold harmless me against all claims by third parties, including the regulators arising directly or indirectly as a result of the report being shared with third parties. The analyses are invalid if used for any purpose other than that stated herein.

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VII. CONCLUSION

On the basis of the foregoing and in the event of implementation of the Composite Scheme of Arrangement including the capital reduction of AMIPL's share capital, as proposed by the Board of Directors of AMIPL and AMNSIL, a Share Exchange Ratio in the event of the amalgamation of AMIPL into and with AMNSIL would be 25,04,13,06,142 (Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) fully paid equity share of INR 10.0 (Indian Rupees Ten) each of AMNSIL for 26,89,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) fully paid equity shares of INR 10.0 (Indian Rupees Ten) each held in AMIPL.

Your Sincerely,
Vikarth Kumar
Registered Valuer
Registration No. IBBI/RV/05/2018/10112

Place: Gurugram
Dated: 16 September 2020

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ANNEXURE I – NET ASSET VALUE OF AMALGAMATED COMPANY (CONSOLIDATED) (INR CRORES)

Details as of,	31-Dec-19	
Property, Plant & Equipment	38,402.7	
Intangible Assets	1.2	
Capital Work-In-Progress	3,204.1	
Right of Use Asset	1,496.2	
Investments in Associates	11.7	
Other Investments	1.1	
Other Non-Current Financial Assets	250.8	
Other Non-Current Assets	235.0	
Deferred Tax Assets (Net)	0.0	
Total Non-Current Assets		**43,602.8**
Inventories	4,614.4	
Current Investments	403.5	
Trade Receivables	852.7	
Cash & Cash Equivalents	589.4	
Other Bank Balances	1,694.5	
Current Loans & Advances	141.6	
Derivative Financial Assets	0.0	
Other Current Financial Assets	29.8	
Other Current Assets	924.2	
Current Tax Assets (Net)	94.4	
Total Current Assets		**9,344.5**
TOTAL ASSETS		**52,947.3**
Non-Current Borrowings	40,055.8	
Lease Liability	1,028.4	
Other Non-Current Liabilities	177.0	
Non-Current Provisions	33.4	
Deferred Tax Liabilities (Net)	48.0	
Total Non-Current Liabilities		**41,342.5**
Current Borrowings	6,675.5	
Trade Payables	1,428.3	
Derivative Financial Liabilities	0.0	
Other Current Financial Liabilities	3,113.4	
Other Current Liabilities	433.0	
Current Provisions	2.6	
Total Current Liabilities		**11,652.8**
TOTAL LIABILITIES		**52,995.3**
NET ASSET VALUE (INR CR)		**(48.0)**
Add: Equity Infusion by AMIPL (Cr)		7,222.0
Adjusted Net Asset Value (INR CR)		**7,174.0**

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ANNEXURE II – EV/ CAPACITY MULTIPLE OF PUBLICLY LISTED COMPARABLE COMPANIES

Comparable Company	Enterprise Value (INR Cr)	Capacity (MTPA)	EV/ Capacity
Jindal Steel & Power Limited	44,340.6	11.0	4,031.0
JSW Steel Limited	90,868.8	18.0	5,048.3
Steel Authority of India Limited	60,806.0	21.4	2,841.4
Tata Steel Limited	146,389.9	33.0	4,436.1
Median			**4,233.5**

ANNEXURE III – EV/ CAPACITY MULTIPLE OF COMPARABLE TRANSACTIONS

Target Company Name	Acquirer Name	Date	Enterprise Value (INR Cr)	Capacity (MTPA)	EV/ Capacity
Electrosteel Steels Limited	Vedanta Limited	Apr-18	4,631.7	1.5	3,087.8
Tata Steel BSL Limited	Tata Steel Limited	May-18	35,529.3	5.6	6,344.5
Monnet Ispat and Energy Limited	JSW Steel Limited	Aug-18	2,824.3	1.5	1,882.9
Median					**3,087.8**

ANNEXURE IV – NET ASSET VALUE OF AMALGAMATING COMPANY (INR CRORES)

Details as of,		31-Dec-19
Property, Plant & Equipment	0.4	
Capital Work-In-Progress	-	
Financial Assets		
Investments	2,000.0	
Loans	41,265.4	
Other Non-Current Assets	18.5	
Deferred Tax Assets (Net)	0.0	
Total Non-Current Assets		**43,284.4**
Cash & Cash Equivalents*	718.3	
Current Loans & Advances	2.3	
Total Current Assets		**720.5**
TOTAL ASSETS		**44,004.9**
Non-Current Borrowings	24,000.0	
Total Non-Current Liabilities		**24,000.0**
Trade Payables	127.4	
Other Current Liabilities	7.9	
Current tax liabilities (net)	2.4	
Total Current Liabilities		**137.6**
TOTAL LIABILITIES		**24,137.6**
NET ASSET VALUE (INR Crs)		**19,867.3**
Adjustments:		
Less: Book Value of Investment in AMNSIL		2,000.0
Add: Fair Value of Investment in AMNSIL		7,174.0
ADJUSTED NET ASSET VALUE (INR Crs)		**25,041.3**

**As discussed previously, subsequent to the Appointed Date as of July 2020, INR 338.3 crores from the existing cash and cash equivalents of INR 718.3 crores has been utilised to pay towards the advance for mining lease with the State Government of Odisha for mining or iron ore at the mines situated at Thakurani.*

REPORT EXPLAINING THE EFFECT OF SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, ADOPTED BY THE BOARD OF DIRECTORS OF ARCELORMITTAL INDIA PRIVATE LIMITED AT THEIR MEETING HELD ON SEPTEMBER 18 , 2020

1. Background

ArcelorMittal Nippon Steel India Limited (*formerly known as Essar Steel India Limited*) was acquired by ArcelorMittal India Private Limited in accordance with the resolution plan submitted by ArcelorMittal India Private Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 ("**Code**") (which resolution plan was duly approved by the Hon'ble Supreme Court of India vide its judgement dated November 15, 2019 after considering the order passed by the National Company Law Tribunal, Ahmedabad Bench dated March 8, 2019 and the order passed by the National Company Appellate Tribunal dated July 4, 2019) ("**Resolution Plan**"). Pursuant to the said acquisition, the ArcelorMittal Nippon Steel India Limited (*formerly known as Essar Steel India Limited*) became a wholly owned subsidiary of ArcelorMittal India Private Limited.

Now it is intended that ArcelorMittal Nippon Steel India Limited should be the primary vehicle for operating the steel business in India. Accordingly, it is being proposed to transfer and vest the Transferred Undertaking of ArcelorMittal India Private Limited (i.e. all the assets, rights, business, and liabilities of ArcelorMittal India Private Limited which are not related to the business of ArcelorMittal Nippon Steel India Limited) to AM Associates India Private Limited, an ArcelorMittal group company. Further, it is also being proposed that ArcelorMittal India Private Limited along with its Residual Business Undertaking (i.e. assets, rights, business, and liabilities of ArcelorMittal India Private Limited which are more suited for business of ArcelorMittal Nippon Steel India Limited), be consolidated / merged with ArcelorMittal Nippon Steel India Limited to, *inter alia*, improve efficiencies and lead to further synergies. Additionally, it is also being proposed to cancel and reduce paid-up Equity Share Capital of Rs. 1,272,36,50,240 (Rupees One Thousand Two Hundred Seventy Two Crore Thirty Six Lakh Fifty Thousand Two Hundred and Forty only) divided into 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) Equity Shares of Rs. 10 (Rupees Ten only) each of ArcelorMittal India Private Limited.

Accordingly, the aforesaid is intended to be achieved through a composite scheme of arrangement under the provisions of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**"), read with applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (herein after referred to as the "**Scheme**"), which is proposed to be entered by and amongst ArcelorMittal India Private Limited ("**Transferor Company**" / "**Amalgamating Company**"), AM Associates India Private Limited ("**Transferee Company**"), ArcelorMittal Nippon Steel India Limited (**"Amalgamated Company**") (collectively referred as "**Scheme Entities**") and the respective shareholders and creditors of the said Scheme Entities, which Scheme is to take effect from December 16, 2019 or such other date as may be approved by the jurisdictional bench of Hon'ble National Company Law Tribunal ("**Appointed Date**").

In context of the above, the Scheme inter-alia contemplates the following transactions:

(i) transfer and vesting of Transferred Undertaking from Transferor Company into Transferee Company;
(ii) cancellation and reduction of paid-up Equity Share Capital of Transferor Company;

ARCELORMITTAL INDIA PRIVATE LIMITED ★

Java Joshi

(iii) amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with Amalgamated Company; and

The Scheme was duly approved by the Board of Directors of the Transferor Company/Amalgamating Company *vide* a resolution passed at the board meeting held on September 18, 2020 pursuant to Sections 230-232 and other applicable provisions of the Companies Act read with applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

Pursuant to the provisions of Section 232(2)(c) of the Companies Act, the Board of Directors of the Scheme Entities have adopted a report explaining the effect of arrangement contemplated under the Scheme on their equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the Hon'ble National Company Law Tribunal may order. Accordingly, this report is being made and adopted in pursuance to the provisions of Section 232(2)(c) of the Companies Act.

2. Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders) and Key Managerial Personnel of Transferor Company / Amalgamating Company

2.1 Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders)

(i) Effect due to transfer and vesting of Transferred Undertaking from Transferor Company into Transferee Company:

Upon the Scheme becoming effective and consequent transfer and vesting of the Transferred Undertaking by the Transferor Company to the Transferee Company, the Transferee Company shall discharge consideration by issuing and allotting 118,45,38,161 (One Hundred Eighteen Crores Forty Five Lakhs Thirty Eight Thousand One Hundred and Sixty One only) Equity Shares having a face value of Rs. 10/- (Indian Rupees Ten) each, fully paid up, of Transferee Company ("**AMAIPL Equity Shares**") to the Transferor Company.

(ii) Effect due to cancellation and reduction of paid-up Equity Share Capital of Transferor Company:

Transferor Company is a wholly owned subsidiary of Oakey Holding BV ("**Oakey**"), wherein Oakey (being the promoter of Transferor Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Transferor Company comprising of 2.817,03,37,129 (Two Thousand Eight Hundred Seventeen Crores, Three Lakhs, Thirty-Seven Thousand, One Hundred Twenty-Nine) Equity Shares of Rs. 10 (Rupees Ten only) each.

Upon the Scheme becoming effective, 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) Equity Shares of Rs. 10 (Rupees Ten only) each held by Oakey in the Transferor Company shall stand cancelled and extinguished and the paid-up Equity Share Capital of Transferor shall stand reduced to Rs. 26,897,97,21,050 (Twenty-Six Thousand Eight Hundred Ninety-Seven Crores, Ninety-Seven Lakhs, Twenty-One Thousand, Fifty) comprising of 2,689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Rs. 10 (Rupees Ten only) each.

ARCELORMITTAL INDIA PRIVATE LIMITED

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The liability on cancellation of aforesaid Equity Shares of Oakey and the consequent reduction of paid-up Equity Share Capital of Transferor Company shall be discharged by transfer and delivery of the AMAIPL Equity Shares to Oakey. Resultantly, upon the Scheme becoming effective, Oakey (being the promoter of Transferor Company) shall hold AMAIPL Equity Shares in the Transferee Company.

(iii) Effect due to amalgamation of the Amalgamating Company into and with Amalgamated Company:

Amalgamating Company is a wholly owned subsidiary of Oakey, wherein Oakey (being the promoter of Amalgamating Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamating Company. Thus, upon this Scheme becoming effective, Oakey (the promoter entity of Amalgamating Company holding beneficial interest in the entire issued, subscribed and paid up share capital of Amalgamating Company), shall be entitled to receive Equity Shares of Amalgamated Company in the share exchange ratio as 2,504,13,06,142: 2,689,79,72,105, i.e., 2,504,13,06,142 (Two Thousand Five Hundred Four Crore Thirteen Lakh Six Thousand One Hundred and Forty Two) Equity Share of Amalgamated Company: 2,689,79,72,105 (Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Amalgamating Company.

Further, as Amalgamated Company is wholly owned subsidiary of Amalgamating Company, wherein Amalgamating Company (being the promoter of Amalgamated Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamated Company, therefore, upon the Scheme becoming effective, the entire issued, subscribed and paid-up share capital of Amalgamated Company, as may be held by Amalgamating Company (being promoter of Amalgamated Company), shall, without any further application, act, instrument or deed, stand cancelled and extinguished.

2.2 Effect of the Scheme on Key Managerial Personnel ("the KMPs"):

Upon the Scheme becoming effective, the existing KMPs of the Amalgamating Company shall cease to be the KMPs of the Amalgamating Company without any further act.

2.3 Effect of the Scheme on Employees

(i) Effect due to transfer and vesting of Transferred Undertaking from Transferor Company into Transferee Company:

Upon the Scheme becoming effective, any and all employees, who are on the pay roll of the Transferor Company in relation to Transferred Undertaking, shall be transferred to and engaged with Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that the aforesaid benefits or schemes shall continue to be provided to the transferred employees and

ARCELORMITTAL INDIA PRIVATE LIMITED

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the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous.

(ii) Effect due to cancellation and reduction of paid-up Equity Share Capital of Transferor Company:

The employees of the Transferor Company shall not be affected in any manner by the proposed reduction of its paid-up Equity Share Capital.

(iii) Effect due to transfer and vesting of Residual Business Undertaking and amalgamation of the Amalgamating Company into and with Amalgamated Company:

Upon the Scheme becoming effective, all employees of the Amalgamating Company comprising of Residual Business Undertaking, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company, upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous.

For ArcelorMittal India Private Limited

ARCELORMITTAL INDIA PRIVATE LIMITED

Java Joshi

(Java Joshi)
Company Secretary
(M. No: A 35962)

REPORT EXPLAINING THE EFFECT OF SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, ADOPTED BY THE BOARD OF DIRECTORS OF AM ASSOCIATES INDIA PRIVATE LIMITED AT THEIR MEETING HELD ON SEPTEMBER 18, 2020

1. Background

ArcelorMittal Nippon Steel India Limited (*formerly known as Essar Steel India Limited*) was acquired by ArcelorMittal India Private Limited in accordance with the resolution plan submitted by ArcelorMittal India Private Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 ("**Code**") (which resolution plan was duly approved by the Hon'ble Supreme Court of India vide its judgement dated November 15, 2019 after considering the order passed by the National Company Law Tribunal, Ahmedabad Bench dated March 8, 2019 and the order passed by the National Company Appellate Tribunal dated July 4, 2019) ("**Resolution Plan**"). Pursuant to the said acquisition, the ArcelorMittal Nippon Steel India Limited (*formerly known as Essar Steel India Limited*) became a wholly owned subsidiary of ArcelorMittal India Private Limited.

Now it is intended that ArcelorMittal Nippon Steel India Limited should be the primary vehicle for operating the steel business in India. Accordingly, it is being proposed to transfer and vest the Transferred Undertaking of ArcelorMittal India Private Limited (i.e. all the assets, rights, business, and liabilities of ArcelorMittal India Private Limited which are not related to the business of ArcelorMittal Nippon Steel India Limited) to AM Associates India Private Limited, an ArcelorMittal group company. The name of AM Associates India Private Limited is also proposed to be changed to ArcelorMittal India Private Limited

Further, it is also being proposed that ArcelorMittal India Private Limited along with its Residual Business Undertaking (i.e. assets, rights, business, and liabilities of ArcelorMittal India Private Limited which are more suited for business of ArcelorMittal Nippon Steel India Limited), be consolidated / merged with ArcelorMittal Nippon Steel India Limited to, *inter alia*, improve efficiencies and lead to further synergies.

Accordingly, the aforesaid is intended to be achieved through a composite scheme of arrangement under the provisions of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**"), read with applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (herein after referred to as the "**Scheme**"), which is proposed to be entered by and amongst ArcelorMittal India Private Limited ("**Transferor Company**" / "**Amalgamating Company**"), AM Associates India Private Limited ("**Transferee Company**"), ArcelorMittal Nippon Steel India Limited ("**Amalgamated Company**") (collectively referred as "**Scheme Entities**") and the respective shareholders and creditors of the said Scheme Entities, which Scheme is to take effect from December 16, 2019 or such other date as may be approved by the jurisdictional bench of Hon'ble National Company Law Tribunal ("**Appointed Date**").

In context of the above, the Scheme, inter-alia, contemplates the transfer and vesting of Transferred Undertaking from Transferor Company into Transferee Company.

The Scheme was duly approved by the Board of Directors of the Transferee Company *vide* a resolution passed at the board meeting held on September 18, 2020 pursuant to Sections 230-232 and other applicable provisions of the Companies Act read with applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

AM Associates India Private Limited

Pursuant to the provisions of Section 232(2)(c) of the Companies Act, the Board of Directors of the Scheme Entities have adopted a report explaining the effect of arrangement contemplated under the Scheme on their equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the Hon'ble National Company Law Tribunal may order. Accordingly, this report is being made and adopted in pursuance to the provisions of Section 232(2)(c) of the Companies Act.

2. Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders) and Key Managerial Personnel of Transferee Company

2.1 Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders)

Upon the Scheme becoming effective and consequent transfer and vesting of the Transferred Undertaking by the Transferor Company to the Transferee Company, the Transferee Company shall discharge consideration by issuing and allotting 118,45,38,161 (One Hundred Eighteen Crores, Forty-Five Lakhs, Thirty-Eight Thousand, One Sixty One) Equity Shares having a face value of Rs. 10/- (Indian Rupees Ten) each, fully paid up, of Transferee Company ("**AMAIPL Equity Shares**") to the Transferor Company.

Resultantly, the percentage of shareholding held by existing Equity Shareholders of the Transferee Company would get diluted proportionately upon issuance of additional Equity Shares to Transferor Company.

2.2 Effect of the Scheme on Key Managerial Personnel ("the KMPs"):

Upon the Scheme becoming effective, the existing KMPs of the Amalgamating Company shall cease to be the KMPs of the Amalgamating Company without any further act, whereas there shall be no effect upon the KMP of the Transferee Company.

2.3 Effect of the Scheme on Employees

Upon the Scheme becoming effective, any and all employees, who are on the pay roll of the Transferor Company in relation to Transferred Undertaking, shall be transferred to and engaged with Transferee Company or its parent company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this transfer and vesting of the Transferred Undertaking. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose, shall be treated as having been continuous.

However, the aforesaid transfer and vesting of Transferred Undertaking, shall have no effect on the employees of the Transferee Company.

AM Associates India Private Limited

For AM Associates India Private Limited

(Kalyan Ghosh)
Director
(DIN: 06444120)

REPORT EXPLAINING THE EFFECT OF SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, ADOPTED BY THE BOARD OF DIRECTORS OF ARCELORMITTAL NIPPON STEEL INDIA LIMITED AT THEIR MEETING HELD ON SEPTEMBER 18, 2020.

1. Background

ArcelorMittal Nippon Steel India Limited (*formerly known as Essar Steel India Limited*) was acquired by ArcelorMittal India Private Limited in accordance with the resolution plan submitted by ArcelorMittal India Private Limited under the provisions of the Insolvency and Bankruptcy Code, 2016 ("**Code**") (which resolution plan was duly approved by the Hon'ble Supreme Court of India vide its judgement dated November 15, 2019 after considering the order passed by the National Company Law Tribunal, Ahmedabad Bench dated March 8, 2019 and the order passed by the National Company Appellate Tribunal dated July 4, 2019) ("**Resolution Plan**"). Pursuant to the said acquisition, the ArcelorMittal Nippon Steel India Limited (*formerly known as Essar Steel India Limited*) became a wholly owned subsidiary of ArcelorMittal India Private Limited.

Now it is intended that ArcelorMittal Nippon Steel India Limited should be the primary vehicle for operating the steel business in India. Accordingly, it is being proposed to transfer and vest the Transferred Undertaking of ArcelorMittal India Private Limited (i.e. all the assets, rights, business, and liabilities of ArcelorMittal India Private Limited which are not related to the business of ArcelorMittal Nippon Steel India Limited) to AM Associates India Private Limited, an ArcelorMittal group company. Further, it is also being proposed that ArcelorMittal India Private Limited along with its Residual Business Undertaking (i.e. assets, rights, business, and liabilities of ArcelorMittal India Private Limited which are more suited for business of ArcelorMittal Nippon Steel India Limited), be consolidated / merged with ArcelorMittal Nippon Steel India Limited to, *inter alia*, improve efficiencies and lead to further synergies. Additionally, it is also being proposed to cancel and reduce paid-up Equity Share Capital of Rs. 1272,36,50,240 (Rupees One Thousand Two Hundred Seventy Two Crores, Thirty Six Lacs, Fifty Thousand, Two Hundred and Forty only only) divided into 127,23,65,024 (One Hundred Twenty-Seven Crores, Twenty-Three Lakhs, Sixty-Five Thousand, Twenty-Four) Equity Shares of Rs. 10 (Rupees Ten only) each of ArcelorMittal India Private Limited.

Further, capital reserve of Rs. 2356,28,91,335 (Rupees Two Thousand Three Hundred Fifty Six Crores Twenty Eight Lacs, Ninety One Thousand, Three Hindered and Thirty Five only) and capital redemption reserve of Rs. 202,92,48,320 (Rupees Two Hundred and Two Crores Ninety Two Lakh Forty Eight Thousand, Three hundred and Twenty only) appearing in the balance sheet, as on the Appointed Date (*defined herein below*), of AMNSI shall be adjusted/reduced against the accumulated losses, as appearing in the balance sheet, as on the Appointed Date, of ArcelorMittal Nippon Steel India Limited.

Accordingly, the aforesaid is intended to be achieved through a composite scheme of arrangement under the provisions of Sections 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("**Companies Act**"), read with applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (herein after referred to as the "**Scheme**"), which is proposed to be entered by and amongst ArcelorMittal India Private Limited ("**Transferor Company**" / "**Amalgamating Company**"), AM Associates India Private Limited ("**Transferee Company**"), ArcelorMittal Nippon Steel India Limited (**"Amalgamated Company**") (collectively referred as "**Scheme Entities**") and the respective shareholders and creditors of the said Scheme Entities, which Scheme is to take effect from December 16, 2019 or such other date as may be approved by the jurisdictional bench of Hon'ble National Company Law Tribunal ("**Appointed Date**").

In context of the above, the Scheme inter-alia contemplates the following transactions:

(i) amalgamation of the Amalgamating Company comprising of the Residual Business Undertaking into and with Amalgamated Company; and
(ii) Adjustment of accumulated losses of Amalgamated Company against its capital reserve and capital redemption reserve.

The Scheme was duly approved by the Board of Directors of the Amalgamated Company *vide* a resolution passed at the board meeting held on February 11, 2020 pursuant to Sections 230-232 and other applicable provisions of the Companies Act read with applicable provisions of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

Pursuant to the provisions of Section 232(2)(c) of the Companies Act, the Board of Directors of the Scheme Entities have adopted a report explaining the effect of arrangement contemplated under the Scheme on their equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, and the same is required to be circulated to the shareholders or class of shareholders or creditors or class of creditors, as the Hon'ble National Company Law Tribunal may order. Accordingly, this report is being made and adopted in pursuance to the provisions of Section 232(2)(c) of the Companies Act.

2. Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders) and Key Managerial Personnel of Amalgamated Company

2.1 Effect of the Scheme on Equity Shareholders (Promoter and Non-Promoter Shareholders)

Amalgamating Company is a wholly owned subsidiary of Oakey, wherein Oakey (being the promoter of Amalgamating Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamating Company. Thus, upon this Scheme becoming effective, Oakey (the promoter entity of Amalgamating Company holding beneficial interest in the entire issued, subscribed and paid up share capital of Amalgamating Company), shall be entitled to receive Equity Shares of Amalgamated Company in the share exchange ratio as 1: 1.07, i.e., 2504,13,06,142 ([Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Share of Amalgamated Company: 2689,79,72,105 ([Two Thousand Six Hundred Eighty-Nine Crores, Seventy-Nine Lakhs, Seventy-Two Thousand, One Hundred Five) Equity Shares of Amalgamating Company.

Further, as Amalgamated Company is wholly owned subsidiary of Amalgamating Company, wherein Amalgamating Company (being the promoter of Amalgamated Company) holds beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamated Company, therefore, upon the Scheme becoming effective, the entire issued, subscribed and paid-up share capital of Amalgamated Company, as may be held by Amalgamating Company (being promoter of Amalgamated Company), shall, without any further application, act, instrument or deed, stand cancelled and extinguished.

Pursuant to the above, the Amalgamated Company, being a wholly owned subsidiary of the Amalgamating Company, shall become a wholly owned subsidiary of Oakey and Oakey shall be holding beneficial interest in the entire issued, subscribed and paid-up share capital of Amalgamated

Company which shall comprise of 2504,13,06,142 ([Two Thousand Five Hundred Four Crores Thirteen Lakhs Six Thousand One Hundred and Forty-Two) Equity Shares which shall be issued and allotted by the Amalgamated Company to Oakey as fully paid-up, as per the share exchange ratio stated above. While earlier Oakey was holding the entire issued, subscribed and paid-up share capital of Amalgamated Company through the Amalgamating Company, pursuant to the amalgamation of the Amalgamating Company into and with the Amalgamated Company, Oakey shall become a direct shareholder and holder of the entire issued, subscribed and paid-up share capital of Amalgamated Company.

2.2 <u>Effect of the Scheme on Key Managerial Personnel ("the KMPs")</u>:

Upon the Scheme becoming effective, the existing KMPs of the Amalgamating Company shall cease to be the KMPs of the Amalgamating Company without any further act, whereas there shall be no effect upon the KMP of the Amalgamated Company.

2.3 <u>Effect of the Scheme on Employees</u>

Upon the Scheme becoming effective, all employees of the Amalgamating Company comprising of Residual Business Undertaking, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company, upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of Applicable Laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous.

The aforesaid amalgamation of the Amalgamating Company into and with Amalgamated Company shall have no effect on employees of the Amalgamated Company.

For ArcelorMittal Nippon Steel India Limited

Authorised Signatory

Singhi & Co.
Chartered Accountants

161, Sarat Bose Road
Kolkata-700 026, (India)
T +91(0)33-2419 6000/01/02
E kolkata@singhico.com
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INDEPENDENT AUDITOR'S REPORT

To the Members of ArcelorMittal India Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ArcelorMittal India Private Limited** ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants (ICAI) of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2019 were audited by another auditor whose report for the year ended March 31, 2019, expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

SINGHI & CO. ★ Chartered Accountants ★

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company; and

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Note 31(i) to the standalone financial statements;

      II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      III. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the period.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Anurag Singhi)
Partner
Membership Number:066274
UDIN: 20066274AAAADO9229

Place: Kolkata
Date: December 28, 2020

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of **ArcelorMittal India Private Limited** for the year ended March 31, 2020)

We report that:

i. In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. The title deeds of immovable properties/right to use assets, as disclosed in Note 4A & 4B of financial statements, are held in the name of the company.

ii. The Company's operation has not yet started and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. The Company's operation has not yet started and consequently, no products are manufactured by the Company. Accordingly, maintenance of cost records under sub-section (1) of section 148 of the Act is not applicable to the Company.

vii. According to the information and explanations given to us and on the basis of our examination of the records, in our opinion:

a. The Company is regular in depositing undisputed statutory dues including Provident fund, Income tax, Cess, labour welfare tax, Goods and Service tax and Other material statutory dues, as applicable, with the appropriate authorities.

b. There are no dues of Sales tax, Service tax, Income tax, Value added tax or Goods or services tax, duty of customs and duty of excise, which have not been deposited on account of any dispute.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of Bonds. The Company has not raised any money way of term loans during the year.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers or employees of the Company has been noticed or reported during the year.

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xi. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and not commented upon.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

SINGHI & CO. Chartered Accountants

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Anurag Singhi)
Partner
Membership Number: 066274
UDIN: 20066274AAAADO9229

Place: Kolkata
Date: December 28, 2020

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **ArcelorMittal India Private Limited** of even date)

Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statement of **ArcelorMittal India Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statement.

Meaning of Internal Financial Controls with reference to financial statement

A Company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

SINGHI & CO. * Chartered Accountants *

Limitations of Internal Financial Controls with reference to financial statement

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2020, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Anurag Singhi)
Partner
Membership Number: 066274
UDIN:20066274AAAADO9229

Place: Kolkata
Date: December 28, 2020

ArcelorMittal India Private Limited
Balance Sheet as at 31 March 2020
(All amount in ₹ million unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4A	45.32	2,669.56
Right of use assets	4B	2,626.01	-
Capital work-in-progress	5	-	-
Financial assets			
Investments	6	92,471.62	-
Loans	7	410,856.77	55,979.61
Income tax assets (net)	8	98.81	0.10
Other non-current assets	9	560.90	462.13
Total non-current assets		**506,659.42**	**59,111.40**
Current assets			
Financial assets			
Cash and cash equivalents	10	1,029.79	18,940.58
Loans	11	3,074.73	2,388.09
Other financial assets	12	8,301.42	17.81
Other current assets	13	157.40	4.75
Assets Classified as Held for Sale	14	0.08	-
Total current assets		**12,563.42**	**21,351.23**
Total assets		**519,222.84**	**80,462.63**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	221,883.37	90,414.44
Other equity	16	51,792.98	(10,106.06)
Total equity		**273,676.35**	**80,308.38**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	240,000.00	0.50
Lease Liability		1.76	-
Provisions	18	15.66	13.17
Deferred Tax Liabilities	29	-	-
Total non-current liabilities		**240,017.41**	**13.67**
Current liabilities			
Financial liabilities			
Lease Liability	4B	4.41	-
Trade payables	19		
(a) Total outstanding dues of micro enterprises and small enterprises: and		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		63.24	94.97
Other financial liabilities	20	5,334.04	17.50
Other current liabilities	21	121.99	17.95
Provisions	22	5.40	2.34
Current tax liabilities (net)	23	-	7.82
Total current liabilities		**5,529.08**	**140.58**
Total equity and liabilities		**519,222.84**	**80,462.63**

The above Balance Sheet should be read in conjunction with the accompanying notes
This is the Balance Sheet referred to in our report of even date

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
M.No. 66274

For and on behalf of the Board of Directors of ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

Place: Kolkata
Date: 28.12.2020

Singhi & Co. Chartered Accountants

ArcelorMittal India Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
(All amount in ₹ million unless otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Continuing operations			
Income			
Other income	24	10,263.68	533.12
Total income		**10,263.68**	**533.12**
Expenses			
Employee benefits expense	25	110.71	76.15
Finance costs	26	5,732.27	1.16
Depreciation and amortisation expense	27	18.51	10.37
Other expenses	28	1,067.11	7,636.32
Total expenses		**6,928.60**	**7,724.00**
Profit/(Loss) before tax		**3,335.08**	**(7,190.87)**
Tax expense			
Current tax	29	1,254.99	147.96
Net Profit/(Loss) for the year		**2,080.08**	**(7,338.84)**
Other comprehensive Income/ (loss) for the year			
Items that will not be reclassified to profit and loss			
Re-measurement gains/ (losses) on defined benefit obligations		(0.77)	(0.01)
Income tax relating to these items		-	
Other comprehensive Income/ (loss) for the year (net of tax)		**(0.77)**	**(0.01)**
Total comprehensive Income/(loss) for the year		**2,079.31**	**(7,338.85)**
Earnings/(Loss) per share (of ₹ 10 each):			
Basic	30	0.15	(2.34)
Diluted		0.15	(2.34)

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes
This is the statement of profit and loss referred to in our report of even date

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
M.No. 66274

For and on behalf of the Board of Directors of
ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

Place: Kolkata
Date: 28.12.2020

SINGHI & CO. Chartered Accountants

ArcelorMittal India Private Limited
Statement of changes in equity for the year ended 31 March 2020
(All amount in ₹ million unless otherwise stated)

A Equity share capital

	Amount
Balance as at 01 April 2018	**5,834.44**
Changes in equity share capital during the year	84,580.00
Balance as at 31 March 2019	**90,414.44**
Changes in equity share capital during the year	131,468.93
Balance as at 31 March 2020	**221,883.37**

B Other equity

	Share application money	Capital contribution from ultimate holding company	Retained earnings	Total
Balance as at 01 April 2018	**130.00**	**2.37**	**(2,770.37)**	**(2,638.01)**
Profit/(Loss) for the year	-	-	(7,338.84)	**(7,338.84)**
Other comprehensive Income/(loss) for the year:				
Remeasurement of defined benefit obligations	-	-	(0.01)	**(0.01)**
Total comprehensive Income/(loss) for the year	**-**	**-**	**(7,338.85)**	**(7,338.85)**
Transactions with owners in their capacity as owners:				
Share allotted during the year against share application money	(130.00)			**(130.00)**
Employee stock option charge for the year	-	0.79	-	**0.79**
Share application money received during the year	-	-	-	**-**
Balance as at 31 March 2019	**-**	**3.16**	**(10,109.22)**	**(10,106.06)**
Profit/(Loss) for the year	-	-	2,080.08	**2,080.08**
Other comprehensive income/(loss) for the year:				
Remeasurement of defined benefit obligations	-	-	(0.77)	**(0.77)**
Total comprehensive Income/(loss) for the year	-	-	**2,079.31**	**2,079.31**
Transactions with owners in their capacity as owners:				
Employee stock option charge for the year	-	(0.28)	-	**(0.28)**
Share application money received during the year	59,820.00	-	-	**59,820.00**
Balance as at 31 March 2020	**59,820.00**	**2.88**	**(8,029.91)**	**51,792.98**

The above Statement of changes in equity should be read in conjunction with the accompanying notes
This is the statement of changes in equity referred to in our report of even date

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
M.No. 66274

Place: Kolkata
Date: 28.12.2020

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SINGHI & CO. ★ Chartered Accountants ★

ArcelorMittal India Private Limited
Cash Flow Statement for the year ended 31 March 2020
(All amount in ₹ million unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A Cash flow from operating activities		
Profit/(loss) before tax:	**3,335.08**	**(7,190.87)**
Adjustments for:		
Depreciation and amortisation expense	18.51	10.37
Property, plant and equipment and intangible assets written off	-	0.02
Net gain on sale of property, plant and equipment	-	(0.01)
Provision for impairment of capital work-in-progress	-	279.74
Fair value loss on Financial Instrument measured at fair value through P&L (refer note 38)	420.30	6,509.70
Share based Expense/(Reversal)	(0.28)	0.79
Interest income	(10,201.48)	(505.08)
Finance costs	5,732.27	0.08
Net unrealised exchange (gain)	(0.74)	(0.02)
Remeasurement gains and loss on employee benefit obligations	-	
Movement in working capital		
(Increase)/Decrease in Non Current financial assets	6.86	(7.25)
(Increase)/Decrease in Current financial assets	(23.52)	0.92
(Increase)/Decrease in other assets	(251.41)	(140.91)
Increase/(Decrease) in other financial liabilities	2.43	3.65
Increase/(Decrease) in other liabilities	104.03	10.27
Increase/(Decrease) in provisions	4.78	2.37
Increase/(Decrease) in trade payables	(39.90)	30.24
Cash flow from operating activities post working capital changes	**(893.06)**	**(995.98)**
Income tax (paid)	(1,361.52)	(140.29)
Net cash flow from operating activities (A)	**(2,254.58)**	**(1,136.27)**
B Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress)	(5.22)	(133.33)
Loan acquisition of UGSL, KSS & AMNSI (refer note 40)	(362,778.42)	(64,861.27)
Repayment of loan by AMNSI and KSS	6,568.35	-
Proceeds from sale of Property, plant and equipment	-	0.05
Fixed deposits enacted during the year	-	(500.00)
Fixed deposits redeemed during the year	-	585.00
Investment made in subsidiary	(92,230.00)	-
Interest received	1,918.96	503.96
Net cash flows used in investing activities (B)	**(446,526.34)**	**(64,405.60)**
C Cash flows from financing activities		
Share application money received during the year	59,820.00	-
Proceeds from issue of share capital	131,468.93	84,450.00
Interest paymnet on Income tax/TDS	(5.35)	
Payment towards guarantee fee	(1.06)	-
Payment towards lease liability	(9.57)	(0.08)
Repayment of long term borrowings	-	(0.09)
Proceeds from issue of Bonds	240,000.00	-
Interest on ECB paid	(402.84)	-
Net cash used in financing activities (C)	**430,870.12**	**84,449.83**
Increase/ (Decrease) in cash and cash equivalents (A+B+C)	(17,910.79)	18,907.97
Cash and cash equivalents at the beginning of the year	18,940.58	32.62
Cash and cash equivalents at the end of the year	**1,029.79**	**18,940.58**
Reconciliation of cash and cash equivalents as per the cash flow statements		
Comprise:		
Balances with banks:		
- in current accounts	9.02	785.16
- deposits with original maturity less than three months	1,020.75	18,155.38
Cash on hand	0.03	0.04
	1,029.79	**18,940.58**

The above Cash Flow Statement should be read in conjunction with the accompanying notes
This is the cash flow statement referred to in our report of even date

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
M.No. 66274

Place: Kolkata
Date: 28.12.2020

For and on behalf of the Board of Directors of ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

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Director
(DIN : 05116159)

Jana Joshi

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

SINGHI & CO. Chartered Accountants

1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)

ArcelorMittal India Private Limited (the "Company") a limited company domiciled in India and having its registered office at Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad – 380014, Gujarat, India, was incorporated on 10 April 2006, under the Companies Act 1956 to carry on the business of prospecting, and mining of iron ore and manufacture of iron, steel and other alloys. On 10 April 2016 the Company amended its memorandum of association to include the business of generation/supply/transmission of electricity by any source such as solar, wind, hydro, thermal etc.

The standalone financial statements of the company for the period ended 31st March, 2019, were audited by the Price Waterhouse & Co Chartered Accountants LLP, the predecessor auditor.

The financial statements of the Company for the year ended 31 March 2020 are authorised for issue in accordance with the resolution of the Board of Directors on 28 December 2020.

2. Basis of preparation and significant accounting policies

2.1. Basis of preparation

(i) Compliance with Ind AS

1 The financial statements of the Company have been prepared to comply in all material aspects with accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act") and Companies (Indian Accounting Standards) Amendment Rules, 2018, with other relevant provisions of the Act.

2 Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The company has applied the following accounting standards and its amendment for the first time for annual reporting period commencing April 01, 2019.

- Ind AS 116, Leases
- Amendment to Ind AS 12, Income Taxes and Ind AS 12 Appendix 'C', Uncertainty over Income Tax Treatments
- Amendment to Ind AS 23, Borrowing Cost
- Amendment to Ind AS 103, Business Combination and Ind AS 111 – Joint Arrangements
- Ind AS 109 – Prepayment Features with Negative Compensation

The amendments listed above (except Ind AS 116) , did not have any impact on the amounts recognized in prior periods and do not have any significant impact in the current period.

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing. Ind AS 17, Leases with effect from April 1, 2019 (the effective date). Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognize depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. However, there was no major change in accounting from a Lessor perspective. The amendment did not have any impact on the amount recognised in prior periods.

(ii) Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- defined benefit plans - plan assets measured as per actuarial valuation.

(iii) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2. Summary of significant accounting policies

A. Property, plant and equipment ('PPE')

Recognition and initial measurement

Property, Plant and Equipment Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The historical cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash fl ow hedges of foreign currency transferred from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefi ts will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

Depreciation methods, useful lives and residual values

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain.

The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is Significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset. Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed from service.

Depreciation on property, plant and equipment is provided on the straight line method over the estimated useful life of the assets at rates that are different from the rates specified in Schedule II to the Companies Act, 2013 as the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. The useful lives of the assets are given as below:

Block of asset	**Useful life (in years)**
Computers	5
Furniture and fixtures	10
Office equipment (other than mobile phones and telephones)	10
Office equipment (mobile phones and telephones)	3
Leasehold improvements	Lower of Lease period or the useful life of assets
Building (fences)	5
Building (other temporary structure)	3

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

B. Capital work in progress

Capital work-in-progress-Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction (including directly attributable expenses) is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

C. Intangible assets

Recognition, initial measurement and subsequent measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	Useful life (in years)
Computer software	6

De-recognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

D. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

E. Mineral Reserves, Resources and Rights (Mining Rights)

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

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The Company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of Iron ore/coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under Intangible assets and amortised based on stripping ratio on the quantity of coal / Iron Ore excavated.

After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

F. Non-current assets held for sale:

Non-current assets and disposal groups are Classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

G. Investment property-

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property.

H. Government grants

Government grants are recognised if there is reasonable assurance that the company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognized in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plants and equipment are reduced from the cost of assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

I. Revenue Recognition

The Company recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the Company has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The Company considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

Export incentives and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions and the incentive will be received. Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis. Revenue excludes any taxes and duties collected on behalf of the government.

Interest and dividends:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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J.1. Financial Assets

- **Initial recognition and measurement:** The Company recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

  Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

  In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

  However, trade receivables that do not contain a significant financing component are measured at transaction price.

- **Subsequent measurement:** For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

  - The Company's business model for managing the financial asset and
  - The contractual cash flow characteristics of the financial asset.

  Based on the above criteria, the Company classifies its financial assets into the following categories:

  - Financial assets measured at amortized cost
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)
  - Financial assets measured at fair value through profit or loss (FVTPL)

- **Financial assets measured at amortized cost:** A financial asset is measured at the amortized cost if both the following conditions are met:

  - The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

  Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

  The amortized cost of a financial asset is also adjusted for loss allowance, if any.

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- **Financial assets measured at FVTOCI:** A financial asset is measured at FVTOCI if both of the following conditions are met:

  - The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  The Company, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. This equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

  On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

- **Financial assets measured at FVTPL:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

  This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

- **De-recognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

  - The contractual rights to cash flows from the financial asset expires;
  - The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
  - The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
  - The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

  In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

  On De-recognition of a financial asset [except as mentioned in above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

- **Impairment of financial assets:** The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

  - Trade receivables
  - Financial assets measured at amortized cost (other than trade receivables and lease receivables)
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)

  In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

  In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

  ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

  Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, considering the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

J.2. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

J.2.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

J.2.2. Financial liabilities

Initial recognition and measurement: The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

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In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability

Subsequent measurement: All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

K. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

L. Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/ expenses.

M. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognized, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognized in the statement of profit and loss

N. Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re- assessing categorization at the end of each reporting period and discloses the same.

O. Foreign currency transactions

Initial Recognition: On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date: Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

P. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flows statements comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

R. Leases

The Company as lessor

Lease income from operating leases where the Company is a lessor is recognized in the statement of profit and loss on a straight- line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Company expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses an incremental borrowing rate specific to the Company, term and currency of the contract. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Company is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Company has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

S. Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

- **Onerous contracts:** Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.
- **Restructurings-** A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.
- **Restoration (including Mine closure), rehabilitation and decommissioning**: Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, Plant and Equipment.
- **Environmental liabilities**- Environment liabilities are recognised when the Company becomes obliged, legally or constructively, to rectify environmental damage or perform remediation work.

- **Litigation-** Provision relating to legal, tax and other matters is recognised once it has been established that the Company has a present obligation based on consideration of the information which becomes available up to the date on which the Company's financial statements are approved and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

T. Employee benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Compensated absences: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund is a defined contribution scheme and the company recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. The Company has no obligations other than the contribution payable to the respective funds.

Gratuity scheme: Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Recognition and measurement of Defined Benefit plans: The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets, are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. Re-measurement of defined benefit plans is recognized as a part of retained earnings in statement of changes in equity as per Division II of Schedule III of the Companies Act, 2013.

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U. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for bonus elements in equity share issued during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

V. Share based payments

The Company participates in group equity-settled share-based remuneration plans(including RSU's, PSU's & GSOP) for its employees wherein equity shares of ArcelorMittal SA is allotted to the employees of the Company. The fair value of the options so granted is recognized as an employee benefits expense with corresponding increase in equity as transactions with owners. The total expense is recognized over the vesting period over which all of the specified vesting conditions are to be satisfied.

The fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted by the ultimate holding company. This fair value is determined at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

W. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousands as per the requirement of schedule III, unless otherwise stated.

X. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

Y. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Z. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

AA. COVID-19 Pandemic Impact Assessment

Estimation of uncertainty relating to the global health pandemic on COVID-19 the Company has considered internal and external information up to the date of approval of financial statements in assessing the recoverability of property plant and equipment, receivables, intangible assets, cash and cash equivalent and investments. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Company expects to recover the carrying amount of these assets. The Company has concluded that the impact of COVID – 19 is not material based on these estimates. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

3A. Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

- **Evaluation of indicators for impairment of non-financial assets :**The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors that could result in deterioration of recoverable amount of the assets.

- **Contingent liabilities:** The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Sources of estimation uncertainty:

- **Useful lives depreciation method and residual value of property, plant and equipment:** The assessment of useful lives, depreciation method and residual value of property, plant and equipment requires judgment. Depreciation is charged to the Statement of profit and loss based on assessment of useful lives and the residual value. This assessment requires estimation of the period over which the Company will benefit from these assets. Management reviews its estimate of the useful lives, residual values and depreciation method of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of plant and equipments.

- **Defined benefit obligations (DBO):**Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

- **Provision for impairment of investments in subsidiaries:** At each balance sheet date, the Company assesses the requirement of provisions for impairment of investments in subsidiaries based on its expectation of successful implementation of proposed projects by those subsidiaries.

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- **Provision for impairment of Capital work in progress (CWIP):** At each balance sheet date, the Company assesses the status of ongoing projects and if required make necessary provision for impairment of CWIP.

- **Recoverability of advances/receivables:** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

- **Fair value measurement of financial instruments:** When the fair value of financials assets and financials recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including discounted cash flows method. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgment is required in establishing faire values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reporting fair value of financials instruments. Further disclosures in this regard are given in note 38.

- **Leases:** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. (Refer note no 4B).

3B. New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:

The Ministry of Corporate Affairs (MCA) has issued certain amendments in existing Accounting Standards during the year ended 31 March 2020, which are effective from July 24, 2020.

- **Ind AS 103 (Business Combinations):** Defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.
- **Ind AS 107 (Financial Instruments: Disclosures):** Disclosures for uncertainty arising from interest rate benchmark reform.
- **Ind AS 109 (Financial Instruments):** Temporary exceptions from applying specific hedge accounting requirements.
- **Ind AS 116 (Leases): Due to the pandemic COVID- 19** – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modifications or not.
- **Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors):** Change/modification in the definition of "Material".
- **Ind AS 10 (Events after the Reporting Period):** Definition for non – adjusting events and its effective date of application.
- **Ind AS 34 (Interim Financial Reporting):** Consequential of the above amendments.
- **Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets):** Consequential amendment and accounting of restructuring plan.

The Company is evaluating the requirement of the amendment and effect on the financial statement will be given in due course.

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4A. Property, plant and equipment

Description	Freehold land	Leasehold land	Buildings	Computer equipment	Furniture and fixtures	Office equipments	Total
Gross carrying value							
As at 01 April 2018	38.37	2,509.76	42.86	1.18	1.77	5.99	2,599.95
Additions		132.56		0.52		0.22	133.30
Disposals		(21.36)		(0.07)	(0.10)	(0.16)	(21.69)
As at 31 March 2019	**38.37**	**2,620.96**	**42.86**	**1.63**	**1.67**	**6.06**	**2,711.56**
Additions				0.57	2.34	2.31	5.22
Disposals {Refer Note ii (c)}				(0.00)	(0.22)	(0.13)	(0.35)
Reclassification on account of adoption on IND AS 116 (refer note 4B)		(2,620.96)					(2,620.96)
As at 31 March 2020	**38.37**	**-**	**42.86**	**2.20**	**3.79**	**8.24**	**95.47**
Accumulated depreciation							
As at 01 April 2018	-	0.32	27.16	0.35	0.99	3.07	31.90
Charge for the year		0.16	8.31	0.31	0.31	1.27	10.37
Disposals				(0.05)	(0.07)	(0.16)	(0.27)
As at 31 March 2019	**-**	**0.49**	**35.48**	**0.61**	**1.24**	**4.19**	**42.00**
Charge for the year		-	7.39	0.38	0.41	0.74	8.91
Disposals {Refer Note ii (c)}				(0.00)	(0.17)	(0.10)	(0.27)
Reclassification on account of adoption on IND AS 116 (refer note 4B)		(0.49)					(0.49)
As at 31 March 2020	**-**	**-**	**42.86**	**0.98**	**1.47**	**4.83**	**50.15**
Net block as at 31 March 2019	**38.37**	**2,620.47**	**7.39**	**1.02**	**0.43**	**1.87**	**2,669.56**
Net block as at 31 March 2020	**38.37**	**-**	**-**	**1.22**	**2.32**	**3.41**	**45.32**

Notes:

(i) Contractual obligations

Refer note 32(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Other notes

(a) Land admeasuring 272.74 acres taken from various land owners for compensatory afforestation in respect of Karampada Mining Lease has been classified as freehold land. Refer note 32(d).

(b) Upon introduction of Ind AS 116 Leases effective 01 April 2019, all Finance Lease assets identified under the earlier Ind AS 17 Leases, have been reclassified to ROU Assets. (refer note 4B).

(c) Deletions from Furniture and fixtures having gross block of Rs. 0.22 million (Previous Year : Nil), Computer equipments having gross block of Rs. 0.01 million (Previous Year : Nil million) and Office equipments having gross block of Rs. 0.13 million (Previous Year : Nil million) and Accumulated Depreciation of Rs. 0.17 million (Previous Year : Rs. Nil million), Accumulated Depreciation of Rs. 0.01 million (Previous Year : Rs. Nil million), and Accumulated Depreciation of Rs. 0.10 million (Previous Year : Rs. Nil million) respectively transferred to 'Assets held for sale' (refer note 14).

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4B Details of leasing arrangements
As on March 31, 2020:
Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases effective for the period commencing from April, 01 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases by using modified retrospective approach and accordingly recognised right of use assets and lease liability on the basis of lease payment remaining outstanding as of April 1, 2019 by discounting it at an incremental rate of borrowing at the date of initial application i.e. April 1, 2019. The Company has not restated comparative figures for the year ended March 31, 2019 availing exemption given in Modified retrospective approach.

Right-of-use assets

Description	Non factory buildings	Vehicle	Leasehold land*	Total
Gross carrying value				
As at 01 April 2019	13.09	2.04	2,620.47	2,635.61
Additions	-	-	-	-
Disposals				-
As at 31 March 2020	**13.09**	**2.04**	**2,620.47**	**2,635.61**
Accumulated depreciation				
As at 01 April 2019				
Charge for the year	8.89	0.55	0.16	9.60
Disposals	-	-	-	-
As at 31 March 2020	**8.89**	**0.55**	**0.16**	**9.60**
Net block as at 31 March 2020	**4.20**	**1.50**	**2,620.31**	**2,626.01**

* As per the signed lease cum sale agreement for Land admeasuring 2643.25 acres, Karnataka Industrial Area Development Board (KIADB) shall convert the lease into sale to the company after 10 years subject to fulfillment of certain terms and conditions. For details refer note 32(c).

Interest on lease liability is Rs 0.75 million for the year ended March 31, 2020

The company incurred Rs 54.13 million for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs 63.43 million for the year ended March 31, 2020, including cash outflow of short-term leases and leases of low-value assets.

Lease contracts entered by the company majorly pertains for buildings and vehicles taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract. The company does not have any commitments for short term leases and low-value leases.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	Net carrying amount as at March 31,2020
Current lease liabilities	4.41
Non-current lease liabilities	1.76
Total	**6.17**

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The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	March 31, 2020
Balance as on April 01, 2019	14.98
Additions	-
Finance cost accrued during the period	0.75
Deletions	-
Payment of lease liabilities	(9.57)
Balance as on March 31, 2020	**6.17**

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	March 31, 2020
Less than one year	4.67
One to five years	1.78
More than five years	
Total	**6.45**

As on March 31, 2019:

A Operating leases – Assets taken on lease

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are renewable on periodical basis and cancellable at Company's option. Total lease payments recognised in the statement of profit and loss is ₹ 9.80 million.

B Finance leases – Assets taken on lease

The Company has leased land below under finance lease arrangements. Refer note 32(c) for details.

(a) Land measuring 1824.18 acres with a lease arrangement maturing on 30 November 2021 discounted at a rate of 10.38%

(b) Land measuring 819.07 acres with a lease arrangement maturing on 19 October 2022 discounted at a rate of 9.98%

	31 March 2019			
	Minimum lease payments due			
	within 1 year		after 5 years	Total
Lease payments	0.27	0.52	-	0.79
Less: Finance charges	0.02	0.02	-	0.04
Net present values	**0.24**	**0.50**	**-**	**0.74**

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	As at 31 March 2020	As at 31 March 2019
5. Capital work-in-progress		
Initial expenditure during construction period (refer (i) below)	-	-
	-	-

Notes:

(i) Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at 01 April 2018	**279.74**
Add: additions during the year	-
Less: provision for impairment of capital work-in-progress (refer (ii) below)	(279.74)
Capital work-in-progress as at 31 March 2019	**0.00**
Add: additions during the year	-
Less: provision for impairment of capital work-in-progress (refer (ii) below)	-
Capital work-in-progress as at 31 March 2020	-

(ii) In FY 2018-19, the company's management, based on abundant caution, took a decision to impair an amount of ₹ 279.74 million of expenditure capitalised in CWIP for the proposed integrated steel plant in Karnataka. This was on account of delay in getting approval from the State Government for renewal of the G.O. No. CI 47 SPI 2010 dated 09.02.2010 which approved the setting up the integrated steel plant in Bellary district of Karnataka. Company continue to pursue getting renewal of the said G.O.

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	As at 31 March 2020	As at 31 March 2019
6 Non-current investments		
Investment in equity instruments (unquoted, at cost)^		
Investment in subsidiary:		
- 6,464,931 (31 March 2019: 6,464,931) Equity shares of Seregarha Mines Private Limited of ₹ 10 each fully paid up**	3.77	3.77
- 9,222,000,000 (31 March 2019: Nil) Equity shares of ArcelorMittal Nippon Steel India Limited(AMNSI)(formerly known as Essar Steel India limited) of ₹ 10 each fully paid up***	92,220.00	-
- 190,000 (31 March 2019: Nil) Equity shares of AM Mining India Limited of ₹ 10 each fully paid up	10.00	-
Other equity investment in subsidiary (fair value of debenture subscribed)		
Arcelor Mittal Nippon Steel India Limited(formerly known as Essar Steel India limited****	241.62	
Investment in joint ventures:		
- 20,422,305 (31 March 2019: 20,422,305; Equity shares of Rampia Coal Mines & Energy Private Limited of ₹ 1 each fully paid up**	-	-
	92,475.39	3.77
Less: Provision for impairment of investments	(3.77)	(3.77)
	92,471.62	**-**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	92,471.62	-
Aggregate amount of impairment in the value of investments*	85.07	85.07

^Investments in subsidiary and joint ventures are stated at cost using the exemption provided as per Ind AS 27 'Separate Financial Statements'

*Investments in subsidiary and joint ventures are stated net of impairment, the Company has elected to continue with the carrying value of all its investments in subsidiary and joint ventures by applying deemed cost exemption as at 01 April 2016.

**Refer note 33(a) & 33(b) - Allocation of coal block for further details on investments

*** Refer note no. 40 for details of acquisition of ArcelorMittal Nippon Steel India Limited (formerly known as Essar Steel India Limited)

****Debenture bearing coupon rate of 10% amounting to Rs. 3664.45 million has been assigned to the Company vide debt assignment agreement dated 16 December 2019. Due to the adverse scenario of COVID pandemic and restrictions imposed by central & state governments, the company has decided to waive the interest accruing during the FY 2020-21 vide supplement agreement dated 27 March 2020. Accordingly the financial instrument has been fair valued at the prevailing market rate and the difference between the carrying value and fair value has been shown as deemed investment.

		As at 31 March 2020	As at 31 March 2019
7	**Loans**		
	Non-current		
	Unsecured, considered good		
	Security deposits	1.17	8.03
	Secured		
	Financial amount receivable (refer note (i) below)	410,855.61	55,971.57
		410,856.77	**55,979.61**
(i)	Financial amount receivable *		
	Secured	417,529.74	62,284.77
	Unsecured	255.87	196.50
	Total	**417,785.61**	**62,481.27**
	Less: Fair value loss on Financial Instrument measured at fair value through P&L	(6,930.00)	(6,509.70)
	Add: Fair value gain on Financial Instrument measured at fair value through P&L	-	-
	Financial amount receivable	**410,855.61**	**55,971.57**

* Current Portion of financial amount receivable is Rs. 3044.12 million. (31 March 2019 Rs. 2380.00 million)

Refer note 38 - Fair value disclosures for disclosure of fair value in respect of financial assets and note 39 - Financial risk management for assessment of credit risk.

Refer note no. 40 for details of acquisition of ArcelorMittal Nippon Steel India Limited (formerly known as Essar Steel India Limited)

		As at 31 March 2020	As at 31 March 2019
8	**Income tax assets (net) - non current**		
	Advance income tax (net of provisions ₹ 1,254.99 million)	98.81	0.10
		98.81	**0.10**
9	**Other non-current assets**		
	Unsecured, considered good		
	Capital advances (refer note 32(b) and 32(c.))	312.56	312.56
	Prepaid expenses	-	0.27
	Balance with statutory authorities	248.33	149.30
	Unsecured, considered doubtful		
	Capital advances	0.32	0.32
	Less: provision for capital advances	(0.32)	(0.32)
		560.90	**462.13**

		As at 31 March 2020	As at 31 March 2019
10	**Cash and cash equivalents**		
	Balances with banks:		
	- in current accounts	9.02	785.16
	- deposits with original maturity less than three months	1,020.75	18,155.38
	Cash on hand	0.03	0.04
		1,029.79	**18,940.58**

There are no repatriation restrictions with respect to cash and cash equivalents as at the end of the reporting year and comparative years.

		As at 31 March 2020	As at 31 March 2019
11	**Loans**		
	Current		
	Unsecured, considered good		
	Security deposits	30.61	8.09
	Secured		
	Financial amount receivable (refer Note 7)	3,044.12	2,380.00
		3,074.73	**2,388.09**

		As at 31 March 2020	As at 31 March 2019
12	**Other financial assets**		
	Current		
	Unsecured, considered good		
	- Receivables against service income (refer Note 36)	19.55	9.90
	- Amount recoverable (refer note 32(a))	-	7.91
	- Interest Receivables (refer Note 36)	8,281.87	-
	Unsecured, considered doubtful		
	- Amount recoverable (refer note 32(a))	-	0.70
	Less: provision for amount recoverable	-	(0.70)
		8,301.42	**17.81**

		As at 31 March 2020	As at 31 March 2019
13	**Other current assets**		
	Unsecured, considered good		
	Advance to suppliers	1.18	1.87
	Prepaid expenses	0.84	2.56
	Other advances	155.38	0.32
	Unsecured, considered doubtful		
	Advance to suppliers	2.24	2.24
	Less: provision for advance to supplier	(2.24)	(2.24)
		157.40	**4.75**

		As at 31 March 2020	As at 31 March 2019
14	**Assets Classified as Held for Sale**		
	Property Plant and Equipment classified as Held for Sale :		
	Furniture and fixtures	**0.05**	**-**
	Office equipments	**0.03**	**-**
		0.08	**-**

As at March 31, 2020, the management of the Company was actively seeking a buyer to sell the Furniture and fixtures & Office equipments of its Bangalore Guesthouse. Subsequent to the year end, the Company has sold these assets and recorded a profit of Rs. 0.04 million.

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		As at 31 March 2020	As at 31 March 2019
15	**Equity share capital**		
	Authorised capital		
	50,000,000,000 (31 March 2019 : 50,000,000,000) Equity shares of ₹ 10 each	500,000.00	500,000.00
	Issued, subscribed capital and fully paid up		
	22,188,337,129 (31 March 2019 : 9,041,444,248 Equity shares of ₹ 10 each	221,883.37	90,414.44

Notes:

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the period

	31 March 2020		31 March 2019	
	No. of shares	(₹ in million)	No. of shares	(₹ in million)
Equity shares at the beginning of the year	9,041,444,248	90,414.44	583,444,248	5,834.44
Issued during the year	13,146,892,881	131,468.93	8,458,000,000	84,580.00
Equity shares at the end of the year	**22,188,337,129**	**221,883.37**	**9,041,444,248**	**90,414.44**

(ii) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion of their shareholding.

(iii) Details of shares held by the holding company and their associates

	31 March 2020		31 March 2019	
	No. of shares	(₹ in million)	No. of shares	(₹ in million)
Oakey Holding B.V.,Netherlands , the holding company	22,188,337,127	221,883.37	9,041,444,246	90,414.44
AMNS Luxembourg Holding S.A.	2	0.00	2	0.00
	22,188,337,129	221,883.37	9,041,444,248	90,414.44

(iv) Details of shares held by each shareholder holding more than 5% shares:

	31 March 2020		31 March 2019	
	No. of shares	(%)	No. of shares	(%)
Oakey Holding B.V.,Netherlands , the holding company	22,188,337,127	99.99%	9,041,444,246	99.99%

		As at 31 March 2020	As at 31 March 2019
16	**Other equity**		
	Share application money pending allotment (refer (i) below)	59,820.00	-
	Capital contribution from ultimate holding company (refer (ii) below)	2.88	3.16
	Retained earnings (refer (iii) below)	(8,029.91)	(10,109.22)
		51,792.98	**(10,106.06)**

		As at 31 March 2020	As at 31 March 2019
(i)	**Share application money pending allotment**	59,820.00	-
(ii)	**Capital contribution from ultimate holding company**		
	Balance as at the beginning of the year	3.16	2.37
	Recognised during the year	(0.28)	0.79
	Balance at the end of the year	**2.88**	**3.16**
(iii)	**Reserves & Surplus**		
	Retained earnings		
	Balance as at the beginning of the year	(10,109.22)	(2,770.37)
	Add: Profit/(loss) for the year	2,080.08	(7,338.84)
	Less : Other comprehensive income		
	Remeasurement of defined benefit obligations	(0.77)	(0.01)
	Balance at the end of the year	**(8,029.91)**	**(10,109.22)**
		51,792.98	**(10,106.06)**

Nature and purpose of other equity:

Share application money pending allotment

Subsequent to the year end on 09 April 2020 the company has allotted 5,982,000,000 share @ 10 each against share application money.

Capital contribution from ultimate holding company

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan of the ultimate parent company and for which no amount is charged/recovered from the Company. It is adjusted as and when such options are exercised or otherwise expire.

Retained Earnings

It comprises of accumulated profit/(losses) of the company

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	As at 31 March 2020	As at 31 March 2019
17 Borrowings		
Finance lease obligations	-	0.50
10% unsecured Bonds, at amortised cost	240,000.00	-
	240,000.00	**0.50**
Amount disclosed under other financial liabilities:		
Current maturities of finance lease obligations (refer note 4B)	-	0.24

Notes:

(i) The Company had signed an agreement on 1st March 2019 with its parent company for issuing an unsecured INR denominated Bonds not exceeding INR 350,000 million for financing ArcelorMittal Nippon Steel India Limited (Formerly known as Essar Steel India Limited) acquisition. The term of the Bond is 5 years subject to extension , if both parties mutually agree. Interest payable on each bond was 10% per annum. However, the terms include an arms' length study by an independent transfer pricing consultant for resetting initial interest rate of 10% subject to a ceiling as provided in ECB Guidelines. Actual amount of bonds issued against the said agreement was INR 240,000 million.

Due to advent of COVID 19 pandemic and consequent restrictions placed by State and Central Governments , it was agreed between the Subscriber and the Company that no interest shall be charged or accrued or payable on the Bonds from April 1, 2020 till March 31, 2021.

	As at 31 March 2020	As at 31 March 2019
18 Provisions		
Non-current		
Provision for employee benefits:		
Gratuity	9.33	7.71
Compensated absences	6.33	5.46
	15.66	**13.17**

For disclosures related to provision for employee benefits, refer note 35 - Employee benefit obligations

	As at 31 March 2020	As at 31 March 2019
19 Trade payables		
Due to micro and small enterprises [refer note (i) below]	-	-
Dues to others	63.24	94.97
	63.24	**94.97**

Notes:

(i) Dues to micro and small enterprises pursuant to section 22 of the Micro,Small and Medium Enterprises Development Act (MSMED),2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act, 2006) and based on the information available with the company, the following are the details:

Principal amount remaining unpaid	Nil	Nil
Interest accrued and due thereon remaining unpaid	Nil	Nil
Interest paid by the Group in terms of section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	Nil	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act ,2006.	Nil	Nil
Interest accrued and remaining unpaid as at the end of the year	Nil	Nil
Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act,2006.	Nil	Nil

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		As at 31 March 2020	As at 31 March 2019
20	**Other financial liabilities**		
	Current		
	Current maturities of finance lease obligations (refer note 17)	-	0.24
	Interest accrued but not due (refer note 17)	5,314.11	-
	Employee benefits payable	19.93	17.26
		5,334.04	**17.50**
21	**Other current liabilities**		
	Payable to statutory authorities	121.99	17.95
		121.99	**17.95**
22	**Provisions**		
	Current		
	Provision for employee benefits:		
	Gratuity	3.37	1.49
	Compensated absences	2.03	0.85
		5.40	**2.34**
	For disclosures related to provision for employee benefits, refer note 35 - Employee benefit obligations		
23	**Current tax liabilities (net)**		
	Provision for income tax [net of advance tax and taxes deducted at source ₹ Nil million (31 March 2019 : ₹ 140.13 million)	-	7.82
		-	**7.82**

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	For the year ended 31 March 2020	For the year ended 31 March 2019
24 Other income		
Interest income (refer note (i) below)	10,201.48	505.08
Other non-operating income (refer note (ii) below)	61.19	28.03
Net loss on foreign currency transactions and translation	1.01	-
Net gain on sale of property, plant and equipment	-	0.01
	10,263.68	**533.12**

Notes:

(i) Interest income comprises:		
Interest income (Tax deducted at source ₹ 75.88 million (31 March 2019 : ₹ 50.37 million))	758.84	503.75
Interest on financial instruments carried at amortised cost (Tax deducted at source ₹ 1,160.11 million (31 March 2019 : ₹ Nil million))	9,442.64	1.33
	10,201.48	505.08
(ii) Other non-operating income comprises:		
Insurance Claim	-	0.02
Service charges* (refer note 36)	41.12	27.00
Miscellaneous service income	-	1.02
Miscellaneous income	20.07	-
	61.19	28.03

*The service charges comprises of salaries & wages and other expenses amounting ₹ 36.64 million (31 March 2019: ₹ 23.64 million) included in note 25, note 28 and includes a mark up.

As per the accounting policy, the Company is not recognising the contractual interest income as per the assignment agreement entered by the Company with financial lenders of Uttam Galva Steels Limited ("UGSL"), KSS Petron Private Limited ("KSS Petron").

The company had signed with various banks and financial institutions assignment agreements while taking over the INR denominated loans of ArcelorMittal Nippon Steel India Limited (AMNSI) (Formerly known as Essar Steel India Limited) on 16th December 2019. The loan agreements of individual banks had various rates of interest.

The company signed an agreement with AMNSI on 27th March 2020 after approval of its Board , wherein the rate of interest was fixed at 10% on all those loans, payable on a quarterly basis. Further due to corporate insolvency process of AMNSI as well as the COVID 19 pandemic and consequent restrictions placed by State and Central Governments , it was agreed that no interest shall be charged, be payable or accrue on the Facilities for the period between April 1, 2020 and March 31, 2021 (both days inclusive) or such other date as may be mutually agreed by the Parties in writing.

25 Employee benefits expense		
Salaries	101.94	69.21
Share based payments to employees*	(0.28)	0.79
Contributions to provident fund	5.09	3.43
Gratuity**	2.73	1.86
Staff welfare expenses	1.23	0.87
	110.71	**76.15**

*Certain employees of the Company have been granted equity-settled share-based Employee Stock Options of ArcelorMittal SA, Ultimate Holding company. The company measures the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognises a corresponding increase in equity as a contribution from the parent.

**For descriptive notes on disclosure of defined benefit obligation, refer note 35 - Employee benefit obligations.

26 Finance costs		
Interest expense on:		
(i) Interest on Bonds*	5,716.95	-
(ii) Interest Expenses for Leasing Arrangements**	0.75	0.08
(iii) Other Interest expenses	5.35	0.02
Other borrowing cost:		
(i) Guarantee fees to related party (refer note 36)	9.22	1.06
	5,732.27	**1.16**

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*Due to advent of COVID 19 pandemic and consequent restrictions placed by State and Central Governments , it was agreed between the Subscriber and the Company that no interest shall be charged or accrued or payable on the Bonds from April 1, 2020 till March 31, 2021 and the interest has been booked using effective interest rate.

**Subsequent to introduction of Ind AS 116 Leases, the Company has recognized Long-term leases as ROU Assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses. Following transitional provision under Ind AS 116 Leases, previous year numbers have not been reclassified.

27 Depreciation and amortisation expense

Depreciation of property, plant and equipment (refer note 4A)	8.91	10.37
Depreciation on Right of Use Assets (refer note 4B)	9.60	-
	18.51	**10.37**

28 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Electricity and water charges	1.13	1.33
Rent including lease rentals (refer note 4B)	54.13	9.80
Office maintenance expenses	9.00	6.54
Repairs and maintenance - others	0.06	0.14
Insurance	1.05	0.86
Rates and taxes	137.59	21.02
Communication expenses	1.75	2.25
Travelling and conveyance	47.81	49.40
Printing and stationery	1.22	0.32
Seminar and Meeting expenses	6.68	6.26
Membership and subscription	0.44	0.84
Donation	0.27	0.30
Legal and professional fees	288.44	705.50
Payments to auditors (refer note (i) below)	2.30	1.30
Property, plant and equipment and intangible assets written off	-	0.02
Provision for impairment of capital work in progress (refer note 5)	-	279.74
Provision for doubtful advances to supplier (refer note 13)	-	2.24
Provision for doubtful Other Financial Asset (refer note 12)	-	0.70
Fair value loss on Financial Instrument measured at fair value through P&L (Refer Note 7,38)	420.30	6,509.70
Bank charges	29.55	34.30
Mines Related Expenses	59.47	
Miscellaneous expenses	5.93	3.67
Net loss/(Gain) on foreign currency transactions and translation	-	0.10
	1,067.11	**7,636.32**

(i) Payments to the auditors comprises (net of GST input credit, where applicable):

Statutory audit fee	2.30	1.30
Reimbursement of expenses	-	-
	2.30	1.30

29 Tax expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Income tax expense recognised in statement of profit and loss		
Current tax*	1,254.99	147.96
	1,254.99	**147.96**

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.17% (Previous Year 29.12%) and the reported tax expense in profit or loss are as follows:

Particulars		
Profit/(loss) before tax	3,335.08	(7,190.87)
Income tax using the Company's domestic tax rate **	0.25	0.29
Expected tax expense [A]	**839.37**	**(2,093.98)**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Non-deductible expenses	(122.33)	2,242.34
Non-taxable income	537.95	(0.40)
Total adjustments [B]	**415.62**	**2,241.95**
Actual tax expense [C=A+B]	**1,254.99**	**147.96**

*Deferred tax asset for temporary difference has not been recognized in accordance with Ind AS 12 on Income taxes as there is no virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Business losses cannot be carry forward as the company has not yet set up any business facility in India. The Company has computed current tax on interest and service income as the Company has not set up any business facility in India. Tax is computed @ 0.25 on income.

**Domestic tax rate applicable to the Company has been computed as follows		
Base tax rate	22.00%	25.00%
Surcharge (% of tax)	2.20%	3.00%
Cess (% of tax and surcharge)	0.97%	1.12%
Applicable rate	25.17%	29.12%

The Company, after evaluating the impact of Taxation Law (Amendment) Ordinance 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 01, 2019, has prepared its financial statements on the basis that it would opt for the lower tax rate under Section 115BAA of the Income Tax Act, 1961, on and from the financial year ending March 31, 2020

	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred Tax Assets		
Deferred Tax Assets	543.42	-
Deferred Tax Liabilities	418.05	-
Net Deferred Tax Assets	125.37	-
Net Deferred Tax Assets Recognised	-	-

The Company is having deferred tax liabilities amounting to Rs. 418.05 million (Rs. Nil as at March 31, 2019) in respect of temporary differences arising on account of application of Ind AS 109 on interest expenses which are fully adjusted against deferred tax assets arising on account of application of Ind AS 109 on interest income. In accordance with its accounting policy, balance deferred tax assets amounting to Rs. 125.37 million (Rs. Nil as at March 31, 2019) have not been recognized in the financial statements.

30 Earnings/ (loss) per equity share

Net profit/ (loss) attributable to equity shareholders	2,080.08	(7,338.84)
Number of weighted average equity shares (Nominal value of ₹ 10 each)		
-Basic	13,718,157,758	3,141,175,755
-Diluted	13,718,157,758	3,141,175,755
Earning per share (₹)		
-Basic	0.15	(2.34)
-Diluted	0.15	(2.34)

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	As at 31 March 2020	As at 31 March 2019
31 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities		
Other money for which the Company is contingently liable		
- Bank guarantees (refer note (a) to (e) below)	180.00	50,232.50
	180.00	**50,232.50**

(a) The Company had provided counter bank guarantee aggregating to ₹ 180.00 million (31 March 2019: ₹ 180.00 million) given to the Ministry of Coal on behalf of subsidiary company – Seregarha Mines Private Limited in terms of letter of allocation of coal block to the subsidiary company. In the prior years, the Hon'ble Supreme Court passed a judgement declaring the allocation of all coal blocks by the Government of India as illegal and accordingly all coal blocks were de-allocated including that of Seregarha Mines Private Limited. With respect to the counter bank guarantee of ₹ 180.00 million provided by the Company on behalf of Seregarha Mines Private Limited, the Ministry of Coal in the prior years sought to partially invoke the bank guarantee amounting to ₹ 62.99 million being the share of the Company in Seregarha Mines Private Limited for not meeting the milestones as per the letter of allocation of the coal blocks which has been stayed by the Hon'ble Delhi High Court in response to a writ petition filed by the Company. The writ petition is currently pending in Delhi High Court.

The above counter bank guarantee was issued to Yes Bank Limited to further issue a bank guarantee for an amount of ₹ 324.00 million on behalf of Seregarha Mines Private Limited in favour of the President of India acting through Ministry of Coal which was last valid till 30.09.2018. This bank guarantee issued by Yes Bank Limited was also secured through a collateral security furnished by joint venture partner - GVK Power (Goindwal Sahib) Limited ("GVK") amounting to ₹ 144.10 million towards its respective share. In September 2018, Yes Bank Limited sought 100% margin money as collateral security from GVK for extending the bank guarantee beyond 30.09.2018 but GVK failed to provide the margin money and therefore the bank guarantee for ₹ 324.00 million could not be renewed after 30.09.2018 though the counter bank guarantee provided by the Company for ₹ 180.00 million was valid till 09.05.2019. Thereafter in April 2019, the Company directly got a fresh bank guarantee issued for ₹ 180.00 million (towards its share) from Bank of America valid till 11.04.2020 in favour of President of India acting through Ministry of Coal and filed an application before the Hon'ble Delhi High Court to take the fresh bank guarantee on record. The Ministry of Coal filed its reply in court objecting to the same on the ground that the bank guarantee was to be furnished by the joint venture company in respect of both the partners. The matter is currently pending in court. Meanwhile, the Company renewed its bank guarantee for ₹ 180.00 million till 11.04.2021.

(b) The Company had submitted a resolution plan for acquisition of Essar Steel India Limited ("ESIL"), which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code 2016. On 08 February 2018, the Company had provided a bank guarantee aggregating to ₹ nil million (31 March 2019: ₹ 5,000.00 million) to 'Resolution Professional of Essar Steel India Limited' for fulfilling the obligation under Request For Proposal dated 24 December 2017 issued by the Resolution Professional on behalf of the Committee of Creditors ("COC") formed in relation to the corporate insolvency resolution process of Essar Steel India Limited under the Insolvency & Bankruptcy Code. The Bank Guarantee was issued on 08 Feb 2018 with a validity till 12 May 2018 and claim period till 12 August 2018. On 28 March 2018 the Company extended the validity period till 02 July 2018 and claim period till 02 October 2018 for the purpose of submission of a second resolution plan for ESIL based on a fresh invitation received from Resolution Professional dated 23 March 2018. The second resolution plan was submitted on 02 April 2018. As the opening of the second resolution plan was stayed by NCLT, Ahmedabad, the Company was advised to submit another bank guarantee of ₹ nil million (31 March 2019: ₹ 5,000.00 million) which was obtained on 09 May 2018 with a validity till 08 August 2018 and claim period till 06 November 2018. In the month of August 2018 the company has extended the validity period till 08 November 2018 and claim period till 06 February 2019. Both the bank guarantees so issued have expired and have since been returned and discharged on 01 August 2019.

The resolution plan submitted on 02 April 2018 was further updated on 22 October 2018 after discussions with COC of ESIL. The updated resolution plan was approved by the COC of ESIL on 25 October 2018. As required by the letter of intent dated 25 October 2018, from the Resolution Professional, Company submitted a bank guarantee for ₹ nil million (31 March 2019: ₹ 39500.00 million) in respect of resolution plan performance of ESIL and as required by the letter of intent. The bank guarantee was subsequently returned and discharged on 30 December 2019.

(c) The Company had submitted an expression of interest for submission of the resolution plan for Asian Colour Coated Ispat Limited ("ACCIL"), along with an earnest money deposit by way of a bank guarantee of ₹ nil million (31 March 2019: ₹ 2.50 million) pursuant to invitation dated 01 October 2018. However, upon undertaking due diligence for ACCIL, the Company did not submit a resolution plan for ACCIL. The bank guarantee was subsequently returned and discharged on 01 July 2019

(d) The Company had submitted a resolution plan (the "Plan") to the Committee of Creditors ("COC") of EPC Construction India Limited ("EPCC") on 24 November 2018. Pursuant to the discussions held with the Committee of Creditors (CoC) on 26 November 2018 and with the steering committee of the CoC held on 4 December 2018 and 14 December 2018, the Company submitted a revised resolution plan on 24 December 2018. The Company as required in the request for proposal submitted a bank guarantee of ₹ nil million (31 March 2019: ₹ 50.00 million) issued on 19 November 2018 with a validity till 19 May 2019 and claim period till 18 June 2019. The resolution plan submitted on 24 December 2018 was not approved by the COC of EPCC. This guarantee was further renwed till 19 August 2019 with a claim period till 19 September 2019. This guarantee was not renewed further and closed on 19 September 2019.

(e) The Company submitted a resolution plan for acquisition of Essar Power MP Limited ("EPMPL") pursuant to a Request for Proposal dated 14 March 2019 issued under a lender-driven process outside of Insolvency and Bankruptcy Code 2016. The Company has also submitted an earnest money deposit by way of a bank guarantee of ₹ nil million (31 March 2019: ₹ 500.00 million) in respect of resolution plan process of EPMPL with a validity till 31 July 2019 and a claim period till 30 August 2019. The COC of EPMPL after discussion with the Company, requested Company to submit a revised resolution plan for acquisition of EPMPL. However, the Company did not submit a revised resolution plan for EPMPL as yet.

(f) In respect of 2,659.75 acres of land allotted to the Company by the Karnataka Industrial Area Development Board (KIADB) as stated in Note 32 (c), several owners of about 302 acres of land did not accept the consent award of around ₹ 800,000 per acres from KIADB and had filed a petition before the Karnataka High Court seeking directions to KIADB/Special land acquisition officer to pass formal award under the provisions of the Karnataka Industrial Area Development Act/old Land acquisition Act. On the directions of the Karnataka High Court, the Land acquisition officer passed award under the aforesaid Acts determining the land price at approx. ₹ 142,458 per acre together with statutory benefits thereon as applicable which was disputed by these owners and they had filed a petition before the local Civil Court in Bellary seeking enhancement of compensation. On 01 March 2016, the local Civil Court in Bellary passed an order in respect of 276.14 acres of land enhancing the compensation to ₹ 3,020,270 per acre together with solatium at 30%, additional market value and interest as directed therein. The Court order was disputed by KIADB who filed an appeal before the Dharwad bench of Karnataka High Court.

During the financial year 2016-17, the Karnataka High Court granted an interim order of stay subject to depositing 50% of the compensation determined by the Civil Court in Bellary which was again disputed by KIADB and KIADB filed a special leave petition in the Supreme Court for granting a stay of the interim order passed by the Karnataka High Court. The Supreme Court did not grant the relief but directed KIADB to approach the Karnataka High Court for modification of the impugned interim order. Pursuant to an application filed by KIADB, the Karnataka High Court passed an interim order directing KIADB to deposit compensation at the global rate of ₹ 1,000,000 per acre after deduction of the amount already paid by the Company.

The High Court passed the final judgment on 8 January 2018 allowing the appeal filed by KIADB and set aside the judgment dated 01 March 2016 passed by the Civil Court. In the High Court judgment, it was held that KIADB was a necessary party and the judgment and decree passed by the civil Court without hearing the KIADB was not sustainable. It was also directed that the civil Court shall issue notice to the KIADB and to the other parties and thereafter pass fresh judgment and award within 4 months.

Post the High Court judgment passed in January 2018 remitting the matter back to Civil Court-Bellary, the cases were being heard in Civil Court-Bellary for passing of a fresh award. In between, the Claimants filed a special leave petition (SLP) in Supreme Court against the High Court order which was listed on 11 May 2018 and vide an interim order of even date, the Supreme Court stayed the High Court order, meaning that the legal proceedings in Bellary Civil Court are also stayed. Some more Claimants filed another SLP in Supreme Court on the same grounds and both the SLP's have been clubbed together. The Company and KIADB have filed their objections to the SLP(s) before the Supreme Court Registrar and the matter is yet to be listed before the Supreme Court.

The civil court in Bellary passed another judgment on 30 November, 2019 in respect of about 25.71 acres of land (part of above stated 302 acres) wherein the compensation for land has been enhanced to ₹ 2,686,400 per acre together with solatium at 30%, additional market value and interest as directed therein. The Company has filed appeal before the High Court of Karnataka, Dharwad Bench, challenging the above judgment and on 04 August, 2020, the High Court passed an interim order staying the civil court judgment subject to depositing compensation at the global rate of ₹ 1,000,000 per acre after deduction of the amount already paid by the Company.

Apart from the above litigations, some of the farmers are seeking order for passing of the award under the provisions of new Act i.e. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and have filed petition(s) in Karnataka High Court. The cases are not yet listed before the Court. However, as per the latest judgments of the Karnataka High Court, it has been held that Section 24 of the new Act (relating to payment of compensation under the new Act in respect of existing cases where award has not been passed), has no application to lands acquired under KIAD Act. Going by this reasoning, the compensation under the new Act would not be payable for the subject acquisition under the KIAD Act.

The management of the Company based on its internal assessment is of the opinion, that no additional amount will be payable for the aforesaid land.

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(ii) Commitments

(a) ArcelorMittal India Private Limited ("AMIPL"), the parent company of AM Mining India Private Limited("AMMPL"), had submitted a Resolution Plan on Odisha Slurry Pipeline Infrastructure Limited ("OSPIL"), a company which was admitted to the Corporate Insolvency Resolution Process ("CIRP") vide order of the Hon'ble National Company Law Tribunal, Cuttack Bench ("NCLT") dated May 14, 2019 ("CIRP Commencement Date"). The Resolution Plan of AMIPL was approved by the NCLT vide its order dated March 2, 2020.

Under the Resolution Plan, AMIPL had the option of nominating or identifying another ArcelorMittal group company to undertake implementation of the whole or any one or more part of the Resolution Plan. Accordingly, AMIPL had nominated AMMPL, being a wholly owned subsidiary of AMIPL, to implement the Resolution Plan. The Board of the Company passed a resolution on June 22, 2020 to nominate AMMPL.

One of the financial creditors - SREI Infrastructure Finance Limited filed and appeal against NCLT Order dated March 2, 2020 before the Hon'ble National Company Law Appellate Tribunal, New Delhi ("NCLAT") for which hearing is ongoing.

On 5 March 2020, SREI Infrastructure Finance Limited filed an application before NCLT, Ahmedabad, seeking payment of certain Usage Charges of approximately INR 1,300 crores regarding the slurry pipeline to OSPIL as Corporate insolvency resolution process costs of AMNSI(erstwhile ESIL), and in the alternative, seeking directions for liquidation of AMNS India (erstwhile ESIL).

On November 10, 2020, NCLT in its order, held certain usage charges to be payable by AMIPL as Corporate Insolvency Resolution Process costs, on or before December 15, 2020. Based on an appeal filed by AMIPL against this order of NCLT, the appellate tribunal , vide its Order dated November 4, 2020 stayed the Order of the NCLT till the Appeal is disposed off.

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32 Acquisition of land

(a) The Company had requisitioned the Government of Odisha for allotment of leasehold land of 7,753.309 acres for setting up a 12 Million MT steel plant in Keonjhar in the State of Odisha and had paid ₹ 253.18 million to Orissa Industrial Infrastructure Development Corporation towards provisional charges on approximate cost of land. On 16 July 2013 the company informed the Government of Odisha requesting them not to renew the MOU which expired on 31 December 2011 as the Company had decided to abandon the proposed steel project. The management is of the opinion that an amount of ₹ 105.80 million would be recoverable based on the terms and conditions stipulated at the time of payment of provisional charges. In FY 2012-13, a sum of ₹ 844.62 million including the above differential amount of ₹ 147.38 million and other costs attributable to the project in the State of Odisha which were lying in capital work-in-progress has been written off. In the prior year, the Company received ₹ 27.30 million from the Government of Odisha towards provisional charges on approximate cost of land paid to Orissa Industrial Infrastructure Development Corporation. In an earlier year, an amount of ₹ 70.58 million was also received. The balance amount receivable ₹ 7.91 million was shown under note 12 other financial assets as on 31.03.2019. During the the company has received ₹ 27.97 million on 29 May 2019 and excess amount of ₹ 20.06 million has been shown as miscellaneous income.

The Company had paid ₹ 0.66 million to the Government of Odisha for allotment of leasehold land of 3 acres for setting up an Industrial Training Institute at Rengalbeda, District Keonjhar, Odisha. The land has been allotted to the Company in terms of a lease agreement with the Government of Odisha for a lease period of 99 years. In view of the decision of the Company to abandon the proposed steel plant in Odisha, the said land has been surrendered and the amount paid has been shown as recoverable under note 12. In FY 2018-19, the Company has recorded 100% provision for impairment.

(b) The Company had paid ₹ 123.89 million to the Additional Collector, Gumla District towards 80% premium on transfer of 1,025.831 acres of leasehold land in Kamdara block, Gumla District in the State of Jharkhand. In FY 2009-10, the Company had taken a decision to abandon this site for the Project and had instead applied for 2,210 acres of land (including 880 acres of Government land) in FY 2012-13 to the Government of Jharkhand under the "Jharkhand Voluntary Land Acquisition Rules-2010" in Chas Block of Bokaro District. The Company has written to the Government of Jharkhand requesting for adjustment of the amount paid against Government land to be acquired in Chas Block of Bokaro District. Thereafter, the Circle officer, Chas has verified the land details identified by us as per the directions of the Land acquisition officer, Bokaro. After thorough verification of land details, the Circle officer, Chas has informed us that 82% of land identified by us in Chas block consists of coal bearing zone as per the study report of CMPDI, Ranchi. Subsequently we have submitted a request to the Secretary, Department of Industries and DC, Bokaro to identify non-coal bearing zones in the adjoining villages of Chas block which would facilitate us to extending our applied area further into adjacent available land. Pending allotment of the land the amount paid has been recorded as capital advance in note 9.

In FY 2016-17, the Company had submitted an application to the Deputy Commissioner, Gumla district requesting for allotment of 362.95 acres of government land in Gumla district for compensatory afforestation in lieu of land to be allotted for mining lease in Karampada RF, West Singhbhum district and adjust the advance paid earlier as stated above as consideration for the new land. Last year, the Company has written a letter to the Deputy Commissioner, Gumla district to expedite the matter. The matter is pending with the authorities.

(c) The Company had requisitioned the Government of Karnataka for allotment of leasehold land of 4,865.64 acres for setting up a 6 Million MT integrated steel plant and 750 MW power generation plant in Bellary in the State of Karnataka and had paid ₹ 2,676.10 million to the Karnataka Industrial Area Development Board (KIADB) towards advance against cost of leasehold land. The Company was allotted 2,659.75 acres of land and an amount of ₹ 2,508.80 million was also adjusted towards cost of the land. The Company had also entered into an agreement dated 22nd December 2017 with KIADB for the said land. However, the land could not be registered as KIADB informed the Company that part of the land allotted to the Company was acquired by NHAI for widening the State Highway, thereby reducing the total land quantity by 16.50 acres(amounting to ₹ 21.36 million) to 2643.25 acres. Accordingly a revised agreement was prepared and registered on 26th December 2018. Thus, the total value of land now adjusted against advance paid is decreased to INR 2,487.44 million. Registration charges of lease cum sale agreement of ₹ 132.55 million has been paid and capitalised during the year. The Company has submitted a request to KIADB for further allotment of 136.33 acres of Government land. Pending allotment of land, the unadjusted amount of ₹ 188.66 million has been recorded as a capital advance in note 9. The Company has submitted an application to Karnataka Udyog Mitra (KUM) for extending of the validity date of the Government Order for setting up of the Steel Plant. The application made is under consideration of the State Government.

(d) In the prior years, the Company had purchased 272.74 acres of land at various locations at a consideration of ₹ 38.37 million in the State of Jharkhand. These amounts have been recorded as freehold land in note 4A.

33 Allocation of coal block and iron ore mines

(a) On 9 January 2008 the Ministry of Coal, Government of India allocated Seregarha coal block in the State of Jharkhand for captive mining of coal by ArcelorMittal India Private Limited and GVK Power (Govindwal Sahib) Limited. In terms of the sanction letter, a subsidiary company was formed in the name of Seregarha Mines Limited and equity shares were allotted in proportion to the coal reserves to be shared as specified in the sanction letter. Amount paid by the Company towards allotment of equity shares aggregating to ₹ 64.65 million (31 March 2019 : ₹ 64.65 million) have been recorded as investments in note 6. However the management of the Company based on its internal assessment had recorded a provision for impairment of investments in prior years.(refer note 6)

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(b) On 17 January 2008 the Ministry of Coal, Government of India allocated Rampia and Dip side of Rampia coal block in the State of Odisha for captive mining of coal by ArcelorMittal India Private Limited, GMR Energy Limited, Sterlite Energy Limited, Lanco Group Limited, Reliance Energy Limited and Navbharat Power Private Limited. In terms of the sanction letter, a joint venture company was formed in the name of Rampia Coal Mine and Energy Private Limited and shares were allotted in proportion to the coal reserves to be shared as specified in the sanction letter. Amount paid by the Company towards allotment of shares aggregating to ₹ 20.42 million (31 March 2019: ₹ 20.42 million) has been recorded as investments in note 6. In view of the decision of the Company to abandon the proposed steel plant in Odisha, the Company has approached the Government of India on 16 July 2013 seeking its approval for sale of its shares in the joint venture company to other joint venture partners/third party in terms of the articles of association/shareholders agreement. However the management of the Company based on its internal assessment had recorded a 100% provision for impairment of investments in prior years.(refer note 6). During the year the company has applied for strike off and removal of the name of the company from the register companies pursuant to section 248(2) of the Companies Act, 2013 and the rule made there under, as the company is not carrying on the business or operation for a period of two immediately preceding financial years and is unable to continue.

(c) In year 2015, Government of India amended the Mines & Minerals Development & Regulation (MMDR) Act, mandating the grant of future mining leases only through the auction route resulting in cancellation of several mining concessions. However, the mining concessions of the Company were placed in the qualified category and accordingly the Company completed all prospecting/exploration activities in respect of Karampada prospecting licence (662.95 Ha) for iron and manganese ore within the stipulated date and submitted an application to the state government for mining lease which is pending for consideration.

In addition, the Karampada mining lease (202.35 Ha) for iron and manganese ore would have remained intact subject to fulfilment of all conditions, obtaining all statutory approvals and signing of the mining lease by 11 January 2017. However, the mining lease for 202.35 Ha was not signed within 11 January 2017 as the Government did not grant forest clearance u/s 2(iii) of Forest Conservation Act, 1980 citing that sustainable mining plan in Saranda forest region was not finalised and till that time it was not desirable to grant mining lease. The Company challenged the order of the Government by filing a writ petition in the Delhi High Court which was disposed off by the High Court on 17 July 2018 without going into the merits of the matter in view of alternate remedy being available in law (i.e. appeal before National Green Tribunal in respect of Government order).

The Company filed an appeal before Division Bench, Delhi High Court, challenging the Single bench order dated 17th July 2018. On 13th December 2018, the Division bench was pleased to allow the appeal and remanded the matter back to the Writ Court – Single Bench for early disposal on merits. On 9th April, 2019, the Single bench passed an order remanding the matter i.e. Company's application u/s 2(iii) of Forest Conservation Act, 1980, back to the Government of India (MoEF) to consider the application on merits without prejudice to the issue whether the Company's application would survive after the cut-off date (11th January, 2017) as the Sustainable Mining Plan for Saranda Forest is now in place. The Government of India (MoEF) accordingly listed Company's application u/s 2(iii) of Forest Conservation Act, 1980 in Forest Advisory Committee (FAC) meeting held on 22nd May, 2019 for its decision on merits. The FAC considered the application of the Company on merits on 22nd May, 2019 and sought certain clarifications from Ministry of Mines, Govt. of India, Regional Office of MoEF and Principal Secretary (Forests), Government of Jharkhand. The Company's application would be taken up again in FAC once the requisite information is sent by the concerned authorities.

The Company has also filed another writ petition in the Delhi High Court challenging constitutional vires of the MMDR Act amendment and seeking extension of the timeline of 11 January 2017 and has obtained an interim relief that the cutoff date of 11 January 2017 will not come in the way of the mining lease if the Company is ultimately found entitled to the same. This petition is currently pending in Delhi High Court.

(d) **Thakurani Mines**

Pursuant to the Mines and Minerals (Development & Regulation) Act 1957, and the Mineral (Auction) Rules , 2015 as amended , Odisha Government invited tender during the financial year to commence auction process for granting of mining lease for Thakurani Iron Ore Block at Keonjhar District in Odisha. An e-auction process was conducted for the said block and AMIPL was declared the preferred bidder having quoted a final price offer of 107.55%. AMIPL , based on the tender conditions made the payment of INR 154.51 million, being the first instalment of 10% of the upfront fee on 19th February 2020. Accordingly , AMIPL received letter of intent from the State Government on 2nd March 2020. The lease is valid for 50 years. AMIPL made payments of 90% of balance of upfront fee in two instalments – INR 154.51 million (10%) on 02 June 2020 and last one INR 1236.07 million (80%) of the upfront on 25 June 2020. The company signed the Mining and Production and Development Agreement (MDPA) on 25th June 2020 and the Mining Lease agreement on 27th June 2020 . The production from the Thakurani Mines started on 14 July 2020 and first shipment of iron ore fines took place to ArcelorMIttal Nippon Steel India Limited, subsidiary of AMIPL on 07 August 2020. This mine is a captive mine of AMIPL.

34 Transfer pricing

The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

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35 Employee benefit obligations

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Gratuity	3.37	9.33	1.49	7.71
Compensated absences	2.03	6.33	0.85	5.46
Total	**5.40**	**15.66**	**2.34**	**13.67**

A Gratuity

The Company offers the employee benefit schemes of Gratuity to its employees. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

(i) Amount recognised in the statement of profit and loss and capital work-in-progress is as under:

Description	31 March 2020	31 March 2019
Current service cost	2.03	1.29
Net interest cost	0.70	0.57
Net impact on profit (before tax) and capital work-in-progress	**2.73**	**1.86**
Actuarial loss/(gain) recognised during the year	0.77	0.01
Amount recognised in total comprehensive income	**3.50**	**1.37**

(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:

Description	31 March 2020	31 March 2019
Present value of defined benefit obligation as at the start of the year	**9.20**	**7.33**
Current service cost	2.03	1.29
Interest cost	0.70	0.57
Actuarial loss/(gain) on obligation	0.77	0.01
Benefits paid	-	-
Present value of defined benefit obligation as at the end of the year	**12.70**	**9.20**

(iii) Breakup of actuarial (gain)/loss:

Description	31 March 2020	31 March 2019
Actuarial (gain)/loss from change in demographic assumption	0.01	-
Actuarial (gain)/loss from change in financial assumption	0.96	0.05
Actuarial (gain)/loss from experience adjustment	(0.20)	(0.04)
Total actuarial (gain)/loss	**0.77**	**0.01**

(iv) Actuarial assumptions

Description	31 March 2020	31 March 2019
Discount rate	6.80%	7.66%
Future basic salary increase	7.54%	7.54%
Retirement age (years)	65	65
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	
Ages (withdrawal rate %)		
- Upto 30 years	3.00%	3.00%
- From 31 to 44 years	2.00%	2.00%
- Above 44 years	1.00%	1.00%

1 The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of obligations.
2 The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
3 The weighted average duration of the defined benefit obligation as at 31 March 2020 is 16 to 17 years (31 March 2019: 15 to 16 years).

Actuarial method

a) Actuary used the projected unit credit (PUC) actuarial method to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).

b) Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active member of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

(vi) Sensitivity analysis for gratuity liability

Description	31 March 2020	31 March 2019
Impact of the change in discount rate		
Present value of obligation at the end of the year	12.70	9.20
- Impact due to increase of 0.50 %	(0.60)	(0.04)
- Impact due to decrease of 0.50 %	0.66	0.43
Impact of the change in salary increase		
Present value of obligation at the end of the year	12.70	9.20
- Impact due to increase of 0.50 %	0.65	0.43
- Impact due to decrease of 0.50 %	(0.59)	(0.04)

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The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(vii) **Maturity profile of defined benefit obligation**

Description	31 March 2020	31 March 2019
Within next 12 months	3.37	1.49
Between 1-5 years	2.21	3.97
5 years onwards	7.12	3.74

B Compensated absences

The leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

Amount recognised in the statement of profit and loss is as under:

Description	31 March 2020	31 March 2019
Current service cost	2.25	1.46
Net interest cost	0.48	0.45
Actuarial loss/(gain) recognised during the year	(0.68)	(1.39)
Amount recognised in the statement of profit and loss	**2.05**	**0.52**

C Provident fund

The Company makes Provident Fund contributions to defined contribution plan for qualifying employees. The Company recognised ₹ 5.09 million (31 March 2019: ₹ 3.43 million) for Provident Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

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36 Related party transactions

In the normal course of business, the Company enters into transactions with its parent company and other affiliated companies. The names of related parties of the Company as required to be disclosed under Indian Accounting Standard 24 is as follows:

(a) Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding company	ArcelorMittal SA (till 11 December 2019)
Ultimate Holding company	AMNS Luxembourg Holding SA (w.e.f. 11 December 2019)
Holding company	Oakey Holding B.V, the Netherlands
Fellow subsidiaries	ArcelorMittal Design & Engineering Centre, Private Limited (till 11 December 2019)
	ArcelorMittal Europe, SA (till 11 December 2019)
	ArcelorMittal International (till 11 December 2019)
	ArcelorMittal Projects India Private Limited (till 11 December 2019)
	ArcelorMittal Tubarao Plant, Brasil (till 11 December 2019)

Subsidiaries

1 Seregarha Mines Private Limited
2 AM Mining India Private Limited
3 ArcelorMittal Nippon Steel India Limited (AMNSI)
4 Essar Steel Middle East FZE (ESMEF)***
5 Essar Steel UAE Limited***
6 PT AMNS Indonesia (PTEI)***
7 AMNS Shared Services Limited. (PSCL)***
8 Essar Steel Trading FZE (ESTF)***
9 Essar Steel Logistics Limited (ESLL)***
10 Essar Steel Offshore Limited. (ESOSL)***
11 Essar Minerals Limited (FKA Essar Mining Limited) ***
12 Essar Mineral Cooperatief U.A.# ***
13 Essar Minerals Canada Limited ***#
14 Essar Minerals INC ***#
15 New Trinity Holding LLC (NTHL)***#
16 Banner Coal Terminal LLC ***#
17 Bear Fork Resources LLC ***#
18 Deep Water Resources LLC ***#
19 Falcon Resources LLC ***#
20 Frasure Creek Mining LLC ***#
21 Hughes Creek terminal LLC ***#
22 Levisa Fork Resources LLC ***#
23 Little Elk Mining Company LLC ***#
24 New Resources Inc. (NRI)***#
25 New Trinity Coal Inc. (NTCI)***#
26 North Springs Resources LLC ***#
27 Prater Branch Resources LLC ***#
28 RMG INC ***#
29 Trinity Coal Corporation ***#
30 Trinity Coal Marketing LLC (EMA) ***#
31 Trinity Coal Partners LLC ***#
32 Trinity Parent Corporation ***#
33 Trinity RMG Holding LLC ***#

*** Related parties w.e.f. 16 December 2019. These are subsidiaries/step down subsidiaries of AMNSI.

These companies are subsidiaries/step down subsidiaries of ESOL. The name of ESOL has been removed from the Register under Section 308 of the Mauritius's Companies Act 2001 w.e.f. 26 November 2019. Further AMNSI has pass Board Resolution on 24th June 2020 for winding-up of ESOL and its subsidiaries.

Joint Ventures

1 Rampia Coal Mine and Energy Private Limited (ownership interest 13.04%)

Associates

1 Essar Steel Processing FZCO (ESP-FZCO)(w.e.f. 16 December 2019)

Key Management Personnel (KMP)

1 Kalyan Ghosh (Chief Financial Officer)
2 Java Joshi (Company Secretary)
3 Sanjay Sharma (Director) (till 16.12.19)
4 Aditya Mittal (Director)
5 Prabh Das (Director)
6 Dilip Oommen (Director)
7 Subir Kumar Khasnobis (Alternate Director)
8 Hideki Ogawa (Director)
9 Brian Edward Aranha (Director)
10 Hiroshi Ebina (Alternate Director)
11 Katsuhiro Miyamoto (Director)
12 Yoichi Furuta (Director)
13 Hiroyuki Nitta (Director)
14 Van Grembergen Hilde Magda Jacqueline (Director)
15 Taisuke Nomura (Director)

During the Financial Year, there has been a change in structure of ownership of AMIPL, prior to the takeover of ESIL which resulted in AMIPL becoming a joint venture of ArcelorMittal S.A. and Nippon Steel Corporation of Japan . The ownership changed at AMNS Luxembourg Holding SA , the parent company of Oakey Holding B.V. , Netherlands, the holding company of AMIPL with 40% stake taken over by Nippon Steel Corporation , Japan with 60% continuing to be with ArcelorMittal Belval & Differdange SA , a step down subsidiary of ArcelorMittal SA.
Accordingly, the company's Board was recast. Currently the company has a 12 member Board (including alternate directors)with 6 from ArcelorMittal and 6 from Nippon Steel Corporation.

Key management personnel remuneration includes the following expenses:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	14.35	11.14
Post-employment benefits	0.32	0.26
Other long term employee benefits	0.16	(0.10)
Share based payment	0.17	0.30
Total remuneration	**15.00**	**11.00**

ArcelorMittal India Private Limited
Notes forming part of the financial statements for the year ended 31st March 2020
(All amount in ₹ million unless otherwise stated)

(b) Details of related party transactions:

		For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**Other Income**		
	Ultimate Holding company (ArcelorMittal SA)		
	- Service Charge	39.20	27.00
	Subsidiary		
	AM Mining India Private Limited		
	- Service Charge	1.92	-
	ArcelorMittal Nippon Steel India Limited		
	Interest income	9,441.98	-
B.	**Expenses**		
	Ultimate Holding company (ArcelorMittal SA)		
	- Guarantee Fee	9.22	1.06
	- Miscellaneous expenses	0.48	-
	Holding company		
	Interest on ECB	5,716.95	-
	Fellow Subsidiary		
	ArcelorMittal Europe SA		
	- Communication expenses	-	0.64

		For the year ended 31 March 2020	For the year ended 31 March 2019
C.	**Reimbursement of expenses (received)**		
	Ultimate Holding company (ArcelorMittal SA)		
	- Travelling & Other expenses	11.50	14.03
	- Share based payments to	-	0.18
	Fellow subsidiary		
	ArcelorMittal Projects India Private Limited		
	- Travelling expenses	-	0.05
	ArcelorMittal International		
	- Miscellaneous expenses	-	0.13
	'Seregarha Mines Private Limited		
	- Miscellaneous expenses	0.14	-
D.	**Reimbursement of expenses (paid)**		
	Fellow subsidiaries		
	ArcelorMittal Projects India Private Limited		
	- Miscellaneous expenses	0.14	0.34
E.	**Other transactions**		
	Borrowings		
	Holding company (Oakey Holding BV)	240,000.00	-
	Investment made during the year		
	ArcelorMittal Nippon Steel India Limited	92,220.00	-
	AM Mining India Private Limited	10.00	-
	Debt acquisition		
	ArcelorMittal Nippon Steel India Limited	360,978.63	-
	Repayment of Debt acquisition		
	ArcelorMittal Nippon Steel India Limited	5,490	-
	Issue of share capital		
	Holding company (Oakey Holding BV)	131,468.93	-
	Share Applocation Money received		
	Holding company (Oakey Holding BV)	59,820.00	-

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(c) Details of outstanding balances with related parties:

	As at 31 March 2020	As at 31 March 2019
Balance outstanding at the end of the year		
Trade payables		
Ultimate Holding company (ArcelorMittal SA)	9.71	1.23
Borrowings		
Holding company (Oakey Holding BV)	240,000.00	-
Other financials liabilities (Interest payable)		
Holding company (Oakey Holding BV)	5,314.11	-
Financial Amount receivables		
Subsidiary		
ArcelorMittal Nippon Steel India Limited	355,797.01	-
Other financials assets (Interest receivables)		
Subsidiary		
ArcelorMittal Nippon Steel India Limited	8,281.87	-
Investments (Before Impairment)		
Subsidiary		
Seregarha Mines Private Limited	64.65	64.65
ArcelorMittal Nippon Steel India Limited	92,461.62	-
AM Mining India Private Limited	10.00	-
Joint ventures		
- Rampia Coal Mine and Energy Private Limited	20.42	20.42
Other financial assets		
Ultimate Holding company (ArcelorMittal SA)		
- Receivables against service income	17.47	9.90
Subsidiary		
AM Mining India Private Limited		-
- Receivables against service income	2.08	-
Subsidiary		
Seregarha Mines Private Limited		
Other receivables	0.14	-
Bank guarantee given		
Subsidiary		
- Seregarha Mines Limited	-	180.00
Bank guarantee taken		
Ultimate Holding company (ArcelorMittal SA)	3,850.00	50,232.50

37 **Segment reporting**

The Company has determined its only business segment as prospecting and mining of iron ore and manufacture of iron, steel and other alloys for earning revenues for which information is reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Hence, the Company has only one reportable segment as per the requirements of Ind AS 108 – 'Operating Segment'.

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38 Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2 (J) to the financial statements.

i) Financial instruments by category

	31 March 2020			31 March 2019		
Particulars	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Security deposits	-	-	31.78	-	-	16.12
Financial amount receivables	58,102.72	-	355,797.01	58,351.57	-	-
Other financial assets			8,301.42			17.81
Cash and cash equivalents	-	-	1,029.79	-	-	18,940.58
Total	**58,102.72**	**-**	**365,160.00**	**58,351.57**	**-**	**18,974.51**
Financial liabilities						
Borrowings	-	-	240,000.00	-	-	0.74
Lease Liability	-	-	6.17	-	-	-
Trade payables	-	-	63.24	-	-	94.97
Other financial liabilities	-	-	5,334.04	-	-	17.26
Total	**-**	**-**	**245,403.45**	**-**	**-**	**112.97**

Note:

*Investments in subsidiary and joint ventures are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial Instruments measured at fair value

31st March, 2020	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial amount receivables				58,102.72	
Total financial assets		**-**	**-**	**58,102.72**	
Financial liabilities					
Financial instruments at FVTPL	-	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

Financial Instruments measured at fair value

31st March, 2020	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial amount receivables				58,351.57	
Total financial assets		**-**	**-**	**58,351.57**	
Financial liabilities					
Financial instruments at FVTPL	-	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

There were no movement between level 1 and level 2 during the period.

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iii) Valuation process and technique used to determine fair value

a) In order to arrive at the fair value of the financial amount receivable, the Company has carried out the valuation of the receivables under discounted cash flow (DCF).

Fair value of receivable of ₹ 51675.71 million (31 March 2019: ₹ 50,425.90 million) from Uttam Galva Steel Limited (UGSL) as well as KSS Petron Pvt Limited (KSS) ₹ 6,427.01 million (31 March 2019: ₹ 7,925.67 million) are determined by discounting the expected cash flows. In this , the estimated cash flow of UGSL, are based on estimated future projections from the company. This has not resulted any additional impairment during the year. As regards KSS, similar exercise has been carried out by estimating cash flows of the Company assuming the liquidation of KSS along with one of its subsidiary "Petron Engineering Company Limited" based on decisions of the Committee of Creditors of both the companies. The liquidation of both the companies have received approval of NCLT, Mumbai. In addition, the Company has considered fair value of receivables by discounting cash flows of another subsidiary "Bhubaneshwar Expressway Private Limited" (BEPL) of KSS based on arbitration award given by the Arbitration Tribunal for Cost overrun and termination payment as per the Audited Financials of BEPL for the year ended 31st March 2019 with an appropriate discount rate which commensurate with the risk inherent in the expected cash flows.

b) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iv) Significant unobservable inputs used in Level 3 fair values and sensitivity of the closing values as at end of reporting period to such inputs is as below :

Impact on fair value if change in risk adjusted discount rate	As at 31 March 2020	As at 31 March 2019
- Impact due to increase of 100 bps	(5,204.07)	(37.90)
- Impact due to decrease of 100 bps	6,582.30	39.00

v) The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

As at 31 March 2018	-
Asset recognised in the year	64,861.27
Gain/(loss) due to change in fair value recognised in statement of profit and loss	(6,509.70)
As at 31 March 2019	58,351.57

As at 31 March 2019	58,351.57
Amount Paid/ Received (net) during the year	171.44
Gain/(loss) due to change in fair value recognised in statement of profit and loss	(420.30)
As at 31 March 2020	58,102.72

39 Financial Risk Management, Objectives and Policies

A) Capital Management

i) Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the Company.

Net debt implies total borrowings of the Company as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the Company.

The following table summarises the Net Debt, Equity and Ratio thereof.

Particulars	31 March 2020	31 March 2019
Total borrowings	240,000.00	0.74
Lease liability	6.17	-
Less: Cash & Cash Equivalents & Other bank balances	1,029.79	18,940.58
Net Debts (A)	238,976.38	-18,939.84
Total equity (refer note 16 & 17)	273,676.35	80,308.38
Net debt to capital employed Ratio (A/B)	**0.87**	**(0.24)**

No changes were made in the objective policies & process for expenditure as on 31st March 2020 & 31st March 2019.

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ii) **Dividends**

The company has not declared any dividend for FY 2018-19 and no dividend has been proposed for FY 2019-20.

B) **Financial Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the company has risk management policies as described below :-

i) **Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- loans & receivables carried at amortised cost,
- loans carried at FVTPL and
- deposits with banks

a) **Credit risk management**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from deposits with banks and other parties, inter-corporate deposits, loans and advances to staff. The Company periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical ageing of accounts. Bank deposits are placed as collateral / margin money to avail fund & non-fund based facilities from Banks / Financial Institutions. Hence, there is no significant credit risk on such Deposits except the Company is exposed to credit risk in relation to financial amount receivables that are measured at fair value through profit & loss account. The maximum exposure at the end of the reporting period is the carrying amount of these financial amount receivables INR 58,102.72 million (31 March 2019: ₹ 58,351.57 million)

ii) **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity Companyings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2020	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	-	240,000.00	-	**240,000.00**
Lease Liability	4.41	1.76		**6.17**
Trade payables	63.24	-	-	**63.24**
Other financial liabilities	5,334.04	-	-	**5,334.04**
Total	**5,401.70**	**240,001.76**	**-**	**245,403.45**

31 March 2019	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	0.27	0.52	-	**0.79**
Trade payables	94.97	-	-	**94.97**
Other financial liabilities	17.26	-	-	**17.26**
Total	**112.50**	**0.52**	**-**	**113.02**

iii) **Market Risk**

a) **Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and EURO. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited and the Company hence does not use any derivative instruments to manage its exposure. Also, the Company does not use forward contracts and swaps for speculative purposes.

(i) **Foreign currency risk exposure in USD:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	31 March 2020	31 March 2019
Financial assets	17.47	9.90
Financial liabilities	0.45	0.16
Net exposure to foreign currency risk (liabilities)	**17.02**	**9.75**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2020	31 March 2019
USD sensitivity		
INR/USD- increase by 100 bps (31 March 2019 100 bps)*	0.17	0.10
INR/USD- decrease by 100 bps (31 March 2019 100 bps)*	(0.17)	(0.10)

* *Holding all other variables constant*

(ii) **Foreign currency risk exposure in EURO:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	31 March 2020	31 March 2019
Financial assets	-	-
Financial liabilities	0.04	0.02
Net exposure to foreign currency risk (liabilities)	**(0.04)**	**(0.02)**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2020	31 March 2019
EURO sensitivity		
INR/EURO- increase by 100 bps (31 March 2019 100 bps)*	(0.00)	(0.00)
INR/EURO- decrease by 100 bps (31 March 2019 100 bps)*	0.00	0.00

* *Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowing and long term borrowings with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Below is the overall exposure of the company to interest rate risk:

Particulars	31 March 2020	31 March 2019
Variable rate borrowings	-	-
Fixed rate borrowings	240,000.00	0.74
Total borrowings	**240,000.00**	**0.74**

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Company does not have any investment in equity instruments which create an exposure to price risk.

d) Other Risk

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Company plants and offices were under nationwide lockdown since March 24, 2020 and operations are being resumed in a phased manner taking into account directives from the Government. As a result of lockdown the volumes for the month of March 2020 have been impacted and consequently, the performance for the month of March 2020 has also been partially impacted. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lockdown. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the financial statements.

Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the financial statements. The impact on our business will depend on future developments that cannot be reliably predicted. It is uncertain how long these conditions will last. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statements and the Company will closely monitor any material changes to future economic conditions. Management expects no significant impact on the continuity of operations of the business on a long term basis.

40 Acquisition of Debts/Loan Given

The shareholders of the Company had approved the submission of resolution plan (the "Plan") 05 February 2018 which was submitted to the Committee of Creditors ("COC") of Essar Steel India Limited ("ESIL") on 02 April 2018. The Company's eligibility to submit the Plan was challenged under Section 29A(c) of the Insolvency and Bankruptcy Code, 2016 ("IBC"), inter alia, on the ground that it was a "connected person" of Mr. L.N. Mittal, purportedly in "control" of Uttam Galva Steels Limited ("UGSL") & KSS Petron Private Limited ("KSS Petron").

UGSL's account was classified as a 'non-performing asset' (NPA) on 31 March 2016 by Canara Bank and Punjab National Bank (which classification had continued for more than 1 year prior to ESIL's insolvency (2 August 2017).

KSS Petron was admitted to insolvency on 1 August 2017 after its account remained a 'non-performing asset' (NPA) for more than the prescribed duration stipulated in Section 29A(c) of IBC.

The Hon'ble Supreme Court of India (the "Supreme Court") in its judgment dated 4 October 2018 (the "Judgment") found the Company to be ineligible under Section 29A(c) of the IBC. Further, in exercise of its inherent powers, the Hon'ble Supreme Court provided an opportunity to the Company to cure such ineligibility by making payment of the overdue amounts under the loan accounts of UGSL which had been declared NPA for a period of one year prior to the commencement of ESIL's insolvency (2 August 2017) within two weeks from the date of receipt of the Judgment (18 October 2018).

Acquisition of UGSL Debt

Pursuant to the Judgment, UGSL's financial creditors (each, a "UGSL Financial Creditor"), through State Bank of India, submitted to the Company a statement of the aggregate of principal amounts overdue and payable as on 30 September 2018 and interest due and payable as on 17 October 2018 (the "UGSL Assigned Loans") by UGSL to the UGSL Financial Creditors in respect of the financial assistance availed under the terms of its respective financing documents.

Subsequently, an amount aggregating to ₹ 49,223.01 million (31 March 2019: ₹ 49,223.01 million) (the "UGSL Purchase Consideration") was determined to be outstanding for payment towards principal and interest by UGSL to UGSL Financial Creditors. Based on the Company shareholder's approval dated 10 October 2018, the Company on 17 October 2018, entered into an assignment agreement with the UGSL Financial Creditors, pursuant to which:

(i) The Company made payment of the UGSL Purchase Consideration to the respective UGSL Financial Creditors;
(ii) the UGSL Financial Creditors unconditionally and irrevocably assigned to the Company the UGSL Assigned Loans on an "as is where is", "as is what is" and "without recourse" basis; and
(iii) all agreements, deeds and documents related to the UGSL Assigned Loans and all collateral and underlying security interests in respect of the UGSL Assigned Loans, which the respective UGSL Financial Creditors were entitled to, stood assigned in the Company's favour.

The receivables acquired from the lenders of UGSL have been classified by the Company as Fair Value Thorough Profit and Loss ('FVTPL'), as these receivables are not held within a business model whose objective is to hold such receivables in order to collect contractual cash flows.

The Company had initially recognized financial amount receivables from UGSL at a fair value of ₹ 49,223.01 million. Subsequent to the acquisition of UGSL Assigned Loans during the year 2018-19, the Company has also made available to UGSL an aggregate amount of ₹ 2,376.50 million by way of inter-corporate deposits, on the terms and conditions contained in various inter-corporate loan agreements executed between the Company. Further, the company has booked an impairment loss of ₹ 1,173.60 million in statement of profit & loss during the year 2018-19 and fair valued the loan amount (net of impairment) at ₹ 50,425.91 million as on 31 March 2019.
During the year 2019-20 the Company has further made available an amount of Rs. 1249.80 million by way of inter-corporate deposit to UGSL totaling the inter corporate deposits amount to ₹ 3,626.30 million. Out of ₹ 3,626.30 million, ₹ 3429.80 million is secured for which the Company is in the process of security charge creation. At the year end the Company's management has subsequently measured the financial amount receivable at Rs. 51,675.71 million (Net of impairment ₹ 1,173.60 million) from UGSL based on its fair value assessment.

Acquisition of KSS Debt

Pursuant to the Judgment, KSS Petron's CoC issued a letter dated October 16, 2018 (the "KSS CoC Letter"). According to the KSS CoC Letter, the Company was required to pay the claims of each financial creditor of KSS Petron including the debt of its subsidiary namely Petron Engineering Construction Ltd and Bhubaneshwar Expressways Pvt Ltd for which loans was guaranteed by KSS Petron (each, a "KSS Financial Creditor") that had been admitted by its Resolution Professional (the "KSS RP") as on 3 October 2018 as well as any amounts that were admitted by the KSS RP after such date.
Subsequently, the KSS RP confirmed that claim amounts of KSS Financial Creditors aggregating to ₹ 13,438.91 million (31 March 2019: ₹ ₹ 13,438.91 million) (the "KSS Purchase Consideration") had been admitted as on 16 October 2018. Based on the Company shareholder's approval dated 10 October 2018, the Company on 17 October 2018, entered into an assignment agreement with the KSS Financial Creditors, pursuant to which:

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(i) The Company made payment of the KSS Purchase Consideration to the respective KSS Financial Creditors;
(ii) the KSS Financial Creditors unconditionally and irrevocably assigned to the Company the loan agreements based on which the claims of such creditors had been filed with the KSS RP (the "KSS Assigned Loans") on an "as is where is", "as is what is" and "without recourse" basis; and
(iii) all agreements, deeds and documents related to the KSS Assigned Loans and all collateral and underlying security interests in respect of the KSS Assigned Loans, which the respective KSS Financial Creditors were entitled to, stood assigned in the Company's favour.

The receivables acquired from the lenders of KSS Petron including of its subsidiary namely Petron Engineering Construction Ltd and Bhubaneshwar Expressways Pvt Ltd have been classified by the Company as Fair Value Thorough Profit and Loss ('FVTPL'), as these receivables are not held within a business model whose objective is to hold such receivables in order to collect contractual cash flows.

The Company had initially recognized financial amount receivables from KSS at ₹ 13,438.90 million and booked an impairment loss of ₹ 5,336.10 million in the Statement of Profit & Loss during the year 2018-19. Further, the company had received ₹ 177.14 million from the lenders of KSS during the year 2018-19. During the year 2019-20, the Company has received ₹ 1,078.35 million from Lenders of KSS. At the year end, the Company has fair valued the balance amount of ₹ 6,427.01 million after recording an impairment loss of ₹ 420.30 million during the year 2019-20.

Acquisition of ESIL (AMNSI)

"Pursuant to the order dated 2nd August 2017, passed by the National Company Law Tribunal – Ahmedabad Bench (NCLT),Corporate Insolvency Resolution Process (CIRP) was initiated for Essar Steel India Limited (ESIL) in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. ArcelorMittal India Private Limited (AMIPL) submitted a resolution plan that was approved by the Hon'ble Supreme Court of India vide its order dated November 15, 2019 after considering the order of the NCLT dated March 08, 2019 and the order of the NCLAT dated July 04, 2019. The acquisition process was completed by AMIPL on 16th December, 2019 by subscribing to 2,000,000,000 equity shares of Rs. 10 each of INR 20,000 Million, comprising 100% of the issued and paid up equity share capital of the ESIL. Simultaneously, INR debt of ESIL was acquired by AMIPL as per Resolution Plan at a negotiated value of INR 3,61,528.63 million by way of assignment of such debt from erstwhile financial creditors of ESIL to AMIPL. The said assignment of debt by the erstwhile financial creditors to AMIPL was done unconditionally and irrevocably on "as is, where is", "as is, what is" and "without recourse" basis, with effect from 16 December 2019.

Since then AMIPL alongwith its nominee shareholders is the 100% holding company for ESIL. The name of ESIL was changed to ArcelorMittal Nippon Steel India Limited (AMNSI) with effect from 08 January 2020.

Further, the Company infused additional capital by way of subscription of 7,222,000,000 equity shares of Rs. 10 each of INR 72,220 million on 13 February, 2020."

41 Composite Scheme of Arrangement

" On September 18, 2020 , the Board of Directors of the company approved the "Composite Scheme of Arrangement" under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act , 2013 wherein certain identified assets and liabilities of the company have been proposed to be transferred to M/S AM Associates India Private Limited (transferee company) against shares to be issued and merger of the company with residual assets and liabilities with its fully owned subsidiary , ArcelorMittal Nippon Steel India Limited (amalgamated company) . The said scheme has been filed with National Company Law Tribunal , Ahmedabad on November 13, 2020 and is awaiting its approval."

42 Previous years figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
M.No. 66274

Place: Kolkata
Date: 28.12.2020

SINGHI & CO. Chartered Accountants

For and on behalf of the Board of Directors of
ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

Singhi & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of ArcelorMittal India Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **ArcelorMittal India Private Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its joint venture and associate, (refer Note 55 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries and step down subsidiary referred to in the Other Matter section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture and associate as at March 31, 2020, and its loss including other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint venture and of associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its joint venture and associate respectively and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group, of its joint venture and of associate are responsible for assessing the ability of the Group, of its joint venture and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its joint ventureand associate to continue as a going concern.If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to therelated disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion.Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and jointventure to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint venture and associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

a. The Consolidated financial statements of the Company for the year ended March 31, 2019 were audited by another auditor whose report for the year ended March 31, 2019, expressed an unmodified opinion on those statements.
b. We did not audit the standalone financial statements/ financial information of one Indian subsidiary which comprise the Balance sheet as at March 31,2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period December 16, 2019 to March 31, 2020 and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information as considered in the consolidated financial statements whose standalone financial statements reflect total assets of Rs. 527,881.40 million and net assets of Rs. (-) 5363.60 million as at March 31, 2020, total revenues of Rs. 77,695.70 million, total comprehensive income of Rs. (-) 75,765.70 million and net cash outflow amounting to Rs.376.90 million for the period ended on that date. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and in our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary are based solely on the reports of the other auditors.

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c. We did not audit the standalone financial statements/ financial information of one Indian subsidiary whose standalone financial statements reflect total assets of Rs. 101.70 million and net assets of Rs. 101.53 million as at March 31, 2020, total revenues of Rs. Nil, total comprehensive income of Rs. (-) 14.85 million and net cash outflow amounting to Rs.0.48 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and in our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary are based solely on the reports of the other auditors.

d. The standalone financial statements of one step down subsidiary located outside India, which comprise the Balance sheet as at March 31,2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period December 16, 2019 to March 31, 2020 and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information as considered in the consolidated financial statements, which constitute total assets of Rs. 7,331.11 million and net assets of Rs. 6,243.07 million as at March 31,2020, total revenue of Rs.4,469.14 million, total comprehensive income of Rs. (-) 71.38 million and net cash outflows amounting to Rs. 222.84 million for the period then ended, have been prepared in accordance with accounting principles generally accepted in that country and have been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in their country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India, including other information, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

e. The standalone financial statements of three foreign step down subsidiaries located outside India which comprise the Balance sheet as at March 31,2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period December 16, 2019 to March 31, 2020 and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information as considered in the consolidated financial statements which constitute total assets of Rs. 13,802.65 million and net assets of Rs. (-) 19,074.49 million as at March 31, 2020, total revenue of Rs. 40.10 million and total comprehensive Income of Rs. (-) 503.80 million for the period ended on that date are unaudited and have been furnished to us by the Management. The Holding Company's management has converted the financial statements of such step down subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our report in so far as it relates to the amounts included in respect to above consolidated financial statements is based solely on such approved unaudited financial statements and the conversion adjustments prepared by the management of the Holding Company. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

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f. The standalone financial statements of two step down subsidiaries which comprise the Balance sheet as at March 31,2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period December 16, 2019 to March 31, 2020 and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory informationas considered in the consolidated financial statements which constitute total assets of Rs. 84.04 million and net assets of Rs. (-) 165.55 million as at March 31, 2020, total revenue of Rs. Nil and total comprehensive Income of Rs. (-) 18.38 Million for the period ended on that date are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these step down subsidiaries is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

g. The consolidated financial statements also include the Group's share of loss after tax of Rs. (-) 0.02 million and Rs. Nil for the period ended 31 March, 2020 and total comprehensive income of Rs.(-) 0.02 million and Rs. Nil for the period ended March 31, 2020 in respect of one joint venture and one associate respectively, whose standalone financial statements / financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this joint ventures and associate is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

h. The Holding Company's management has carried out acquisition accounting as per IND AS 103 "Business Combination" based on 'Report on Purchase Price Allocation' ("PPA Report") obtained from an independent valuer (refer Note 59 of consolidated financial statements) and we have audited these accounting adjustment made by the Holding Company's management.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors/ financial information as certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements of subsidiaries incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

SINGHI & CO. Chartered Accountants

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company. On the basis of the reports of the statutory auditors of its subsidiaries incorporated in India, the remuneration paid by the respective Companies to its directors during the year are in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

I. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint venture and associate. Refer Note 44 (1) to the consolidated financial statements.

II. The Holding Company and its subsidiaries incorporated in India did not have any material foreseeable losses on long-term contracts including derivative contracts.

III. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Holding company. On the basis of the reports of the statutory auditors of its subsidiaries incorporated in India, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by its subsidiaries incorporated in India during the year ended March 31, 2020.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Anurag Singh)
Partner
Membership Number: 066274
UDIN: 20066274AAAADP1970

Place: Kolkata
Date: December 28, 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **ArcelorMittal India Private Limited** of even date)

Report on the Internal Financial Controls with reference to consolidated financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial control with reference to consolidated financial statement of **ArcelorMittal India Private Limited** ("the Holding Company"), its subsidiaries including step down subsidiaries and joint venture which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries including step down subsidiaries and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statement criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statement of the Holding Company including step down subsidiaries and joint venture, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statement and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statement included obtaining an understanding of internal financial controls with reference to consolidated financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the financial controls system with reference to consolidated financial statement of the Company and its subsidiaries, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statement

A company's internal financial control with reference to consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statement

Because of the inherent limitations of internal financial controls with reference to consolidated financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statement to future periods are subject to the risk that the internal financial control with reference to consolidated financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries including step down subsidiaries and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial control with reference to consolidated financial statement and such internal financial control with reference to consolidated financial statement were operating effectively as at March 31 , 2020, based on the criteria for internal controls with reference to consolidated financial statement established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement insofar as it relates tothe subsidiaries including step down subsidiaries which are companies incorporated in India, is based on the corresponding reports of the statutory auditors of such companies incorporated in India.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

(Anurag Singhi)
Partner
Membership Number:066274
UDIN: 20066274AAAADP1970

SINGHI & CO. Chartered Accountants

Place: Kolkata
Date: December 28, 2020

ArcelorMittal India Private Limited
Consolidated Balance Sheet as at 31 March 2020
(All amount in ₹ million unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipments	4A	343,386.12	2,669.56
Right of use assets	4B	27,796.61	-
Capital work-in-progress	5	11,853.30	104.01
Goodwill	59	25,260.00	-
Intangible Assets	4C	2.43	-
Investments accounted for using the equity method	6	-	0.02
Financial assets			
Investments	6	127.50	-
Loans	7	58,103.88	55,979.61
Other Non-current Financial assets	8	1,789.10	-
Income tax assets (net)	9	98.81	0.10
Other non-current assets	10	3,468.89	473.43
Total non-current assets		**471,886.65**	**59,226.73**
Current assets			
Inventories	11	56,276.80	-
Financial assets			
Investments	12	14,469.10	-
Trade Receivables	13	8,451.70	-
Cash and cash equivalents	14	4,273.03	18,941.67
Other bank balances	15	66,119.20	-
Loans	16	1,047.91	2,388.09
Other financial assets	17	1,000.67	17.81
Other current assets	18	7,739.66	4.75
Current Tax Assets (Net)	19	766.50	-
Assets Classified as Held for Sale	20	0.08	-
Total current assets		**160,144.65**	**21,352.32**
Total assets		**632,031.30**	**80,579.04**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	221,883.37	90,414.44
Other equity	22	41,023.65	(10,041.40)
Equity attributable to owners of ArcelorMittal India Private Limited		**262,907.02**	**80,373.05**
Non-controlling Interest		58.93	51.73
		262,965.95	**80,424.78**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	23	293,682.61	0.50
Lease Liability	4B	16,220.96	-
Provisions	24	417.06	13.17
Deferred Tax Liability (Net)	25	133.30	-
Other Non Current Liability	26	1,725.40	-
Total non-current liabilities		**312,179.33**	**13.68**
Current liabilities			
Financial liabilities			
Borrowing	27	764.90	-
Lease Liability	4B	3,865.91	-
Trade payables	28		
(a) Total outstanding dues of micro enterprises and small enterprises; and		1,018.11	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,222.27	94.98
Other financial liabilities	29	32,018.35	17.50
Other current liabilities	30	3,969.18	17.95
Provisions	31	27.30	2.34
Current tax liabilities (net)	32	-	7.82
Total current liabilities		**56,886.02**	**140.59**
Total equity and liabilities		**632,031.30**	**80,579.04**

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

This is the Consolidated Balance Sheet referred to in our report of even date.

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
Membership No. 066274

For and on behalf of the Board of Directors of ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

Place: Kolkata
Date:

Singhi & Co. Chartered Accountants

ArcelorMittal India Private Limited
Consolidated Statement of Profit and Loss for the year ended 31 Mar 2020
(All amount in ₹ million unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations	33	82,198.60	-
Other income	34	1,828.48	533.12
Total income		**84,027.08**	**533.12**
Expenses			
Cost of Material Consumed	35	48,760.60	-
Purchase of Stock in Trade		337.50	-
(Increase)/Decrease in Inventories of Finished Goods and Work in Progress	36	(5,841.30)	-
Employee benefits expense	37	1,637.81	76.15
Finance costs	38	7,866.89	1.16
Depreciation and amortisation expense	39	8,526.11	10.37
Other expenses	40	30,738.34	7,636.33
Total expenses		**92,025.95**	**7,724.00**
Loss before exceptional items, share of net loss of investment accounted for the equity method and tax		**(7,998.87)**	**(7,190.88)**
Share of profit/(loss) of joint venture accounted for using equity method		(0.02)	0.13
Loss before Exceptional and tax		**(7,998.89)**	**(7,190.74)**
Exceptional Items Expense	41	972.50	-
Loss before tax		**(8,971.39)**	**(7,190.74)**
Current tax	42	1,254.99	147.96
Deferred tax	42	(344.40)	-
Net loss for the year		**(9,881.98)**	**(7,338.71)**
Other comprehensive income/ (loss) for the year			
Items that will not be reclassified to profit and loss			
Re-measurement losses on defined benefit obligations		(3.68)	(0.01)
Fair value changes in equity instruments		18.00	-
Income tax relating to these items		0.10	-
Items that will be reclassified to profit and loss			
Foreign Currency Translation Reserve		524.10	-
Cash Flow Hedges		(4.90)	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income/ (loss) for the year (net of tax)		**533.62**	**(0.01)**
Total comprehensive loss for the year		**(9,348.36)**	**(7,338.72)**
Net loss attributable to:			
Owners of ArcelorMittal India Private Limited		**(9,889.18)**	**(7,338.71)**
Non-controlling interest		**7.20**	**-**
		(9,881.98)	**(7,338.71)**
Other comprehensive income attributable to:			
Owners of ArcelorMittal India Private Limited		**533.62**	**(0.01)**
Non-controlling interest		**-**	**-**
		533.62	**(0.01)**
Total comprehensive income attributable to:			
Owners of ArcelorMittal India Private Limited		**(9,355.56)**	**(7,338.72)**
Non-controlling interest		**7.20**	**-**
		(9,348.36)	**(7,338.72)**
Earnings/(loss) per share (of ₹ 10 each) attributable to owners of ArcelorMittal India Private Limited:			
Basic	43	(0.72)	(2.34)
Diluted	43	(0.72)	(2.34)

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Singhi & Co.
FRN: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date:

For and on behalf of the Board of Directors of ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

Singhi & Co. Chartered Accountants

ArcelorMittal India Private Limited
Consolidated Cash Flow Statement for the the year ended 31 March 2020
(All amount in ₹ million unless otherwise stated)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
A. Cash Flow from Operating Activities				
Net Loss before Taxation		(8,971.39)		(7,190.74)
Adjustments for -				
Depreciation / Amortisation	8,526.11		10.37	
Share based Expense/(Reversal)	(0.28)		0.79	
Loss on sale/disposal of PPE/CWIP	4.20		279.75	
Share of profit/(loss) of joint venture	0.02		(0.13)	
Fair value loss on Financial Instrument measured at fair value through P&L	420.30		6,509.70	
Liabilities written back	(264.70)		-	
Profit on Sale of Investment	(59.20)		-	
Exceptional Items Expense	972.50		-	
Finance Costs	7,866.89		-	
Impact of Exchange Variation & Derivatives (Net)	2,998.36		(0.02)	
Interest on Deposit with Banks and Others	-			
Amortisation of Deferred Gain	(51.70)		-	
Allowance for Doubtful Debt/ Trade Advances	152.20		-	
Gain on fair valuation of Investments	(34.50)		-	
Interest income	(1,323.50)		(505.08)	
		19,220.88		6,295.38
Operating Profit before movements in Operating Assets and Liabilities:		**10,249.49**		**(895.36)**
Adjustment for				
Other Long Term Liabilities				
Trade Payables	(12,146.44)		30.24	
Other Financial Current Liabilities	(219.47)		3.65	
Other Current Liabilities	(5,446.70)		10.27	
Long Term Provisions	97.48		2.38	
Inventories	(10,709.20)		-	
Trade Receivables	1,660.38		-	
Short Term Loans and Advances	3.00		-	
Other Current Assets	10,384.98		(140.91)	
Other Non Current Financial Assets	1,015.66		(7.25)	
Other Current Financial Assets	2,080.28		0.92	
		(13,280.01)		(100.70)
Cash used in Operations		(3,030.51)		-
Income Taxes (Paid) (net)		(1,335.92)		(140.29)
Net Cash used in Operating Activities		(4,366.43)		(1,136.35)
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment, intangible assets, Capital Work in Progress	(7,911.42)		(133.41)	
Acquisition of financial assets	(362,778.42)		(64,861.27)	
Proceeds from sale of Property, plant and equipment	-		0.05	
Payment received against financial assets	1,078.35		-	
Interest received	1,918.96		503.96	
Proceeds from Sale of Current Investments	10,879.20		-	
Purchase of Current Investments	(21,284.20)		-	
Interest Received	556.30		-	
Increase in Deposit with Banks (Net)	(59,992.10)		85.00	
Net Cash used in Investing Activities		(437,533.31)		(64,405.67)

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C. Cash Flow from Financing Activities

Share application money received	59,820.00		-	
Proceeds from issue of share capital	131,468.93		84,450.00	
Interest payment on Income tax/TDS	(5.35)		-	
Payment towards guarantee fee	(1.06)		-	
Payment towards lease liability	(9.57)		-	
Proceeds from Borrowings	240,000.00		-	
Repayment of Borrowings (Net)	(5,052.40)		(0.09)	
Payment towards Lease liabilities	(2,327.60)		-	
Finance Cost paid	(587.64)		-	
Net Cash Generated from Financing Activities		423,305.32		84,449.92
Net Decrease in Cash and Cash Equivalents		**(18,594.44)**		**18,907.89**
Cash and Cash Equivalents as at Opening		18,941.67		33.78
Add: Addition pursuant to acquisition of business (refer note 59)		3,925.80		-
Cash and Cash Equivalents at 31st March, 2020		4,273.03		18,941.67
Net Decrease in Cash and Cash Equivalents		**18,594.44**		**18,907.89**

Notes:

1 The above Cash Flow Statement has been prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.

2 Reconciliation of borrowings during the period

Particulars	**Amount**
Borrowing as at beginning of the financials year	-
Addition pursuant to acquisition of AMNSI	56,784.40
Addition	240,000.00
Repayment of borrowings	(5,052.40)
Transfer to capital contribution	(600.72)
Interest accrued (net of tds)	6,510.55
Exchange variation	3,406.40
Borrowing as at Closing	**301,048.23**

3 Cash and Cash Equivalents included in the Cash Flow Statement comprise the following Balance Sheet amounts :

Balances with banks:	2,653.65	786.24
- in current accounts	1,470.75	18,155.38
- deposits with original maturity less than three months	-	-
- deposits with original maturity for more than 12 months	-	-
Cash on hand	0.13	0.04
Cheques on hand	148.50	-
	4,273.03	**18,941.67**

4 Previous year's figures have been regrouped where necessary to conform to this year's classification.

The above Consolidated Cash Flow Statements should be read in conjunction with the accompanying notes

This is the Consolidated Cash Flow Statements referred to in our report of even date.

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date:

For and on behalf of the Board of Directors of ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

SINGHI & CO. Chartered Accountants

ArcelorMittal India Private Limited
Consolidated Statement of changes in equity for the year ended 31 March 2020
(All amount in ₹ million unless otherwise stated)

A Equity share capital

	Amount
Balance as at 01 April 2018	**5,834.44**
Changes in equity share capital during the year	84,580.00
Balance as at 31 March 2019	**90,414.44**
Changes in equity share capital during the year	131,468.93
Balance as at 31 March 2020	**221,883.37**

B Other equity

Particulars	Attributables to owners of the company							Non-controlling Interest	Total
	Reserves and surplus			Other comprehensive income			Total Attributables to owners of the company		
	Share application money	Capital Contribution from parents	Retained earnings	Foreign Currency Translation Reserve	Cash Flow Hedges	Equity instrument through OCI			
Balance as at 01 April 2018	**130.00**	**2.37**	**(2,705.84)**	-	-	-	**(2,573.47)**	**51.73**	**(2,521.74)**
Loss for the year	-	-	(7,338.71)	-	-	-	(7,338.71)	-	**(7,338.71)**
Other comprehensive income/ (loss) for the year:									**-**
Remeasurement of defined benefit obligations	-	-	(0.01)	-	-	-	(0.01)	-	**(0.01)**
Total comprehensive income/(loss) for the year	-	-	**(7,338.72)**				**(7,338.72)**	**-**	**(7,338.72)**
Transactions with owners in their capacity as owners:									
Employee stock option charge for the year	-	0.79	-	-	-	-	0.79	-	**0.79**
Share allotted during the year against share application money	(130.00)	-	-	-	-	-	(130.00)	-	**(130.00)**
Balance as at 31 March 2019	**-**	**3.16**	**(10,044.55)**	**-**	**-**	**-**	**(10,041.40)**	**51.73**	**(9,989.67)**
Loss for the year	-	-	(9,889.18)	-	-	-	(9,889.18)	7.20	**(9,881.98)**
Other comprehensive income/ (loss) for the year:									**-**
Remeasurement of defined benefit obligations	-	-	(3.58)	-	-	-	(3.58)	-	**(3.58)**
Foreign Currency Translation Reserve			-	524.10			524.10		**524.10**
Cash Flow Hedges	-	-	-		(4.90)	-	(4.90)	-	**(4.90)**
Fair value changes in equity instruments	-		-			18.00	18.00		**18.00**
Total comprehensive income/(loss) for the year	**-**	**-**	**(9,892.76)**	**524.10**	**(4.90)**	**18.00**	**(9,355.56)**	**7.20**	**(9,348.36)**
Transactions with owners in their capacity as owners:									
Share application Money Received during the year	59,820.00	-	-	-	-	-	59,820.00	-	**59,820.00**
Capital contribution during the year	-	600.60	**-**	**-**	**-**	**-**	600.60	-	**600.60**
Balance as at 31 March 2020	**59,820.00**	**603.76**	**(19,937.31)**	**524.10**	**(4.90)**	**18.00**	**41,023.65**	**58.93**	**41,082.58**

The above Consolidated Statement of changes in equity should be read in conjunction with the accompanying notes

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Singhi & Co.
Chartered Accountants
FRN: 302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date:

SINGHI & CO. ★ Chartered Accountants ★

For and on behalf of the Board of Directors of ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)

The Consolidated financial statements comprise financial statements of ArcelorMittal India Private Limited ("AMIPL") ('the Holding Company') and its subsidiaries (collectively the "Group") and includes the Group's share of profit in its associate and joint venture, for the year ended March 31, 2020. The Holding Company is a private limited company domiciled in India and having its registered office at Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad – 380014, Gujarat, India, was incorporated on 10 April 2006, under the Companies Act 1956 to carry on the business of prospecting, and mining of iron ore and manufacture of iron, steel and other alloys. On 10 April 2016 the Holding Company amended its memorandum of association to include the business of generation/supply/transmission of electricity by any source such as solar, wind, hydro, thermal etc. Information on the Group's structure is provided in Note 55.

The Consolidated financial statements of the group for the period ended 31st March, 2019, were audited by the Price Waterhouse & Co Chartered Accountants LLP, the predecessor auditor.

The financial statements of the Group for the year ended 31 March 2020 are authorized for issue in accordance with the resolution of the Board of Directors on 28 December 2020.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

2.1.1. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and includes the Group's share of profit in its associate and joint venture as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group 's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins

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when the Group obtains control over the subsidiaries and ceases when the Company loses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.1.2. Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

    - Derecognizes the assets (including goodwill) and liabilities of the subsidiary
    - Derecognizes the carrying amount of any non-controlling interests
    - Derecognizes the cumulative translation differences recorded in equity
    - Recognizes the fair value of the consideration received
    - Recognizes the fair value of any investment retained

- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

f. Investments are accounted for using Equity Method in accordance with IND AS 28 (Investment in Associate & Joint Venture).

2.1.3. Compliance with Ind AS

The financial statements of the group have been prepared to comply in all material respects with accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act") and Companies (Indian Accounting Standards) Amendment Rules, 2018, with other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The group has applied the following accounting standards and its amendment for the first time for annual reporting period commencing April 01, 2019.

- Ind AS 116, Leases
- Amendment to Ind AS 12, Income Taxes and Ind AS 12 Appendix 'C', Uncertainty over Income Tax Treatments
- Amendment to Ind AS 23, Borrowing Cost
- Amendment to Ind AS 103, Business Combination and Ind AS 111 – Joint Arrangements
- Ind AS 109 – Prepayment Features with Negative Compensation

The amendments listed above (except Ind AS 116), did not have any impact on the amounts recognized in prior periods and do not have any significant impact in the current period. Ind AS 116 "Leases" has been adopted effective April 01, 2019 and applied to all lease contracts existing on April 01, 2019 using modified retrospective approach.

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing. Ind AS 17, Leases with effect from April 1, 2019 (the effective date). Ind AS 116 sets out principles for recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognize depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities. However, there was no major change in accounting from a Lessor perspective. The amendment did not have any impact on the amount recognised in prior periods.

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2.1.4. Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.
These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- defined benefit plans - plan assets measured as per actuarial valuation.

2.1.5. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.1.6. Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

2.2 Summary of significant accounting policies

A. Property, plant and equipment ('PPE')

Recognition and initial measurement

Property, Plant and Equipment Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The historical cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

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In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of overheads, directly attributable borrowing costs and effective portion of cash fl ow hedges of foreign currency transferred from the hedge reserve as basis adjustment.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the group, the expenditure is capitalised and the carrying amount of the item replaced is derecognised. Similarly, overhaul costs associated with major maintenance are capitalised and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognised. All other costs are expensed as incurred.

Depreciation methods, useful lives and residual values

Depreciation is charged so as to write off the cost or value of assets, over their estimated useful lives or, in the case of leased assets (including leasehold improvements), over the lease term if shorter. The lease period is considered by excluding any lease renewals options, unless the renewals are reasonably certain.

The estimated useful lives and residual values are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Each component of an item of property, plant and equipment with a cost that is Significant in relation to the total cost of that item is depreciated separately if its useful life differs from the others components of the asset. Depreciation commences when the assets are ready for their intended use. Depreciated assets in Property, Plant & Equipment and accumulated depreciation amounts are retained fully until they are removed from service.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Block of asset	**Useful life (in years)**
Computers	5
Furniture and fixtures	10
Office equipment	3-10
Leasehold improvements	Lower of Lease period or the useful life of assets
Building	3-34
Sinter Plant, Rolling Mill and Blast Furnace - Plant & Machinery	25
Power Generation Plant - Plant & Machinery	37
Ships and Vessels	25
Railway Sidings and Wagons	25

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De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

B. Capital work in progress

Capital work-in-progress comprises of assets in the course of construction for p-roduction or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss.

All expenditure, including interest cost during the project construction period, are accumulated and presented as Capital Work-in-Progress until the assets are ready for intended use. Assets under construction are not depreciated. Income earned from investments of surplus borrowed funds during the construction/trial run period is reduced from Capital Work-in-Progress. Expenditure/Income arising during trial run is added to/reduced from Capital Work-in-Progress.

At the point when an asset is operating at management's intended use, the cost of construction (including directly attributable expenses) is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

C. Intangible assets

Recognition, initial measurement and subsequent measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	Useful life (in years)
Computer software	3 - 6

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De-recognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

D. Impairment of non-financial assets

At each reporting date, the group assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

If impairment loss is provided, depreciation is calculated on the revised carrying amount of the assets over its remaining useful life.

E. Mineral Reserves, Resources and Rights (Mining Rights)

Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

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The group measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – costs associated with acquisition of licenses and rights to explore, including related professional fees.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Costs of exploration drilling and equipping exploration – Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Stripping cost

Stripping costs incurred during the mining production phase are allocated between cost of inventory produced and the existing mine asset. The stripping ratio, as approved by the regulatory authority, for the life of the mine is obtained by dividing the estimated quantity of overburden by the estimated quantity of Iron ore/coal reserve to be extracted over the life of the mine. This ratio is periodically reviewed and changes, if any, are accounted for prospectively.

Stripping costs are allocated and included as a component of the mine asset when they represent significantly improved access to ore, provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and the costs relating to the stripping activity associated with the improved access can be reliably measured.

The overburden removal costs are included in Mining Rights under Intangible assets and amortised based on stripping ratio on the quantity of coal / Iron Ore excavated.

After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

F. Non-current assets held for sale:

Non-current assets and disposal groups are Classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal Group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

G. Investment property-

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight-line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property.

H. Government grants

Government grants are recognised if there is reasonable assurance that the group will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognized in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plants and equipment are reduced from the cost of assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

I. Revenue Recognition

The group recognizes revenue when it satisfies a performance obligation in accordance with the provisions of contract with the customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolescence and loss pass to the customer and the group has the present right to payment, all of which occurs at a point in time upon shipment or delivery of the product. The group considers shipping and handling activities as costs to fulfil the promise to transfer the related products and the customer payments for shipping and handling costs are recorded as a component of revenue.

The group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the group expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

Export incentives and subsidies are recognized when there is reasonable assurance that the group will comply with the conditions and the incentive will be received. Claim on insurance companies, railway authorities and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis. Revenue excludes any taxes and duties collected on behalf of the government.

Interest and dividends:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

J.1. Financial Assets

- **Initial recognition and measurement:** The group recognizes a financial asset in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset.

  Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

  In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

- **Subsequent measurement:** For subsequent measurement, the group classifies a financial asset in accordance with the below criteria:

  - The group's business model for managing the financial asset and
  - The contractual cash flow characteristics of the financial asset.

  Based on the above criteria, the group classifies its financial assets into the following categories:

  - Financial assets measured at amortized cost
  - Financial assets measured at fair value through other comprehensive income (FVTOCI)
  - Financial assets measured at fair value through profit or loss (FVTPL)

- **Financial assets measured at amortized cost:** A financial asset is measured at the amortized cost if both the following conditions are met:

  - The group's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

- **Financial assets measured at FVTOCI:** A financial asset is measured at FVTOCI if both of the following conditions are met:

  - The group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group, through an irrevocable election at initial recognition, has measured investments in equity instruments at FVTOCI. This equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the group recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss. However, the group may transfer such cumulative gain or loss into retained earnings within equity.

- **Financial assets measured at FVTPL:** A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

  This is a residual category applied to all other investments of the group. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

- **De-recognition:** A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the group's Balance Sheet) when any of the following occurs:

  - The contractual rights to cash flows from the financial asset expires;
  - The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
  - The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
  - The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

  In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

  On De-recognition of a financial asset [except as mentioned in above for financial assets measured at FVTOCI] difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

- **Impairment of financial assets:** The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade receivables
- Financial assets measured at amortized cost (other than trade receivables and lease receivables)
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, considering the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

J.2. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

J.2.1. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

The group subsequently measures all equity investments (except Investment in Subsidiaries,

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Associates and Joint Ventures) at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

J.2.2. Financial liabilities

Initial recognition and measurement: The group recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial liability.

Where the fair value of a financial liability at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognized as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognized as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liability.

Subsequent measurement:

- **Financial Liabilities at amortized cost**

Financial liabilities of the group that are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. For non-held for trading liabilities that are designated at Fair value through profit and loss, the amount of change in the fair value of financial liabilty that is attributable to the changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value that are attributable to financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to the statement of profit and loss.

De-recognition: A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

K. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

L. Derivative Instruments

In the ordinary course of business, the group uses certain derivative financial instruments to reduce business risks which arise from its exposure to price risk in raw material, finished products and balance sheet exposure.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The group designates certain hedging instruments, as either fair value hedges, cash flow hedges or hedges of net investments in foreign currencies. Hedges of commodity price risk are accounted for as cash flow hedge. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item, transaction and nature of the risk being hedged. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

• For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is ultimately recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss is recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when forecast transaction is recognised in statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

M. Fair Value

The group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - inputs that are unobservable for the asset or liability

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorization at the end of each reporting period and discloses the same.

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N. Inventories

Raw Materials, Production Consumables, Stores & Spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold above cost. Cost is determined on a Weighted Average basis. Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. By-products are valued at net realisable value. Cost includes direct material, labour and a proportion of manufacturing and administrative overheads based on normal capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and cost to make the sale.

O. Foreign currency transactions

Initial Recognition: On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss. They are recorded in OCI if they relate to qualifying cash flow hedges. All foreign exchange gains and losses are presented in the statement of profit and loss.

Measurement of foreign currency items at reporting date: Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

Treatment of Exchange Differences: Exchange differences arising on translation of long - term foreign currency monetary items pertain to the acquisition of a depreciable property, plant and equipment which are recognised in Financial statements before the beginning of the first IND AS financial reporting period are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets, as elected by the group and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" under Other Equity in the financial statement and are amortised over the balance period of such long term asset/liability.

P. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Q. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

R. Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flows statements comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

S. Leases

The Group as lessor

Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating lease are included in property, plant & equipment. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss. Contingent rents are recognised as revenue in the period in which they are earned.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance lease when substantially all of the risks and rewards of ownership transfer from the group to the lessee. Amounts due from lessees under finance lease are recorded as receivables at the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The assessment involves the exercise of judgement about whether (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

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The Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability at the lease commencement date. The ROU asset is initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU asset is depreciated using the straight-line method from the commencement date to the earlier of, the end of the useful life of the ROU asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the Group, term and currency of the contract. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate known at the commencement date; and extension option payments or purchase options payment which the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or rate are not included in the measurement the lease liability and the ROU asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets:

The Group has elected not to recognize ROU assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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T. Provisions, contingent liabilities and contingent assets

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability.

- **Onerous contracts:** Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.
- **Restructurings-** A restructuring provision is recognised when there is a detailed formal plan for the restructuring which has raised a valid expectation in those affected. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring.
- **Restoration (including Mine closure), rehabilitation and decommissioning**: Close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of the estimated future costs of restoration to be incurred during the life of the mining operation and post closure. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The initial close-down and restoration provision is capitalised. Subsequent movements in the close-down and restoration provisions for ongoing operations, including those resulting from new disturbance related to expansions or other activities qualifying for capitalisation, updated cost estimates, changes to the estimated lives of operations, changes to the timing of closure activities and revisions to discount rates are also capitalised within "Property, Plant and Equipment.
- **Environmental liabilities**- Environment liabilities are recognised when the Group becomes obliged, legally or constructively, to rectify environmental damage or perform remediation work.
- **Litigation-** Provision relating to legal, tax and other matters is recognised once it has been established that the Group has a present obligation based on consideration of the information which becomes available up to the date on which the Group's financial statements are approved and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.
- **Financial guarantee contracts-** Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the counter party fails to make a payment when due in accordance with the terms of a debt

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instrument. The group accounts for financial guarantee contracts as per the principles of Ind AS 104 as it consider that such contracts are in the nature of insurance contracts. Once the arrangements are designated as insurance contracts, these are disclosed as contingent liabilities unless the obligations under guarantee become probable.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

U. Employee benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which related service is rendered.

Compensated absences: Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized based on actuarial valuation at the present value of the obligation as on the reporting date.

Post-Employment Benefits:

Provident Fund scheme: Retirement benefit in the form of Provident Fund is a defined contribution scheme and the group recognizes contribution payable to the provident fund scheme as expenditure when an employee renders the related service. The Group has no obligations other than the contribution payable to the respective funds.

Gratuity scheme: Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Recognition and measurement of Defined Benefit plans: The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

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All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses and the return on the plan assets, are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods. Re-measurement of defined benefit plans is recognized as a part of retained earnings in statement of changes in equity as per Division II of Schedule III of the Companies Act, 2013.

v. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for bonus elements in equity share issued during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

w. Share based payments

The Group participates in group equity-settled share-based remuneration plans(including RSU's, PSU's & GSOP) for its employees wherein equity shares of ArcelorMittal SA is allotted to the employees of the Group. The fair value of the options so granted is recognized as an employee benefits expense with corresponding increase in equity as transactions with owners. The total expense is recognized over the vesting period over which all of the specified vesting conditions are to be satisfied.

The fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted by the ultimate holding company. This fair value is determined at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

x. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Millions as per the requirement of schedule III, unless otherwise stated.

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Y. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. All other borrowing costs are expensed in the period in which they occur.

Z. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

AA. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

BB. COVID-19 Pandemic Impact Assessment

Estimation of uncertainty relating to the global health pandemic on COVID-19 the Group has considered internal and external information up to the date of approval of financial statements in assessing the recoverability of property plant and equipment, receivables, intangible assets, cash and cash equivalent and investments. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions; the Group expects to recover the carrying amount of these assets. The Group has concluded that the impact of COVID – 19 is not material based on these estimates. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

3A. Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

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Significant judgements:

- **Evaluation of indicators for impairment of non-financial assets: The** evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors that could result in deterioration of recoverable amount of the assets.

- **Contingent liabilities:** The Group is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable, and the amount of the loss can be reasonably estimated.

- **Assessment of control or significant influence:** Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. An entity is said to be an associate of an investor entity when the latter has significant influence over the former. There is a rebuttable presumption that significant influence exist if an investor holds 20% or more voting rights in the investee entity. However, demonstration of control or significant influence over an entity is a matter of judgment and is not always evident from the percentage of voting rights.

  The Group holds shares in Bhander Power Limited (26%), Essar Power (Orissa) Limited (26%), Essar Bulk Terminal Limited (26%), Bhagwat Steel Limited (47.38%), Essar Power Hazira Limited (26%) and Essar Power MP Limited (26%). However, the company does not have the power to participate in the financial and operating policy decisions of these companies. Accordingly, the Company does not consider that it can exercise significant influence on these companies

- **Assessment of Business Combination:** The acquisition of certain identified assets related to the power plant of Bhander Power Limited. The management of the Company has assessed whether the said acquisition meets the definition of "Business" in accordance with Ind AS 103 – Business Combination. In making such assessment, the management has exercised judgement while evaluating all the relevant facts and circumstances of the acquisition, including those related to inputs, processes and outputs and concluding that the acquisition does not qualify as a "Business" in accordance with Ind AS 103 as Company has acquired certain identified assets only and accordingly, the same has been accounted as acquisition of assets under Ind AS 16.

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Sources of estimation uncertainty:

- **Recognition of deferred tax assets for unused tax losses and unabsorbed depreciation:** Deferred Tax Assets (DTA) are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The group has recognised Deferred Tax Assets to the extent of Deferred Tax Liabilities recognized on deductible temporary differences.

- **Useful lives depreciation method and residual value of property, plant and equipment:** The assessment of useful lives, depreciation method and residual value of property, plant and equipment requires judgment. Depreciation is charged to the Statement of profit and loss based on assessment of useful lives and the residual value. This assessment requires estimation of the period over which the Group will benefit from these assets. Management reviews its estimate of the useful lives, residual values and depreciation method of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of plant and equipments.

- **Impairment of financial assets:** The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Defined benefit obligations (DBO):** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

- **Provision for impairment of investments in subsidiaries:** At each balance sheet date, the Group assesses the requirement of provisions for impairment of investments in subsidiaries based on its expectation of successful implementation of proposed projects by those subsidiaries.

- **Provision for impairment of Capital work in progress (CWIP):** At each balance sheet date, the Group assesses the status of ongoing projects and if required make necessary provision for impairment of CWIP.

- **Recoverability of advances/receivables:** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

- **Fair value measurement of financial instruments:** When the fair value of financials assets and financials recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including

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discounted cash flows method. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgment is required in establishing faire values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reporting fair value of financials instruments.

- **Leases:** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

3B. New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Group's Financial Statement are disclosed below:

The Ministry of Corporate Affairs (MCA) has issued certain amendments in existing Accounting Standards during the year ended 31 March 2020, which are effective from July 24, 2020.

- **Ind AS 103 (Business Combinations):** Defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.
- **Ind AS 107 (Financial Instruments: Disclosures):** Disclosures for uncertainty arising from interest rate benchmark reform.
- **Ind AS 109 (Financial Instruments):** Temporary exceptions from applying specific hedge accounting requirements.
- **Ind AS 116 (Leases): Due to the pandemic COVID- 19** – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modification or not.
- **Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors):** Change/modification in the definition of "Material".
- **Ind AS 10 (Events after the Reporting Period):** Definition for non – adjusting events and its effective date of application.
- **Ind AS 34 (Interim Financial Reporting):** Consequential of the above amendments.
- **Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets):** Consequential amendment and accounting of restructuring plan.

The Group is evaluating the requirement of the amendment and effect on the financial statement will be given in due course.

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4A Property, plant and equipment

Description	Freehold land	Leasehold land	Buildings	Plant & Machinery	Computer equipment	Furniture and fixtures	Office equipments	Vehicles	Ships and Vessels	Railway Sidings and Wagons	Aircraft	Total
Gross carrying value												
As at 01 April 2018	38.37	2,509.76	42.86	-	1.18	1.77	5.99	-	-	-	-	2,599.65
Additions	-	132.56	-	-	0.52	-	0.22	-	-	-	-	133.30
Disposals	-	(21.36)	-	-	(0.07)	(0.10)	(0.16)	-	-	-	-	(21.39)
As at 31 March 2019	**38.37**	**2,620.96**	**42.86**	**-**	**1.63**	**1.67**	**6.05**	**-**	**-**	**-**	**-**	**2,711.56**
Addition pursuant to acquisition of business (refer note 59)	24,865.81	-	49,772.85	268,331.70	44.10	119.80	22.89	22.12	95.14	740.30	27.89	344,042.59
Other Additions	141.90	-	769.43	4,268.40	23.64	8.55	10.87	5.38	-	-	-	5,228.17
Disposals	-	-	-	-	(0.00)	(3.03)	(1.70)	-	-	-	-	(4.74)
Reclassification on account of adoption on IND AS 116 (refer note 4B)	-	(2,620.96)	-	-	-	-	-	-	-	-	-	(2,620.96)
Effect of foreign currency exchange differences	141.17	-	126.98	202.90	0.17	0.10	-	0.29	-	-	-	471.62
As at 31 March 2020	**25,187.25**	**-**	**50,712.12**	**272,803.00**	**69.54**	**127.09**	**38.10**	**27.78**	**95.14**	**740.30**	**27.89**	**349,828.24**
Accumulated depreciation												
As at 01 April 2018	-	0.32	27.16	-	0.35	0.99	3.07	-	-	-	-	31.90
Charge for the year	-	0.16	8.31	-	0.31	0.31	1.27	-	-	-	-	10.37
Disposals	-	-	-	-	(0.05)	(0.07)	(0.16)	-	-	-	-	(0.27)
As at 31 March 2019	**-**	**0.48**	**35.47**	**-**	**0.61**	**1.23**	**4.18**	**-**	**-**	**-**	**-**	**42.00**
Charge for the year	-	-	864.75	5,498.14	7.58	6.17	2.53	1.85	1.61	17.55	1.11	6,401.31
Disposals	-	-	-		(0.00)	(0.28)	(0.42)	-	-	-	-	(0.71)
'Reclassification on account of adoption on IND AS 116 (refer note 4B)	-	(0.48)	-	-	-	-	-	-	-	-	-	(0.48)
As at 31 March 2020	**-**	**-**	**900.22**	**5,498.14**	**8.19**	**7.12**	**6.30**	**1.85**	**1.61**	**17.55**	**1.11**	**6,442.11**
Net block as at 31 March 2019	**38.37**	**2,620.48**	**7.39**		**1.02**	**0.44**	**1.87**	**-**	**-**	**-**	**-**	**2,669.56**
Net block as at 31 March 2020	**25,187.25**	**-**	**49,811.91**	**267,304.86**	**61.35**	**119.97**	**31.80**	**25.93**	**93.53**	**722.75**	**26.78**	**343,386.12**

Notes:

1. Railway Sidings and Wagons includes the railway wagons of Rs. 108.10 million (Net book value) given on operating lease to Railway Authorities under 'Own your Wagon' scheme . Tenure of Lease agreement with Railway Authorities has already been expired and the company is in discussion with Railway Authorities for its renewal.
2. Plant and machinery under lease includes equipments at Retail outlet of Rs.41.60 million given on lease , depreciation debited to Statement of Profit and Loss Rs.1.20 million.
3. Certain property, plant and equipment are pledged against borrowings. The details relating to the same have been described in Note 54.

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4. The following lands situated at Hazira (under possession of the Company) valued at provisional basis. The regularization and valuation from District Level Valuation Committee/State Level Valuation Committee is under process and cost of these land may change significantly:

a) 81.1707 hectares land was allotted to Hazira Apbal Ganotia Kheti Sahkari Mandli limited by the State Government. Company acquired the land from the said Mandali by paying consideration of Rs. 1089.50 million during year 2005 to 2011. However, the land was divested to the State Government on 24.06.2009 and the land continue to appear in the name of the State Government in the revenue records. The government granted permission to the Company to use this land based on payment on provisional valuation basis.

b) As per the revenue record, 20.4569 hectares land is continue to appear in the name of State Government. Originally this land was reserved for Gujarat Maritime Board however, the State Government granted permission to the Company to use this land based on payment of Rs. 359.80 million in year 2010 on provisional valuation basis.

c) 22.4905 hectares land was allotted to the land owner by the State Government and Company purchased the said land from the land owner by paying consideration of Rs. 55.60 million (during year 2005 and 2006). However, the land was divested to the State Government on 30.01.2008 and the land continue to appear in the name of the State Government in the revenue records.

5. 18.98 hectare of land was purchased from land owner by paying consideration of Rs. 221.40 million which are in possession of the company and right of records (i.e. Village Form 7/12) are pending for regularisation

6. Property, plant and equipment includes assets (Building and Plant & Machinery) pertaining to slurry pipeline from Dabuna to Paradeep, which was sold to M/s Odisha Slurry Pipeline Infrastructure Ltd. in March 15 and taken back vide cancellation agreement dated 24th June 2016. The matter is under sub-judice.[Please refer Note44(ii)(a) for details].

7. During the year ended March 31, 2020, the Company has acquired certain identified assets comprising of land, building, plant & machinery and inventory of stores related to power plant of Bhander Power Limited (BPOL) for a consideration of Rs. 5,000.00 million from M/s Edelweiss Asset Reconstruction Company Limited, which in turn acquired the same through enforcement of security interest over the assets of BPOL under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI).

8. Land admeasuring 272.74 acres taken from various land owners for compensatory afforestation in respect of Karampada Mining Lease has been classified as freehold land. Refer note 45(d).

9. Deletions from Furniture and fixtures having gross block of Rs. 0.22 million (Previous Year : Nil), Computer equipments having gross block of Rs. 0.01 million (Previous Year : Nil million) and Office equipments having gross block of Rs. 0.13 million (Previous Year : Nil million) and Accumulated Depreciation of Rs. 0.17 million (Previous Year : Rs. Nil million), Accumulated Depreciation of Rs. 0.01 million (Previous Year : Rs. Nil million), and Accumulated Depreciation of Rs. 0.10 million (Previous Year : Rs. Nil million) respectively transferred to 'Assets held for sale'

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4B Details of leasing arrangements
As on March 31, 2020:
Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases effective for the period commencing from April, 01 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the Standard to its leases by using modified retrospective approach and accordingly recognised right of use assets and lease liability on the basis of lease payment remaining outstanding as of April 1, 2019 by discounting it at an incremental rate of borrowing at the date of initial application i.e. April 1, 2019. The Company has not restated comparative figures for the year ended March 31, 2019 availing exemption given in Modified retrospective approach.

Right-of-use assets

Description	Building	Vehicle	Plant & Machinery	Leasehold land*	Total
Gross carrying value					
As at 01 April 2019	13.09	2.04	-	2,620.47	2,635.61
Addition pursuent to acquition of business (refer note 59)	56.70	-	17,957.50	5,502.80	23,517.00
Other Additions	-	-	3,656.10	99.63	3,755.73
Disposals	-	-	-	-	-
As at 31 March 2020	**69.79**	**2.04**	**21,613.60**	**8,222.90**	**29,908.34**
Accumulated depreciation					
As at 01 April 2019					
Charge for the year	9.29	0.55	2,037.43	64.46	2,111.73
Disposals	-	-		-	-
As at 31 March 2020	**9.29**	**0.55**	**2,037.43**	**64.46**	**2,111.73**
Net block as at 31 March 2020	**60.50**	**1.49**	**19,576.17**	**8,158.44**	**27,796.61**

* Leasehold land includes land admeasuring 2643.25 acres, Karnataka Industrial Area Development Board (KIADB) shall convert the lease into sale to the company after 10 years subject to fulfillment of certain terms and conditions as per the signed lease cum sale agreement . For details refer note 45(c).

Interest on lease liability is Rs 391.15 million for the year ended March 31, 2020

The company incurred Rs 125.58 million for the year ended March 31, 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs 2,486.54 million for the year ended March 31, 2020 , including cash outflow of short-term leases and leases of low-value assets.

Lease contracts entered by the company majorly pertains for buildings and vehicles taken on lease to conduct its business in the ordinary course. The company does not have any lease restrictions and commitment towards variable rent as per the contract. The company does not have any commitments for short term leases and low-value leases.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	Net carrying amount as at March 31,2020
Non-Current lease liabilities	16,220.96
Current lease liabilities	3,865.91
Total	**20,086.86**

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The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	March 31, 2020
Balance as on April 01, 2019	14.98
Addition pursuent to acquition of business (refer note 59)	18,285.99
Other Additions	3,755.70
Finance cost accrued during the period	391.15
Deletions	-
Payment of lease liabilities	(2,360.96)
Balance as on March 31, 2020	**20,086.86**

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	March 31, 2020
Less than one year	5,535.22
One to five years	11,836.20
More than five years	11,375.91
Total	**28,747.33**

As on March 31, 2019:

A Operating leases – Assets taken on lease

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are renewable on periodical basis and cancellable at Company's option. Total lease payments recognised in the statement of profit and loss is ₹ 9.80 million.

B Finance leases – Assets taken on lease

The Company has leased land below under finance lease arrangements. Refer note 45(c) for details.

(a) Land measuring 1824.18 acres with a lease arrangement maturing on 30 November 2021 discounted at a rate of 10.38%

(b) Land measuring 819.07 acres with a lease arrangement maturing on 19 October 2022 discounted at a rate of 9.98%

	31 March 2019			
	Minimum lease payments due			
	within 1 year	2 to 5 years	after 5 years	Total
Lease payments	0.26	0.52	-	0.78
Less: Finance charges	0.02	0.02	-	0.04
Net present values	**0.24**	**0.50**	**-**	**0.74**

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ArcelorMittal India Private Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March 2020
(All amount in ₹ million unless otherwise stated)

4C Intangible Assets

Particulars	Software
Cost / Deemed Cost	
As at 01st April 2019	-
Addition pursuant to acquisition of business (refer note 59)	15.54
Other Additions	-
Deletions	-
At 31st March 2020	**15.54**
Accumulated Amortisation	
As at 01st April 2019	**-**
Charge for the year	13.11
Disposals	-
At 31st March 2020	**13.11**
At 31st March 2020	**2.43**
At 31st March 2019	**-**
Expected Useful Life of the assets (years)	3 to 6 years

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	As at 31 March 2020	As at 31 March 2019
5. Capital work-in-progress		
Initial expenditure during construction period (refer (i) below)	11,853.30	104.01
	11,853.30	**104.01**

Notes:

(i) Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at 01 April 2018	**383.67**
Add: additions during the year	0.08
Less: provision for impairment of capital work-in-progress (refer (ii) below)	(279.74)
Capital work-in-progress as at 31 March 2019	**104.01**
Add: additions during the year pursuant to acquisition of AMNSI.	11,853.30
Less: Provision for impairment of CWIP (refer note iii)	(14.20)
Less: Transferred to other non current assets (refer note (iii) below)	(89.81)
Capital work-in-progress as at 31 March 2020	**11,853.30**

(ii) In FY 2018-19, the Group's management, based on abundant caution, took a decision to impair an amount of ₹ 279.74 million of expenditure capitalised in CWIP for the proposed integrated steel plant in Karnataka. This was on account of delay in getting approval from the State Government for renewal of the G.O. No. CI 47 SPI 2010 dated 09.02.2010 which approved the setting up the integrated steel plant in Bellary district of Karnataka. Group continue to pursue getting renewal of the said G.O.

(iii) Expenditure incurred by Seregarha Mines Private Limited in pre-operative stage such as exploration charges, Mining lease plan charges, geological studies, railway siding and such others, were for the development of the project. If there is any activity carried out (or proposed to be carried out) for construction of a tangible asset, then any directly attributable expenses incurred by the Company as part of cost of construction of the asset shall be classified as capital work-in-progress. Therefore, the expenditure incurred has been classified as capital-work-in-progress. Based on a review , some specific expenses of past have been reviewed and impaired during the current year amounting to INR 14.20 million and the balance amount of INR 89.81 million has been transferred to other non current assets. (refer note 10 (i))

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		As at 31 March 2020	As at 31 March 2019
6	**Interest in associate and joint venture**		
	Investment in equity instruments		
	Investment in joint ventures*:		
	- 20,422,305 (31 March 2019: 20,422,305; Equity shares of Rampia Coal Mines & Energy Private Limited of ₹ 1 each fully paid up	0.02	0.02
	Add: Share of Accumulated Reserves of Joint Venture	(0.02)	-
	Investment in associate:		
	2 fully paid Equity Shares of AED 0.1 million of Essar Steel Processing FZCO Dubai	2.50	-
	Add: Share of Accumulated Reserves of Associates	(2.50)	-
		-	**0.02**
	Aggregate amount of unquoted investments	2.50	0.02
	Aggregate amount of impairment in the value of investments	(2.50)	-

**Refer note 46(b) - Allocation of coal block for further details on investments*

	As at 31 March 2020	As at 31 March 2019
Non Current Investment		
Equity Instruments - Unquoted (Carried at FVOCI)		
96,905,000 fully paid Equity Shares of Rs. 10 each of Bhander Power Limited [Cost- Rs. 1047.7 million] 1 & 2	-	-
5,781,944 fully paid Equity Share of Rs. 10 each of Bhagwat Steel Limited [Cost- Rs. 57.8 million]2	-	-
68,900,000 fully paid Equity Shares of Rs. 10 each of Essar Power MP Limited [Cost- Rs. 689.0 million]2	-	-
1,300,000 fully Paid Equity Shares of Rs. 10 each of Essar Bulk Terminal Limited [Cost- Rs. 13.0 million]2	90.50	-
2,600,000 fully paid Equity shares of Rs. 10 each of Essar Power Hazira Limited [Cost- Rs. 26.0 million]2	26.80	-
2,600,000 fully paid Equity shares of Rs. 10 each of Essar Power Orissa Limited [Cost- Rs. 26.0 million]2	-	-
2,000 fully Paid Equity Shares of Rs. 10 each of Essar Bulk Terminal Paradip Limited (*** Rs. 20,000)	-	-
250,000 fully paid Equity Shares of Rs. 10 each of Frontline Roll Forms Private Limited [Cost- Rs. 2.5 million]	-	-
2,595,000 fully paid Equity Shares of Rs 10 each of Odisha Slurry Pipe Line Infrastructure Limited [Cost- Rs. 255.0 million]	-	-
20 fully paid Equity Shares of Rs. 10 each of Essar Commvision Limited (# Rs. 200)	-	-
Equity Instrument- Quoted (Carried at FVOCI)		
1,273,611 (Previous Year 1,273,611) fully paid Equity Shares of Rs. 10 each of Essar Shipping Limited	6.80	-
Convertible Debentures		
1,065,585 (Previous Year 1,065,585) fully paid Comp. Conv. Cumulative Debenture of Rs. 1000 each of AMW Auto Component Limited (Carried at FVTPL) (Cost-Rs. 1065.6 million)	-	-
50,100,810 Odisha Slurrry Pipeline Infrastruture Limited (Convertible Debenture) of Rs 100 each. (Carried at FVOCI) (Cost- Rs. 5010.1 million offset against the other financial liabilities taken over as described in Note 44(u)	-	-
Investments in Unit Linked Insurance Policy (Carried at FVPL)		
187,341.786 (Previous Year 187,341.786) fully paid Units of Unit Linked Insurance Policy Scheme of Canara HSBC Oriental Bank of Commerce Life	3.40	-
	127.50	**-**
Aggregate amount of Unquoted Investments (at Cost)	8,195.20	-
Aggregate amount of Quoted Investments (Cost)	118.70	-
Aggregate amount of Quoted Investments (Market Value)	10.20	-

1. 96,905,000 equity shares of Bhander Power Limited were pledged against rupee loan availed from SREI Infrastructure Finance Limited, as security for the borrowings. This loan has been assigned on 16th December 2019 to Holding Company along with all rights, title, interest and benefits by SREI .

2. Upon acquisition of business (refer note 59) under the IBC proceedings, the management of the Group has assessed the relationship with the above referred associate entities having regard its inability to appoint representative on the board of directors of these associate entities irrespective of the corresponding effective holding, and concluded that the Group does not have power to participate in the financial and operating policy decisions of these entities. Consequently, these entities ceased to be the associates of the Group and have been regarded as the investments in equity instruments valued at fair valued through other comprehensive income with effect from December 16, 2019.

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		As at 31 March 2020	As at 31 March 2019
7	**Loans**		
	Non-current		
	Unsecured, considered good		
	Security deposits	1.17	8.03
	Secured		
	Financial amount receivable (refer note (i) below)	58,102.71	55,971.57
		58,103.88	**55,979.61**
(i)	Financial amount receivable *		
	Secured	64,836.21	62,284.77
	Unsecured	196.50	196.50
	Total	**65,032.71**	**62,481.27**
	Less:-Fair value loss on Financial Instrument measured at fair value through P&L	(6,930.00)	(6,509.70)
		58,102.71	**55,971.57**

* Current Portion of financial amount receivable is Rs. Nil million (31 March 2019 Rs. 2,380 million).

Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured through statement of profit and loss and note 50 - Financial risk management for assessment of credit risk and refer 50 for other details.

8	**Other Non Current Financial Assets**		
	(Unsecured unless otherwise stated)		
	Security Deposit	1,880.20	
	Less : Allowance for Expected credit loss*	(638.60)	
	Inter Corporate Deposits	475.60	
	Other Receivables	71.90	
		1,789.10	-
	*Additional Information: Movement in Allowance for Expected credit loss		
	Provision for Expected Credit Losses pursuant to acquisition of business (refer note 59)	638.60	-
	Additional provision during the period	-	-
	Reversal during the year	-	-
	Provision for Expected Credit Losses at the end of the period	**638.60**	-
9	**Income tax assets (net) - non current**		
	Advance income tax (net of provision)	98.81	0.10
		98.81	**0.10**
10	**Other non-current assets**		
	Unsecured, considered good		
	Compensation claimed (refer note (i) below)	101.10	-
	Capital advances	2,795.76	323.86
	Prepaid expenses	323.70	0.27
	Balance with statutory authorities	248.33	149.30
	Unsecured, considered doubtful		
	Capital advances	0.32	0.32
	Less: provision for capital advances	(0.32)	(0.32)
		3,468.89	**473.43**

(i) After the Hon'ble Supreme Court passed a judgement de-allocating the coal blocks, Ministry of Coal asked the prior allottees to furnish details for valuation of compensation payable to prior allottees under the provisions of Coal Mines (Special Provisions) Ordinance, 2014. The Group, vide its letter dated 06.01.2015, duly provided all the details of compensation amounting to ₹ 101.01 million to the government which included an amount of ₹ 11.30 million paid by the Group to Central Coalfields Limited (CCL) towards transfer of land for the coal block which has not taken place. As and when the Seregarha coal block is allotted to a successful bidder through auction route, the successful bidder may negotiate with the Company for utilizing the movable/immovable assets on mutually agreed terms, failing which the Group's investment in mine infrastructure would be dealt with in accordance with applicable rules and the Group may receive compensation accordingly from the government.

11	**Inventories***		
	(Valued at lower of cost and net realizable value)		
	Raw Materials and components	11,698.40	-
	Goods-in transit	3,671.50	-
	Stores and spares	6,381.70	-
	Goods-in transit	269.70	-
	Production Consumable	3,056.20	-
	Goods-in transit	799.90	-
	Fuel	1,165.50	-
	Work-in-progress	17,609.60	-
	Finished goods	11,624.30	-
		56,276.80	-

*Current Assets are pledged against borrowings, the details relating to which have been described in Note 54 pertaining to borrowings.

*Value of inventories, above is stated after provision of Rs. 95.70 million towards slow-moving and obsolete items and Rs. 2,356.2 million towards reduction in net realisable value.

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		As at 31 March 2020	As at 31 March 2019
12	**Investments**		
	Investments in Mutual Fund (Quoted) (Carried at FVTPL)		
	1,297,212 units of SBI Liquid Fund-Direct Plan-Growth	4,033.00	-
	2,118,881 units of SBI Banking & PSU Fund Direct-Growth	5,011.90	-
	765,584 units of 'SBI Magnum Low Duration Fund Direct-Growth	2,013.50	-
	141,323,956 units of 'SBI Short Term Debt Fund-Direct Plan-Growth	3,410.70	-
		14,469.10	**-**
	Aggregate amount of Unquoted Investments	-	-
	Aggregate amount of Quoted Investments (Cost)	14,400.00	-
	Aggregate amount of Quoted Investments (Market Value)	14,469.10	-
		28,869.10	**-**
13	**Trade Receivables****		
	(Unsecured unless otherwise stated)		
	Considered Good	8,451.70	-
	Credit Impaired	3,036.60	-
	Less : Allowance for Expected credit loss*	(3,036.60)	-
		8,451.70	**-**
	*Additional Information: Movement in Allowance for Expected credit loss		
	Provision for Expected Credit Losses pursuant to acquisition of business (refer note 59)	2,834.60	-
	Additional provision during the period (including Exchange Variation)	202.00	-
	Reversal during the period	-	-
	Provision for Expected Credit Losses at the end of the period	**3,036.60**	**-**

**Current Assets are pledged against borrowings, the details relating to which have been described in Note 54 pertaining to borrowings.

		As at 31 March 2020	As at 31 March 2019
14	**Cash and cash equivalents****		
	Balances with banks:		
	- in current accounts	2,653.65	786.24
	- deposits with original maturity less than three months	1,470.75	18,155.38
	Cash on hand	0.13	0.04
	Cheques on hand	148.50	-
		4,273.03	**18,941.67**

**Current Assets are pledged against borrowings, the details relating to which have been described in Note 54 pertaining to borrowings.

		As at 31 March 2020	As at 31 March 2019
15	**Other bank balances****		
	Deposits with original maturity more than three months but less than twelve months	8,096.10	-
	Deposits with origional maturity for more than 12 months	48,612.20	-
	Margin Money^	9,410.90	-
		66,119.20	**-**

^Margin Money (including long term deposits in Other Non-Current financial Assets with balance maturity period of more than 12 months) have been pledged with banks as a security for opening Letters of Credit, Short Term Loans and against Bank Guarantee

**Current Assets are pledged against borrowings, the details relating to which have been described in Note 54 pertaining to borrowings.

		As at 31 March 2020	As at 31 March 2019
16	**Loans**		
	Current		
	Unsecured, considered good		
	Security deposits	2,028.51	8.09
	Less: Allowance for Expected Credit Loss*	(1,000.30)	-
	Secured		
	Financial amount receivable (refer note 7)	-	2,380.00
	Loans and Advances to Staff		
	Considered Good	19.70	-
	Credit Impaired	2.50	-
	Less: Allowance for Expected Credit Loss*	(2.50)	-
		1,047.91	**2,388.09**
	*Additional Information: Movement in Allowance for Expected credit loss		
	Provision for Expected Credit Losses pursuant to acquisition of business (refer note 59)	1,003.00	-
	Reversal during the year	(0.20)	-
	Provision for Expected Credit Losses at the end of the year	**1,002.80**	

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		As at 31 March 2020	As at 31 March 2019
17	**Other financial assets**		
	Current		
	Unsecured, considered good		
	- Receivables against service income (refer note 48)	17.47	9.90
	- Amount recoverable (refer note 45(a))	-	7.91
	Unsecured, considered doubtful		
	- Amount recoverable (refer note 45(a))	-	0.70
	Less: provision for amount recoverable	-	(0.70)
	Derivative Financial Assets - Forward Contracts	73.40	-
	Interest Accrued on Investment	17.50	-
	Export Benefit	937.30	-
	Less: Allowance for Expected Credit Loss*	(305.10)	-
	Other Receivables	260.10	-
		1,000.67	**17.81**
	*Additional Information: Movement in Allowance for Expected credit loss		
	Provision for Expected Credit Losses pursuant to acquisition of business (refer note 59)	317.50	-
	Reversal of provision during the year	(12.40)	-
	Provision for Expected Credit Losses at the end of the year	**305.10**	**-**
18	**Other current assets**		
	Unsecured, considered good		
	Advance to suppliers	1.18	1.87
	Prepaid expenses	492.74	2.57
	Other advances	155.24	0.32
	Deposits with Govt & Semi Govt	4,116.50	-
	Less: Provision for Impairment	(1,293.00)	-
	Loans and Advances to Suppliers - Related Parties	55.00	
	Loans and Advances to Suppliers	5,859.00	-
	Less: Provision for Impairment	(1,693.10)	-
	Claims Receivables	9,419.90	-
	Less: Provision for Impairment	(9,373.80)	-
	Unsecured, considered doubtful	-	-
	Advance to suppliers	2.24	2.24
	Less: provision for advance to supplier	(2.24)	(2.24)
		7,739.66	**4.75**
19	**Current Tax Assets (Net)**		
	Advance Income Tax	766.50	-
		766.50	**-**
20	**Assets Classified as Held for Sale**		
	Property Plant and Equipment classified as Held for Sale :		
	Furniture and fixtures	0.05	-
	Office equipments	0.03	-
		0.08	**-**

As at March 31, 2020, the management of the Company was actively seeking a buyer to sell the Furniture and fixtures & Office equipments of its Bangalore Guesthouse. Subsequent to the year end, the Company has sold these assets and recorded a profit of Rs. 0.04 million.

21	**Equity share capital**		
	Authorised capital		
	50,000,000,000 (31 March 2019 : 50,000,000,000) Equity shares of ₹ 10 each	500,000.00	500,000.00
	Issued, subscribed capital and fully paid up		
	22,188,337,129 (31 March 2019 : 9,041,444,248 Equity shares of ₹ 10 each	221,883.37	90,414.44

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Notes:

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31 March 2020		31 March 2019	
	No. of shares	(₹ in Million)	No. of shares	(₹ in Million)
Equity shares at the beginning of the year	9,041,444,248	90,414.44	583,444,248	5,834.44
Issued during the year	13,146,892,881	131,468.93	8,458,000,000	84,580.00
Equity shares at the end of the year	**22,188,337,129**	**221,883.37**	**9,041,444,248**	**90,414.44**

(ii) Rights, preferences and restrictions attached to shares:

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all Preferential amounts, in proportion of their shareholding.

(iii) Details of shares held by the holding Group and their associates

	31 March 2020		31 March 2019	
	No. of shares	(₹ in Million)	No. of shares	(₹ in Million)
Oakey Holding B.V.,Netherlands , the holding Group	22,188,337,127	221,883.37	9,041,444,246	90,414.44
AMNS Luxembourg Holding S.A.	2	-	2	-
	22,188,337,129	221,883.37	9,041,444,248	90,414.44

(iv) Details of shares held by each shareholder holding more than 5% shares:

	31 March 2020		31 March 2019	
	No. of shares	(%)	No. of shares	(%)
Oakey Holding B.V.,Netherlands , the holding Group	22,188,337,127	99.99%	9,041,444,246	99.99%
ArcelorMittal India Private Limited				
GVK Power (Goindwal Sahib) Limited				

		As at 31 March 2020	As at 31 March 2019
22	**Other equity**		
	Share application money pending allotment	59,820.00	-
	Retained earnings	(19,937.31)	(10,044.55)
	Capital Contribution from parents	603.76	3.16
	Other comprehensive income	537.20	-
		41,023.65	**(10,041.40)**
(i)	**Share application money pending allotment**	59,820.00	-
(ii)	**Reserves & Surplus**		
	Retained earnings		
	Balance as at the beginning of the year	(10,044.55)	(2,705.84)
	Add: loss for the year	(9,889.18)	(7,338.71)
	Less : Other comprehensive income		
	Remeasurement of defined benefit obligations	(3.58)	(0.01)
	Balance at the end of the year	**(19,937.31)**	**(10,044.55)**
(iii)	**Capital Contribution from parents**		
	Balance as at the beginning of the year	3.16	2.37
	Recognised during the year	600.60	0.79
	Balance at the end of the year	**603.76**	**3.16**
(iv)	**Other comprehensive income**		
	Balance as at the beginning of the year	-	-
	Movement during the year		
	Foreign Currency Translation Reserve	524.10	-
	Cash Flow Hedges	(4.90)	-
	Equity instrument through OCI	18.00	-
	Balance at the end of the year	**537.20**	-

Nature and purpose of reserves:

Share application money pending allotment

Subsequent to the year end on 09 April 2020 the Holding Company has allotted 5,982,000,000 share @ 10 each against share application money.

Retained Earnings

It comprises of accumulated profit/(losses) of the company.

Capital contribution from ultimate holding company

Capital Contribution:- AMNX Luxembourg paid Rs. 600.88 million to the Standard Chartered Bank on behalf of the Company towards settlement of claim under the CIRP procedures. The same amount was waived off by AMNS Luxembourg and has been regarded as an capital contribution. Further, Certain employees of the Company have been granted equity-settled share-based Employee Stock Options of ArcelorMittal SA, Ultimate Holding company. The company measures the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognises a corresponding increase in equity as a contribution from the parent.

FVOCI equity investments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Cash flow hedge

The effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is ultimately recognised in the statement of profit and loss.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

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		As at 31 March 2020	As at 31 March 2019
23	**Borrowings**		
	Finance lease obligations	-	0.50
	10% unsecured Bonds, at amortised cost	240,000.00	-
	Secured	-	
	Term Loans	-	
	From Related parties (refer note 54)	53,682.61	-
		293,682.61	**0.50**
	Amount disclosed under other financial liabilities:		
	Current maturities of finance lease obligations	-	0.24

The Holding Company had signed an agreement on 1st March 2019 with its parent company for issuing an unsecured INR denominated Bonds not exceeding INR 350,000 million for financing the acquisition of business (refer note 59). The term of the Bond is 5 years subject to extension , if both parties mutually agree. Interest payable on each bond was 10% per annum. However, the terms include an arms' length study by an independent transfer pricing consultant for resetting initial interest rate of 10% subject to a ceiling as provided in ECB Guidelines. Actual amount of bonds issued against the said agreement was INR 240,000 million.

Due to advent of COVID 19 pandemic and consequent restrictions placed by State and Central Governments , it was agreed between the Subscriber and the Holding Company that no interest shall be charged or accrued or payable on the Bonds from April 1, 2020 till March 31, 2021 and the interest has been booked using effective interest rate.

24	**Provisions**		
	Non-current		
	Provision for employee benefits:		
	Gratuity	285.93	7.71
	Compensated absences	131.13	5.46
		417.06	**13.17**

For disclosures related to provision for employee benefits, refer note 47 - Employee benefit obligations

25	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities	133.30	-
		133.30	-
	Deferred Tax (Liabilities)/ Assets		
	India		
	Property, plant and equipment, Intangible	(48,378.73)	-
	Carried forward Unabsorbed depreciation	42,465.24	-
	On financial Assets	(543.42)	
	Lease Liability	4,862.75	-
	Deferred Gain on Finance Lease	478.81	-
	On financial Liability	(32.45)	-
	Expenses allowable for tax purposes on	1,147.80	-
	Net Deferred Tax	-	-

The Holding Company and subsidiaries situated in India has opted for and determined the current and deferred tax for the year ended 31 March 2020 as per the lower tax rate of 25.17% as provided under section 115BAA of the income-tax act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 which is effective from 1 April 2019.

The Holding Company and subsidiaries situated in India has recognised Deferred Tax Assets to the extent of Deferred Tax Liabilities recognized on deductible temporary differences.Deferred tax assets have not been recognised in respect of Unabsorbed Depreciation, Business Losses & Other temporary differences aggregating to Rs. 122,650.90 million including on Business losses amounting to Rs. 53,800.10 million which will expire between Financial Year 2021-22 to 2023-24

Outside India		
Property, Plant and Equipment	(344.80)	-
Carried forward Unabsorbed depreciation	54.60	-
Provision for Adavances	120.10	-
Others	36.80	-
Deferred Tax Liabilities	**(133.30)**	-

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	As at 31 March 2020	As at 31 March 2019
26 Other Non Current Liabilities		
Deferred Gain*	1,725.40	-
	1,725.40	**-**

*At the time of transition to IND AS, a sale and leaseback transaction was assessed as finance lease under Appendix C to Ind AS 17. Therefore, the gain on sale of business undertaking is deferred over the period of the arrangement.

	As at 31 March 2020	As at 31 March 2019
27 Borrowings		
Secured (refer note 54)		
From Banks	170.80	-
From Others	57.20	-
Acceptance for Goods and Services	38.50	-
Unsecured		
Inter corporate Deposit Current		
- other than Related Party	498.40	
	764.90	**-**
28 Trade payables		
Due to micro and small enterprises [refer note (i) below]	1,018.11	-
Dues to others :- Other than MSME (including Accrued Liability)	15,222.27	94.98
	16,240.38	**94.98**

Notes:

(i) Dues to micro and small enterprises pursuant to section 22 of the Micro,Small and Medium Enterprises Development Act (MSMED),2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

Principal amount remaining unpaid	1,018.11	Nil
Interest accrued and due thereon remaining unpaid	Nil	Nil
Interest paid by the Group in terms of section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	4.30	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act ,2006.	Nil	Nil
Interest accrued and remaining unpaid as at the end of the year	4.30	Nil
Further interest remaining due and payable even in the succeeding years ,until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act,2006.	16.50	Nil

29 Other financial liabilities		
Current		
Current maturities of finance lease obligations	-	0.24
Employee benefits payables	19.93	17.26
Current maturities of long-term debt (refer note 54)	6,600.72	-
Payable for Capital Expenditures	208.10	-
Forward Contracts	4.90	-
Security Deposits Received	39.90	-
Other Liabilities (refer note 44(ii)(a))	25,144.80	-
	32,018.35	**17.50**
30 Other current liabilities		
Payable to statutory authorities	2,352.38	17.95
Advances from Customers	1,439.80	-
Deferred gain (refer note 26)	177.00	-
	3,969.18	**17.95**
31 Provisions		
Current		
Provision for employee benefits:		
Gratuity	3.37	1.49
Compensated absences	23.93	0.85
	27.30	**2.34**

For disclosures related to provision for employee benefits, refer note 47 - Employee benefit obligations

32 Current tax liabilities (net)		
Provision for income tax [net of advance tax and taxes deducted at source ₹ nil million (31 March 2019 : ₹ 140.13 million)	-	7.82
	-	**7.82**

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	For the year ended 31 March 2020	For the year ended 31 March 2019
33 Revenue from Operation		
Sale of Product	80,577.59	-
Sale of Services	204.40	-
Other Operating Revenue	1,416.61	-
	82,198.60	-

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers. This is the point in time when the Group has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

Information about Products:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Hot Briquette Iron Fines	50.50	-
Hot/Cold Rolled Coils, Sheets and Plates	75,337.59	-
Pipes	3,251.60	-
Others	1,937.90	-
	80,577.59	-

34 Other income		
Interest income (refer note (i) below)	1,323.50	505.08
Profit on sale of long term/current investments	59.20	-
Gain on Fair valuation of investments	34.50	-
Amortisation of Deferred Gain	51.70	-
Liabilities no longer required written back	264.70	-
Net gain on foreign currency transactions and translation	1.01	-
Net gain on sale of property, plant and equipment	-	0.01
Other non-operating income (refer note (ii) below)	93.87	28.03
	1,828.48	**533.12**
Notes:		
(i) Interest income comprises:		
Interest from banks on deposits	1,303.74	503.75
Interest on financial instruments carried at amortised cost	0.66	1.33
Others	19.10	-
	1,323.50	505.08
(ii) Other non-operating income comprises:		
Insurance Claim	-	0.02
Rent	28.00	-
Service charges	39.20	27.00
Miscellaneous service income	-	1.02
Miscellaneous income	26.67	
	93.87	28.03

As per the accounting policy, the Holding Company is not recognising the contractual interest income as per the assignment agreement entered by the Holding Company with financial lenders of Uttam Galva Steels Limited ("UGSL") & KSS Petron Private Limited ("KSS Petron").

35 Cost of Raw Material and Component Consumed		
Raw Materials Consumed	31,959.90	-
Production Consumables	4,636.30	-
Interplant Freight for input materials	12,164.40	-
	48,760.60	-

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	For the year ended 31 March 2020	For the year ended 31 March 2019
36 (Increase)/Decrease in Inventories		
Stock acquired pursuant to acquisition of business (refer note 59)		
Finished Goods	7,513.90	-
Work-in-Progress	15,878.70	-
	23,392.60	-
Closing Stock		
Finished Goods	11,624.30	-
Work-in-Progress	17,609.60	-
	29,233.90	-
(Increase)/Decrease in Inventories of Finished Goods and Work in Progress	**(5,841.30)**	-

37 Employee benefits expense		
Salaries and wages	1,219.97	71.06
Share based payments to employees*	(0.28)	0.79
Contributions to provident fund and other fund	138.39	3.43
Staff welfare expenses	279.73	0.87
	1,637.81	**76.15**

*Certain employees of the Company have been granted equity-settled share-based Employee Stock Options of ArcelorMittal SA, Ultimate Holding company. The company measures the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognises a corresponding increase in equity as a contribution from the parent.

For descriptive notes on disclosure of defined benefit obligation, refer note 47 - Employee benefit obligations.

38 Finance costs		
Interest expense on:		
(i) Term Loans and Others	1,249.12	-
(ii) Bonds*	5,716.95	-
(iii) Lease Liability/ Finance Lease Obligation**	391.15	-
(iv) Others	5.35	0.10
Other borrowing cost:		
(i) Guarantee fee and other Bank Charges	37.72	1.06
(ii) Exchange Variation on Borrowings	466.60	-
	7,866.89	**1.16**

* refer note 23

**Subsequent to introduction of Ind AS 116 Leases, the Company has recognized Long-term leases as ROU Assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses. Following transitional provision under Ind AS 116 Leases, previous year numbers have not been reclassified.

39 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 4A & 4C)	6,414.41	10.37
Depreciation on Right of Use Assets (refer note 4B)	2,111.70	-
	8,526.11	**10.37**

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	For the year ended 31 March 2020	For the year ended 31 March 2019
40 Other expenses		
Manufacturing and Asset Maintenance		
Petroleum Products - Fuel	11,347.40	-
Power and Water Charges	4,155.30	-
Repairs, Maintenance and Equipement Hire Charges	2,289.10	-
Stores and Spares	2,698.90	-
Labour and Sub Contracting Charges	1,041.60	-
Plant Insurance	88.70	-
	21,621.00	**-**
Administrative Expenses		
Electricity and water charges	1.13	1.33
Rent including lease rentals	107.43	9.80
Office maintenance expenses	9.00	6.54
Repairs and maintenance - others	74.26	0.14
Insurance	30.85	0.86
Rates and taxes	301.59	21.02
Communication expenses	1.75	2.25
Travelling and conveyance	111.81	49.40
Printing and stationery	23.72	0.32
Seminar and Meeting expenses	6.68	6.26
Corporate communication expenses	-	-
Membership and subscription	0.44	0.84
Donation	500.27	0.31
Legal and professional fees	769.19	705.50
Payments to auditors (refer note (i) below)	2.51	1.30
Property, plant and equipment and intangible assets written off	-	0.02
Provision for impairment of capital work in progress (refer note 5)	14.20	280.74
Provision for doubtful advances to supplier	-	2.24
Provision for doubtful Other Financial Asset	-	0.70
Allowance for Doubtfull Debt	152.20	-
Fair value loss on Financial Instrument measured at fair value through P&L (refer note 49)	420.30	6,509.70
Bank charges	30.88	34.30
Mines Related Expenses	59.47	-
Miscellaneous expenses	164.27	2.67
Net loss on foreign currency transactions and translation	-	0.10
Loss on sale/disposal/write off of PPE (net)	4.20	-
	2,786.14	**7,636.33**
Selling and Distribution Expenses		
Sales Commission	7.20	-
Freight Outward (net), Intercarting and Packing Charges	3,266.50	-
Other Selling Expenses	58.40	-
	3,332.10	**-**
Exchange variation and Derivative (Gain)/Loss (net)		
Exchange Variation on Borrowings(Incl Working Capital & Interest Accrued)	3,030.40	-
Exchange Variation (net)	63.20	-
Loss/ (Gain) on cancellation of Derivative and Forward Exchange Contracts (Net of Premium paid / Amortised)	(21.20)	-
Mark to Market on derivative contract	(73.30)	-
	2,999.10	**-**
	30,738.34	**7,636.33**
(i) Payments to the auditors comprises (GST input credit, where applicable):		
Statutory audit fee	2.51	1.30
Reimbursement of expenses	-	-
	2.51	1.30

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	For the year ended 31 March 2020	For the year ended 31 March 2019
41 Exceptional Item		
Impairment of financials assets*	972.50	-
	972.50	**-**

*The Group has recognized impairment amounting to Rs. 972.50 million towards diminution in the carrying values of receivables/loans in the consolidated financial statement as exceptional Item.

42 Tax expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Income tax expense recognised in statement of profit and loss		
Current tax	1,254.99	147.96
Defererd tax	(344.40)	-
	910.59	**147.96**

Particulars		
Loss before tax	(8,971.39)	(7,190.74)
Tax expenses/(credit) on above PBT	**(2,141.13)**	**(2,093.94)**
Non-deductible expenses	(122.33)	2,242.35
Non-taxable income	537.95	(0.44)
Share of profit/(loss) of joint venture accounted for using equity method	-	-
Deferred Tax Assets not recognised on carry forward business losses and other temporary differences	2,827.14	-
Others	(191.04)	-
Total adjustments	**3,051.72**	**2,241.91**
Actual tax expense	**910.59**	**147.96**

43 Earnings/ (loss) per equity share

Net profit/ (loss) attributable to equity shareholders	(9,881.98)	(7,338.71)
Number of weighted average equity shares (Nominal value of ₹ 10 each)	-	
-Basic	13,718,157,758	3,141,175,755
-Diluted	13,718,157,758	3,141,175,755
Earning per share (₹)		
-Basic	(0.72)	(2.34)
-Diluted	(0.72)	(2.34)

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	As at 31 March 2020	As at 31 March 2019
44 Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent liabilities*		
Other money for which the Group is contingently liable		
- Bank guarantees (refer note (a) below)	180.00	50,232.50
Cross Subsidy	132.30	-
	312.30	**50,232.50**

* As per the terms Section XIII of the Resolution Plan submitted by Holding Company for acquisition of business (refer note 59), which was approved by the final order and judgement dated November 15, 2019 of the Hon'ble Supreme Court of India ("Approval Order"), and further as legally advised, except for payments / settlements proposed under the resolution plan, all claims and liabilities (including claims of governmental authorities in relation to all taxes) whether contingent or crystallized, known or unknown, filed or not against the AMNSI attributable to the period prior to December 16, 2019 stand extinguished. Furthermore, in terms of the approved Resolution Plan, all proceedings, suits, claims in connection with the business or its affairs in relation to any period prior to the December 16, 2019 shall stand withdrawn and dismissed and all liabilities and obligations will be deemed to have been written off fully, and permanently extinguished.

Further, based on a legal advice, the implementation of the Resolution Plan does not have any effect over claims or receivables owed to business. Accordingly, any receivable due to business, evaluated based on merits of underlying litigations, from various governmental agencies or any parties continue to subsist.

(a) The Holding Company had provided counter bank guarantee aggregating to ₹ 180.00 million (31 March 2019: ₹ 180.00 million) given to the Ministry of Coal in terms of letter of allocation of coal block to the subsidiary company. In the prior years, the Hon'ble Supreme Court passed a judgement declaring the allocation of all coal blocks by the Government of India as illegal and accordingly all coal blocks were de-allocated including that of Seregarha Mines Private Limited. With respect to the counter bank guarantee of ₹ 180.00 million provided by the Holding Company, the Ministry of Coal in the prior years sought to partially invoke the bank guarantee amounting to ₹ 62.99 million being the share of the Holding Company for not meeting the milestones as per the letter of allocation of the coal blocks which has been stayed by the Hon'ble Delhi High Court in response to a writ petition filed by the Holding Company. The writ petition is currently pending in Delhi High Court.

The above counter bank guarantee was issued to Yes Bank Limited to further issue a bank guarantee for an amount of ₹ 324.00 million in favour of the President of India acting through Ministry of Coal which was last valid till 30.09.2018. This bank guarantee issued by Yes Bank Limited was also secured through a collateral security furnished by joint venture partner - GVK Power (Goindwal Sahib) Limited ("GVK") amounting to ₹ 144.10 million towards its respective share. In September 2018, Yes Bank Limited sought 100% margin money as collateral security from GVK for extending the bank guarantee beyond 30.09.2018 but GVK failed to provide the margin money and therefore the bank guarantee for ₹ 324.00 million could not be renewed after 30.09.2018 though the counter bank guarantee provided by the Holding Company for ₹ 180.00 million was valid till 09.05.2019. Thereafter in April 2019, the Holding Company directly got a fresh bank guarantee issued for ₹ 180.00 million (towards its share) from Bank of America valid till 11.04.2020 in favour of President of India acting through Ministry of Coal and filed an application before the Hon'ble Delhi High Court to take the fresh bank guarantee on record. The Ministry of Coal filed its reply in court objecting to the same on the ground that the bank guarantee was to be furnished by the joint venture company in respect of both the partners. The matter is currently pending in court. Meanwhile, the Holding Company renewed its bank guarantee for ₹ 180.00 million till 11.04.2021.

(b) The Holding Company had submitted a resolution plan for acquisition of Essar Steel India Limited ("ESIL"), which is undergoing corporate insolvency resolution process under the Insolvency and Bankruptcy Code 2016. On 08 February 2018, the Holding Company had provided a bank guarantee aggregating to ₹ nil million (31 March 2019: ₹ 5,000.00 million) to 'Resolution Professional of Essar Steel India Limited' for fulfilling the obligation under Request For Proposal dated 24 December 2017 issued by the Resolution Professional on behalf of the Committee of Creditors ("COC") formed in relation to the corporate insolvency resolution process of Essar Steel India Limited under the Insolvency & Bankruptcy Code. The Bank Guarantee was issued on 08 Feb 2018 with a validity till 12 May 2018 and claim period till 12 August 2018. On 28 March 2018 the Holding Company extended the validity period till 02 July 2018 and claim period till 02 October 2018 for the purpose of submission of a second resolution plan for ESIL based on a fresh invitation received from Resolution Professional dated 23 March 2018. The second resolution plan was submitted on 02 April 2018. As the opening of the second resolution plan was stayed by NCLT, Ahmedabad, the Holding Company was advised to submit another bank guarantee of ₹ nil million (31 March 2019: ₹ 5,000.00 million) which was obtained on 09 May 2018 with a validity till 08 August 2018 and claim period till 06 November 2018. In the month of August 2018 the Holding Company has extended the validity period till 08 November 2018 and claim period till 06 February 2019. Both the bank guarantees so issued have expired and have since been returned and discharged on 01 August 2019.

The resolution plan submitted on 02 April 2018 was further updated on 22 October 2018 after discussions with COC of ESIL. The updated resolution plan was approved by the COC of ESIL on 25 October 2018. As required by the letter of intent dated 25 October 2018, from the Resolution Professional, Company submitted a bank guarantee for ₹ nil million (31 March 2019: ₹ 39500.00 million) in respect of resolution plan performance of ESIL and as required by the letter of intent. The bank guarantee was subsequently returned and discharged on 30 December 2019.

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(c) The Holding Company had submitted an expression of interest for submission of the resolution plan for Asian Colour Coated Ispat Limited ("ACCIL"), along with an earnest money deposit by way of a bank guarantee of ₹ nil million (31 March 2019: ₹ 2.50 million) pursuant to invitation dated 01 October 2018. However, upon undertaking due diligence for ACCIL, the Holding Company did not submit a resolution plan for ACCIL. The bank guarantee was subsequently returned and discharged on 01 July 2019

(d) The Holding Company had submitted a resolution plan (the "Plan") to the Committee of Creditors ("COC") of EPC Construction India Limited ("EPCC") on 24 November 2018. Pursuant to the discussions held with the Committee of Creditors (CoC) on 26 November 2018 and with the steering committee of the CoC held on 4 December 2018 and 14 December 2018, the Holding Company submitted a revised resolution plan on 24 December 2018. The Holding Company as required in the request for proposal submitted a bank guarantee of ₹ nil million (31 March 2019: ₹ 50.00 million) issued on 19 November 2018 with a validity till 19 May 2019 and claim period till 18 June 2019. The resolution plan submitted on 24 December 2018 was not approved by the COC of EPCC. This guarantee was further renwed till 19 August 2019 with a claim period till 19 September 2019. This guarantee was not renewed further and closed on 19 September 2019.

(e) The Holding Company submitted a resolution plan for acquisition of Essar Power MP Limited ("EPMPL") pursuant to a Request for Proposal dated 14 March 2019 issued under a lender-driven process outside of Insolvency and Bankruptcy Code 2016. The Holding Company has also submitted an earnest money deposit by way of a bank guarantee of ₹ nil million (31 March 2019: ₹ 500.00 million) in respect of resolution plan process of EPMPL with a validity till 31 July 2019 and a claim period till 30 August 2019. The COC of EPMPL after discussion with the Group, requested Holding Company to submit a revised resolution plan for acquisition of EPMPL. However, the Holding Company did not submit a revised resolution plan for EPMPL as yet.

(f) In respect of 2,659.75 acres of land allotted to the Holding Company by the Karnataka Industrial Area Development Board (KIADB) as stated in Note 45 (c), several owners of about 302 acres of land did not accept the consent award of around ₹ 800,000 per acres from KIADB and had filed a petition before the Karnataka High Court seeking directions to KIADB/Special land acquisition officer to pass formal award under the provisions of the Karnataka Industrial Area Development Act/old Land acquisition Act. On the directions of the Karnataka High Court, the Land acquisition officer passed award under the aforesaid Acts determining the land price at approx. ₹ 142,458 per acre together with statutory benefits thereon as applicable which was disputed by these owners and they had filed a petition before the local Civil Court in Bellary seeking enhancement of compensation. On 01 March 2016, the local Civil Court in Bellary passed an order in respect of 276.14 acres of land enhancing the compensation to ₹ 3,020,270 per acre together with solatium at 30%, additional market value and interest as directed therein. The Court order was disputed by KIADB who filed an appeal before the Dharwad bench of Karnataka High Court.

During the financial year 2016-17, the Karnataka High Court granted an interim order of stay subject to depositing 50% of the compensation determined by the Civil Court in Bellary which was again disputed by KIADB and KIADB filed a special leave petition in the Supreme Court for granting a stay of the interim order passed by the Karnataka High Court. The Supreme Court did not grant the relief but directed KIADB to approach the Karnataka High Court for modification of the impugned interim order. Pursuant to an application filed by KIADB, the Karnataka High Court passed an interim order directing KIADB to deposit compensation at the global rate of ₹ 1,000,000 per acre after deduction of the amount already paid by the Holding Company.

The High Court passed the final judgment on 8 January 2018 allowing the appeal filed by KIADB and set aside the judgment dated 01 March 2016 passed by the Civil Court. In the High Court judgment, it was held that KIADB was a necessary party and the judgment and decree passed by the civil Court without hearing the KIADB was not sustainable. It was also directed that the civil Court shall issue notice to the KIADB and to the other parties and thereafter pass fresh judgment and award within 4 months.

Post the High Court judgment passed in January 2018 remitting the matter back to Civil Court-Bellary, the cases were being heard in Civil Court Bellary for passing of a fresh award. In between, the Claimants filed a special leave petition (SLP) in Supreme Court against the High Court order which was listed on 11 May 2018 and vide an interim order of even date, the Supreme Court stayed the High Court order, meaning that the legal proceedings in Bellary Civil Court are also stayed. Some more Claimants filed another SLP in Supreme Court on the same grounds and both the SLP's have been clubbed together. The Holding Company and KIADB have filed their objections to the SLP(s) before the Supreme Court Registrar and the matter is yet to be listed before the Supreme Court.

The civil court in Bellary passed another judgment on 30 November, 2019 in respect of about 25.71 acres of land (part of above stated 302 acres) wherein the compensation for land has been enhanced to ₹ 2,686,400 per acre together with solatium at 30%, additional market value and interest as directed therein. The Company has filed appeal before the High Court of Karnataka, Dharwad Bench, challenging the above judgment and on 04 August, 2020, the High Court passed an interim order staying the civil court judgment subject to depositing compensation at the global rate of ₹ 1,000,000 per acre after deduction of the amount already paid by the Group.

Apart from the above litigations, some of the farmers are seeking order for passing of the award under the provisions of new Act i.e. Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and have filed petition(s) in Karnataka High Court. The cases are not yet listed before the Court. However, as per the latest judgments of the Karnataka High Court, it has been held that Section 24 of the new Act (relating to payment of compensation under the new Act in respect of existing cases where award has not been passed), has no application to lands acquired under KIAD Act. Going by this reasoning, the compensation under the new Act would not be payable for the subject acquisition under the KIAD Act.

The management of the Holding Company based on its internal assessment is of the opinion, that no additional amount will be payable for the aforesaid land.

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(g) Since 2010, Essar Bulk Terminal Limited ("EBTL") is providing Cargo handling services to Essar Steel India Limited (then "ESIL" and now AMNSI at Hazira, as per the Agreement for Cargo Handling Services dated 25 February 2011 ("CHA"). The CHA provides for cargo handling charges, which subsumes charges for all services under the CHA (including loading and unloading of cargo, pilotage, towage, etc.). However, from inception, EBTL has charged additional amounts for vessel related services like pilotage and towage, and ESIL had been paying those vessels related charges.

The corporate insolvency resolution process of ESIL in terms of the Insolvency & Bankruptcy Code, 2016 commenced on 2 August 2017. The resolution plan of AMIPL for ESIL was approved by the committee of creditors in October 2018

In March 2019, EBTL unilaterally increased the vessel related charges substantially from approximately USD 1.2 per Gross Registered Tonnage (GRT) to USD 3.25 per GRT. ESIL opposed this payment of separate vessel related charges, and this unilateral increase in charges. As per the terms of the CHA, AMNSI is not required to pay any amounts over and above the agreed rates as per Annexure I of the CHA. The levy of additional charges by EBTL is accordingly contrary to the terms of the CHA. Further, the resolution plan of AMIPL provides that EBTL to continue services 'in the same manner and on the same terms as set out under the subsisting contract for such period as AMNSI requires such access for its business and operations'. However, in order to maintain ESIL as a going concern during the insolvency process, ESIL continued to pay the separate vessel related charges at the previous rate of USD 1.2 per GRT.

Pursuant to the final judgement of the Hon'ble Supreme Court of India on November 15, 2019 in the CIR process of ESIL, the resolution plan of AMIPL was approved in terms of the IB Code and AMIPL acquired ESIL on 16 December 2019.

Post the takeover as well, AMNSI has been objecting to these charges levied by EBTL and in its letter to EBTL on 1 May 2020, AMNSI (erstwhile ESIL) expressly stated that no separate vessel related charges are payable under the CHA; however, even after 1 May 2020, AM/NS India has been paying the vessel related charges according to the older rates to avoid disruption of services by EBTL. However, EBTL has been raising invoices on AMNSI based on the revised rates (i.e. USD 3.25 per GRT) and has raised claim for an amount Rs. 2,413.20 million as on 31st March 2020.

Additionally, EBTL has also raised claims on AMNSI for:
A. Purported deepening of the channel from 10m to 12m depth, which deepening is disputed by AMNSI on account of lack of satisfactory evidence. EBTL has made a total claim of Rs. 518.00 million as on 31st March 2020.
B. Purported rental charges of Rs. 59.40 million , which are disputed by AMNSI as there is no contractual agreement for such charges to be levied on AMNSI.

Having regards to the above, in view of the Group, the aforementioned incremental charges are not payable, and accordingly, Group has called upon EBTL to withdraw its demands with respect to the escalated cargo handling charges, separate vessel related charges, port dues and rental charges. Further under the Resolution Plan (as approved by the Supreme Court) all claims arising during the resolution process until the date of takeover by AMIPL i.e. December 16, 2019 stands extinguished/settled in terms of the plan.

AMNSI has a claim against EBTL of Rs. 62.80 million towards Demurrage charges. These claims are disputed by EBTL.

(ii) **Commitments**	**As at 31 March 2020**	**As at 31 March 2019**
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,150.46	-
Export obligation under EPCG scheme*	159,003.00	-

*Export obligation, includes commitment to export for a value of Rs. 94,519.30 million till 31st August 2018, for which the Group has made a representation to the Ministry of Steel and Ministry of Commerce & Industry for granting extension of export obligation period by 5 years. The extension of export obligation period and policy amendments are expected from Ministry of Commerce as per the communication from Indian steel association on 12th June, 2019. However the management does not foresee the development of corresponding duty obligation pursuant to the implementation of approved resolution plan, whereby all contingent liabilities, guarantees, commitments and other obligations includes all taxes and other government dues of the Group, standing as on the Effective Date i.e. 16th December 2019, have been extinguished.

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(a) The AMNSI and Odisha Slurry Pipeline Infrastructure Limited (OSPIL) entered into a Business Transfer Agreement (BTA) dated 27 February 2015 pursuant to which a business undertaking of the AMNSI, viz. Slurry Pipeline was agreed to be transferred to OSPIL for a total consideration of Rs. 40,000.00 million. The purchase consideration was agreed to be paid in a phased manner, however AMNSI had a right to exercise an option to retransfer back the Slurry Pipeline in the event OSPIL failed to pay the instalments of purchase consideration. The AMNSI and OSPIL also entered into a Right to Use Agreement (RTUA) dated 30 March 2015, whereby OSPIL allowed AMNSI to use the allocated capacity of the Slurry Pipeline in consideration of usage charges. The RTUA was further amended by the addendum dated 31 August 2015, wherein it was inter alia agreed that the usage charges will be in proportion to the payment of purchase consideration by OSPIL.

OSPIL paid part of the purchase consideration to the Group. However, in January 2016, the RBI issued a clarification to the banks funding the transaction that such sale and lease back transactions will be treated as an event of restructuring for the debt of the seller as well as the buyer. Consequently, OSPIL could not raise the envisaged debt and equity for making payment of the full amount of purchase consideration to the Group, thereby frustrating the transaction. Therefore, the Group and OSPIL mutually entered into an agreement dated 24 June 2016 (Cancellation Deed) agreeing inter-alia to unwind the transaction w.e.f. 30 June 2016 and retransfer the Slurry Pipeline along with loans availed by OSPIL (for funding the purchase of Slurry Pipeline) to the Group and the Group consequently recorded back the Slurry Pipeline as part of Property, plant and equipment.

To give effect of the Cancellation Deed, some of the AMNSI's lenders and OPSIL's lenders granted in-principal approval to AMNSI and OSPIL, respectively. However, SREI Infrastructure Finance Limited (SREI),one of the creditors, objected and filed a suit before the Civil Judge (Senior Division) at Sealdah. SREI also filed an application seeking interim reliefs which was refused by the Hon'ble Civil Judge at Sealdah. SREI filed an appeal in Calcutta High Court, seeking injunction in relation to unwinding of the RTUA as set out in the Cancellation Deed. The Hon'ble Calcutta High Court vide its order dated 22 December 2016 passed an ex-parte order for status-quo with regard to alienation, transfer in respect of the Slurry Pipeline which has been extended from time to time and is still in force.

On 2 August 2017, the AMNSI was admitted into CIRP by Hon'ble NCLT, Ahmedabad Bench. An application was filed before NCLT by the Resolution Professional for seeking relief towards declaring the Slurry Pipeline as the asset of AMNSI and allowing AMNSI to apply before the Calcutta High Court for disposal of the appeal in light of the admission of the application. The NCLT vide its Order dated 7 February 2018, did not grant any relief and stipulated that the title of the pipeline asset is subject to the proceeding before the Hon'ble High Court of Calcutta. On March 5, 2020, SREI filed an application before NCLT, Ahmedabad, seeking payment of usage charges of approximately Rs. 13,000.00 million regarding the slurry pipeline to OSPIL as CIRP costs, and in the alternative, seeking directions for liquidation of AMNSIL. On November 10, 2020, NCLT in its order, held that such usage charges to be payable by AMIPL/AMNSIL as CIRP costs, on or before December 15, 2020.The said Order has been stayed by NCLAT in its order dated December 4, 2020. The management, based on legal advice, believes that such charges are not payable considering the right to use charges were not accepted by the Resolution Professional of AMNSI and cannot form part of the CIRP costs.
An application under IBC for initiating CIRP process against OSPIL filed by IDBI Bank has been admitted by NCLT, Cuttack on 14 May 2019. The claim of Rs. 7,222.20 million (including interest) submitted by AMNSI as financial creditor towards investment in convertible debentures issued by OSPIL was admitted by its Resolution Professional on 22 July 2019.

AMIPL had submitted a Resolution Plan for OSPIL. The Resolution Plan of AMIPL was approved by the COC on 6th December 2019 NCLT vide its order dated March 2, 2020.

Under the Resolution Plan, AMIPL had the option of nominating or identifying another ArcelorMittal group company to undertake implementation of the whole or any one or more part of the Resolution Plan. Accordingly, AMIPL had nominated AM Mining India Private Limited (AMMPL), being a wholly owned subsidiary of AMIPL, to implement the Resolution Plan. The Board AMMPL passed a resolution on June 24, 2020 accepting the nomination. To fund the acquisition, AMMPL issued 79,00,00,000 Compulsory Convertible Preference Shares ("CCPS") of a face value of Rs. 10 each at an issue price of Rs. 30 with a premium of Rs. 20 per CCPS for an aggregate subscription of INR 23,700 million on July 06, 2020 to AMNSI.

AMMPL has concluded the acquisition process as per the approved Resolution Plan by making requisite payments to eligible creditors and acquired the control over the Company on July 8, 2020. As per the Resolution Plan, the existing share capital was extinguished and AMMPL along with its nominee shareholders were allotted 100% of the paid-up equity share capital of OSPIL.

However, SREI has challenged the aforesaid order of NCLT approving the Resolution Plan of AMIPL before NCLAT. Pending outcome of the aforesaid matters before NCLAT and the Hon'ble High Court of Calcutta, the Company, basis legal advice, has continued to recognise as at March 31, 2020, the Slurry Pipeline under Property, plant and equipment at the carrying amount of Rs. 10,038.20 million, adjusted for depreciation as if the Slurry Pipeline was never transferred to OSPIL, and an obligation of Rs. 25,072.70 million as "Other financial liability" (gross liability including interest accrued thereon, of Rs. 30,082.80 million offset with investment of Rs. 5010.10 million in the convertible debentures of OSPIL towards liability taken over as per the Cancellation Deed dated 24 June 2016.

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45 Acquisition of land

(a) The Holding Company had requisitioned the Government of Odisha for allotment of leasehold land of 7,753.309 acres for setting up a 12 Million MT steel plant in Keonjhar in the State of Odisha and had paid ₹ 253.18 million to Orissa Industrial Infrastructure Development Corporation towards provisional charges on approximate cost of land. On 16 July 2013 the Holding Company informed the Government of Odisha requesting them not to renew the MOU which expired on 31 December 2011 as the Holding Company had decided to abandon the proposed steel project. The management is of the opinion that an amount of ₹ 105.80 million would be recoverable based on the terms and conditions stipulated at the time of payment of provisional charges. In FY 2012-13, a sum of ₹ 844.62 million including the above differential amount of ₹ 147.38 million and other costs attributable to the project in the State of Odisha which were lying in capital work-in-progress has been written off. In the prior year, the Holding Company received ₹ 27.30 million from the Government of Odisha towards provisional charges on approximate cost of land paid to Orissa Industrial Infrastructure Development Corporation. In an earlier year, an amount of ₹ 70.58 million was also received. The balance amount receivable ₹ 7.91 million was shown under other financial assets as on 31.03.2019. During the the Holding Company has received ₹ 27.97 million on 29 May 2019 and excess amount of ₹ 20.06 million has been shown as miscellaneous income.

The Holding Company had paid ₹ 0.66 million to the Government of Odisha for allotment of leasehold land of 3 acres for setting up an Industrial Training Institute at Rengalbeda, District Keonjhar, Odisha. The land has been allotted to the Holding Company in terms of a lease agreement with the Government of Odisha for a lease period of 99 years. In view of the decision of the Holding Company to abandon the proposed steel plant in Odisha, the said land has been surrendered and the amount paid has been shown as recoverable. In FY 2018-19, the Holding Company has recorded 100% provision for impairment.

(b) The Holding Company had paid ₹ 123.89 million to the Additional Collector, Gumla District towards 80% premium on transfer of 1,025.831 acres of leasehold land in Kamdara block, Gumla District in the State of Jharkhand. In FY 2009-10, the Holding Company had taken a decision to abandon this site for the Project and had instead applied for 2,210 acres of land (including 880 acres of Government land) in FY 2012-13 to the Government of Jharkhand under the "Jharkhand Voluntary Land Acquisition Rules-2010" in Chas Block of Bokaro District. The Holding Company has written to the Government of Jharkhand requesting for adjustment of the amount paid against Government land to be acquired in Chas Block of Bokaro District. Thereafter, the Circle officer, Chas has verified the land details identified by us as per the directions of the Land acquisition officer, Bokaro. After thorough verification of land details, the Circle officer, Chas has informed us that 82% of land identified by us in Chas block consists of coal bearing zone as per the study report of CMPDI, Ranchi. Subsequently we have submitted a request to the Secretary, Department of Industries and DC, Bokaro to identify non-coal bearing zones in the adjoining villages of Chas block which would facilitate us to extending our applied area further into adjacent available land. Pending allotment of the land the amount paid has been recorded as capital advance.

In FY 2016-17, the Holding Company had submitted an application to the Deputy Commissioner, Gumla district requesting for allotment of 362.95 acres of government land in Gumla district for compensatory afforestation in lieu of land to be allotted for mining lease in Karampada RF, West Singhbhum district and adjust the advance paid earlier as stated above as consideration for the new land. Last year, the Holding Company has written a letter to the Deputy Commissioner, Gumla district to expedite the matter. The matter is pending with the authorities.

(c) The Holding Company had requisitioned the Government of Karnataka for allotment of leasehold land of 4,865.64 acres for setting up a 6 Million MT integrated steel plant and 750 MW power generation plant in Bellary in the State of Karnataka and had paid ₹ 2,676.10 million to the Karnataka Industrial Area Development Board (KIADB) towards advance against cost of leasehold land. The Rampia Coal Mine and Energy Private Limited was allotted 2,659.75 acres of land and an amount of ₹ 2,508.80 million was also adjusted towards cost of the land. The Rampia Coal Mine and Energy Private Limited had also entered into an agreement dated 22nd December 2017 with KIADB for the said land. However, the land could not be registered as KIADB informed the Holding Company that part of the land allotted to the Holding Company was acquired by NHAI for widening the State Highway, thereby reducing the total land quantity by 16.50 acres(amounting to ₹ 21.36 million) to 2643.25 acres. Accordingly a revised agreement was prepared and registered on 26th December 2018. Thus, the total value of land now adjusted against advance paid is decreased to INR 2,487.44 million. Registration charges of lease cum sale agreement of ₹ 132.55 million has been paid and capitalised during the year. The Holding Company has submitted a request to KIADB for further allotment of 136.33 acres of Government land. Pending allotment of land, the unadjusted amount of ₹ 188.66 million has been recorded as a capital advance. The Holding Company has submitted an application to Karnataka Udyog Mitra (KUM) for extending of the validity date of the Government Order for setting up of the Steel Plant. The application made is under consideration of the State Government. .

(d) In the prior years, the Holding Company had purchased 272.74 acres of land at various locations at a consideration of ₹ 38.37 million in the State of Jharkhand. These amounts have been recorded as freehold land in note 4A.

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46 Allocation of coal block and iron ore mines

(a) On 9 January 2008 the Ministry of Coal, Government of India allocated Sergarha coal block in the State of Jharkhand for captive mining of coal by Holding Company and GVK Power (Govindwal Sahib) Limited. In terms of the sanction letter, a subsidiary was formed in the name of Seregarha Mines Limited and equity shares were allotted in proportion to the coal reserves to be shared as specified in the sanction letter.

(b) On 17 January 2008 the Ministry of Coal, Government of India allocated Rampia and Dip side of Rampia coal block in the State of Odisha for captive mining of coal by ArcelorMittal India Private Limited, GMR Energy Limited, Sterlite Energy Limited, Lanco Group Limited, Reliance Energy Limited and Navbharat Power Private Limited. In terms of the sanction letter, a joint venture company was formed in the name of Rampia Coal Mine and Energy Private Limited and shares were allotted in proportion to the coal reserves to be shared as specified in the sanction letter. Amount paid by the AMIPL towards allotment of shares aggregating to ₹ 20.42 million (31 March 2019: ₹ 20.42 million) has been recorded as investments. In view of the decision of the Group to abandon the proposed steel plant in Odisha, the Holding Company has approached the Government of India on 16 July 2013 seeking its approval for sale of its shares in the joint venture company to other joint venture partners/third party in terms of the articles of association/shareholders agreement. During the year the Rampia Coal Mine and Energy Private Limited has applied for strike off and removal of the name of the company from the register companies pursuant to section 248(2) of the Companies Act, 2013 and the rule made there under, as the Rampia Coal Mine and Energy Private Limited is not carrying on the business or operation for a period of two immediately preceding financial years and is unable to continue.

(c) In year 2015, Government of India amended the Mines & Minerals Development & Regulation (MMDR) Act, mandating the grant of future mining leases only through the auction route resulting in cancellation of several mining concessions. However, the mining concessions of the Holding Company were placed in the qualified category and accordingly the Holding Company completed all prospecting/exploration activities in respect of Karampada prospecting licence (662.95 Ha) for iron and manganese ore within the stipulated date and submitted an application to the state government for mining lease which is pending for consideration.

In addition, the Karampada mining lease (202.35 Ha) for iron and manganese ore would have remained intact subject to fulfilment of all conditions, obtaining all statutory approvals and signing of the mining lease by 11 January 2017. However, the mining lease for 202.35 Ha was not signed within 11 January 2017 as the Government did not grant forest clearance u/s 2(iii) of Forest Conservation Act, 1980 citing that sustainable mining plan in Saranda forest region was not finalised and till that time it was not desirable to grant mining lease. The Holding Company challenged the order of the Government by filing a writ petition in the Delhi High Court which was disposed off by the High Court on 17 July 2018 without going into the merits of the matter in view of alternate remedy being available in law (i.e. appeal before National Green Tribunal in respect of Government order).

The Holding Company filed an appeal before Division Bench, Delhi High Court, challenging the Single bench order dated 17th July 2018. On 13th December 2018, the Division bench was pleased to allow the appeal and remanded the matter back to the Writ Court – Single Bench for early disposal on merits. On 9th April, 2019, the Single bench passed an order remanding the matter i.e. Holding Company's application u/s 2(iii) of Forest Conservation Act, 1980, back to the Government of India (MoEF) to consider the application on merits without prejudice to the issue whether the Holding Company's application would survive after the cut-off date (11th January, 2017) as the Sustainable Mining Plan for Saranda Forest is now in place. The Government of India (MoEF) accordingly listed Holding Company's application u/s 2(iii) of Forest Conservation Act, 1980 in Forest Advisory Committee (FAC) meeting held on 22nd May, 2019 for its decision on merits. The FAC considered the application of the Holding Company on merits on 22nd May, 2019 and sought certain clarifications from Ministry of Mines, Govt. of India, Regional Office of MoEF and Principal Secretary (Forests), Government of Jharkhand. The Holding Company's application would be taken up again in FAC once the requisite information is sent by the concerned authorities.

The Holding Company has also filed another writ petition in the Delhi High Court challenging constitutional vires of the MMDR Act amendment and seeking extension of the timeline of 11 January 2017 and has obtained an interim relief that the cutoff date of 11 January 2017 will not come in the way of the mining lease if the Holding Company is ultimately found entitled to the same. This petition is currently pending in Delhi High Court.

(d) **Thakurani Mines**

Pursuant to the Mines and Minerals (Development & Regulation) Act 1957, and the Mineral (Auction) Rules , 2015 as amended , Odisha Government invited tender during the financial year to commence auction process for granting of mining lease for Thakurani Iron Ore Block at Keonjhar District in Odisha. An e-auction process was conducted for the said block and AMIPL was declared the preferred bidder having quoted a final price offer of 107.55%. AMIPL , based on the tender conditions made the payment of INR 154.51 million, being the first instalment of 10% of the upfront fee on 19th February 2020. Accordingly , AMIPL received letter of intent from the State Government on 2nd March 2020. The lease is valid for 50 years. AMIPL made payments of 90% of balance of upfront fee in two instalments – INR 154.51 million (10%) on 02 June 2020 and last one INR 1,236.07 million (80%) of the upfront on 25 June 2020. The AMIPL signed the Mining and Production and Development Agreement (MDPA) on 25th June 2020 and the Mining Lease agreement on 27th June 2020 . The production from the Thakurani Mines started on 14 July 2020 and first shipment of iron ore fines took place to ArcelorMittal Nippon Steel India Limited, subsidiary of AMIPL on 07 August 2020. This mine is a captive mine of AMIPL.

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47 **Employee Benefits**

(i) Defined Contribution Plan

The Group has a defined contribution plan whereby contribution are made to provident fund in India for employees at a percentage of Payroll cost as per regulations. Contributions are made to registered provident fund administered by Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. Group's contribution to Provident Fund aggregating to Rs. 62.19 million are recognised in the statement of profit and loss and capital work in progress, as applicable.

(ii) Defined Benefit Plan

The Group has a defined benefit Gratuity plan. Every employee who has completed five years or more of service gets a Gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded through a Gratuity Scheme administered by a separate fund that is legally separated from the entity.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Reconciliation of Defined Benefit Obligation

Particulars	Gratuity	Gratuity
	2019-20	2018-19
Balance at the beginning of the year	9.20	7.33
Addition pursuent to acquistion of AMNSI	1096.00	-
Current Service Cost	32.02	1.29
Past Service Cost	0.00	-
Interest Cost on Defined Benefit Obligation	21.50	0.57
Actuarial (gain)/losses arising from:	0.00	-
Changes in demographic assumptions	(17.10)	-
Changes in financial assumptions	14.17	(0.04)
Experience adjustment	8.00	0.05
Benefits paid from the plan assets	(22.20)	-
Balance at the end of the year	**1141.59**	**9.20**

Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	Gratuity
	2019-20	2018-19
Balance at the beginning of the year	-	-
Addition pursuent to acquistion of AMNSI	853.50	-
Interest Income on Plan Assets	16.60	-
Remeasurement of Defined Benefit Obligation:	-	-
Return on plan assets greater/ (lesser) than discount rate	1.39	-
Employer Contributions to the Plan	3.00	-
Benefits Paid from the Plan Assets	(22.20)	-
Balance at the end of the year	852.29	-

The amount recognised in the Balance Sheet

Particulars	Gratuity	Gratuity
	2019-20	2018-19
Present value of Defined Benefit Obligation	1,141.59	9.20
Fair Value of Plan Assets	852.29	0.00
Net (Asset)/Liability in the Balance Sheet	**289.30**	**9.20**

Expenses recognized in profit or loss

Particulars	Gratuity	Gratuity
	2019-20	2018-19
Current Service Cost	32.02	1.29
Past Service Cost	-	-
Interest Cost	21.50	0.57
Interest Income on Plan Assets	(16.60)	-
Total Defined Benefit Cost recognized in Profit & Loss	**36.92**	**1.86**

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Remeasurement recognized in other comprehensive income

Particulars	Gratuity	Gratuity
	2019-20	2018-19
Actuarial (gain)/losses arising from:		
Changes in demographic assumptions	(17.10)	-
Changes in financial assumptions	14.17	(0.04)
Experience adjustment	8.00	0.05
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(1.39)	-
Total Defined Benefit Cost recognized in Other Comprehensive Income	**3.68**	**0.01**

The Company expects to contribute Rs. 101.70 million to its gratuity plan for the next year.

Expected benefits payment for the year ending

	2019-20	2018-19
Less than 1 year	116.27	1.49
Between 2 to 5 years	456.58	3.97
Over 5 years	730.82	3.74

Weighted Average duration of the defined benefit obligation 16 years 15 years

Investment details of plan assets

Plan assets comprise of Schemes of Insurance - Conventional products

Sensitivity Analysis - Impact on DBO

Particulars	31st March 2020		31st March 2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.5% movement)	(39.09)	42.15	(0.39)	0.43
Salary Escalation Rate (0.5% movement)	34.76	(33.20)	0.43	(0.40)

Assumptions	31st March 2020	31st March 2020
Discount rate	6.60% - 8.08%	7.66%
Rate of Return on Plan Assets	7.50%	-
Salary escalation rate	7.50% - 8.00%	7.54%
Withdrawal rate	10.00%	-
Mortality	Mortality chart of respective countries	

Net Asset/(Liability) recognised in Balance Sheet	As at			
	31st March, 2020		31st March, 2019	
	Current	Non Current	Current	Non Current
Gratuity	3.37	285.93	1.49	7.71
Compensated Absences	23.93	131.13	0.85	5.46

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48 Related party transactions

In the normal course of business, the group enters into transactions with its parent company and other affiliated companies. The names of related parties of the Company as required to be disclosed under Indian Accounting Standard 24 is as follows:

(a) Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding company	1 ArcelorMittal SA (till 11 December 2019)
Ultimate Holding company	2 AMNS Luxembourg Holding SA (w.e.f. 11 December 2019)
Holding company	3 Oakey Holding B.V, the Netherlands
Fellow subsidiaries	1 ArcelorMittal Design & Engineering Centre, Private Limited (till 11 December 2019)
	2 ArcelorMittal Europe, SA (till 11 December 2019)
	3 ArcelorMittal International (till 11 December 2019)
	4 ArcelorMittal Projects India Private Limited (till 11 December 2019)
	5 ArcelorMittal Tubarao Plant, Brasil (till 11 December 2019)
Joint Ventures	1 Rampia Coal Mine and Energy Private Limited (ownership interest 13.04%)
Associates	1 Essar Steel Processing FZCO (ESP-FZCO)(w.e.f. 16 December 2019)
Key Management Personnel (KMP)	1 Kalyan Ghosh (Chief Financial Officer)
	2 Java Joshi (Company Secretary)
	3 Sanjay Sharma (Director) (till 16.12.19)
	4 Aditya Mittal (Director)
	5 Prabh Das (Director)
	6 Dilip Oommen (Director)
	7 Subir Kumar Khasnobis (Alternate Director)
	8 Hideki Ogawa (Director)
	9 Brian Edward Aranha (Director)
	10 Hiroshi Ebina (Alternate Director)
	11 Katsuhiro Miyamoto (Director)
	12 Yoichi Furuta (Director)
	13 Hiroyuki Nitta (Director)
	14 Van Grembergen Hilde Magda Jacqueline (Director)
	15 Taisuke Nomura (Director)

During the Financial Year, there has been a change in structure of ownership of AMIPL, prior to the takeover of ESIL which resulted in AMIPL becoming a joint venture of ArcelorMittal S.A. and Nippon Steel Corporation of Japan . The ownership changed at AMNS Luxembourg Holding SA , the parent company of Oakey Holding B.V. , Netherlands, the holding company of AMIPL with 40% stake taken over by Nippon Steel Corporation , Japan with 60% continuing to be with ArcelorMittal Belval & Differdange SA , a step down subsidiary of ArcelorMittal SA. Accordingly, the company's Board was recast. Currently the company has a 12 member Board (including alternate directors)with 6 from ArcelorMittal and 6 from Nippon Steel Corporation.

Entity excercising joint control over Parent company

(with whom transaction have taken place)

1 AFS Sedan
2 ANS Steel Tubes Limited
3 ArcelorMittal DSTC FZCO
4 ArcelorMittal International Luxembourg S.A.
5 ArcelorMittal Neel Tailored Blanks Private Ltd.
6 ArcelorMittal Ventures India Private Limited
7 Nippon Steel India Private Limited
8 Nippon Steel Pipe India Private Limited
9 TRL Krosaki Refractories Limited

Key management personnel remuneration includes the following expenses:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Short-term employee benefits	14.35	11.14
Post-employment benefits	0.32	0.26
Other long term employee benefits	0.16	(0.10)
Share based payment	0.17	0.30
Total remuneration	**15.00**	**11.60**

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ArcelorMittal India Private Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March 2020
(All amount in ₹ million unless otherwise stated)

(b) Details of related party transactions:

For the year ended 31 March 2020

Particular	Parent Company	Entity have joint control over Parent company	Fellow Subsidiary
Sales (Net)	-	425.41	42.54
Service Charge	39.20	-	-
Purchase of Raw Materials,Stores and Spares, Production Consumables and Services	-	87.60	-
Repairs and Maintenance	-	16.00	-
Professional Fees	-	109.28	-
Interest Expenses (including interest on Finance lease obligation)	1,280.80	-	-
Miscellaneous Income	-	0.31	-
Purchase of Capital Goods	-	1.18	-
Assignment of External Commercial Borrowings	-	54,110.00	-
External Commercial Borrowings Repaid	-	3,181.90	-
Guarantee Fee	9.22	-	-
Miscellaneous expenses	0.48	-	-
Interest on ECB	5,716.95	-	-
Reimbursement of expenses (received)		-	-
Travelling & Other expenses	11.50	-	-
Reimbursement of expenses (paid)		-	-
Miscellaneous expenses	-	-	0.14
Other transactions		-	-
Borrowings	240,000.00	-	-
Issue of share capital	131,468.93	-	-
Share Application Money received	59,820.00	-	-

For the year ended 31 March 2019

Particular	Parent Company	Entity have joint control over Parent company	Fellow Subsidiary
Service Charge	27.00		
Guarantee Fee	1.06		
Communication expenses	0.64		
Reimbursement of expenses (received)			
Travelling & Other expenses	14.03		
Share based payments to employees	0.18		
Travelling expenses			0.05
Miscellaneous expenses			0.13
Reimbursement of expenses (paid)			
Miscellaneous expenses			0.34

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For the year ended 31 March 2020

(c) Balance outstanding at year end

Particular	Parent Company	Entity have joint control over Parent company	Fellow Subsidiary
Debtors		187.17	
Other Advance(Including Advance Towards Equity)		55.06	
Sundry Creditors /Other Payable	1,198.60	74.70	
Advance From Customer		23.18	
External Commercial Borrowings Taken	53,770.90		
Trade Payables	9.71		
Borrowings	240,000.00		
Other financials Liabilities (Interest payable)	5,314.11		
Receivables against service income	17.47		
Bank guarantee taken	3,850.00		

For the year ended 31 March 2019

Balance outstanding at year end

Particular	Parent Company	Entity have joint control over Parent company	Fellow Subsidiary
Trade Payables	1.23	-	
Receivables against service income	9.90	-	
Bank guarantee taken	50,233.00	-	

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49 Financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.2 (J) to the financial statements.

i) Financial instruments by category

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	14,472.50	124.10	-	-	-	-
Loans & Advances	58,102.71	-	1,049.08	58,351.57	-	16.12
Trade Receivables	-	-	8,451.70	-	-	-
Other financial assets	73.40	-	2,716.37	-	-	17.81
Cash & Bank Balances	-	-	70,392.23	-	-	18,941.67
Total	**72,648.61**	**124.10**	**82,609.38**	**58,351.57**	**-**	**18,975.60**
Financial liabilities						
Borrowings	-	-	301,048.23	-	-	0.74
Lease Liability	-	-	20,086.87	-	-	-
Trade payables	-	-	16,240.38	-	-	94.98
Other financial liabilities	4.90	-	25,417.63	-	-	17.26
Total	**4.90**	**-**	**362,793.11**	**-**	**-**	**112.98**

ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are divided into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Financial Instruments measured at fair value

31st March, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	14,475.90	3.40	117.30	14,596.60
Loans & Advances	-	-	58,102.71	58,102.71
Derivative financial assets	-	73.40	-	73.40
Total financial assets	**14,475.90**	**76.80**	**58,220.01**	**72,772.71**
Financial liabilities				
Derivative financial Liability	-	4.90	-	4.90
Total financial liabilities	**-**	**4.90**	**-**	**4.90**

There were no movement between level 1, level 2 and level 3 during the period.

Financial Instruments measured at fair value

31st March, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Loans & Advances	-	-	58,351.57	58,351.57
Total financial assets	**-**	**-**	**58,351.57**	**58,351.57**
Financial liabilities				
Financial instruments at FVTPL	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

There were no movement between level 1, level 2 and level 3 during the period.

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iii) Valuation process and technique used to determine fair value

a) In order to arrive at the fair value of the financial amount receivable, the Group has carried out the valuation of the receivables under discounted cash flow (DCF).

Fair value of receivable of ₹ 51675.71 million (31 March 2019: ₹ 50,425.90 million) from Uttam Galva Steel Limited (UGSL) as well as KSS Petron Pvt Limited (KSS) ₹ 6,427.01 million (31 March 2019: ₹ 7,925.67 million) are determined by discounting the expected cash flows. In this , the estimated cash flow of UGSL, are based on estimated future projections from the company. This has not resulted any additional impairment during the year. As regards KSS, similar exercise has been carried out by estimating cash flows of the Company assuming the liquidation of KSS along with one of its subsidiary "Petron Engineering Company Limited" based on decisions of the Committee of Creditors of both the companies. The liquidation of both the companies have received approval of NCLT, Mumbai. In addition, the Company has considered fair value of receivables by discounting cash flows of another subsidiary "Bhubaneshwar Expressway Private Limited" (BEPL) of KSS based on arbitration award given by the Arbitration Tribunal for Cost overrun and termination payment as per the Audited Financials of BEPL for the year ended 31st March 2019 with an appropriate discount rate which commensurate with the risk inherent in the expected cash flows.

b) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

iv) Significant unobservable inputs used in Level 3 fair values and sensitivity of the closing values as at end of reporting period to such inputs is as below :

a)

Impact on fair value if change in risk adjusted discount rate in Loans and advances	**As at 31 March 2020**	**As at 31 March 2019**
- Impact due to increase of 100 bps	(5,204.07)	(37.90)
- Impact due to decrease of 100 bps	6,582.30	39.00

Impact on fair value if change in risk adjusted discount rate in Investments

b)

Particulars	**Valuation Technique**	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity of the input to fair value**
FVOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital	11.40% - 16.50%	1% increase would result in decrease in fair value by Rs. 10 million as of 31st March,2020
		Projected Free Cash Flows	-	5% increase would result in increase in fair value by Rs. 9.60 million as of 31st March,2020

v) The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

As at 31 March 2018	-
Asset recognised in the year	64,861.27
Gain/(loss) due to change in fair value recognised in statement of profit and loss	(6,509.70)
As at 31 March 2019	58,351.57

As at 31 March 2019	58,351.57
Amount Paid/ Received (net) during the year	171.44
Gain/(loss) due to change in fair value recognised in statement of profit and loss	(420.30)
As at 31 March 2020	58,102.71

50 Financial Risk Management, Objectives and Policies

A) Capital Management

i) Risk Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the group monitors capital on the basis of net debt to equity ratio and maturity profile of overall debt portfolio of the group.

Net debt implies total borrowings of the group as reduced by Cash and Cash Equivalent and Equity comprises all components attributable to the owners of the group.

The following table summarises the Net Debt, Equity and Ratio thereof.

Particulars	**31 March 2020**	**31 March 2019**
Total borrowings	301,048.23	0.74
Lease liability	20,086.87	-
Less: Cash & Cash Equivalents & Other bank balances	70,392.23	18,941.67
Net Debts (A)	250,742.87	(18,940.92)
Total equity (refer note 21 & 22)	262,907.02	80,373.05
Net debt to capital employed Ratio (A/B)	**0.95**	**(0.24)**

No changes were made in the objective policies & process for expenditure as on 31st March 2020 & 31st March 2019.

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ii) Dividends

The group has not declared any dividend for FY 2018-19 and no dividend has been proposed for FY 2019-20.

B) Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, the group has risk management policies as described below :-

i) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the group. The group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The group's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash & Bank Balances,
- loans & receivables carried at amortised cost,
- loans carried at FVTPL and
- Trade receivables carried at amortised cost
- Other financial assets at amortised cost

a) Credit risk management

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from deposits with banks and other parties, trade receivables, inter-corporate deposits, loans and advances to staff and derivative contracts. The Company periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual limits are set accordingly. Bank deposits are placed as collateral / margin money to avail fund & non-fund based facilities from Banks / Financial Institutions. Hence, there is no significant credit risk on such Deposits except the Group is exposed to credit risk in relation to financial amount receivables that are measured at fair value through profit & loss account. The maximum exposure at the end of the reporting period is the carrying amount of these financial amount receivables INR 58,102.71 million (31 March 2019: ₹ 58,351.57 million)

Trade Receivable: The Company trades with recognized and creditworthy third parties. However, the Company is exposed to credit risk in event of non-payment by customers. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to identify any significant decline in credit worthiness of the customers. Generally, the Company does not enter in to sales transaction with customers having credit loss history. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Credit risk in majority of cases are mitigated by Letter of Credit / advances from the customer. In determining allowance for credit losses of trade receivables, the Company uses practical expedient by assessing credit risk which takes into account historical credit loss experience and is adjusted for forward looking information. Expected Credit Loss for 100% of the receivables are recognized if the receivable remains past due for more than 180 days from the due date or earlier if the credit risk for the specific receivable has changed.The Company based on past experiences does not expect any material loss on its receivables over due for less than 180 days and hence no provision is deemed necessary on account of expected credit loss ('ECL'). The ageing of trade receivables that are past due is given below:

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the below tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

	31 March 2020		
Particulars	**Gross Carrying Amount**	**Allowance for expected credit loss**	**Net carrying amount net of impairment provision**
Amounts not yet due	6,562.30	-	6,562.30
Up to six months overdue	1,934.10	44.70	1,889.40
Greater than six months overdue	2,991.90	2,991.90	-
Total	**11,488.30**	**3,036.60**	**8,451.70**

ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The group takes into account the liquidity of the market in which the entity operates. In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 March 2020	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Borrowings	7,365.62	275,785.02	17,897.59	**301,048.23**
Lease Liability	5,535.22	11,836.20	11,375.91	**28,747.34**
Trade payables	16,239.99	-	-	**16,239.99**
Other financial liabilities	30,495.04	-	-	**30,495.04**
Total	**59,635.87**	**287,621.22**	**29,273.50**	**376,530.59**

31 March 2019	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Borrowings	0.24	0.50	-	**0.74**
Trade payables	94.98	-	-	**94.98**
Other financial liabilities	17.26	-	-	**17.26**
Total	**112.48**	**0.50**	**-**	**112.98**

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iii) Market Risk

The Group is exposed to Financial Market risks in its operations on account of:

- Foreign currency exchange risk
- Interest rate risk
- Commodity price risk

The Board has put in place detailed Market Risk Management Policy (RMP) documents and the market risks are managed by various functionaries in terms of these Policy documents. The same policy is followed during the year.

a) Foreign currency exchange risk

The group is exposed to foreign exchange risk arising from export sales, operating and capital expenditure in foreign currency, foreign currency loans and economic exposure on account of mismatch between foreign currency and INR assets and liabilities. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group enters into hedging transactions mainly to hedge the significant foreign exchange risks from concluded and committed export sales, operating and capital expenditures and the foreign currency borrowings. The Company is mainly exposed to exchange risk from foreign currencies - USD & EUR.

(i) **Foreign currency risk exposure:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows

Particulars	USD	EUR	Others	31 March 2020	31 March 2019
Trade receivables	1,286.10	61.00	-	1,347.10	-
Cash and Banks Balance	384.70		-	384.70	-
Other Financial Assets	94.07	-	-	94.07	9.90
Financial Assets	**1,764.87**	**61.00**	**-**	**1,825.87**	**9.90**
Net Exposure to foreign currency risk on financial assets	**1,764.87**	**61.00**	**-**	**1,825.87**	**9.90**
Borrowing	55,720.90	-	-	55,720.90	-
Trade and other payable	5,414.75	224.24	16.60	5,655.59	0.17
Financial Liabilities	**61,135.65**	**224.24**	**16.60**	**61,376.49**	**0.17**
Covered by derivatives contract	**2,797.10**	**-**	**-**	**2,797.10**	
Net Exposure to foreign currency risk on financial liability	**58,338.55**	**224.24**	**16.60**	**58,579.39**	**0.17**

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2020	31 March 2019
USD sensitivity		
INR/USD- increase by 100 bps (31 March 2019 100 bps)*	(565.74)	0.10
INR/USD- decrease by 100 bps (31 March 2019 100 bps)*	565.74	(0.10)
EURO sensitivity		
INR/EURO- increase by 100 bps (31 March 2019 100 bps)*	(1.63)	-
INR/EURO- decrease by 100 bps (31 March 2019 100 bps)*	1.63	-
Others sensitivity		
INR/OTHERS- increase by 100 bps (31 March 2019 100 bps)*	(0.17)	-
INR/OTHERS- decrease by 100 bps (31 March 2019 100 bps)*	0.17	-

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's short term borrowing and long term borrowings with floating interest rates. The group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Below is the overall exposure of the company to interest rate risk:

Particulars	31 March 2020	31 March 2019
Variable rate borrowings	53,682.61	-
Fixed rate borrowings	247,365.62	0.74
Total borrowings	**301,048.23**	**0.74**

Sensitivity	31 March 2020	31 March 2019
Impact on Company's Profit/ Loss, if interest rates had been 50 basis points higher/lower and all other variables were held constant.	268.41	-

The sensitivity analysis above have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

ii) Assets

The group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

Commodity price risk

The group has exposure to Commodity Price Risk on its raw materials such as Coal, Coke, pellets etc. required for Steel production and also on its finished products (Steel and its variants). The Risk Department reviews the exposures, evaluates and hedges the commodity price risks in terms of the Board approved Policy document. The group hedges directly with International counterparties using OTC derivative contracts based on appropriate Index / Exchange Listed Contracts, subject to availability of counterparty hedging limits.

The commodity contracts entered into by the Group and outstanding as at year end are as under:-

As at	Nature	No. of Contracts	Commodity Name	Quantity (Barrels)	USD Equivalent (Millions)	INR Equivalent (million)	MTM of Commodity Contract (million)
31st March 2020	Liabilities	4	Natural Gas	787,200	392.00	2,955.30	4.90

During the period, the group has undertaken Brent hedging deals against contracted exposure of the period Calendar years 2021 to 2024 (Highly probable exposure).

Other price risks :

The group's exposure to price risks from investments in equity shares is considered immaterial.

d) Other Risk

The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. Company plants and offices were under nationwide lockdown since March 24, 2020 and operations are being resumed in a phased manner taking into account directives from the Government. As a result of lockdown the volumes for the month of March 2020 have been impacted and consequently, the performance for the month of March 2020 has also been partially impacted. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lockdown. The Company has made detailed assessment of its liquidity position for a period of at least one year from the balance sheet date, of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the balance sheet date, and has concluded that there are no material impact or adjustments required in the financial statements.

Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the financial statements. The impact on our business will depend on future developments that cannot be reliably predicted. It is uncertain how long these conditions will last. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial statements and the Group will closely monitor any material changes to future economic conditions. Management expects no significant impact on the continuity of operations of the business on a long term basis.

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51 Acquisition of Debts

The shareholders of the Holding Company had approved the submission of resolution plan (the "Plan") 05 February 2018 which was submitted to the Committee of Creditors ("COC") of Essar Steel India Limited ("ESIL") on 02 April 2018. The Holding Company's eligibility to submit the Plan was challenged under Section 29A(c) of the Insolvency and Bankruptcy Code, 2016 ("IBC"), inter alia, on the ground that it was a "connected person" of Mr. L.N. Mittal, purportedly in "control" of Uttam Galva Steels Limited ("UGSL") & KSS Petron Private Limited ("KSS Petron").

UGSL's account was classified as a 'non-performing asset' (NPA) on 31 March 2016 by Canara Bank and Punjab National Bank (which classification had continued for more than 1 year prior to ESIL's insolvency (2 August 2017).

KSS Petron was admitted to insolvency on 1 August 2017 after its account remained a 'non-performing asset' (NPA) for more than the prescribed duration stipulated in Section 29A(c) of IBC.

The Hon'ble Supreme Court of India (the "Supreme Court") in its judgment dated 4 October 2018 (the "Judgment") found the Holding Company to be ineligible under Section 29A(c) of the IBC. Further, in exercise of its inherent powers, the Hon'ble Supreme Court provided an opportunity to the Holding Company to cure such ineligibility by making payment of the overdue amounts under the loan accounts of UGSL which had been declared NPA for a period of one year prior to the commencement of ESIL's insolvency (2 August 2017) within two weeks from the date of receipt of the Judgment (18 October 2018).

Acquisition of UGSL Debt

Pursuant to the Judgment, UGSL's financial creditors (each, a "UGSL Financial Creditor"), through State Bank of India, submitted to the Company a statement of the aggregate of principal amounts overdue and payable as on 30 September 2018 and interest due and payable as on 17 October 2018 (the "UGSL Assigned Loans") by UGSL to the UGSL Financial Creditors in respect of the financial assistance availed under the terms of its respective financing documents.

Subsequently, an amount aggregating to ₹ 49,223.01 million (31 March 2019: ₹ 49,223.01 million) (the "UGSL Purchase Consideration") was determined to be outstanding for payment towards principal and interest by UGSL to UGSL Financial Creditors. Based on the Holding Company shareholder's approval dated 10 October 2018, the Company on 17 October 2018, entered into an assignment agreement with the UGSL Financial Creditors, pursuant to which:

(i) The Group made payment of the UGSL Purchase Consideration to the respective UGSL Financial Creditors;
(ii) the UGSL Financial Creditors unconditionally and irrevocably assigned to the Group the UGSL Assigned Loans on an "as is where is", "as is what is" and "without recourse" basis; and
(iii) all agreements, deeds and documents related to the UGSL Assigned Loans and all collateral and underlying security interests in respect of the UGSL Assigned Loans, which the respective UGSL Financial Creditors were entitled to, stood assigned in the Group's favour.

The receivables acquired from the lenders of UGSL have been classified by the Group as Fair Value Thorough Profit and Loss ('FVTPL'), as these receivables are not held within a business model whose objective is to hold such receivables in order to collect contractual cash flows.

The Group had initially recognized financial amount receivables from UGSL at a fair value of ₹ 49,223.01 million. Subsequent to the acquisition of UGSL Assigned Loans during the year 2018-19, the Company has also made available to UGSL an aggregate amount of ₹ 2,376.50 million by way of inter-corporate deposits, on the terms and conditions contained in various inter-corporate loan agreements executed between the Company. Further, the company has booked an impairment loss of ₹ 1,173.60 million in statement of profit & loss during the year 2018-19 and fair valued the loan amount (net of impairment) at ₹ 50,425.91 million as on 31 March 2019.
During the year 2019-20 the Group has further made available an amount of Rs. 1249.80 million by way of inter-corporate deposit to UGSL totaling the inter corporate deposits amount to ₹ 3,626.30 million. Out of ₹ 3,626.30 million, ₹ 3429.80 million is secured for which the Company is in the process of security charge creation. At the year end the Group's management has subsequently measured the financial amount receivable at Rs. 51,675.71 million (Net of impairment ₹ 1,173.60 million) from UGSL based on its fair value assessment.

Acquisition of KSS Debt

Pursuant to the Judgment, KSS Petron's CoC issued a letter dated October 16, 2018 (the "KSS CoC Letter"). According to the KSS CoC Letter, the Company was required to pay the claims of each financial creditor of KSS Petron including the debt of its subsidiary namely Petron Engineering Construction Ltd and Bhubaneshwar Expressways Pvt Ltd for which loans was guaranteed by KSS Petron (each, a "KSS Financial Creditor") that had been admitted by its Resolution Professional (the "KSS RP") as on 3 October 2018 as well as any amounts that were admitted by the KSS RP after such date.
Subsequently, the KSS RP confirmed that claim amounts of KSS Financial Creditors aggregating to ₹ 13,438.91 million (31 March 2019: ₹ 13,438.91 million) (the "KSS Purchase Consideration") had been admitted as on 16 October 2018. Based on the Company shareholder's approval dated 10 October 2018, the Company on 17 October 2018, entered into an assignment agreement with the KSS Financial Creditors, pursuant to which:

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(i) The Group made payment of the KSS Purchase Consideration to the respective KSS Financial Creditors;
(ii) the KSS Financial Creditors unconditionally and irrevocably assigned to the Company the loan agreements based on which the claims of such creditors had been filed with the KSS RP (the "KSS Assigned Loans") on an "as is where is", "as is what is" and "without recourse" basis; and
(iii) all agreements, deeds and documents related to the KSS Assigned Loans and all collateral and underlying security interests in respect of the KSS Assigned Loans, which the respective KSS Financial Creditors were entitled to, stood assigned in the Company's favour.

The receivables acquired from the lenders of KSS Petron including of its subsidiary namely Petron Engineering Construction Ltd and Bhubaneshwar Expressways Pvt Ltd have been classified by the Company as Fair Value Thorough Profit and Loss ('FVTPL'), as these receivables are not held within a business model whose objective is to hold such receivables in order to collect contractual cash flows.

The Group had initially recognized financial amount receivables from KSS at ₹ 13,438.90 million and booked an impairment loss of ₹ 5,336.10 million in the Statement of Profit & Loss during the year 2018-19. Further, the Group had received ₹ 177.14 million from the lenders of KSS during the year 2019-20, the Group has received ₹ 1,078.35 million from Lenders of KSS. At the year end, the Group has fair valued the balance amount of ₹ 6,427.01 million after recording an impairment loss of ₹ 420.30 million during the year 2019-20.

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52 Segment reporting

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the managemet committee for assessment of the company's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

Revenue from Operations

	2019-20	2018-19
India	70,396.96	-
Outside India	11,801.64	-

Non Current Assets*

	2019-20	2018-19
India	303,642.85	3,246.99
Outside India	82,667.61	-

* excludes financial assets and Goodwill on acquisition Goodwill & Income tax assets (net)

53 Derivative instruments

Sr. No.	Type of Transaction	Amount 31st March 2020	Amount 31st March 2019	Currency	Purpose
1	Forward purchase contract (USD/INR)	70,700,000	-	USD	To hedge the exchange risk on opex import
2	Forward purchase contract (EUR/INR)	226,750	-	EUR	To hedge the exchange risk on opex import
3	Forward purchase contract (JPY/INR)	-	-	JPY	To hedge the exchange risk on opex import
4	Commodity price contracts	39,202,560	-	USD	To hedge the price risk under Gas Purchase contract

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	As at 31 March 2020	As at 31 March 2019
54 Borrowings Note		
(i) Long Term Borrowings Note		
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Loans carrying interest @6M Libor plus 4.30% p.a. The principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%) $$	2,678.70	-
a) Loans carrying interest @6M Libor plus 4.80% p.a.	5,644.70	-
b) Loans carrying interest @6M Libor plus 5.00% p.a.	28,845.90	-
c) Loans carrying interest @6M Libor plus 4.75% p.a.	1,334.50	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders.The principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%). Loans carrying interest @6M Libor plus 4.90% p.a. $$	8,796.10	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company Loan carries interest @ 6M LIBOR plus 4.80% p.a. Principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%) **(Refer note below) $$	7,579.90	-
Principal carry interest @ 0.25% p.a. Principal is repayable on 31st March, 2021 ##	89.80	-

$$ All the External Commercial Borrowing (ECB) Loans has been have been assigned to Credit Agricole Corporate & Investment Bank, Hong Kong Branch (Transit Lender "CACIB HK") by virtue of Assignments Agreements dated 16th December 2019 on existing terms and conditions executed between lenders and CACIB HK as per the approved resolution plan. Later, CACIB has further assigned the ECB loans to AMNS Luxembourg Holdings S.A.(AMNSL) by virtue of Transfer certificates executed on various dates on existing terms and conditions. The Company and AMNS Luxembourg Holdings S.A. have subsequently entered into supplemental agreements dated 27th March 2020 and modified certain terms relating to interest and repayment schedule of ECB loans. AMNSL has provided an interest moratorium to the company for the period starting from 1st April 2020 to 31st March 2021. One of the ECB loan has been transferred to AMNSL on 2nd July, 2020 and the interest pertaining to the same has been shown as payable to AMNSL.

Dollar Note facility has been taken over by AMNS Luxembourg Holdings S.A.(AMNSL) from I2 Capital Trust Corporation ,London (Trustee) by virtue of Assignments Letter dated 16th December 2019, in line with the resolution plan approved by the supreme court dated 15th November, 2019.

The requisite process for satisfaction of charges, pursuant to payments to erstwhile Lenders under the implementation of Resolution Plan, has been initiated. The new Lenders have been assigned all the security rights of erstwhile Lenders. The process of creating fresh charge by mutating the ROC charge register in favour of the new lenders is yet to be completed.

Pursuant to the NCLT order dated 2nd August 2017, Corporate Insolvency Resolution Process (CIRP) was initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. The resolution plan of M/s ArcelorMittal India Private Limited (AMIPL) for the Company was approved and the acquisition process was completed by AMIPL on 16th December, 2019 by making requisite payments to eligible creditors including lenders for borrowings. However, the borrowings were assigned at the same terms of erstwhile lenders. Subsequent to the year end, the lenders have granted waiver against non-compliance of covenant requirements of the debt agreement and accordingly the borrowings have been classified as per the agreed repayment schedules.

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55 Group information

List of Direct and Indirect Subsidiaries of AMIPL is as under:

Sr.No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
			As at 31 March 2020	As at 31 March 2019
Direct Subsidiaries				
1	ArcelorMittal Nippon Steel India Limited	India	100	NA
2	Seregarha Mines Private Limited	India	55.55	55.55
3	AM Mining India Private Limited	India	100	NA
Step down Subsidiaries				
1	AMNS Middle East FZE	UAE	100	NA
2	Essar Steel Trading FZE	UAE	100	NA
3	Essar Steel Logistics Limited	India	100	NA
4	AMNS Shared Services Limited	India	100	NA
5	Essar Steel Offshore Limited*	Mauritius	100	NA
Subsidiaries of Essar Steel Middle East FZE				
1	Essar Steel (UAE) Limited	UAE	100	NA
2	PT AMNS Indonesia	Indonesia	99.74	NA
Subsidiaries of Essar Steel Offshore Limited*				
1	Essar Minerals Limited	Mauritius	100	NA
2	Essar Mineral Cooperatief U.A.	Netherlands	100	NA
3	Essar Minerals Canada Limited	Canada	100	NA
4	New Trinity Holdings LLC	USA	100	NA
5	New Trinity Coal Inc.	USA	100	NA
6	New Resources Inc.	USA	100	NA
7	Essar Minerals INC	USA	100	NA
8	Trinity Parent Corporation	USA	100	NA
9	Trinity Coal Corporation	USA	100	NA
10	Trinity Coal Partners LLC	USA	100	NA
11	Bear Fork Resources LLC	USA	100	NA
12	Deep Water Resources LLC	USA	100	NA
13	Levisa Fork Resources LLC	USA	100	NA
14	North Springs Resources LLC	USA	100	NA
15	Little Elk Mining Company LLC	USA	100	NA
16	Banner Coal Terminal LLC	USA	100	NA
17	Hughes Creek Terminal LLC	USA	100	NA
18	Trinity Coal Marketing LLC	USA	100	NA
19	Frasure Creek Mining LLC	USA	100	NA
20	Falcon Resources LLC	USA	100	NA
21	Prater Branch Resources LLC	USA	100	NA
22	Trinity RMG Holdings LLC	USA	100	NA
23	RMG INC	USA	100	NA

*** refer note a below:**

(a) Essar Steel Offshore Limited ("ESOL") is a private company limited by shares which was incorporated on 17th March 2010 and was domiciled in Mauritius as a Category 2 Global Business License Company and was primarily engaged in investment holding activities. The registered office and principal place of business of the ESOL was located at Essar House, 10 Frere Felix de Valois Street, Port Louis, Mauritius. ESOL is a wholly owned subsidiary of ArcelorMittal Nippon Steel India Limited (AMNSI) formerly known as Essar Steel India Ltd ("ESIL"). ESIL has made an investment of Rs. 738.07 Crore in ESOL. A Corporate Guarantee was also given by ESIL for loan availed by ESOL from Standard Chartered Bank ("SCB"), in August 2010 to finance the acquisition of New Trinity Coal Inc. (Trinity) in July 2010.

The last standalone audited financial statements of ESOL were prepared for the year ended 31st March 2017. As per these financials, ESOL owns 100% of the issued share capital of Essar Mineral Limited (EML) and having investment of US$ 498.64 million in EML. This investment was pledged with Standard Chartered Bank (SCB) for a borrowing of USD 413 million availed by ESOL. ESOL invested in Trinity Coal assets in USA through EML and its step down subsidiaries. However, these assets were not generating any revenue and investment in EML was impaired by ESOL in year ended 31st March 2017. ESIL has also impaired its investment in ESOL in March 2017.

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ESOL incurred a loss of US$ 525.46 million during the year ended 31st March 2017 including the impairment for investment in EML and as at that date, ESOL's total liabilities were exceeding its total assets by US$ 579.58 million including liability towards SCB amounting to US$ 488.75 million against which Corporate Guarantee was given by ESIL.

ESOL incurred a loss of US$ 525.46 million during the year ended 31st March 2017 including the impairment for investment in EML and as at that date, ESOL's total liabilities were exceeding its total assets by US$ 579.58 million including liability towards SCB amounting to US$ 488.75 million against which Corporate Guarantee was given by ESIL.

SCB and State Bank of India had independently filed application to initiate insolvency proceeding against ESIL at the NCLT's Ahmedabad bench, which was admitted on 2nd August 2017 under the Insolvency and Bankruptcy Code, 2016. The directors of ESOL believed that ESOL will not get financial support further and therefore prepared the financials statement on the break-up (not a going concern) basis for period ending 31st March 2017.

ESOL was facing challenges in meeting their regulatory, administration and maintenance costs and failed to pay its registration fees and not filed its annual return as required. Corporate and Business Registration Department, Port Louis has sent a notice to ESOL's registered agent M/s Rogers Capital Corporate Services Ltd. for removal of Company (ESOL) from Register under section 310 (1) (a) of the Companies Act 2001. Subsequently the name of the Company (ESOL) was removed on 26.11.2019 from the Register under section 309 (1) (b) of the Companies Act, 2001 due to the following reasons:
i. The company has ceased to carry on business and there is no other reason for the Company to continue in existence;
ii. The company has failed to pay its registration fees
iii. The company has not filed its annual return as required under section 223(2)

In accordance with Section 315 of the Mauritius Companies Act, upon removal from the register of companies, any property of such company that immediately before the removal had not been distributed or disclaimed, vest in the Registrar or the Curator of Vacant Estates, as the case may be, in the manner specified in this section (amended Act 18 of 2016) with effect from the date of removal from the register. Further the license of ESOL has lapsed since the license fees payable to the (Mauritius) Financial Services Commission (FSC) for the period from 2018-2019 and 2019-2020 have not been paid.

As per the valuer / PPA, the fair value of liabilities appearing in ESOL and its subsidiaries should be measured at Nil Value, as there are no assets left to repay the debt of ESOL and its subsidiaries, and as per the resolution plan, AMNSI is not liable to pay any liability to its subsidiaries. If at all anything is realized from assets of ESOL and its subsidiaries, it would first be utilized to pay off the liabilities, standing in the books of ESOL and its subsidiaries and no liability can accrue to AMNSI subsequent to the No Dues Certificate received from SCB and implementation of approved resolution plan.

The new management of AMNSI have not appointed any directors in ESOL. Further AMNSI has passed Board Resolution on 24th June 2020 for winding up of Essar Steel Offshore Ltd. and its subsidiaries. As reason explained, ESOL, including its subsidiaries have been considered at "Nil Value" as on 15th Dec 2019 as per PPA report and not considered for consolidation as on 31st March, 2020 as it is under liquidation process.

List of Joint Venture considered for consolidation is as under :

Sr.No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
			As at 31 March 2020	As at 31 March 2019
1	Rampia Coal Mine and Energy Private Limited	India	13.04	13.04

List of Associate considered for consolidation is as under :

Sr.No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest	
			As at 31 March 2020	As at 31 March 2019
1	Essar Steel Processing FZCO	UAE	40	NA

(b) One of subsidiary of AMIPL namely ArcelorMittal Nippon Steel India Limited [Formerly known as Essar Steel India Limited] has used exemption from preparing consolidated financial statement as per rules framed under Companies (Accounts) Amendment Rules, 2016 and Para 4(a) of Ind AS 110 – Consolidated Financial Statements, as the Indian holding company, AMIPL is preparing consolidated financial statements for the year ended 31st March 2020.

(c) AMNS Middle East FZE (AMNSME) had entered into a share purchase agreement (SPA) dated September 19,2015 with Essar Steel Limited , Mauritius (ESL) to purchase 100% equity (150,562 equity shares) stake in Essar Steel UAE Limited (ESUL). As per SPA, beneficial ownership has been transferred to AMNSME but ESL could not complete the legal transfer of the shares as these were pledged with ESL's lenders. During the year 2018, pledge on the shares were released by the lenders of ESL. However, on account of worldwide freeze order dated 25 March 2019 from UK Commercial Court on ESL, Mauritius , this transfer is yet to take place . ArcelorMittal Nippon Steel India Limited , (the holding company of AMNSME) and the subsidiary of AMIPL, is having control of ESUL and its subsidiary AMNS PT , Indonesia.

SINGHI & CO. Chartered Accountants

ArcelorMittal India Private Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March 2020
(All amount in ₹ million unless otherwise stated)

56 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:

Company		Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As at 31st March, 2020		For the period 31st March, 2020		For the period 31st March, 2020		For the period 31st March, 2020	
		As % of consolidated net assets	Amount (Rs. in milliom)	As % of consolidated profit or loss	Amount (Rs. in milliom)	As % of Other Comprehensive Income	Amount (Rs. in milliom)	As % of Total Comprehensive Income	Amount (Rs. in milliom)
Parent Company	AMPIL	(69.54)	(182,876.37)	74.52	(7,363.95)	(0.14)	(0.77)	78.78	(7,364.72)
Indian Subsidiary	AMNS and its subsidiaries	169.50	445,719.52	25.45	(2,514.64)	100.14	534.39	21.18	(1,980.25)
	Seregarha	0.02	56.53	0.08	(8.11)	-	-	0.09	(8.11)
	AM Mining	0.00	7.34	0.03	(2.48)	-	-	0.03	(2.48)
Non Controlling Interest		0.02	58.93	(0.07)	7.20	-	-	(0.08)	7.20
Total		**100.00**	**262,965.95**	**100.00**	**(9,881.98)**	**100.00**	**533.62**	**100.00**	**(9,348.36)**

SINGHI & CO. * Chartered Accountants *

57 Composite Scheme of Arrangement

On September 18, 2020 , the Board of Directors of the company approved the "Composite Scheme of Arrangement" under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act , 2013 wherein certain identified assets and liabilities of the company have been proposed to be transferred to M/S AM Associates India Private Limited (transferee company) against shares to be issued and merger of the company with residual assets and liabilities with its fully owned subsidiary , ArcelorMittal Nippon Steel India Limited (amalgamated company) . The said scheme has been filed with National Company Law Tribunal , Ahmedabad on November 13, 2020 and is awaiting its approval.

58 Transfer Pricing

The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

59 Acquisition of Business

On 16th December, 2019, the Company acquired ArcelorMittal Nippon Steel India Ltd.(AMNSI) (Formerly Essar Steel India Ltd) pursuant to the Resolution Plan submitted and approved by National Company Law Tribunal ("NCLT") order dated 8 March 2019 and confirmed by Hon'ble Supreme Court Order dated 15th November 2019.

As a result of the Arrangement, the aggregate purchase price for AMNSI (Group) INR 427,807.30 million as consideration and transaction costs paid by the Company has been allocated to the assets acquired and liabilities assumed in accordance with principles of IND AS 103 as under:

Purchase Consideration	**INR in Million**
Payment to Secured Financial Creditors	361,469.30
Secured Loan assigned to AMNS Lux	54,021.00
Payment to Unsecured Financial Creditors	94.40
Unsecured Loan assigned to AMNS Lux	82.60
Payment to Operational Creditors	11,960.00
Payment to Workmen	180.00
Total Purchase Consideration [A]	**427,807.30**
Fair value of liabilities taken over	
Non-Current Liabilities	
Lease Liability	18,286.00
Other Non-Current Liabilities	1,777.00
Provision For Employee Benefits	362.40
Deferred tax liabilities	476.10
Current Liabilities	
Current Borrowings	9,693.70
Trade Payables	28,222.70
Other Current Financial Liabilities	27,123.00
Other Current Liabilities	8,376.50
Current Provisions	21.90
Total Liabilities taken over	**94,339.30**
Amount of liability paid to operational creditors and employees as per approved Plan through AMNSI	**12,005.80**
Total Fair Value of Purchase Consideration and Liabilities taken over (I)	**510,140.80**
Fair value of Assets taken over	
Property, Plant & Equipment	355,066.10
Non-Current Assets	
Right of use assets	23,517.00
Financial Assets	
Other Investments	129.60
Other Non-Current Financial Assets	2,791.80
Other Non-Current Assets	2,350.10
Current Assets	
Current Investments	4,026.30
Trade Receivables	17,253.30
Inventories	45,567.70
Cash & Cash Equivalents & Bank Balance	10,528.50
Current loans and advances	425.90
Other Current Financial Assets	3,857.40
Other Current Assets	18,322.00
Current Tax Assets (Net)	1,045.10
Total Assets taken over (II)	**484,880.80**
Goodwill/ (Bargain Purchase)	**25,260.00**

The Consolidated Financial Statements reflect goodwill on acquisition / consolidation of Rs. 25,260.00 Million. Goodwill is required to be allocated in the first financial statement after the acquisition. AMIPL is in the process of allocating the Goodwill and expects to complete the process before the end of first annual period beginning after the acquisition date.

SINGHI & CO. Chartered Accountants

60 **Previous years figures**

Previous year figures have been recasted/restated wherever necessary. During the year the Group acquired business (refer note 59), accordingly, current year figures for the year ended March 31, 2020 are not comparable with the corresponding previous year presented in the consolidated financial statements.

For Singhi & Co.
Chartered Accountants
FRN 302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date:

For and on behalf of the Board of Directors of
ArcelorMittal India Private Limited

Hideki Ogawa
Director
(DIN : 07223732)

Subir Kumar Khasnobis
Director
(DIN : 05116159)

Java Joshi
Company Secretary

Kalyan Ghosh
Chief Financial Officer

SINGHI & CO. ★ Chartered Accountants ★

AM/NS INDIA

ArcelorMittal Nippon Steel India Ltd
Standalone Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31st March, 2020 Rs. in Crore		As at 31st March, 2019 Rs. in Crore	
Assets					
Non-Current Assets					
Property, Plant and Equipment	6(a)	33,574.31		39,998.83	
Capital Work-in-Progress	6(a)	1,182.15		3,166.13	
Intangible Assets	6(b)	0.24		4.67	
		34,756.70		43,169.63	
Right of Use Asset	48	1,725.81	36,482.51	-	43,169.63
Financial Assets					
Investments	7(a)	335.50		330.90	
Other Non-Current Financial Assets	8	171.72	507.22	165.53	496.43
Other Non-Current Assets	9		248.46		389.59
Deferred Tax Assets (net)	10		-		823.45
Current Assets					
Inventories	11		5,422.01		4,881.95
Financial Asset					
Current investments	7(b)	1,446.91		25.05	
Trade Receivables	12	781.57		1,400.60	
Cash and Cash Equivalents	13	285.18		144.33	
Other Bank Balances	14	6,611.92		395.20	
Current Loans	15	1.97		566.51	
Other Current Financial Assets	16	197.61	9,325.16	340.65	2,872.34
Other Current Asset	17		737.48		1,902.38
Current Tax Assets (Net)	18		65.30		84.97
TOTAL			**52,788.14**		**54,620.74**
Equity and Liabilities					
Equity					
Equity Share Capital	19	9,222.00		3,109.63	
Other Equity	20	(9,758.39)	(536.39)	(26,870.27)	(23,760.64)
Non Current Liabilities					
Financial Liabilities					
Non-Current Borrowings	21	45,507.41		15.72	
Lease Liability	48	1,306.54	46,813.95	785.99	801.71
Other Non-Current Liabilities	22		172.54		190.23
Non-Current Provisions	23		19.41		16.13
Current Liabilities					
Financial Liabilities					
Current Borrowings	24	3.85		15,775.21	
Trade Payables	25				
A) Total outstanding dues of micro,small and medium enterprises (MSME)		101.81		82.19	
B) Total outstanding dues (other than MSME)	25	1,410.69		4,977.01	
Lease Liability	48	384.56		60.79	
Other Current Financial Liabilities	26	4,034.66	5,935.57	54,117.77	75,012.97
Other Current Liabilities	27		380.87		2,357.75
Current Provisions	28		2.19		2.59
TOTAL			**52,788.14**		**54,620.74**

Notes to Financial Statements form an integral part of the Balance Sheet.

In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No. 46930

For and on behalf of the Board of Directors of
ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO

Hiroyuki Nitta
Director

Takahiro Nagayoshi
Director & Vice President-Finance
Date: 10th December, 2020

Pankaj Chourasia
Company Secretary

ArcelorMittal Nippon Steel India Limited (formerly Essar Steel India Ltd.)

Deloitte Haskins & Sells Chartered Accountants

ArcelorMittal Nippon Steel India Ltd
Standalone Statement of Profit and Loss for the year ended on 31st March, 2020

Particulars	Note No.	For Year ended 31st March, 2020 Rs. in Crore		For Year ended 31st March, 2019 Rs. in Crore	
Income					
Revenue from Operations	29		28,107.45		31,820.23
Other Income	30		177.71		153.78
			28,285.16		31,974.01
Expenses					
Cost of Materials Consumed	31	17,543.18		21,289.84	
Purchase of Traded Goods		63.22		-	
(Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade	32	(676.41)		(362.38)	
Energy Cost	33	4,048.14		4,627.67	
Employee Benefits Expense	34	441.59		433.51	
Other Expenses	35	3,628.43	25,048.15	3,686.90	29,675.54
Profit before Finance Costs, Exchange Variation and Derivative Gains/Losses, Depreciation/Amortisation, Exceptional items and Tax			3,237.01		2,298.47
Finance Costs	36		1,545.73		7,904.14
Exchange Variation and Derivative Losses (net)	37		343.29		334.22
Depreciation / Amortization Expense			2,442.45		1,899.61
Loss before Exceptional items and Tax			(1,094.46)		(7,839.50)
Exceptional Items - Expense / (Income)	52		(15,838.88)		67.38
Profit / (Loss) before Tax			14,744.42		(7,906.88)
Tax Expense/ (Benefit)					
Deferred Tax Charge / (Credit)	38		823.45		(575.76)
Profit / (Loss) after Tax for the year			13,920.97		(7,331.12)
Other Comprehensive Income	39				
(i) Items that will not be reclassified to profit or loss			(2.79)		(7.69)
(ii) Items that will be reclassified to profit or loss			(0.49)		-
Total other comprehensive income			(3.28)		(7.69)
Total Comprehensive Income for the year			13,917.69		(7,338.81)
Earning/(Loss) per Share (in Rupees)	49				
Basic [Nominal value of Shares Rs. 10 each (Previous Year Rs. 10 each)]			46.03		(25.13)
Diluted [Nominal value of Shares Rs. 10 each (Previous Year Rs. 10 each)]			46.03		(25.13)

Notes to Financial Statements form an integral part of the Statement of Profit and Loss.

In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No. 46930

Date: 10th December, 2020

For and on behalf of the Board of Directors of
ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO

Hiroyuki Nitta
Director

Takahiro Nagayoshi
Director & Vice President-Finance
Date: 10th December, 2020

Pankaj Chourasia
Company Secretary

Place: Mumbai

AM/NS INDIA

ArcelorMittal Nippon Steel India Limited

Standalone Statement of Changes in Equity for the year ended 31st March 2020

(Rs. in crore)

Particulars	Equity Share Capital	Other Equity										Total
		Reserve & Surplus							Items of Other Comprehensive Income/(Loss) (OCI)			
		Treasury shares	Capital Reserve	Retained Earnings	Capital Redemption Reserve	Securities Premium Account	Capital Contribution	General Reserve	Foreign Currency Monetary Item Translation Difference	Effective portion of cash flow hedges	Fair Value through Other Comprehensive Income- Equity Instrument	
Balance as on 31st March, 2018	3,109.63	(766.07)	12.73	(26,861.16)	202.92	7,814.61	-	77.51	(5.70)	-	(12.00)	(16,427.53)
Profit/ (Loss) for the year	-	-	-	(7,331.12)	-	-	-	-	-	-	-	(7,331.12)
Other Comprehensive Income (Loss) for the year	-	-	-	-	-	-	-	-	-	-	(7.69)	(7.69)
Total Comprehensive Income for the year	-	-	-	(7,331.12)	-	-	-	-	-	-	(7.69)	(7,338.81)
Effect of foreign exchange rate variations during the year	-	-	-	-	-	-	-	-	(10.21)		-	(10.21)
Transferred to statement of Profit and Loss during the year	-	-	-	-	-	-	-	-	15.91	-	-	15.91
Balance as on 31st March, 2019	3,109.63	(766.07)	12.73	(34,192.28)	202.92	7,814.61	-	77.51	-	-	(19.69)	(23,760.64)
Profit/ (Loss) for the year	-	-	-	13,920.97	-	-	-	-	-	-	-	13,920.97
Other Comprehensive Income (Loss) for the year	-	-	-	-	-	-	-	-	-	(0.49)	(2.79)	(3.28)
Total Comprehensive Income for the year	-	-	-	13,920.97	-	-	-	-	-	(0.49)	(2.79)	13,917.69
Extinguishment of Share Capital (transfer to Capital Reserve) [Refer Note 20(f)]	(3,109.63)	766.07	2,343.56	-	-	-		-	-	-	-	-
Fresh Issue of Equity Shares	9,222.00	-	-	-	-	-		-	-	-	-	9,222.00
Capital Contribution during the year [Refer Note 20(g)]	-	-	-	-	-	-	84.56	-	-		-	84.56
Balance as on 31st March, 2020	9,222.00	-	2,356.29	(20,271.31)	202.92	7,814.61	84.56	77.51	-	(0.49)	(22.48)	(536.39)

Notes to Financial Statements form an integral part of the Statement of changes in equity.

In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Deloitte Haskins & Sells Chartered Accountants

Rupen K Bhatt
Partner
Membership No.46930
Date: 10th December,2020

For and on behalf of the Board of Directors of ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO

Hiroyuki Nitta
Director

Takahiro Nagayoshi
Director & Vice President-Finance

Pankaj S Chourasia
Company Secretary
Date: 10th December,2020
Place: Mumbai

ArcelorMittal Nippon Steel India Limited (formerly Essar Steel India Ltd.)

ArcelorMittal Nippon Steel India Limited
Standalone statement of cash flows for the year ended 31st March, 2020

(Rs in Crore)

Particulars	For the Year ended 31st March, 2020		For the Year ended 31st March, 2019	
A. Cash Flow from Operating Activities				
Net Profit/(Loss) before Taxation		14,744.42		(7,906.88)
Adjustments for -				
Depreciation / Amortisation	2,442.45		1,899.61	
Loss on sale/disposal of Property Plant and Equipment	0.42		37.03	
Liabilities written back	(25.66)		(28.95)	
Profit on Sale of Investment	(11.40)		(6.04)	
Exceptional Items Expense/ (Income) (Refer Note 52)	(15,838.88)		67.38	
Finance Costs	1,545.73		8,243.79	
Impact of Exchange Variation & Derivatives (Net)	372.26		(5.43)	
Interest on Deposit with Banks and Others	(104.70)		(88.66)	
Amortisation of Deferred Gain	(17.70)		(17.70)	
Allowance for Doubtfull Debt/ Trade Advances	16.91		168.31	
Gain On Fair Valuation Of Investments	(6.88)		-	
		(11,627.45)		10,269.34
Operating Profit before movements in Operating Assets and Liabilities:		3,116.97		2,362.46
Movements in Operating Assets and Liabilities:				
Increase / (Decrease)in Trade Payables	(1,008.09)		(116.83)	
Increase/ (Decrease) in Other Financial Current Liabilities	14.45		76.67	
Increase/ (Decrease) in Other Current Liabilities	(618.29)		15.60	
Increase/ (Decrease) in Long Term Provisions	(4.09)		(28.55)	
Increase /(Decrease) in Short Term Provisions	(0.40)		(0.24)	
(Increase)/ Decrease in Inventories	(747.94)		(1,190.45)	
(Increase) / Decrease in Trade Receivables	427.13		(503.15)	
(Increase) / Decrease in Short Term Loans and Advances	(0.07)		(44.82)	
(Increase) / Decrease in Other Current Assets	87.21		(138.35)	
(Increase) / Decrease in Other Non-Current Assets	(50.07)		(47.46)	
(Increase) / Decrease in Other Current Financial Assets	2.54		0.95	
		(1,897.62)		(1,976.63)
Cash Generated from Operations		1,219.35		385.83
Income Taxes (Paid)/Refunded (net)		19.67		(13.08)
Net Cash Generated from Operating Activities		1,239.02		372.75
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment,intangible assets, Capital Work in Progress	(852.74)		(62.07)	
Proceeds from Sale of Current Investments	2,893.40		3,145.06	
Purchase of Current Investments	(4,297.49)		(3,159.02)	
Interest Received	132.97		35.85	
(Increase)/Decrease in Deposit with Banks (Net)	(6,236.62)		(259.52)	
Net Cash used in Investing Activities		(8,360.48)		(299.70)
C. Cash Flow from Financing Activities				
Proceeds from issuance of Share Capital	9,222.00		-	
Repayment of Borrowings	(878.12)		-	
Net change in Short term Borrowing	(205.78)		211.72	
Payment towards Lease liabilities	(768.80)		(157.88)	
Finance Cost paid	(107.00)		(220.47)	
Net Cash Generated from Financing Activities		7,262.30		(166.63)
Net Increase / (Decrease) in Cash and Cash Equivalents		**140.84**		**(93.58)**
Cash and Cash Equivalents at the beginning of the year		144.33		237.91
Cash and Cash Equivalents at the end of the year		285.17		144.33
Net Increase in Cash and Cash Equivalents		**140.84**		**(93.58)**

Notes:

1 The above Statement of cash flows has been prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.

2 Previous year's figures have been regrouped where necessary to conform to this year's classification.

Deloitte Haskins & Sells Chartered Accountants

AM/NS INDIA

ArcelorMittal Nippon Steel India Limited
Standalone statement of cash flows for the year ended 31st March, 2020

3 Reconcilliation of borrowings during the year

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Borrowing as at beginning	64,288.33	56,006.82
Writeback of Borrowing	(17,474.87)	-
Repayment of Borrowings	(878.12)	-
Proceeds from Borrowings	(205.78)	211.72
Capital Contribution	(84.56)	-
Interest accrued	919.31	7,432.05
Exchange Variation	441.84	637.74
Borrowing as at closing	47,006.15	64,288.33

4 Non-cash transactions of Investing and Financing activities includes Extinguishment of share capital [Refer Note 20(f)], Write back of borrowings [Refer Note 51(v)],Capital contribution [Refer Note 20(g)], Assignment of loans (Refer Note 53).

5 Cash and Cash Equivalents included in the Cash Flow Statement comprise the following Balance Sheet amounts :

(Rs in Crore)

	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents (Refer Note 13)	285.18	144.33
Less: Exchange Variation Gain/ (Loss)	0.01	-
Cash and Cash Equivalents at the end of the year	285.17	144.33

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Deloitte Haskins & Sells Chartered Accountants

Rupen K Bhatt
Partner
Membership No.46930
Date: 10th December,2020

For and on behalf of the Board of Directors of ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO

Hiroyuki Nitta
Director

Takahiro Nagayoshi
Director & Vice President-Finance
Date: 10th December,2020
Place: Mumbai

Pankaj Chourasia
Company Secretary

ArcelorMittal Nippon Steel India Limited (formerly Essar Steel India Ltd.)

1 Nature of Operations/ Corporate Information

a) ArcelorMittal Nippon Steel India Limited [Formerly known as (fka) Essar Steel India Limited] (the "Company") is a public limited Company incorporated in India with its registered office at 27th Km, Surat Hazira Road, Hazira, Dist.- Surat. The Company owns and operates an integrated steel manufacturing facility comprising the unit for manufacturing of flat rolled products at Hazira, a Precoated facility at Pune, Beneficiation facilities at Kirandul and Dabuna, Slurry Pipelines, Pelletisation facilities at Vizag and Paradeep. The Company also operates Processing and Distribution centers and Hypermarts at various locations across India.

b) Pursuant to the order dated 2nd August, 2017, passed by the National Company Law Tribunal – Ahmedabad Bench (NCLT), Corporate Insolvency Resolution Process (CIRP) was initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. The Hon'ble Supreme Court of India, vide its order dated 15 November 2019, adjudged that the CIRP of the Company will take place in accordance with the resolution plan submitted by M/s ArcelorMittal India Private Limited (AMIPL), after considering the order of the NCLT dated March 08, 2019 and the order of the National Company Law Appellate Tribunal (NCLAT) dated 4th July, 2019. The acquisition process has been completed by AMIPL on 16th December, 2019 by making requisite payments to eligible creditors. (Refer Note 51)

c) The standalone financial statements of the Company for the year ended 31st March, 2019, were audited by the M/s M.M. Chaturvedi & Co., Chartered Accountants, the predecessor auditor.

d) The Company has used exemption from preparing consolidated financial statement as per rules framed under Companies (Accounts) Amendment Rules, 2016 and Para 4(a) of Ind AS 110 – Consolidated Financial Statements, as the Indian holding company, AMIPL is preparing consolidated financial statements for the year ended 31st March 2020.

e) The Standalone Financial Statements were authorized for issuance on 10th December, 2020 by the Company's Board of Directors.

2 Basis of Preparation

These standalone financial statements which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2020, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") as amended from time to time. The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Standalone Financial Statements have been followed. The Standalone Financial Statements are presented in Indian Rupees ('INR') which is functional currency of the Company and and all values are rounded to the nearest crore, except otherwise indicated.

3 Significant Accounting Policies

(i) Investment in Subsidiaries and Associates

Subsidiaries:

Subsidiaries are all entities(including structured entities) over which the group has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of investee but is not control or joint control over those policies.

Investments in Subsidiaries and Associates are stated at cost in accordance with the option available in Ind AS 27 – Separate financial statements. Where the carrying amount of an investment is greater than it's estimated recoverable amount, it is written down immediately to it's recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between net disposal proceeds or the carrying amount is charged or credited to the Statement of Profit and Loss. Refer note 7 for the list of significant investments.

(ii) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

Expenditure incurred post capitalisation of the property, plant and equipment, such as repairs and maintenance, is charged to the Statement of Profit and Loss in the period in which the costs are incurred. Cost of major inspection/overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Capital Work-In-Progress

All expenditure, including borrowing cost in respect of qualifying assets, incurred during the project construction period, are accumulated and presented as Capital Work-in-Progress until the asset is ready for its intended use. Asset under construction is not depreciated. Income earned from investments of surplus borrowed funds during the construction/trial run period is reduced from the Capital Work-in-Progress. Expenditure/Income arising during trial run is added to/reduced from the Capital Work-in-Progress.

(iii) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from the retirement or disposal of an intangible asset, measured as the difference between the disposal proceeds and the carrying amount of the asset, are recognised as income or expense in the Statement of Profit and Loss.

(iv) Depreciation and Amortisation

Tangible Assets

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful lives and residual value prescribed in Schedule II to the Act except in case of the following class of assets wherein useful lives are determined based on technical assessment made by a technical expert engaged by the management taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, anticipated technological changes, in order to reflect the actual usage.

Particulars	Useful life as per Companies Act, 2013	Average useful life as per Technical Evaluation
	(Years)	(Years)
Sinter Plant, Rolling Mill and Blast Furnace - Plant & Machinery	20	25
Power Generation Plant - Plant & Machinery	40	37
Buildings	3 to 60	34
Ships and Vessels	20	25
Railway Sidings and Wagons	15	25

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where Leasehold land is acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized.

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively.

Intangible Assets

Costs relating to softwares, which are acquired, are capitalised and amortised on straight-line method over estimated useful life of 3 to 6 years.

(v) Impairment of non-financial Assets

The carrying amounts of non-financial assets (tangible and intangible) are reviewed at each reporting date, based on internal/external factors, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital which is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss. If impairment loss is provided, depreciation is calculated on the revised carrying amount of the assets over its remaining useful life.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised

(vi) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

Revenue is recognised upon transfer of control of promised products or services to customers at an amount that reflects the consideration, which the Company expects to be entitled in exchange for those products or services. The Company recognises revenue generally at the point in time when the products are delivered to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer. Sale of products include related ancillary services, if any.

Revenue is measured based on the transaction price, which is the consideration adjusted for quality claims, volume discounts, trade allowances, price concessions, incentives, rebates, refunds or other similar items in a contract when they are highly probable to be provided. Revenue excludes taxes collected from customers on behalf of government.

In revenue arrangements with multiple performance obligations, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the arrangement and if a customer can benefit from it. The consideration is allocated between separate products and services in the arrangement based on their standalone selling prices. Revenue from sale of by products are included in revenue.

Export Benefits

Export benefits are accounted for in the year of exports based on eligibility and where there is certainty of realising the same.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Dividend income

Dividend income from investment is recognised only when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(vii) Income Taxes

Current Tax:

Tax expense comprises of current and deferred taxes. Current tax is the amount of expected tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. While determining the tax provisions, the Company assesses whether each uncertain tax position is to considered separately or together with one or more uncertain tax positions depending the nature and circumstance of each uncertain tax position.

Deferred Tax:

Deferred tax is measured, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. (Refer Note 4(c))

<u>Appendix C to Ind AS 12 - Uncertainty over income tax treatments</u>

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

<u>Current and deferred tax for the year</u>

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each Balance Sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(viii) Inventories

Raw Materials, Production Consumables, Stores & Spares are valued at lower of cost and net realisable value . However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold above cost. Cost is determined on a Weighted Average basis. Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. By-products are valued at net realisable value. Cost includes direct material, labour and a proportion of manufacturing overheads based on normal capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and cost to make the sale.

(ix) Financial Instruments

Financial assets and Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments. Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities(other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from fair value of financial assets or financial liabilities, on initial recognition. Transaction costs directly attributable to acquisition of financial assets or financial liabilities at fair vale through profit or loss are recognised immediately in the statement of profit and loss.

Financial Assets:

The Company classifies its financial assets in the following measurement categories:
(a) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
(b) those measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss or other comprehensive income. For investments in debt instruments, it depends on the business model in which the investment is held.For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment measured at Fair value through Other Comprehensive income. The Company reclassifies debt investments only when its business model for managing those assets changes.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

(a) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method.

(b) **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments (except Investment in Subsidiaries, Associates and Joint Ventures) at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in statement of profit and loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset. In respect of trade receivables that are within the scope of Ind AS 115, the Company has used the practical expedient as permitted under Ind AS 109 and followed the simplified approach for computation of loss allowance. This expected credit loss (ECL) allowance is computed at an amount equal to lifetime expected credit losses based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. For other than trade receivable, the Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Derecognition of financial assets

A financial asset is derecognised only when:
(a) The Company has transferred the rights to receive cash flows from the financial asset or
(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where transfer of an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the substantial risks and rewards of ownership of the financial asset has not transferred, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income (OCI) is reclassified from the equity to the statement of profit and loss (P&L).

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments measured at fair value through other comprehensive income and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company determines change in the business model as a result of external or internal changes which are significant to the company’s operations.

(x) Financial Liabilities

Initial recognition & subsequent mesurement

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, where time value of money is significant.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. For non-held for trading liabilities that are designated at Fair value through profit and loss, the amount of change in the fair value of financial liabilty that is attributable to the changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value that are attributable to financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to the statement of profit and loss.

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Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

(xi) Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is also the company's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are generally recognised in the Statement of Profit and Loss. They are recorded in OCI if they relate to qualifying cash flow hedges.

Measurement of Foreign Currency Monetary Items at Balance Sheet Date

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of Exchange Differences

Exchange differences arising on translation of long - term foreign currency monetary items pertain to the acquisition of a depreciable property, plant and equipment which are recognised in Financial statements before the beginning of the first IND AS financial reporting period (i.e. April 1, 2016) are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets, as elected by the company and in other cases are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" under Other Equity in the financial statement and are amortised over the balance period of such long term asset/liability.

(xii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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(xiii) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present legal or constructive obligation in respect of which a reliable estimate can be made as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are not recognised but disclosed in the notes to the Financial Statements. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

Onerous Contracts:

An Onerous contract is considered to exist where the company has a contract under which unavoidable cost of meeting the obligations under contract exceeds the economic benefit expected to be received from the contract. Present obligation arising under onerous contracts are recognised and measured as provision.

Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the counter party fails to make a payment when due in accordance with the terms of a debt instrument. The company accounts for financial guarantee contracts as per the principles of Ind AS 104 as it consider that such contracts are in the nature of insurance contracts. Once the arrangements are designated as insurance contracts, these are disclosed as contingent liabilities unless the obligations under guarantee become probable.

(xiv) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash in hand and at bank in current accounts and term deposits, which are not pledged, with an original maturity of three months or less.

(xv) Derivative Instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to price risk in raw material, finished products and balance sheet exposure.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company designates certain hedging instruments, as either fair value hedges, cash flow hedges or hedges of net investments in foreign currencies. Hedges of commodity price risk are accounted for as cash flow hedge. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item, transaction and nature of the risk being hedged. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is ultimately recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss is recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when forecast transaction is recognised in statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Mark to market gains and losses on forward contracts outstanding at the balance sheet date are recognised in the statement of profit and loss.

(xvi) Employee Benefits

Short term employee benefits

Liabilities for wages and salaries, including any non-monetary benefits that are expected to be settled within the next 12 months from the end of the reporting period in which the employees render the related service are recognised as employees cost up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits –
Compensated Absences

Provision for compensated absences is determined based on actuarial valuation. Therefore it is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of period ending 31st December 2015 using the projected unit credit method. Post this date, there are no compensated absences provided to the employees and hence not provided for. The obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment Benefits

Provident Fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

(xvii) Borrowing Costs

Borrowing cost in ordinary course of business is recognised as an expense in the period in which these are incurred. Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalised as part of cost of such asset up to the date the assets are ready for their intended use. All expenditures, including interest cost during the project construction period, are accumulated and presented as Capital Work-in-Progress until the assets are ready for intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

(xviii) Leases

Where the Company is the Lessee

Policy applicable prior to April 1, 2019

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. A leased asset, other than lease hold land, is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Policy applicable from April 1, 2019

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments / accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. On the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cashflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Where the Company is the Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating lease are included in property, plant and equipment. Lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss. Contingent rents are recognised as revenue in the period in which they are earned.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance lease when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance lease are recorded as receivables at the company's net investment in the leases.Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(xix) Mining, Exploration and Development Expenditure

Expenditure in respect of mineral, exploration and evaluation is charged to the Statement of Profit and Loss as incurred except in following cases where it is capitalised:

· It is expected that the expenditure will be recouped by future exploitation or sale; or

· Substantial exploration and evaluation activities have identified a mineral resource but these activities have not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves.

(xx) Measurement of EBIDTA

The Company has elected to present earnings before finance costs, exchange variation and derivative gains & losses, depreciation and amortisation expenses and taxes (EBIDTA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBIDTA on the basis of Profit /(Loss) for the period and does not include finance costs, exchange variation and derivative losses, depreciation and amortisation expenses, exceptional items and taxes.

(xxi) Current and Non-Current classification

All the assets and liabilities in the balance sheet are classified as current and non-current based on the below mentioned factors except deferred tax assets and liabilities which is always classified as non-current. An asset is classified as current when it is:

· Expected to be realised or intended to be sold or consumed in normal operating cycle
· Held primarily for the purpose of trading
· Expected to be realised within twelve months after the reporting period, or
· Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:
· It is expected to be settled in normal operating cycle
· It is held primarily for the purpose of trading
· It is due to be settled within twelve months after the reporting period, or
· There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

(xxii) Fair value measurement

The Company measures financial instruments, such as, derivatives of equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characterisitics of asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

· Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

· Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

· Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(xxiii) Government Grant

Government grants are recognised if there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the Statement of Profit and Loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

4 List of critical estimates and judgments:

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets , liabilities and disclosure of contingent liabilities and contingent assets at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable value computation for property plant and equipment following fair value less cost of disposal approach using replacement cost method involves estimates and judgements relating to useful lives of assets, third party quotations of similar assets, construction rates and the market indices, as considered by its independent valuation expert in arriving at the fair value. Any subsequent changes in the above input factors could impact the carrying value of property, plant and equipment. (Refer note 52)

b) Assessment of significant influence

An entity is said to be an associate of an investor entity when the latter has significant influence over the former. There is a rebuttable presumption that significant influence exist if an investor holds 20% or more voting rights in the investee entity and vice versa.
However demonstration of significant influence over an entity is a matter of judgment and is not always evident from the percentage of voting rights.
The company holds shares in Bhander Power Limited (26%), Essar Power (Orissa) Limited (26%), Essar Bulk Terminal Limited (26%), Bhagwat Steel Limited (47.38%), Essar Power Hazira Limited (26%) and Essar Power MP Limited (26%). However the company does not have the power to participate in the financial and operating policy decisions of these companies. Accordingly, the Company does not consider that it can exercise significant influence on these companies. (refer note 7(2))

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c) Recognition of deferred tax assets for unused tax losses and unabsorbed depreciation

Deferred Tax Assets (DTA) are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The company has recognised Deferred Tax Assets to the extent of Deferred Tax Liabilities recognized on deductible temporary differences. (Refer note 10)

d) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. (Refer note 47)

e) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Contingent liabilities

Contingent liabilities may arise in the ordinary course of business in relation to the claims against the Company. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and use of estimates regarding the outcome of future events. While ascertaining the possible outcome of contingencies, the management of the Company exercises judgements basis evaluation of the judicial pronouncements and/or legal opinions from an independent expert. (Refer note 45)

g) Estimation of uncertainties relating to COVID-19

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government of India has taken measures to contain the wide spread of virus, and announced the first phase of the nationwide lockdown for 21 days from March 25, 2020. Under the circumstances, the Company forthwith decided to temporarily scale down operations to support the Government efforts. Since Steel production is a continuous flow process industry and classified as an essential service under the Essential Service and Management Act (ESMA), the guidelines issued by Ministry of Home Affairs (MHA) permitted steel plants to continue their operations during the lockdown. However, the constrained movement of people and materials, affected the Company's plant operations. The Company gradually increased the scale of operations at all locations with applicable permissions from the local authorities and phased relaxation in lockdown rules. In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, right to-use assets, intangible assets, inventories, trade receivables, investments and other financial assets, as at March 31, 2020. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Company's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected. The Company has adequate resources to meet its financial obligations over the foreseeable future. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company would continue to closely monitor the situation including any material changes to future economic conditions.

h) Assessment of Business Combination

Note 6(a)describes the acquisition of certain identified assets related to the power plant of Bhander Power Limited. The management of the Company has assessed whether the said acquisition meets the definition of "Business" in accordance with Ind AS 103 – Business Combination. In making such assessment, the management has exercised judgement while evaluating all the relevant facts and circumstances of the acquisition, including those related to inputs, processes and outputs and concluding that the acquisition does not qualify as a "Business" in accordance with Ind AS 103 as Company has acquired certain identified assets only and accordingly, the same has been accounted as acquisition of assets under Ind AS 16.

5 Applicability of new and revised Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following major amendments and new accounting standards, which became applicable with effect from 1st April 2019.

<u>Ind AS 116 – Leases:</u>

Ind AS 116 Leases replaced Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using the modified retrospective approach. (refer note 48)

<u>Appendix C to Ind AS 12 (Income Taxes) – Uncertainty over income tax treatment:</u>

The amendment requires an entity to assess whether it is probable that the relevant tax authority will accept an uncertain tax treatment used or proposed to be used, by the entity in its tax filings. The Company has currently carried out an assessment using the most likely amount or the expected value method, as applicable, for estimating the resolution of uncertain tax positions.

<u>Ind AS / Amendments to existing Ind AS issued but not effective:</u>

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

6(a) Property, Plant & Equipment

(Rs. in Crore)

Particulars	Freehold Land	Leasehold Land	Buildings	Leasehold Building	Plant and Machinery	Leasehold Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Ships and Vessels	Railway Sidings and Wagons	Aircraft	Total
Cost / Deemed Cost														
At 1st April 2018	3,599.11	54.22	4,577.73	2.08	36,981.82	850.00	16.01	11.16	17.64	7.44	13.93	61.64	4.58	46,197.36
Additions	107.81	-	12.81	-	437.98	-	3.19	0.75	1.42	0.26	-	-	-	564.22
Deletions	-	-	-	-		-	-	-	0.55	0.13	-	-	-	0.68
Effect of foreign currency exchange differences	-	-	-	-	391.79	-	-	-	-	-	-	-	-	391.79
Borrowing cost capitalised	-	-	4.44	-	219.51	-	1.34	0.07	-	-	-	-	-	225.36
At 31st March 2019	**3,706.92**	**54.22**	**4,594.98**	**2.08**	**38,031.10**	**850.00**	**20.54**	**11.98**	**18.51**	**7.57**	**13.93**	**61.64**	**4.58**	**47,378.05**
Transferred to Right of Use (Refer Note 48)	(0.47)	(54.22)	-	(2.08)	-	(850.00)	-	-	-	-	-	-	-	(906.77)
Additions	15.95	-	83.03	-	437.46	-	5.27	0.91	2.84	0.54	-	-	-	546.00
Deletions	-	-	-	-	-	-	1.81	0.89	-	-	-	-	-	2.70
Effect of foreign currency exchange differences	-	-	-	-	93.47	-	-	-	-	-	-	-	-	93.47
At 31st March 2020	**3,722.40**	**-**	**4,678.01**	**-**	**38,562.03**	**-**	**24.00**	**12.00**	**21.35**	**8.11**	**13.93**	**61.64**	**4.58**	**47,108.05**
Accumulated depreciation														
At 1st April 2018	-	1.86	482.04	0.12	4,830.40	127.92	10.83	8.01	11.37	4.37	1.69	5.76	1.14	5,485.51
Charge for the year	-	0.59	165.26	0.04	1,663.07	56.67	1.16	1.20	2.24	1.05	0.58	1.92	0.38	1,894.16
Disposals	-	-	-	-	-	-	-	-	0.41	0.04	-	-	-	0.45
At 31st March 2019	**-**	**2.45**	**647.30**	**0.16**	**6,493.47**	**184.59**	**11.99**	**9.21**	**13.20**	**5.38**	**2.27**	**7.68**	**1.52**	**7,379.22**
Transferred to Right of Use (Refer Note 48)	-	(2.45)	-	(0.16)	-	(184.59)	-	-	-	-	-	-	-	(187.20)
Charge for the year	-	-	160.70	-	1,727.27	-	1.73	0.77	2.37	0.66	0.58	2.01	0.38	1,896.47
Impairment [Refer Note 52(3)]	482.83	-	-	-	3,963.03	-	-	-	-	-	1.46	-	-	4,447.32
Disposals	-	-	-	-	-	-	1.34	0.73	-	-	-	-	-	2.07
At 31st March 2020	**482.83**	**-**	**808.00**	**-**	**12,183.77**	**-**	**12.38**	**9.25**	**15.57**	**6.04**	**4.31**	**9.69**	**1.90**	**13,533.74**
Net book value														
At 31st March 2020	**3,239.57**	**-**	**3,870.01**	**-**	**26,378.26**	**-**	**11.62**	**2.75**	**5.78**	**2.07**	**9.62**	**51.95**	**2.68**	**33,574.31**
At 31st March 2019	**3,706.92**	**51.77**	**3,947.68**	**1.92**	**31,537.63**	**665.41**	**8.55**	**2.77**	**5.31**	**2.19**	**11.66**	**53.96**	**3.06**	**39,998.83**
Expected Useful Life of the assets (years)	NA	NA	9-63	NA	4-55	NA	10	5	3-6	8-10	24-28	25	20	

Capital Work-in-Progress	
At 31st March 2020	**1,182.15**
At 31st March 2019	**3,166.13**

Notes:

1. Railway Sidings and Wagons includes the railway wagons of Rs. 0.69 Crore (Net book value) given on operating lease to Railway Authorities under 'Own your Wagon' scheme . Tenure of Lease agreement with Railway Authorities has already been expired and the company is in discussion with Railway Authorities for its renewal.
2. Plant and machinery under lease includes equipments at Retail outlet of Rs.1.05 Crore given on lease , depreciation debited to Statement of Profit and Loss Rs.0.05 crore
3. Certain property, plant and equipment are pledged against borrowings. The details relating to the same have been described in Note 53.
4. The following lands situated at Hazira (under possession of the Company) valued at provisional basis. The regularization and valuation from District Level Valuation Committee/State Level Valuation Committee is under process and cost of these land may change significantly:

   a) 81.1707 hectares land was allotted to Hazira Apbal Ganotia Kheti Sahkari Mandli limited by the State Government. Company acquired the land from the said Mandali by paying consideration of Rs. 108.95 Crore during year 2005 to 2011. However, the land was divested to the State Government on 24.06.2009 and the land continue to appear in the name of the State Government in the revenue records. The government granted permission to the Company to use this land based on payment on provisional valuation basis.

   b) As per the revenue record, 20.4569 hectares land is continue to appear in the name of State Government. Originally this land was reserved for Gujarat Maritime Board however, the State Government granted permission to the Company to use this land based on payment of Rs. 35.98 Crore in year 2010 on provisional valuation basis.

   c) 22.4905 hectares land was allotted to the land owner by the State Government and Company purchased the said land from the land owner by paying consideration of Rs. 5.56 Crore (during year 2005 and 2006). However, the land was divested to the State Government on 30.01.2008 and the land continue to appear in the name of the State Government in the revenue records.

5. 18.98 hectare of land was purchased from land owner by paying consideration of Rs. 22.14 Crore which are in possession of the company and right of records (i.e. Village Form 7/12) are pending for regularisation
6. Property, plant and equipment includes assets (Building and Plant & Machinery) pertaining to slurry pipeline from Dabuna to Paradeep, which was sold to M/s Odisha Slurry Pipeline Infrastructure Ltd. in March 15 and taken back vide cancellation agreement dated 24th June 2016. The matter is under sub-judice.[Please refer Note45(1) for details].

ArcelorMittal Nippon Steel India Limited
Notes to standalone Financial Statements for the year ended 31st March, 2020

7. During the year ended March 31, 2020, the Company has acquired certain identified assets comprising of land, building, plant & machinery and inventory of stores related to power plant of Bhander Power Limited (BPOL) for a consideration of Rs. 500 crores from M/s Edelweiss Asset Reconstruction Company Limited, which in turn acquired the same through enforcement of security interest over the assets of BPOL under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI).

8. The Company has availed deemed cost approach in relation to the property, plant and equipment on the date of transition to IND-AS i.e. 1 April 2015, hence the net block carrying amount has been considered as the gross block carrying amount on that date as shown below.

(Rs. in Crore)

Particulars	Freehold Land	Leasehold Land	Buildings	Leasehold Building	Plant and Machinery	Leasehold Plant and Machinery	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Ships and Vessels	Railway Sidings and Wagons	Aircraft	Total
Gross block:														
As at 1 April 2015	3,598.17	60.78	4,117.62	2.34	44,948.85	7.92	40.30	30.61	105.98	19.72	16.90	91.09	9.08	53,049.36
Accumulated depreciation:														
As at 1 April 2015	-	3.33	851.40	0.26	10,020.41	2.39	22.43	19.71	90.34	12.35	2.82	29.45	4.50	11,059.39
Net block treated as deemed cost upon transition to IND-AS:														
As at 1 April 2015	3,598.17	57.45	3,266.22	2.08	34,928.44	5.53	17.87	10.90	15.64	7.37	14.08	61.64	4.58	41,989.97

6(b) Intangible Assets

(Rs. in Crore)

Particulars	**Software**
Cost / Deemed Cost	
At 1st April 2018	33.78
Additions	0.28
Deletions	5.52
At 31st March 2019	**28.54**
Additions	-
Deletions	-
At 31st March 2020	**28.54**
Accumulated Amortisation	
At 1st April 2018	23.89
Charge for the year	5.45
Disposals	5.47
At 31st March 2019	**23.87**
Charge for the year	4.43
Disposals	-
At 31st March 2020	**28.30**
Net book value	
At 31st March 2020	**0.24**
At 31st March 2019	**4.67**
Expected Useful Life of the assets (years)	3 to 6 years

1. The Company has availed deemed cost approach in relation to the intangible assets on the date of transition to IND-AS i.e. 1 April 2015, hence the net block carrying amount has been considered as the gross block carrying amount on that date as shown below.

(Rs. in Crore)

Particulars	**Software**
Gross block:	
As at 1 April 2015	84.20
Accumulated depreciation:	
As at 1 April 2015	59.89
Net block treated as deemed cost upon transition to IND-AS:	
As at 1 April 2015	24.31

Details of Depreciation and Amortisation are as follows:

(Rs. in Crs.)

Particulars	**For the Year ended 31st March, 2020**	**For the Year ended 31st March, 2019**
Depreciation and amortisation for the year as above	1,900.90	1,899.61
Amortisation on Right of Use Asset (Refer Note 48)	541.55	-
Depreciation and amortisation as per statement of profit and loss	2,442.45	1,899.61

			As at 31st March, 2020		As at 31st March, 2019	
7	**(a) Non-Current Investments**		Rs in Crore		Rs in Crore	
	Unquoted Equity Instrument					
(A)	**Investment in Subsidiaries (At Cost / Deemed Cost)**					
	226 (Previous Year 226) fully paid Equity Shares of AED 1 million (Previous Year AED 1 million) of AMNS Steel Middle East FZE			322.75		322.75
	Essar Steel Offshore Limited - Deemed Investment[3]		60.09		3,487.10	
	Provision for Impairment		(60.09)	-	(3,487.10)	-
	50,000 (Previous Year 50,000) fully paid Equity Shares of Rs.10 (Previous Year Rs 10) of Essar Steel Logistics Limited.		0.05		0.05	
	Provision for Impairment		(0.05)	-	(0.05)	-
	130,357,881 (Previous Year 130,357,881) fully paid ordinary Shares of USD 1 million (Previouse Year USD 1 million) of Essar Steel Offshore Limited		738.07		738.07	
	Provision for Impairment		(738.07)	-	(738.07)	-
	200,000 (Previous Year 200,000) fully paid Equity Shares of Rs.10 (Previous Year Rs. 10) of Paradeep Steel Company Limited.		0.20		0.20	
	Provision for Impairment		(0.20)	-	(0.20)	-
	14 (Previous Year 14) fully paid Equity Shares of AED 1 million (Previous Year AED 1 million) of Essar Steel Trading FZE Dubai		17.61		17.61	
	Provision for Impairment		(17.61)	-	(17.61)	-
	Investment in Subsidiaries (Total) (A)			**322.75**		**322.75**
(B)	**Investment in Associates (At Cost / Deemed Cost)**					
	2 (Previous Year 2) fully paid Equity Shares of AED 0.1 million (Previous Year 0.1) of Essar Steel Processing FZCO Dubai		0.25		0.25	
	Provision for Impairment in Investment		(0.25)	-	(0.25)	-
	Nil (Previous Year 96,905,000) fully paid Equity Shares of Rs. 10 each of Bhander Power Limited [Cost- Rs. 104.77 Crores] [1 & 2]		-		104.77	
	Provision for Impairment in Investment		-		(104.77)	-
	Nil (Previous Year 5,781,944) fully paid Equity Share of Rs. 10 each of Bhagwat Steel Limited [Cost- Rs. 5.78 Crores][2]			-	5.78	
	Provision for Impairment in Investment		-		(5.78)	-
	Nil (Previous Year 68,900,000) fully paid Equity Shares of Rs. 10 each of Essar Power MP Limited [Cost- Rs. 68.90 Crores][2]			-	68.90	
	Provision for Impairment in Investment		-		(68.90)	-
	Nil (Previous Year 1,300,000) fully Paid Equity Shares of Rs. 10 each of Essar Bulk Terminal Limited [Cost- Rs. 1.30 Crores][2]			-		1.30
	Nil (Previous year 2,600,000) fully paid Equity shares of Rs. 10 each of Essar Power Hazira Limited [Cost- Rs. 2.60 Crores][2]			-		2.60
	Nil(Previous year 2,600,000) fully paid Equity shares of Rs. 10 each of Essar Power Orissa Limited [Cost- Rs. 2.60 Crores][2]			-		2.60
	Investment in Associates (Total) (B)			**-**		**6.50**

	As at 31st March, 2020	As at 31st March, 2019
	Rs in Crore	Rs in Crore
(C) Non-Current Investment - Others		
Equity Instruments - Unquoted (Carried at FVOCI)		
96,905,000 fully paid Equity Shares of Rs. 10 each of Bhander Power Limited [Cost- Rs. 104.77 Crores] [1 & 2]	-	-
5,781,944 fully paid Equity Share of Rs. 10 each of Bhagwat Steel Limited [Cost- Rs. 5.78 Crores][2]	-	-
68,900,000 fully paid Equity Shares of Rs. 10 each of Essar Power MP Limited [Cost- Rs. 68.90 Crores][2]	-	-
1,300,000 fully Paid Equity Shares of Rs. 10 each of Essar Bulk Terminal Limited [Cost- Rs. 1.30 Crores][2]	9.05	-
2,600,000 fully paid Equity shares of Rs. 10 each of Essar Power Hazira Limited [Cost- Rs. 2.60 Crores][2]	2.68	-
2,600,000 fully paid Equity shares of Rs. 10 each of Essar Power Orissa Limited [Cost- Rs. 2.60 Crores][2]	-	-
2,000 fully Paid Equity Shares of Rs. 10 each of Essar Bulk Terminal Paradip Limited (*** Rs. 20,000)	***	***
250,000 fully paid Equity Shares of Rs. 10 each of Frontline Roll Forms Private Limited [Cost- Rs. 0.25 Crores]	-	-
2,595,000 fully paid Equity Shares of Rs 10 each of Odisha Slurry Pipe Line Infrastructure Limited [Cost- Rs. 25.50 Crores]	-	-
20 fully paid Equity Shares of Rs. 10 each of Essar Commvision Limited (# Rs. 200)	#	#
Equity Instrument- Quoted (Carried at FVOCI)		
1,273,611 (Previous Year 1,273,611) fully paid Equity Shares of Rs. 10 each of Essar Shipping Limited	0.68	1.33
Convertible Debentures		
1,065,585 (Previous Year 1,065,585) fully paid Comp. Conv. Cumulative Debenture of Rs. 1000 each of AMW Auto Component Limited (Carried at FVTPL) (Cost-Rs. 106.56 Crores)	-	-
50,100,810 Odisha Slurrry Pipeline Infrastructure Limited (Convertible Debenture) of Rs 100 each. (Carried at FVOCI) (Cost- Rs. 501.01 Crores offset against the other financial liabilities taken over as described in Note 45(1)	-	-
Investments in Unit Linked Insurance Policy		
187,341.786 (Previous Year 187,341.786) fully paid Units of Unit Linked Insurance Policy Scheme of Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited	0.34	0.32
Non-Current Investment - Others (Total) (C)	**12.75**	**1.65**
Non-Current Investment (A)+(B)+(C)	**335.50**	**330.90**
Aggregate amount of Unquoted Investments	1,150.75	4,751.98
Aggregate amount of Impairment	(816.27)	(4,422.73)
	334.48	**329.25**

1. 96,905,000 equity shares of Bhander Power Limited were pledged against rupee loan availed from SREI Infrastructure Finance Limited, as security for the borrowings. This loan has been assigned on 16th December 2019 to ArcelorMittal India Private Limited along with all rights, title, interest and benefits by SREI .

2. Upon acquisition of control over the Company by AMIPL under the IBC proceedings as described in detail in note 51, the management of the Company has assessed the relationship with the above referred associate entities having regard its inability to appoint representative on the board of directors of these associate entities irrespective of the corresponding effective holding, and concluded that the Company does not have power to participate in the financial and operating policy decisions of these entities. Consequently, these entities ceased to be the associates of the Company and have been regarded as the investments in equity instruments valued at fair valued through other comprehensive income with effect from December 16, 2019.

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3. Essar Steel Offshore Limited (ESOL) extended a loan facility of US$ 413 million by Standard Chartered Bank (SCB) ("the SCB Facility") vide Facility Agreement dated 3rd January, 2014 (as amended on February 7, 2014) by and among ESOL, Essar Steel India Limited, Essar Minerals Limited (EML) (subsidiary of ESOL), Essar Minerals Cooperatief U.A. (EMCUA) (subsidiary of ESOL), SCB and Standard Chartered Bank (Mauritius) Limited. ESIL, EML and EMCUA guaranteed ESOL's obligations under the SCB Facility and each of them also entered into share pledge agreements creating pledges over their respective direct investments in ESOL and its subsidiaries.

As part of the CIRP as more fully described in Note 51, SCB had submitted its claim for USD 544.27 Million (Rs. 3,487.10 Crore) pertaining to the SCB Facility given to ESOL including interest thereon, through invocation of the Corporate Guarantee provided by ESIL. The said claim was recognised by ESIL as an obligation towards the SCB Facility with a corresponding investment in ESOL in the standalone financial statements and simultaneously recognised a provision for impairment of the said investment.
Following the approval of the Resolution Plan, AMNS Luxembourg Holding S.A. ("AMNS Luxembourg") (parent of AMNSI) and SCB entered into a deed of assignment dated December 16, 2019 (the "Deed of Assignment"). Pursuant to the Deed of Assignment, SCB assigned its rights, title and interests against ESIL in relation to the (a) guarantee issued by ESIL in connection with the SCB Facility and (b) the share pledge agreement dated March 26, 2014 by and among ESIL, SCB and ESOL, to AMNS Luxembourg for a consideration of approximately US$8.49 million (Rs. 60.09 crore) and issued a 'No Dues certificate' dated 19th December 2019 confirming that no further amounts are payable by AMNSI or ArcelorMittal India Private Limited under the Resolution Plan to SCB. Consequently, 71,830,001 equity shares of Essar Steel Offshore Limited which were pledged against loan availed from Standard Chartered Bank (SCB, London Branch) by Essar Steel Offshore Limited (a subsidiary), has been assigned in favour of AMNS Luxembourg S.A. by executing assignment agreement dated 16th December 2019.

While AMNSI has been released from all obligations in connection with the Facility Agreement, the Deed of Assignment provides that ESOL will continue to owe the debt under the SCB Facility, and any settlement between AMNS Luxembourg and AMNSI will not affect the obligations of ESOL, EML, and EMCUA under the SCB Facility.
Pursuant to approval of Resolution plan and settlement of corporate guarantee given by ESIL in relation to ESOL borrowing from SCB as described above, the Company has reversed the obligation towards SCB Facility of Rs. 3,704.71 crore no longer payable as an exceptional item as referred to in Note 52 and an amount of Rs. 60.09 crore paid and waived by AMNS Luxembourg on behalf of the Company, has been regarded as a capital contribution with consequential reduction to an equivalent amount in the value of corresponding investment in ESOL and related provision. Further the Company has initiated a winding-up process of ESOL and its subsidiaries on June 24, 2020

		As at 31st March, 2020	As at 31st March, 2019
7	**(b) Current Investments**	Rs in Crore	Rs in Crore
	Investments in Mutual Fund (Quoted) (Carried at FVTPL)		
	1,297,212 (Previous year 85,541) units of SBI Liquid Fund-Direct Plan-Growth	403.30	25.05
	2,118,881 units of SBI Banking & PSU Fund Direct-Growth	501.19	-
	765,584 units of 'SBI Magnum Low Duration Fund Direct-Growth	201.35	-
	141,323,956 units of 'SBI Short Term Debt Fund-Direct Plan-Growth	341.07	-
	Current Investments (Total)	**1,446.91**	**25.05**
	Aggregate amount of Unquoted Investments	-	-
	Aggregate amount of Quoted Investments	1,446.91	25.05
		1,446.91	**25.05**

ArcelorMittal Nippon Steel India Limited
Notes to standalone Financial Statements for the year ended 31st March, 2020

		As at 31st March, 2020 Rs in Crore		As at 31st March, 2019 Rs in Crore
8 Other Non-Current Financial Assets				
(Unsecured unless otherwise stated)				
Security Deposit	188.02		137.87	
Less : Allowance for Expected credit loss*	63.86	124.16	-	137.87
Deposits with Banks with maturity period more than 12 months (Refer note 14)		47.56		27.66
		171.72		**165.53**
* Additional Information: Movement in Allowance for Expected credit loss				
Provision for Expected Credit Losses at the beginning of the year		-		-
Additional provision during the year		63.86		-
Provision for Expected Credit Losses at the end of the year		**63.86**		**-**
9 Other Non-Current Assets				
Capital Advances		248.32		389.37
Prepaid Expenses		0.14		0.22
		248.46		**389.59**

10 Deferred Tax Assets (net)

Deferred Tax Asset/(Liability) movement for FY 2019-20

(Rs. in Crore)

Particulars	As at 1st April 2019	Recognised/ (reversed) through Profit and Loss	Recognised/ (reversed) through Other Comprehensive Income	Recognised in / reclassified from Equity	As at 31st March 2020
Property, plant and equipment, Intangible Assets & Right of Use Assets	(8,210.48)	3,531.98	-	-	(4,678.50)
Carried forward Unabsorbed depreciation	8,680.71	(4,582.43)	-	-	4,098.28
Lease Liability	280.56	137.00	-	-	417.56
Deferred Gain on Finance Lease	72.66	(24.78)	-	-	47.88
Expenses allowable for tax purposes on payment basis	-	114.78	-	-	114.78
Net Deferred Tax	**823.45**	**(823.45)**	**-**	**-**	**-**

Deferred Tax Asset/(Liability) Movement for FY 2018-19

(Rs. in Crore)

Particulars	As at 1st April 2018	Recognised/ (reversed) through Profit and Loss	Recognised/ (reversed) through Other Comprehensive Income	Recognised in / reclassified from Equity	As at 31st March 2019
Property, plant and equipment and Intangible Assets	(8,124.69)	(85.79)	-	-	(8210.48)
Carried forward Unabsorbed depreciation	8,008.99	671.72	-	-	8680.71
Lease Liability	286.54	(5.98)	-	-	280.56
Deferred Gain on Finance Lease	78.84	(6.18)	-	-	72.66
FCMITDA	(1.99)	1.99	-	-	-
Net Deferred Tax	**247.69**	**575.76**	**-**	**-**	**823.45**

The Company has opted for and determined the current and deferred tax for the year ended 31 March 2020 as per the lower tax rate of 25.17% as provided under section 115BAA of the income-tax act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 which is effective from 1 April 2019. [Refer Note 38(a)]

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	As at 31st March, 2020	As at 31st March, 2019
	Rs. in Crore	Rs. in Crore
11 Inventories[1 2]		
(Valued at lower of cost and net realizable value)		
Raw Materials and components	1,116.35	1,020.33
Goods-in transit	367.15	329.87
Stores and Spares	592.41	509.27
Goods-in transit	26.97	25.00
Production Consumable	283.60	338.85
Goods-in transit	79.99	36.69
Fuel	116.55	261.05
Work-in-Progress	1,712.21	1,688.00
Finished Goods	1,126.78	672.89
	5,422.01	**4,881.95**

[1] Current Assets are pledged against borrowings, the details relating to which have been described in Note 53 pertaining to borrowings.

[2] Value of inventories, above is stated after provision of Rs. 9.57 Crore towards slow-moving and obsolete items and Rs. 235.62 Crore towards reduction in net realisable value.

	As at 31st March, 2020	As at 31st March, 2019
12 Trade Receivables[1]		
(Unsecured unless otherwise stated)		
Considered Good	781.57	1,400.60
Credit Impaired	831.07	802.16
Less : Allowance for Expected credit loss*	831.07	802.16
	781.57	**1,400.60**
* Additional Information: Movement in Allowance for Expected credit loss		
Provision for Expected Credit Losses at the beginning of the year	802.16	793.98
Additional provision during the year (including Exchange Variation)	38.79	8.18
Reversal during the year	(9.88)	-
Provision for Expected Credit Losses at the end of the year	**831.07**	**802.16**
13 Cash and Cash Equivalents[1]		
Cash on hand	0.01	0.01
Cheques on hand	14.85	-
Balances with banks in Current Accounts	225.32	144.32
Deposits with original maturity of less than 3 months	45.00	-
	285.18	**144.33**
14 Other Bank Balances[1]		
Deposits with original maturity for more than 3 months but less than 12 months	809.61	1.04
Deposits with original maturity for more than 12 months	4,861.22	-
Margin Money	941.09	394.16
	6,611.92	**395.20**

a) Margin Money (including long term deposits in Other Non-Current financial Assets with balance maturity period of more than 12 months) have been pledged with banks as a security for opening Letters of Credit, Short Term Loans and against Bank Guarantee.

[1] Current Assets are pledged against borrowings, the details relating to which have been described in Note 53 pertaining to borrowings.

	As at 31st March, 2020		As at 31st March, 2019	
	Rs in Crore		Rs in Crore	
15 Current Loans				
(Unsecured and Considered good unless otherwise stated)				
Inter Corporate Deposits (ICD) - Related Parties				
Considered Good	-		564.93	
Credit Impaired	2,556.31		1,784.92	
Less : Allowance for Expected credit loss*	2,556.31	-	1,784.92	564.93
Loans and Advances to Staff				
Considered Good	1.97		1.58	
Credit Impaired	0.25		0.27	
Less : Allowance for Expected credit loss*	0.25	1.97	0.27	1.58
		1.97		**566.51**
* Additional Information: Movement in Allowance for Expected credit loss				
Provision for Expected Credit Losses at the beginning of the year		1,785.19		1,678.71
Additional provision during the year (including Exchange Variation)		771.39		106.48
Reversal during the year		(0.02)		-
Provision for Expected Credit Losses at the end of the year		**2,556.56**		**1,785.19**
16 Other Current Financial Assets				
(Unsecured and Considered good unless otherwise stated)				
Security Deposits	199.73		257.89	
Less : Allowance for Expected credit loss*	100.03	99.70	5.90	251.99
Export Benefit	93.73		71.46	
Less : Allowance for Expected credit loss*	30.51	63.22	13.90	57.56
Interest Accrued on ICDs, Loans & Deposits		1.75		1.48
Derivative Financial Assets - Forward Contracts		7.34		0.06
Other Receivables		25.60		29.56
		197.61		**340.65**
* Additional Information: Movement in Allowance for Expected credit loss				
Provision for Expected Credit Losses at the beginning of the year		19.80		19.80
Additional provision during the year		110.74		-
Provision for Expected Credit Losses at the end of the year		**130.54**		**19.80**
17 Other Current Assets				
(Unsecured and Considered good unless otherwise stated)				
Balances with Government Authorities	403.21		343.98	
Less: Provision for Impairment	127.09	276.12	88.78	255.20
Loans and Advances to Suppliers - Related Parties	16.67		167.71	
Less: Provision for Impairment	11.17	5.50	17.18	150.53
Loans and Advances to Suppliers	580.81		837.07	
Less: Provision for Impairment	169.27	411.54	171.09	665.98
Claims Receivables	941.99		911.98	
Less: Provision for Impairment	937.38	4.61	110.72	801.26
Prepaid Expenses		39.71		29.41
		737.48		**1,902.38**

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	As at 31st March, 2020	As at 31st March, 2019
	Rs in Crore	Rs in Crore
18 Current Tax Assets (Net)		
Advance Income Tax	65.30	84.97
	65.30	**84.97**
19 Equity Share Capital		
Authorised		
29,90,00,00,000 (Previous Year 7,17,50,00,000) Equity Shares of Rs. 10 each	29,900.00	7,175.00
100,000,000 (Previous Year - 100,000,000) 10% Cumulative Redeemable Preference Shares of Rs. 10 each	100.00	100.00
	30,000.00	**7,275.00**
Issued, Subscribed and Paid-up		
9,222,000,000 (Previous Year 3,108,957,660) Equity Shares of Rs. 10 each	9,222.00	3,108.96
Add: Nil (Previous Year 4,520,703) shares Forfeited	-	0.67
	9,222.00	**3,109.63**

a Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Equity Shares	31st March, 2020		31st March, 2019	
	Number	**Rs. in Crore**	**Number**	**Rs. in Crore**
At the beginning of the year	3,108,957,660	3,108.96	3,108,957,660	3,108.96
Extinguishment during the year	(3,108,957,660)	(3,108.96)	-	-
Issued during the year	9,222,000,000	9,222.00	-	-
Outstanding at the end of the year	9,222,000,000	9,222.00	3,108,957,660	3,108.96

b Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of Equity Shares having face value of Rs.10 per share. Every shareholder is entitled to one vote for every one share held. In the event of liquidation, the equity share holders shall be entitled to receive remaining assets of the Company after distribution of all dues in proportion to their shareholdings.

c Shares held by Holding Company

Current issued capital of 9,222,000,000 equity shares includes 9,222,000,000 equity shares held by ArcelorMittal India Private Limited, the present parent Company and it's nominees. The previous year holding includes 2,240,939,040 equity shares held by Essar Steel Asia Holdings Limited, Mauritius, the previous holding Company.

d Details of shareholders holding more than 5% shares in the Company

	31st March, 2020		31st March, 2019	
	Number	**% of Holding**	**Number**	**% of Holding**
Equity Shares				
ArcelorMittal India Private Limited and it's Nominees	9,222,000,000	100.00		
Essar Steel Asia Holdings Limited	-	-	2,240,939,040	72.08
Atubha Tech Limited (FKA Aegis Tech Limited)	-	-	587,243,674	18.89
Shares under Trust (Venkatraman Govind Raghavan, Trustee)	-	-	191,517,500	6.16
	9,222,000,000	100.00	3,019,700,214	97.13

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		As at 31st March, 2020	As at 31st March, 2019
		Rs in Crore	Rs in Crore
20	**Other Equity**		
	Capital Reserves	2,356.29	12.73
	Capital Redemption Reserve	202.92	202.92
	Securities Premium Account	7,814.61	7,814.61
	Treasury Shares (Shares under Trust)	-	(766.07)
	Capital Contribution	84.56	-
	General Reserve	77.51	77.51
	Retained Earnings	(20,271.31)	(34,192.28)
	Other Comprehensive Income	(22.97)	(19.69)
		(9,758.39)	**(26,870.27)**

a) Retained Earnings

Retained earnings comprise balances of accumulated (undistributed) profit and loss (net of taxes) at each year end, less any transfers to general reserve and capital redemption reserve. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Retained earnings includes Revaluation Reserve (net of Deferred Taxes) Rs. 3,113.58 Crore (Previous Year Rs. 4,042.75 Crore) net of depreciation. Depreciation charge (net of Deferred Taxes) for the year includes Rs. 150.05 Crore (Previous Year Rs. 130.97 Crore) on carrying value of Plant & Machinery on account of the revaluation. The revaluation of Freehold Land at Hazira was done during the year 2013-14 and for Plant & Machinery was done during the year 2014-15. The Revaluation Reserve was transferred to Retained earnings on the date of transition to Indian Accounting standards i.e. April 1, 2015.

b) Securities Premium

Security premium comprises the premium received on issue of shares. The reserve can be utilised in accordance with the provisions of Companies Act, 2013.

c) Treasury Shares (Shares under Trust)

In Previous Year, Treasury Shares were representing 191,517,500 Equity shares allotted to a Trust created by the Company, against the Company's investment in the amalgamated entities namely Essar Steel (Hazira) Limited and Essar Steel Orissa Limited, in pursuant to the scheme of amalgamation. As per the approved Resolution Plan, the Share Capital as on effective date i.e. 16.12.2019 was extinguished and transferred to capital reserve along with Treasury Shares (Refer Note 51)

d) General Reserve

The reserve is a distributable reserve maintained by the Company. This is a free reserve and can be utilised for various purposes in compliance with Companies act, 2013.

e) Capital Redemption Reserve

Reserve is created on redemption of preference shares as per statutory requirement. This reserve is utilised in accordance with the specific provisions of Companies Act, 2013.

f) Capital Reserve

As per the approved resolution plan, the Equity Share Capital amounting to Rs. 3,109.63 Crores and Treasury Shares amount to Rs. 766.07 Crores as on effective date i.e. 16.12.2019, were extinguished and have been transferred to Capital Reserve (Refer Note 51)

g) Capital Contribution

As described in detail in Note 7(3) to the financial statements, AMNX Luxembourg paid Rs. 60.09 crore to the Standard Chartered Bank on behalf of the Company towards settlement of claim under the CIRP procedures. The same amount was waived off by AMNS Luxembourg and has been regarded as an capital contribution. Further, certain borrowings facilities of the Company were assigned to AMIPL as a part of settlement of financial creditors under CIRP procedures, and as per the terms of the borrowing with AMIPL, the effective interest rate for such debt instruments were lower than the market rate of interest. The difference between the nominal value of the instrument and the fair value of the instrument has been regarded as an capital contribution.

		As at 31st March, 2020	As at 31st March, 2019
		Rs in Crore	Rs in Crore
21	**Non-Current Borrowings (Refer Note 53)**		
	Secured		
	Term Loans		
	From Related Party (Refer Note 44)	45,031.58	-
	From Banks	332.31	-
	Unsecured		
	Term Loan from Related Party	143.52	-
	Sales Tax Deferral Loan	-	15.72
		45,507.41	**15.72**

	As at 31st March, 2020	As at 31st March, 2019
	Rs in Crore	Rs in Crore
22 Other Non-Current Liabilities		
Deferred gain*	172.54	190.23
	172.54	**190.23**

At the time of transition to IND AS, a sale and leaseback transaction was assessed as finance lease under Appendix C to Ind AS 17. Therefore, the gain on sale of business undertaking is deferred over the period of the arrangement.

	As at 31st March, 2020	As at 31st March, 2019
23 Non Current Provisions		
Provision for employee benefits (Refer Note 47)		
Gratuity	6.93	3.37
Compensated Absences	12.48	12.76
	19.41	**16.13**
24 Current Borrowings		
Secured (Refer Note 53)		
Term Loans from Banks	-	162.91
Working Capital Loans - From Banks	-	11,936.24
Acceptances	3.85	360.67
Unsecured		
Inter Corporate Deposit		
Related Parties	-	3,164.29
Other than related parties	-	151.10
	3.85	**15,775.21**
25 Trade Payables		
Outstanding dues of micro,small and medium enterprises (Refer note 50)	101.81	82.19
Outstanding dues - other than MSME (Including Accrued Liability)	1,410.69	4,977.01
	1,512.50	**5,059.20**
26 Other Current Financial Liabilities		
Current maturities of long-term debt (Refer Note 53)	1,494.89	33,053.53
Current maturities of Preference Shares (Refer Note 53)	-	78.48
Current maturities of Sales Tax Deferral Loan (Refer Note 53)	-	11.32
Creditors for Capital Expenditures	20.81	464.72
Provision For Finance Expenses	-	84.60
Forward Contracts	0.49	2.02
Security Deposits Received	3.99	5.34
Invoked Advance against Export Performance Bank Guarantee (Refer Note 53)	-	10,500.83
Invoked Standby Letter of Credit (Refer Note 53)	-	854.03
Invoked Corporate Guarantee (Refer Note 53)	-	3,764.80
Other Liabilities (Refer Note 45(1))	2,514.48	5,298.10
	4,034.66	**54,117.77**
27 Other Current Liabilities		
Advances from Customers	140.42	1,101.75
Deferred gain (Refer Note 22)	17.70	17.70
Statutory Liabilities	222.75	1,238.30
	380.87	**2,357.75**

	As at 31st March, 2020 Rs in Crore	As at 31st March, 2019 Rs in Crore
28 Current Provisions		
Provision for Employee benefits-Compensated Absences (Refer Note 47)	2.19	2.59
	2.19	**2.59**

	For the Year 31st March, 2020 Rs in Crore	For the Year 31st March, 2019 Rs in Crore
29 Revenue from Operations		
Sale of products	27,654.44	31,310.13
Sale of services	29.76	85.02
Other operating revenues	423.25	425.08
	28,107.45	**31,820.23**

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers. This is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.
Refer to note 12 – Trade Receivables to the financial statements for the amount of contracts assets outstanding as at 31st March, 2020, and refer to details of Advances from customers in note 27 – Other current liabilities to the financial statements for the amount of contract liabilities outstanding as at 31st March, 2020.

Information about Products and Services:

Products	**Unit**	**For the Year 31st March, 2020**		**For the Year 31st March, 2019**	
		Quantity	**Rs. in Crore**	**Quantity**	**Rs. in Crore**
Pellets	MT	108,680	78.74	700,117	575.09
Hot Briquette Iron Fines	MT	21,864	16.06	25,305	17.23
Hot/Cold	MT	6,425,159	25,849.49	6,202,784	28,683.98
Pipes	MT	154,897	992.58	220,475	1,407.34
Others			717.57		626.49
Total Products Sales			**27,654.44**		**31,310.13**
Sale of services			29.76		85.02
Other operating revenues			423.25		425.08
Revenue from Operations			**28,107.45**		**31,820.23**

	For the Year 31st March, 2020 Rs in Crore	For the Year 31st March, 2019 Rs in Crore
30 Other Income		
Interest Income on Financial Assets measured at amortised cost		
Inter Corporate Deposits	-	13.21
Bank Deposits	92.93	52.26
Others	11.77	23.19
Rent	8.80	10.35
Gain on sale of Investments	11.40	6.04
Gain On Fair Valuation Of Investments	6.88	0.06
Amortisation of Deferred Gain (Refer Note 22)	17.70	17.70
Liabilities no longer required written back	25.66	28.95
Miscellaneous Income	2.57	2.02
	177.71	**153.78**

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	For the Year 31st March, 2020		For the Year 31st March, 2019	
	Rs in Crore		Rs in Crore	
31 Cost of Materials Consumed				
Raw Materials		13,841.22		16,739.98
Production Consumables		2,485.52		3,416.07
Interplant Freight for input materials		1,216.44		1,133.79
		17,543.18		**21,289.84**
32 (Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade				
Opening Stock				
Finished Goods	672.89		479.46	
Work-in-Progress	1,688.00	2,360.89	1,519.05	1,998.51
Closing Stock				
Finished Goods	1,126.78		672.89	
Work-in-Progress	1,910.52	3,037.30	1,688.00	2,360.89
		(676.41)		**(362.38)**
33 Energy Cost				
Petroleum Products - Fuel		2,622.72		2,261.09
Power and Water charges		1,425.42		2,366.58
		4,048.14		**4,627.67**
34 Employee Benefits expense				
Salaries and wages		336.74		331.08
Contribution to Provident and Other Funds (Refer Note 47)		26.51		25.49
Staff Welfare expenses		78.34		76.94
		441.59		**433.51**
35 Other Expenses				
Manufacturing & Asset Maintenance				
Repairs, Maintenance and Equipment Hire charges	743.70		665.46	
Stores and Spares	1,003.10		823.47	
Labour and Sub Contracting charges	309.54		343.79	
Plant Insurance	23.52		16.71	
		2,079.86		1,849.43
Administrative Expenses				
Traveling, Conveyance and Vehicle Hire & Maintenance charges	20.24		20.53	
Printing, Stationery, Postage and Telephone	6.35		12.06	
Professional Fees#	97.63		113.67	
Operating Lease Rent	24.44		41.73	
Repairs, Maintenance - other than Plant	21.51		26.78	
Insurance - other than Plant	7.38		5.16	
Rates and Taxes	36.09		17.87	
Auditor's Remuneration*	4.36		2.13	
Loss on sale/disposal/write off of Property, Plant and Equipment	0.42		37.03	
Allowance for Doubtful Debt/ Trade Advances	16.91		168.31	
Donations And Charities	50.00		-	
Miscellaneous Expenses	38.79		37.28	
		324.12		482.55
Selling & Distribution Expenses				
Sales Commission	2.59		0.42	
Freight Outward (net), Intercarting and Packing charges	1,220.88		1,353.35	
Other Selling expenses	0.98		1.15	
		1,224.45		1,354.92
		3,628.43		**3,686.90**

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* Auditor's Remuneration				
Audit Fees		3.95		2.00
Other Services		0.41		0.13
		4.36		2.13

Professional Fees includes expenses incurred by the Company for corporate insolvency resolution process during the period.

	For the Year 31st March, 2020 Rs in Crore		For the Year 31st March, 2019 Rs in Crore	
36 Finance Costs				
Interest				
on Term Loans	1,032.85		5,308.93	
on Debentures	10.68		66.45	
on Lease Liability/Finance Lease Obligations	226.74		139.55	
to Banks and Others	198.91		2,328.14	
		1,469.18		7,843.07
Guarantee and other Bank charges		29.89		55.10
Dividend on Preference Shares		-		5.97
Exchange differences regarded as an adjustment to borrowing costs		46.66		-
		1,545.73		**7,904.14**
37 Exchange Variation & Derivative Loss / (Gain) (net)				
Exchange Variation on Borrowings(Incl Working Capital & Interest Accrued)		395.20		339.65
Exchange Variation (net)		(40.05)		(11.38)
Loss/(Gain) on cancellation/settlement of Derivative and Forward Exchange Contracts (Net of premium paid / Amortised)		(2.57)		25.95
Mark to Market on derivative contract		(9.29)		(20.00)
		343.29		**334.22**
38 Income Tax expense				
Deferred Tax				
Deferred Tax Charge / (Credit)		823.45		(575.76)
		823.45		**(575.76)**

(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Profit/ (Loss) before Tax as per Books	14,744.42	(7,906.88)
Tax expenses/(credit) on above PBT @ 25.17% (Previous Year @ 34.94% (Refer Note 10)	3,710.88	(2,736.41)
Deferred Tax Assets not recognised on carry forward business losses and other temporary differences	1,376.60	2,157.44
Utilisation of losses unrecognised in prior years	(4,697.85)	-
Tax Effect of amount which are not deductible in calculating taxable Income	2.70	3.21
Change in tax rate	431.12	-
Income Tax Expenses - Charge / (Credit)	**823.45**	**(575.76)**

The company has recognised Deferred Tax Assets to the extent of Deferred Tax Liabilities recognized on deductible temporary differences.Deferred tax assets have not been recognised in respect of Unabsorbed Depreciation, Business Losses & Other temporary differences aggregating to Rs. 12,854.05 Crore (Previous Year Rs. 31,321.25 Crores) including on Business losses amounting to Rs. 5,380.01 Crores which will expire between Financial Year 2021-22 to 2023-24.

39 Other Comprehensive Income		
(i) Items that will not be reclassified to profit or loss		
Fair Value Changes on Financial Assets	4.58	(1.57)
Actuarial (Loss) / Gain on defiend benefit obligation (DBO)	(7.37)	(6.12)
	(2.79)	**(7.69)**
(ii) Items that will be reclassified to profit or loss		
Cash flow hedges	(0.49)	-
	(0.49)	**-**

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40 Financial Instruments and Risk Management

A Financial Instruments - Categories

The following table shows the classification and net carrying values of various items of Financial assets and Financial liabilities:

Rs. in Crore

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Assets (Current & Non-Current):						
Investment in Equity Shares, MF,ULIP and Debentures	12.41	1,447.25	-	1.33	25.37	-
Trade Receivable	-	-	781.57	-	-	1,400.60
Cash and Bank balances	-	-	6,897.10	-	-	539.53
Other Financial Assets	-	7.34	361.99	-	0.06	506.12
Current Loans	-	-	1.97	-	-	566.51
Total Financial Assets	**12.41**	**1,454.59**	**8,042.63**	**1.33**	**25.43**	**3,012.76**
Financial Liabilities (Current & Non-Current):						
Borrowings	-	-	47,006.15	-	-	48,934.26
Lease Liability	-	-	1,691.10	-	-	846.78
Trade and other Payables	-	-	1,512.50	-	-	5,523.92
Other Financial Liabilities	-	0.49	2,539.28	-	2.02	20,507.70
Total Financial Liability	**-**	**0.49**	**52,749.03**	**-**	**2.02**	**75,812.66**

B. Fair Value Hierarchy

Level 1: It includes financial instruments measured using quoted prices. For the Company, the fair valuations in this level of hierarchy include listed equity instruments and mutual funds. The fair value of all equity instruments which are traded in the Stock Exchanges is valued using the closing price as at the reporting period and mutual funds are valued using closing NAV as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair valuations in this level of hierarchy for the Company mainly include derivatives and investment in Unit Linked Insurance Policy.

Level 3: The instrument is included in level 3 if one or more of the significant inputs is not based on observable market data. This includes investment in unquoted equity shares.

Fair Value Hierarchy for Financial Assets & Liabilities measured at Fair Value -

Rs. in Crore

	As at 31st March, 2020			As at 31st March, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Shares, MF & ULIP	1,447.59	0.34	11.73	26.38	0.32	-
Derivative Financial Assets	-	7.34	-	-	0.06	-
	1,447.59	**7.68**	**11.73**	**26.38**	**0.38**	**-**
Financial Liabilities						
Derivative Financial Liability	-	0.49	-	-	2.02	-
	-	**0.49**	**-**	**-**	**2.02**	**-**

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March, 2020 is as below:

Particulars	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
FVOCI assets in unquoted equity shares	DCF Method	Weighted Average Cost of Capital	11.40% - 16.50%	1% increase would result in decrease in fair value by Rs. 1 Crore as of 31st March,2020
		Projected Free Cash Flows	-	5% increase would result in increase in fair value by Rs. 0.96 Crore as of 31st March,2020

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Fair Value of Financial Assets and Liabilities measured at Amortised Cost for which Fair Values are disclosed -

Rs. in Crore

	As at 31st March, 2020		As at 31st March, 2019	
	Fair Value	**Carrying Value**	**Fair Value**	**Carrying Value**
Financial Assets				
Other Non-Current Financial Assets	162.99	171.72	159.74	165.53
	162.99	171.72	159.74	165.53
Financial Liabilities				
Borrowings	46,350.26	47,006.15	48,934.26	48,934.26
Lease Liability	2,033.12	1,691.10	1,015.22	846.78
	48,383.38	48,697.25	49,949.48	49,781.04

The carrying amounts of all other financial assets and liabilities are considered to be the approximately equal to their fair values.
The fair values as disclosed above are calculated based on discounted cash flows using a rate that reflects market risk. The fair values of borrowings are based on discounted cash flows using a current borrowing rate.

C. Financial Risk Management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk, liquidity risk and market risk. In order to minimise any adverse effects on the financial performance of the Company due to market risks, the Company enters into various derivative contracts. Derivatives are taken only to mitigate the risk and not for speculative purposes.
The Company's risk management is carried out by the Risk Department under policies approved by the Board of Directors.

- Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from deposits with banks and other parties, trade receivables, inter-corporate deposits, loans and advances to staff and derivative contracts. The Company periodically assesses the financial reliability of the counter party, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual limits are set accordingly. Bank deposits are placed as collateral / margin money to avail fund & non-fund based facilities from Banks / Financial Institutions. Hence, there is no significant credit risk on such Deposits.

Trade Receivable: The Company trades with recognized and creditworthy third parties.However, the Company is exposed to credit risk in event of non-payment by customers. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to identify any significant decline in credit worthiness of the customers. Generally, the Company does not enter in to sales transaction with customers having credit loss history. Credit risk concentration with respect to trade receivables is mitigated by the Company's large customer base. Credit risk in majority of cases are mitigated by Letter of Credit / advances from the customer. In determining allowance for credit losses of trade receivables, the Company uses practical expedient by assessing credit risk which takes into account historical credit loss experience and is adjusted for forward looking information. Expected Credit Loss for 100% of the receivables are recognized if the receivable remains past due for more than 180 days from the due date or earlier if the credit risk for the specific receivable has changed.The Company based on past experiences does not expect any material loss on its receivables over due for less than 180 days and hence no provision is deemed necessary on account of expected credit loss ('ECL'). The ageing of trade receivables that are past due is given below:

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the below tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Particulars	As at 31st March, 2020 (Rs. in Crore)		
	Gross Carrying Amount	**Allowance for expected credit loss**	**Net carrying amount net of impairment**
Amounts not yet due	598.23	-	598.23
Up to six months overdue	187.81	4.47	183.34
Greater than six months overdue	826.60	826.60	-
	1,612.64	**831.07**	**781.57**

Particulars	As at 31st March, 2019 (Rs. in Crore)		
	Gross Carrying Amount	**Allowance for expected credit loss**	**Net carrying amount net of impairment**
Amounts not yet due	1,144.10	-	1,144.10
Up to six months overdue	76.38	-	76.38
Greater than six months overdue	982.28	802.16	180.12
	2,202.76	**802.16**	**1,400.60**

- Liquidity risk

Liquidity risk is that the company might be unable to meet its obligations. Liquidity risk arises from mismatch in maturity profile of receipts and payments, funds locked in excess inventories and where no additional funds are obtained.

The liquidity risks are dynamically managed through efficient scheduling of receipts and payments. Liquidity risks arising from excess inventory are managed through a mix of efficient supply chain management and just-in-time production schedules.

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

Particulars	As at 31st March, 2020 (Rs. in Crore)				
	< 1 year	**1-2 Years**	**2-5 Years**	**> 5 years**	**Total**
Borrowings	1,498.74	-	4,391.32	41,116.09	47,006.15
Interest Payout	0.60	4,237.42	13,088.64	4,274.07	21,600.73
Trade and Other Payables	1,512.50	-	-	-	1,512.50
Lease Liability	553.01	406.13	777.30	1,137.59	2,874.03
Other Financial Liabilities	2,539.77	-	-	-	2,539.77
Total	**6,104.62**	**4,643.55**	**18,257.26**	**46,527.75**	**75,533.18**

Particulars	As at 31st March, 2019 (Rs. in Crore)				
	< 1 year	**1-2 Years**	**2-5 Years**	**> 5 years**	**Total**
Borrowings	48,918.54	6.35	9.37	-	48,934.26
Trade and Other Payables	5,523.92	-	-	-	5,523.92
Lease Liability	197.39	157.06	470.13	1,081.91	1,906.49
Other Financial Liabilities	20,509.72	-	-	-	20,509.72
Total	**75,149.57**	**163.41**	**479.50**	**1,081.91**	**76,874.39**

- Market risk

The Company is exposed to Financial Market risks in its operations on account of:
- Foreign currency exchange risk
- Interest rate risk
- Commodity price risk

The Board has put in place detailed Market Risk Management Policy (RMP) documents and the market risks are managed by various functionaries in terms of these Policy documents. The same policy is followed during the year.

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Notes to standalone Financial Statements for the year ended 31st March, 2020

- Foreign Currency risk

The Company is exposed to foreign exchange risk arising from export sales, operating and capital expenditure in foreign currency, foreign currency loans and economic exposure on account of mismatch between foreign currency and INR assets and liabilities. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Company enters into hedging transactions mainly to hedge the significant foreign exchange risks from concluded and committed export sales, operating and capital expenditures and the foreign currency borrowings.

The Company is mainly exposed to exchange risk from foreign currencies - USD & EUR.

(a) The Company's exposure to foreign currency risk as the reporting date (expressed in Rs. in Crore) is as follows:

Particulars	As at 31st March, 2020					As at 31st March, 2019				
	USD	EUR	AED	Others	Total	USD	EUR	AED	Others	Total
Trade Receivables	65.01	6.10	-	-	71.11	236.87	1.26	-	-	238.13
Cash and Bank balances	0.16	-	-	-	0.16	0.10	-	-	-	0.10
Other Financial Assets	-	-	-	-	-	551.91	-	-	-	551.91
Financial Assets	65.17	6.10	-	-	71.27	788.88	1.26	-	-	790.14
Net Exposure to Foreign Currency risk on Financial Assets	65.17	6.10	-	-	71.27	788.88	1.26	-	-	790.14
Borrowings	6,930.30	-	-	-	6,930.30	12,538.80	0.09	-	-	12,538.89
Trade and Other Payables	435.79	22.42	-	1.66	459.87	660.40	53.56	37.88	0.18	752.02
Financial Liabilities	7,366.09	22.42	-	1.66	7,390.17	13,199.20	53.65	37.88	0.18	13,290.91
Covered by Derivative Contracts	279.71	-			279.71	146.40	8.43			154.83
Net Exposure to Foreign Currency risk on Financial Liabilities	7,086.38	22.42	-	1.66	7,110.46	13,052.80	45.22	37.88	0.18	13,136.08

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on Other Comprehensive Income arises from application of hedge accounting on certain derivative contracts. The below sensitivity has been performed/computed on Net exposure.

Particulars	As 31st March, 2020 (Rs. in Crore)	As 31st March, 2019 (Rs. in Crore)
USD sensitivity		
Increase by 5%	(351.06)	(620.61)
Decrease by 5%	351.06	620.61
EUR sensitivity		
Increase by 5%	(0.82)	(2.65)
Decrease by 5%	0.82	2.65
AED sensitivity		
Increase by 5%	-	(1.89)
Decrease by 5%	-	1.89
Others sensitivity		
Increase by 5%	(0.08)	(0.10)
Decrease by 5%	0.08	0.10

- Interest rate risk

The interest rate exposure is mainly on account of variable interest rates where the Company is exposed to upward movements in the interest rates. The Company explores possibility of interest rate swaps and interest rate structures to hedge its risks. During the FY 2019-20, no hedge is taken on USD Loans for the Libor risk. There are no other variable rate loans other than the USD loans.

(a) Interest rate risk exposure

	As at 31st March, 2020 Rs in Crore	As at 31st March, 2019 Rs in Crore
Variable Rate Borrowing	6,587.63	32,109.92
Other Financial Liabilities	-	9,641.85
Total Exposure	**6,587.63**	**41,751.77**

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(b) Sensitivity

(Rs. in Crore)

	For the Year 31st March, 2020	For the Year 31st March, 2019
Impact on Company's Profit/ Loss, if interest rates had been 50 basis points higher/lower and all other variables were held constant.	32.94	208.76

The sensitivity analysis above have been determined based on the exposure to interest rates for floating rate liabilities assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

- Price risk
Commodity price risk

The Company has exposure to Commodity Price Risk on its raw materials such as Coal, Coke, pellets etc. required for Steel production and also on its finished products (Steel and its variants). The Risk Department reviews the exposures, evaluates and hedges the commodity price risks in terms of the Board approved Policy document. The Company hedges directly with International counterparties using OTC derivative contracts based on appropriate Index / Exchange Listed Contracts, subject to availability of counterparty hedging limits.
During the FY19-20, the Company has undertaken Brent hedging deals against contracted exposure of the period Calendar years 2021 to 2024 (Highly probable exposure).

The commodity contracts entered into by the company and outstanding as at year end are as under

As at	Nature	No. of Contracts	Commodity Name	Quantity (Barrels)	USD Equivalent (Millions)	INR Equivalent (Crores)	MTM of Commoditiy Contract(Rs Crores)
31st March 2020	Liabilities	4	Natural Gas	787,200	39.20	295.53	(0.49)
31st March 2019	Liabilities	-	-	-	-	-	-

Other price risks
The Company's exposure to price risks from investments in equity shares is considered immaterial.

41 Capital Management

Company is an integrated steel producer and is in a capital intensive industry. The Company, after successful resolution has emerged out of the Corporate Insolvency Resolution process (CIRP) in December, 2019 has embarked to establish a capital structure that would maximize the return to stakeholders.

The Company manages its capital to ensure it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of debt and equity balance. Also the Company may take over strategic assets in sectors as power, pipeline, mines etc, when opportunity arises. The principal source of funding will be the cash generated from operations supplemented by the Equity already infused by the Promoter Companies as per approved resolution plan. The Company is not subject to any externally imposed capital requirements.

The Company continuously monitors its capital structure using gearing ratio which is net debt divided by total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

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Gearing ratio infomation:

	As at 31st March, 2020		As at 31st March, 2019	
Borrowings		47,006.15		48,934.26
Lease Liability		1,691.10		846.78
Total Borrowings		**48,697.25**		**49,781.04**
Less: Cash and Bank Balances	6,897.10		539.53	
Current Investments	1,446.91	8,344.01	25.05	564.58
Net Debt (A)		**40,353.24**		**49,216.46**
Total Equity (B)		**(536.39)**		**(23,760.64)**
Gearing Ratio = (A/B)		**(75.23)**		**(2.07)**

42 Segment Information

The Company is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the managemet committee for assessment of the company's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from Operations (Refer Note 29) (Rs. in Crore)

Geographical Information	Year ended 31st March, 2020			Year ended 31st March, 2019		
	Domestic	Export	Total	Domestic	Export	Total
Revenues (Income from operation)	**24,349.62**	**3,757.83**	**28,107.45**	**27,588.64**	**4,231.59**	**31,820.23**

(b) All Non-current Assets other than financial Instruments of the Company are located in India.

43 Derivative Instruments

Sr No.	Type of Transaction	Amount 31st March 2020	Amount 31st March 2019	Currency	Purpose
1	Forward purchase contracts (USD / INR)	70,700,000	21,164,751	USD	To hedge the exchange risk on opex import
2	Forward purchase contracts (EUR / INR)	226,750	1,084,514	EUR	To hedge the exchange risk on opex import
3	Forward purchase contracts (JPY / INR)	-	28,117,455	JPY	To hedge the exchange risk on opex import
4	Commodity price contracts	39,202,560	-	USD	To hedge the Price Risk under Gas Purchase contract

44. Related Party disclosures:

Post completion of CIRP proceedings of the Company on 16 December, 2019, affairs of the Company are being managed by the newly formed Board of Directors of the Company. Consequently, shareholding pattern of the company has also under gone change and previous Parent Company and Fellow Subsidiaries ceased to be related parties.

List of related parties and relationships

(a) Parent Companies

1 ArcelorMittal India Private Limited - Holding Company (w.e.f 16.12.2019)*
2 Oakey Holding B.V - Intermediate Holding Company (w.e.f 16.12.2019)*
3 AMNS Luxembourg Holding S.A – Ultimate Holding Company (w.e.f 16.12.2019)*
4 Essar Steel Asia Holdings Limited (FKA Essar Resources Mauritius Ltd) Holding Company**
5 Essar Steel Mauritius Limited – Intermediate Holding Company **
6 Essar Global Fund Limited (FKA Essar Global Limited), Cayman Islands – Ultimate Holding Company **

*transaction with these companies are disclosed for the period 16.12.2019 to 31.03.2020.

(b) Subsidiaries

1 AMNS Steel Middle East FZE (fka Essar Steel Middle East FZE)
2 Essar Steel UAE Limited***
3 PT AM/NS Indonesia (fka PT Essar Indonesia ***
4 AMNS Shared Services Limited (fka Paradeep Steel Company Limited.)
5 Essar Steel Trading FZE
6 AMNS Steel Logistics Limited (fka Essar Steel Logistics Limited)
7 Essar Steel Offshore Limited.
8 Essar Minerals Limited (FKA Essar Mining Limited) ***
9 Essar Mineral Cooperatief U.A. ***
10 Essar Minerals Canada Limited ***
11 Essar Minerals INC ***
12 New Trinity Holding LLC ***
13 Banner Coal Terminal LLC ***
14 Bear Fork Resources LLC ***
15 Deep Water Resources LLC ***
16 Falcon Resources LLC ***
17 Frasure Creek Mining LLC ***
18 Hughes Creek terminal LLC ***
19 Levisa Fork Resources LLC ***
20 Little Elk Mining Company LLC ***
21 New Resources Inc. (NRI)***
22 New Trinity Coal Inc. (NTCI)***
23 North Springs Resources LLC ***
24 Prater Branch Resources LLC ***
25 RMG INC ***
26 Trinity Coal Corporation ***
27 Trinity Coal Marketing LLC (EMA) ***
28 Trinity Coal Partners LLC ***
29 Trinity Parent Corporation ***
30 Trinity RMG Holding LLC ***

*** These are step down subsidiaries of direct subsidiaries of the Company.

(c) Fellow Subsidiaries (with whom transactions have taken place)**

1 Aegis Limited
2 Arkay Logistics Limited
3 Edwell Metal and Trading Limited (EMT) (FKA Essar Steel Jharkhand Limited)
4 Energy II Limited
5 EPC Constructions India Limited
6 Essar Bulk Terminal Paradip Limited
7 Essar Energy Limited (FKA Essar Energy Plc)
8 Essar Mineral Resources Limited
9 Essar Ports Limited, Mauritius (FKA Essar Africa Holdings Ltd.
10 Essar Power (Jharkhand) Limited
11 Essar Power Gujarat Limited
12 Essar Power Limited.
13 Essar Power Transmission Company Limited
14 Essar Projects Limited
15 Essar Shipping & Logistics Limited
16 Essar Shipping DMCC
17 Essar Shipping Limited
18 Essar Steel Algoma Inc
19 Essar Steel Limited (FKA Essar Steel Holdings Limited)
20 Essar Steel Marketing Limited
21 Essar Telecom Kenya Limited
22 Essar Vizag Terminal Limited
23 Ibrox Aviation and Trading Pvt. Ltd.
24 Peak Trading Overseas Limited

(d) Associates

1 Bhander Power Limited. ****
2 Essar Bulk Terminal Limited. ****
3 Essar Power (Orissa) Limited. ****
4 Essar Power Hazira Limited ****
5 Essar Power MP Limited ****
6 Bhagwat Steel Limited ****
(Formerly known as Essar Steel Chhattisgarh Limited)
7 Essar Steel Processing FZCO

**** ceased to be associate w.e.f 16.12.2019, as per Ind AS 24. Transaction with these companies are disclosed for the period of 01.04.2019 to 15.12.2019.

(e) Entity excercising joint control over Parent company (with whom transactions have taken place) *****

1 AFS Sedan
2 ANS Steel Tubes Limited
3 ArcelorMittal DSTC FZCO
4 ArcelorMittal International Luxembourg S.A.
5 ArcelorMittal Neel Tailored Blanks Private Ltd.
6 ArcelorMittal Ventures India Private Limited
7 Nippon Steel India Private Limited
8 Nippon Steel Pipe India Private Limited
9 TRL Krosaki Refractories Limited

***** Related parties w.e.f 16.12.2019. Transaction with these companies are disclosed for the period 16.12.2019 to 31.03.2020.

(f) Key Management Personnel (with whom transactions have taken place)

1 Mr. Dilip Oommen, (MD & Dy. CEO upto 15.12.2019 and thereafter CEO)
2 Mr. Pankaj S Chourasia, Company Secretary
3 Mr. Rajiv Bhatnagar, Director (Projects) (ceased to be director w.e.f 16.12.2019)
4 Mr. Pradyumn Kumar Jain (CFO from 02.05.2019 to 15.12.2019)
5 Mr. Jatinder Mehra (ceased to be CEO w.e.f. 31.03.2019)
6 Mr. Suresh Jain (ceased to be CFO w.e.f. 01.04.2019)

** ceased to be Related Party w.e.f 16.12.2019. Transaction with these companies are disclosed for the period 01.04.2019 to 15.12.2019.

Terms and conditions

Sales/Purchases:
During the CIRP period from August 2, 2017 to December 16, 2019 (effective date), the powers of audit committee and Board of Directors of the Company were vested with Committee of Creditors / Monitoring Committee, as the case may be. The payments to related party during the period from April 1, 2019 until December 15, 2019 were placed before the Monitoring Committee for necessary approval/review. The transactions with related party are in the ordinary course of business and on prevailing pricing based on contractual terms and agreement.

The Company being an unlisted public company and the wholly owned subsidiary, the provisions of section 177 of the Companies Act, 2013 are not applicable as a consequence to dissolution of the Audit Committee with effect from December 16, 2019.

ICD Given:
The Company had given ICDs to related parties for general corporate purposes.These ICDs are unsecured, carry an interest rate ranging from 3.5% to 16.25% and receivable on demand.

Loan taken :
The Company had taken loan from related parties for general corporate purposes.These loans carry an interest rate ranging from 0.25% to 10%.

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ArcelorMittal Nippon Steel India Limited
Schedule forming part of the Accounts for the year ended 31st March, 2020

During the year, following transactions were carried out with the related parties in the ordinary course of business:
(excluding reimbursement)

Sr. No.	Particulars	Parent Companies	Subsidiaries	Fellow Subsidiaries	Associates	Entity have joint control over Parent company	Key Management Personnel
		Rs. Crore					
(a)	Sales (Net)	-	21.08	-	1.81	42.54	-
		-	-	(18.90)	(7.82)	-	-
(b)	Income-Lease Rentals/Rent building	-	-	0.24	1.95	-	-
		-	-	(4.27)	(3.78)	-	-
(c)	Interest Income-Others	-	-	-	-	-	-
		-	(13.21)	-	-	-	-
(d)	Purchase of Raw Materials,Stores and Spares, Production Consumables and Services	-	-	763.27	611.90	8.76	-
		-	(0.28)	(1,099.92)	(683.88)	-	-
(e)	Power Processing Charges / Recovery	-	-	-	166.96	-	-
		-	-	-	(840.35)	-	-
(f)	Repairs and Maintenance	-	-	-	0.01	1.60	-
		-	-	(0.42)	-	-	-
(g)	Plant and Equipment Hire Charges	-	-	8.95	18.73	-	-
		-	-	(8.63)	(26.17)	-	-
(h)	Professional Fees	-	0.10	-	-	10.93	-
		-	-	(0.15)	-	-	-
(i)	Freight Outwards Expenses	-	-	463.32	53.11	-	-
		-	-	(706.12)	(74.31)	-	-
(j)	Interest Expenses (including interest on Finance lease obligation)	1,043.53	-	-	61.75	-	-
		-	-	(0.99)	(40.16)	-	-
(k)	Water Charges (recovery)	-	-	-	3.16	-	-
		-	-	-	-	-	-
(l)	Miscellaneous Income	-	-	-	0.09	0.03	-
		-	-	-	-	-	-
(m)	Remuneration & perks	-	-	-	-	-	5.77
		-	-	-	-	-	(16.05)
(n)	Purchase of Capital Goods	-	-	-	-	0.12	-
		-	-	-	-	-	-
(o)	Assignment of Non-convertible debentures	342.38	-	-	-	-	-
		-	-	-	-	-	-
(p)	Redemption of Non-convertible debentures	5.06	-	-	-	-	-
		-	-	-	-	-	-
(q)	Assignment of Term Loan	39,463.72	-	-	-	-	-
		-	-	-	-	-	-
(r)	Term Loan Repaid	543.95	-	-	-	-	-
		-	-	-	-	-	-
(s)	Assignment of External Commercial Borrowings	6,172.06	-	-	-	-	-
		-	-	-	-	-	-
(t)	External Commercial Borrowings Repaid	318.19	-	-	-	-	-
		-	-	-	-	-	-
(u)	Finance Lease Obligation Repayments	-	-	-	350.17	-	-
(v)	Assignment of Dollar Notes	223.52	-	-	-	-	-
		-	-	-	-	-	-
(w)	Issuance of Equity Shares	9,222.00	-	-	-	-	-
		-	-	-	-	-	-
(x)	Capital contribution	84.56	-	-	-	-	-
		-	-	-	-	-	-

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Balance outstanding at year end

Sr. No.	Particulars	Parent Companies	Subsidiaries	Fellow Subsidiaries	Associates	Entity have joint control over Parent company
		Rs. Crore				
(a)	Long Term Investments	-	1,078.68	-	-	-
		-	(1,078.68)	(1.33)	(186.20)	-
(b)	Deemed Investment (Invocation of Corporate Guarantee)	-	-	-	-	-
		-	(3,487.10)	-	-	-
(c)	Debtors	-	606.22	-	-	18.72
		-	(566.15)	(2.18)	-	-
(d)	Other Current Advance/Receivable	-	230.35	-	-	-
		-	(202.61)	(13.05)	-	-
(e)	Other Advance(Including Advance Towards Equity)	-	11.17	-	-	5.51
		(0.42)	(11.19)	(118.07)	(37.41)	-
(f)	Sundry Creditors /Other Payable	919.30	0.28	-	-	7.47
		-	(16.83)	(4,040.10)	(917.03)	-
(g)	Advance From Customer	-	2.09	-	-	2.32
		-	(31.52)	(248.13)	(441.52)	-
(h)	Inter Corporate Deposits Given/Invocation of SBLC	-	2,325.97	-	-	-
		-	(2,134.22)	-	-	-
(i)	Inter Corporate Deposits Taken	-	-	-	-	-
		-	-	(2,775.43)	-	-
(j)	Security Deposits Received	-	-	-	-	-
		-	-	(4.22)	-	-
(k)	Non-convertible debentures	337.33	-	-	-	-
		-	-	-	-	-
(l)	Term Loan Taken	38,919.78	-	-	-	-
		-	-	-	-	-
(m)	External Commercial Borrowings Taken	6255.32	-	-	-	-
		-	-	-	-	-
(n)	Dollar Notes Taken	238.27	-	-	-	-
		-	-	-	-	-
(o)	Capital contribution	84.56	-	-	-	-
		-	-	-	-	-
(p)	Provision for doubtfull debt / impairment	-	3,927.55	-	-	-
		(0.42)	(6,593.65)	(2.84)	(183.87)	-
(q)	Guarantees Given	-	-	-	-	-
		-	-	(49.23)	-	-
(r)	Guarantees Received	-	-	-	-	-
		(20,756.44)	-	(8,610.49)	-	-

Note : Figures mentioned in bracket are previous year figure

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		As at 31st March, 2020 Rs in Crore	As at 31st March, 2019 Rs in Crore
45	**Contingent Liabilities not provided for**		
(a)	**Claims against the Company not acknowledged as debt in respect of:**		
(i)	Disputed Purchase Tax /Sales Tax/VAT/Entry Tax matters in respect which the Company has gone in appeal	-	574.90
(ii)	Disputed Excise Duty/Custom Duty/Export Duty matters in respect which the Company has gone in appeal	-	567.29
(iii)	Wheeling Charges demanded by GETCO	-	393.01
(iv)	Freight claim by Railway	-	205.41
(v)	Railway- Take or Pay liability	-	372.44
(vi)	Electricity Charges by DGVCL	-	192.58
(vii)	Cross Subsidy	13.23	904.19
(viii)	Inter Connection Charges	-	150.28
(ix)	Take or Pay liability	-	574.10
(x)	Wharfage charges	-	-
(xi)	Fixed Power Charges - Take or Pay as per PPA	-	2,321.69
(xii)	Right to Use Charges - OSPIL [1]	-	300.00
(xiii)	Take or Pay Claim - BPCL/GAIL	-	387.09
(xiv)	Water conservation fund - Orissa	-	116.48
(xv)	Disputed Differential electricity duty	-	33.00
(xvi)	Cargo Handling Charges[2]	-	-
(xvii)	Others	-	97.56

As per the terms Section XIII of the Resolution Plan submitted by AMIPL for acquisition of AMNSI, which was approved by the final order and judgement dated November 15, 2019 of the Hon'ble Supreme Court of India ("Approval Order"), and further as legally advised, except for payments / settlements proposed under the resolution plan, all claims and liabilities (including claims of governmental authorities in relation to all taxes) whether contingent or crystallized, known or unknown, filed or not against the Company attributable to the period prior to December 16, 2019 stand extingished. Furthermore, in terms of the approved Resolution Plan, all proceedings, suits, claims in connection with AMNSIL or its affairs in relation to any period prior to the December 16, 2019 shall stand withdrawn and dismissed and all liabilities and obligations will be deemed to have been written off fully, and permanently extinguished.

Further, based on a legal advice, the implementation of the Resolution Plan does not have any effect over claims or receivables owed to AMNSI. Accordingly, any receivable due to AMNSI, evaluated based on merits of underlying litigations, from various governmental agencies or any parties continue to subsist.

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ArcelorMittal Nippon Steel India Limited
Notes to standalone Financial Statements for the year ended 31st March, 2020

1 The Company and Odisha Slurry Pipeline Infrastructure Limited (OSPIL) entered into a Business Transfer Agreement (BTA) dated 27 February 2015 pursuant to which a business undertaking of the Company, viz. Slurry Pipeline was agreed to be transferred to OSPIL for a total consideration of Rs. 4,000 Crore. The purchase consideration was agreed to be paid in a phased manner, however the Company had a right to exercise an option to retransfer back the Slurry Pipeline in the event OSPIL fails to pay the instalments of purchase consideration. The Company and OSPIL also entered into a Right to Use Agreement (RTUA) dated 30 March 2015, whereby OSPIL allowed the Company to use the allocated capacity of the Slurry Pipeline in consideration of usage charges. The RTUA was further amended by the addendum dated 31 August 2015, wherein it was inter alia agreed that the usage charges will be in proportion to the payment of purchase consideration by OSPIL.

OSPIL paid part of the purchase consideration to the Company, however, in January 2016, the RBI issued a clarification to the banks funding the transaction that such sale and lease back transactions will be treated as an event of restructuring for the debt of the seller as well as the buyer. Consequently, OSPIL could not raise the envisaged debt and equity for making payment of the full amount of purchase consideration to the Company, thus frustrating the transaction. Therefore, the Company and OSPIL mutually entered into an agreement dated 24 June 2016 (Cancellation Deed) agreeing inter-alia to unwind the transaction w.e.f. 30 June 2016 and retransfer the Slurry Pipeline along with loans availed by OSPIL (for funding the purchase of Slurry Pipeline) to the Company and the Company consequently recorded back the Slurry Pipeline as part of Property, plant and equipment.

To give effect of the Cancellation Deed, some of the Company's lenders and OPSIL's lenders granted in-principal approval to the Company and OSPIL, respectively, however, SREI Infrastructure Finance Limited (SREI), objected and filed a suit before the Civil Judge (Senior Division) at Sealdah. SREI also filed an application seeking interim reliefs which was refused by the Hon'ble Civil Judge at Sealdah. SREI filed an appeal in Calcutta High Court, seeking injunction in relation to unwinding of the RTUA as set out in the Cancellation Deed. The Hon'ble Calcutta High Court vide its order dated 22 December 2016 passed an ex-parte order for status-quo with regard to alienation, transfer in respect of the Slurry Pipeline which has been extended from time to time and is still in force.

On 2 August 2017, the Company was admitted into CIRP by Hon'ble NCLT, Ahmedabad Bench. An application was filed before NCLT for seeking reliefs towards declaring the Slurry Pipeline as the asset of the Company and allowing the Company to apply before the Calcutta High Court for disposal of the appeal in light of the admission of the application. The NCLT vide its Order dated 7 February 2018, did not grant any relief and stipulated that the title of the pipeline asset is subject to the proceeding before the Hon'ble High Court of Calcutta. On March 5, 2020, SREI filed an application before NCLT, Ahmedabad, seeking payment of usage charges of approximately Rs. 1,300 crore regarding the slurry pipeline to OSPIL as CIRP costs, and in the alternative, seeking directions for liquidation of AMNSIL. On November 10, 2020, NCLT in its order, held that such usage charges to be payable by AMIPL/AMNSIL as CIRP costs, on or before December 15, 2020.The said order has been stayed by NCLAT in its order dated December 4, 2020. The management, based on legal advice, believes that such charges are not payable considering the right to use charges were not accepted by the Resolution Professional of the Company and cannot form part of the CIRP costs.
An application under IBC for initiating CIRP process against OSPIL filed by IDBI Bank has been admitted by NCLT, Cuttack on 14 May 2019. The claim of Rs. 722.22 crore (including interest) submitted by the Company as financial creditor towards investment in convertible debentures issued by OSPIL has been admitted by its Resolution Professional on 22 July 2019.

The Resolution Plan submitted by AMIPL,has been approved by NCLT as per Section 31(1) of the Insolvency and Bankruptcy Code, 2016 on 2 March 2020. As per the approved resolution plan, an amount of Rs. 2,359 Crore has been paid to settle all the liabilities of OSPIL's creditors including claim submitted by the Company towards principal amount of its investment in debenture of Rs. 501.01 crore.

However, SREI has challenged the aforesaid order of NCLT approving the Resolution Plan of AMIPL before NCLAT. Pending outcome of the aforesaid matters before NCLAT and the Hon'ble High Court of Calcutta, the Company, basis legal advice, has continued to recognise as at March 31, 2020, the Slurry Pipeline under Property, plant and equipment at the carrying amount of Rs. 1,003.82 crore, adjusted for depreciation as if the Slurry Pipeline was never transferred to OSPIL, and an obligation of Rs. 2,507.27 crore as "Other financial liability"(refer note 26) (gross liability including interest accrued thereon, of Rs. 3,008.28 crore offset with investment of Rs. 501.01 crore in the convertible debentures of OSPIL (Refer Note 7(a)(C)) towards liability taken over as per the Cancellation Deed dated 24 June 2016.

2 Since 2010, Essar Bulk Terminal Limited ("EBTL") is providing Cargo handling services to Essar Steel India Limited (then "ESIL" and now ArcelorMittal Nippon Steel India Limited ("AMNSI")) at Hazira, as per the Agreement for Cargo Handling Services dated 25 February 2011 ("CHA"). The CHA provides for cargo handling charges, which subsumes charges for all services under the CHA (including loading and unloading of cargo, pilotage, towage, etc.). However, from inception, EBTL has charged additional amounts for vessel related services like pilotage and towage, and ESIL had been paying those vessels related charges.

The corporate insolvency resolution process of ESIL in terms of the Insolvency & Bankruptcy Code, 2016 commenced on 2 August 2017. The resolution plan of M/s ArcelorMittal India Private Ltd. (AMIPL) for ESIL was approved by the committee of creditors in October 2018

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In March 2019, EBTL unilaterally increased the vessel related charges substantially from approximately USD 1.2 per Gross Registered Tonnage (GRT) to USD 3.25 per GRT. ESIL opposed this payment of separate vessel related charges, and this unilateral increase in charges. As per the terms of the CHA, AMNSI is not required to pay any amounts over and above the agreed rates as per Annexure I of the CHA. The levy of additional charges by EBTL is accordingly contrary to the terms of the CHA. Further, the resolution plan of AMIPL provides that EBTL to continue services 'in the same manner and on the same terms as set out under the subsisting contract for such period as AMNSI requires such access for its business and operations'. However, in order to maintain ESIL as a going concern during the insolvency process, ESIL continued to pay the separate vessel related charges at the previous rate of USD 1.2 per GRT.

Pursuant to the final judgement of the Hon'ble Supreme Court of India on November 15, 2019 in the CIR process of ESIL, the resolution plan of AMIPL was approved in terms of the IB Code and AMIPL acquired ESIL on 16 December 2019.

Post the takeover as well, AMNSI has been objecting to these charges levied by EBTL and in its letter to EBTL on 1 May 2020, AMNSI (erstwhile ESIL) expressly stated that no separate vessel related charges are payable under the CHA; however, even after 1 May 2020, AM/NS India has been paying the vessel related charges according to the older rates to avoid disruption of services by EBTL. However, EBTL has been raising invoices on AMNSI based on the revised rates (i.e. USD 3.25 per GRT) and has raised claim for an amount Rs. 241.32 Crore as on 31st March 2020 (Rs. 170.09 Crore up to 16th December 2019 and Rs. 71.23 Crore post 16th December 2019 to 31st March 2020).

Additionally, EBTL has also raised claims on AMNSI for:

A. Purported deepening of the channel from 10m to 12m depth, which deepening is disputed by AMNSI on account of lack of satisfactory evidence. EBTL has made a total claim of Rs. 51.80 Crore as on 31st March 2020. (Rs. 29.31 Crore up to 16th December 2019 and Rs. 22.49 post 16th December 2019 to 31st March 2020).

B. Purported rental charges of Rs. 5.94 Crore (Rs. 5.52 Crore up to 16th December 2019 and Rs. 00.41 Crore post 16th December 2019 to 31st March 2020), which are disputed by AMNSI as there is no contractual agreement for such charges to be levied on AMNSI.

Having regards to the above, in view of the Company, the aforementioned incremental charges are not payable, and accordingly, Company has called upon EBTL to withdraw its demands with respect to the escalated cargo handling charges, separate vessel related charges, port dues and rental charges. Further under the Resolution Plan all claims arising during the resolution process until the date of takeover by AMIPL i.e. December 16, 2019 stands extinguished/settled in terms of the plan.

AMNSI has a claim against EBTL of Rs. 6.28 Crore (Rs. 6.28 Crore up to 16th December 2019) towards Demurrage charges. These claims are disputed by EBTL.

		As at 31st March, 2020 Rs. in Crore	As at 31st March, 2019 Rs. in Crore
(b)	Guarantees given to various Banks, Financial Institutions, Finance Companies, etc. on behalf of others to the extent of outstanding balance of liabilities as at the year-end against the said guarantees	-	192.22
46	**Commitments**		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	415.05	58.72
(b)	Export obligation under EPCG scheme*	15,900.30	12,724.05

*Export obligation, includes commitment to export for a value of Rs. 9,451.93 Crores till 31st August 2018, for which the Company has made a representation to the Ministry of Steel and Ministry of Commerce & Industry for granting extension of export obligation period by 5 years. The extension of export obligation period and policy amendments are expected from Ministry of Commerce as per the communication from Indian steel association on 12th June, 2019. However the management does not foresee the development of corresponding duty obligation pursuant to the implementation of approved resolution plan, whereby all contingent liabilities, guarantees, commitments and other obligations includes all taxes and other government dues of the Company, standing as on the Effective Date i.e. 16th December 2019, have been extinguished.

47 Employee Benefits

(i) Defined Contribution Plan

The Company has a defined contribution plan whereby contribution are made to provident fund in India for employees at a percentage of Payroll cost as per regulations. Contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. Company's contribution to Provident Fund aggregating to Rs. 17.38 Crore (Previous year Rs. 16.16 Crore) are recognised in the statement of profit and loss and capital work in progress, as applicable.

(ii) Defined Benefit Plan

The Company has a defined benefit Gratuity plan. Every employee who has completed five years or more of service gets a Gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded through a Gratuity Scheme administered by a separate fund that is legally separated from the entity.
The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Year Ended 31st March, 2020 Rs in Crore	Year Ended 31st March, 2019 Rs in Crore
Net employee benefit expense recognised		
Current Service Cost	5.38	4.98
Past Service Cost	-	-
Net Interest/(Income) on net defined benefit liability/(asset)	(0.09)	0.65
Immediate recognition of (gains)/losses - other long term employee benefit plans	-	-
Expenses Recognised in the statement of profit and loss	5.29	5.63

Other Comprehensive Income

	Year Ended 31st March, 2020 Rs in Crore	Year Ended 31st March, 2019 Rs in Crore
Actuarial (gain)/loss recognised in the year due to liability experience changes	2.82	4.20
Actuarial (gain)/loss recognised in the year due to liability assumption changes	4.31	1.05
Actuarial (gain)/loss arising on the liability during the period	**7.13**	**5.25**
Add: Return on Plan Assets (greater)/less than discount rate	0.24	0.87
Actuarial Loss/(Gain) recognised in OCI	7.37	6.12
Defined Benefit Cost		
Service Cost	5.38	4.98
Net interest/(income) on net defined benefit liability/(asset)	(0.09)	0.65
Actuarial (gain)/loss arising recognised in OCI	7.37	6.12
Defined Benefit Cost	**12.66**	**11.75**

	As at 31st March, 2020 Rs in Crore	As at 31st March, 2019 Rs in Crore
Balance Sheet		
Details of provision		
Defined Benefit Obligation	(92.14)	(79.29)
Fair value of Plan Assets	85.21	75.92
Funded Status [Surplus/(Deficit)]	(6.93)	(3.37)
Net Defined Benefit Asset/(Liability)	**(6.93)**	**(3.37)**
Reconciliation of Net Balance Sheet position		
Net defined benefit asset/(liability) at the end of prior period	(3.37)	(25.78)
Service cost	(5.38)	(4.98)
Net interest on net defined benefit (liability)/asset	0.09	(0.65)
Gain/(Loss) recognised in OCI	(7.37)	(6.13)
Employer Contribution	9.10	34.17
Net Defined Benefit (Liability)/Asset at the end of reporting period	**(6.93)**	**(3.37)**

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	As at 31st March, 2020 Rs in Crore	As at 31st March, 2019 Rs in Crore
Changes in the present value of the defined benefit obligation are as follows:		
Projected Benefit Obligations (PBO) at the beginning of the year	79.29	68.52
Service Cost	5.38	4.98
Interest Cost	5.60	4.98
Actuarial (gain)/loss - experience	2.82	4.20
Actuarial (gain)/loss - financial assumptions	4.31	1.05
Benefits paid	(5.26)	(4.44)
PBO at the end of the year	**92.14**	**79.29**
Changes in the fair value of plan assets are as follows:		
Fair Value of plan assets at the beginning of the year	75.92	42.74
Interest income on plan assets	5.68	4.32
Contributions/Transfers	9.11	34.17
Benefits paid	(5.26)	(4.44)
Return on plan assets greater/(less) than discount rate	(0.24)	(0.87)
Fair Value of plan assets at the end of the year	**85.21**	**75.92**

The Company expects to contribute Rs. 10.17 Crore (previous years Rs. 6.77 Crore) to its gratuity plan for the next year.

Expected benefits payment for the year ending		
Less than 1 year	10.17	9.60
Between 2 to 5 years	44.12	39.62
Over 5 years	58.57	52.75
Weighted Average duration of the defined benefit obligation	8 years	8 years

Investment details of plan assets

Plan assets comprise of Schemes of Insurance - Conventional products

Sensitivity Analysis - Impact on DBO

Particulars	31st March 2020 Gratuity		31st March 2019 Gratuity	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.5% movement)	(3.12)	3.32	(2.58)	2.75
Salary Escalation Rate (0.5% movement)	2.63	(2.56)	2.20	(2.14)
Withdrawal Rate (3% movement)	(0.01)	(0.10)	(0.06)	(1.67)

	Year Ended 31st March, 2020 Rs in Crore	Year Ended 31st March, 2019 Rs in Crore
Defined Benefit Cost		
Assumptions		
Discount rate	6.60%	7.30%
Rate of Return on Plan Assets	7.50%	7.50%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	10.00%	7.50%
Mortality	Indian Assured Lives Mortality (2006 - 08) Ult. Modified	

Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2020 Rs in Crore Current	Non Current	As at 31st March, 2019 Rs in Crore Current	Non Current
Gratuity	-	(6.93)	-	(3.37)
Compensated Absences	(2.19)	(12.48)	(2.59)	(12.76)

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48 Leases

Finance Lease

The Company has recognized certain assets under finance leases. The lease arrangement for Plant & Machinery is for 15 years. At the end of non cancellable period, the lessors have a put option to sell the underlying assets to the Company.

a) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	**Land**	**Buildings**	**Plant & Machinery**	**Total**
		Rs. In Crore		
Right of use assets on initial recognition as on 1st April 2019	71.30	1.89	1,584.92	1,658.11
Additions	243.65	-	365.59	609.24
Deletions	-	-	-	-
Depreciation	(10.88)	(0.04)	(530.62)	(541.54)
Closing Balance as on 31st March 2020	**304.07**	**1.85**	**1,419.89**	**1,725.81**

b) The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	**For the Year 31st March, 2020**
	Rs. in Crore
Lease Liability on initial recognition as on 1st April 2019	2,052.04
Additions	374.47
Finance cost accrued during the period	226.74
Deletions	-
Payment(including write back) of lease liabilities	(962.15)
Closing Balance as on 31st March 2020	**1,691.10**

c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	**For the Year 31st March, 2020**
	Rs. in Crore
Less than one year	553.06
One to five years	1,183.44
More than five years	1,137.59
Total	**2,874.09**

d) Expenses related to short term leases and leases of low value assets:

Particulars	**For the Year 31st March, 2020**
	Rs. in Crore
Short term Leases & Low Value Leases	28.38
Total	**28.38**

49 Earning Per Share

	For the Year 31st March, 2020	**For the Year 31st March, 2019**
	Rs. in Crore	Rs. in Crore
Net Profit/(Loss) as per statement of Profit & Loss	13,920.97	(7,331.12)
Weighted average number of shares for the purpose of calculating basic and diluted earning per share (in nos.)	3,024,139,348	2,917,440,160
Basic and diluted earning/(loss) per Equity share of Rs. 10 each (in Rupees)	46.03	(25.13)

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50 Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

		For the Year 31st March, 2020 Rs. in Crore	For the Year 31st March, 2019 Rs. in Crore
(a)	The Principal amount and the interest due thereon remaining unpaid to supplier as at the end of year:		
	Principal amount due to Micro and Small enterprises	101.81	82.19
	Interest due	0.43	0.11
(b)	Interest paid to the supplier as per sec 16 of MSMED Act, 2006	-	-
(c)	Payments made to supplier beyond the appointed day during the year	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year	0.43	0.11
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	1.65	0.05

51 The Corporate Insolvency Resolution Process ("CIRP") was initiated against the Company pursuant to petition filed by some of its financial creditors under section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The petition filed before the National Company Law Tribunal (NCLT/ the Adjudicating Authority), Ahmedabad Bench, was admitted by the Adjudicating Authority, resulting in commencement of the CIRP for the Company on 2 August 2017 ("Insolvency Commencement Date").

The Hon'ble Supreme Court of India, vide its order dated 15 November 2019, adjudged that the CIRP of the Company will take place in accordance with the resolution plan submitted by M/s ArcelorMittal India Private Limited (AMIPL), a Company incorporated under the provisions of Companies Act, 1956, in accordance with section 30 (4) of the IBC and amended by Committee of Creditors after considering the order of the NCLT dated 8 March 2019 and the order of National Company Law Appellate Tribunal dated 4 July 2019.
Accordingly, pursuant to the Resolution Plan:

i. AMIPL completed the acquisition of Essar Steel India Limited on 16 December 2019 (Effective Date) by subscribing to 2,000,000,000 equity shares through private placement, comprising 100% of the issued and paid up equity capital of the Company.

ii. The issued and fully paid up 3,108,957,660 equity shares held by erstwhile shareholders, with paid up share capital aggregating to Rs. 3,108.96 crores (including Rs. 766.07 crores pertaining to 191,517,500 no. of treasury shares), were cancelled and extinguished with corresponding adjustment to capital reserve.

iii. The issued and fully paid up 4,35,98,951 preference shares aggregating to Rs. 43.60 crores were cancelled and extinguished with corresponding adjustment in the statement of profit and loss as an exceptional items.

iv. The admitted dues of financial creditors amounting to Rs. 39,830.57 crores and Rs. 6,136.79 crores (equivalent to USD 948.46 million as on August 02, 2017) have been assigned to AMIPL and AMNS Luxembourg Holding SA, respectively. Refer to note 53 for the details of assignment of loans.

v. Each of the financial creditors have waived all claims and dues (including interest and penalty, if any) from the Company arising on and from the Insolvency Commencement Date, till the Effective Date. Consequently, an amount aggregating to Rs. 14,238.62 Crores, being the difference between the outstanding liabilities towards financial creditors on the Effective Date and the amount of admitted dues as referred in item iv above, has been adjusted in the statement of profit and loss as an Exceptional Item as referred in note 52.

vi. In respect of the Operational Creditors (including advance from Customers, workmen and employee dues) ,Inter Corporate Deposit (ICDs), Statutory Payable and Other Payable, the payment aggregating to Rs. 1,218.36 Crores has been made as per the approved resolution plan against their admitted claims as on Insolvency Commencement Date and the difference of Rs. 3,242.41 crores pertaining to Operational Creditors (including advance from Customers, workmen and employee dues) and Rs 6,934.72 crores pertaining to ICDs, Statutory payable and other Payable between the outstanding liabilities and the payment so made has been recognised in the statement of Profit and Loss as an exceptional item as referred to in Note 52.

vii. All contingent liabilities, guarantees, commitments and other claims and obligations including all taxes and other government dues, of the Company standing as on the Effective Date have been extinguished.

Refer note 52 for the details of exceptional items.

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ArcelorMittal Nippon Steel India Limited
Notes to standalone Financial Statements for the year ended 31st March, 2020

52 Exceptional Items

Sr. No.	Particulars	For the Year 31st March, 2020 Rs. in Crore	For the Year 31st March, 2019 Rs. in Crore
1	Effect of implementation of Resolution Plan - (Gain)/ Loss[1]	(24,415.75)	-
2	Provision for expected liability/doubtful claim [2]	2,048.63	-
3	Provision for impairment on CWIP/PPE[3]	6,528.24	-
4	Provision for impairment on Investment[4]	-	67.38
		(15,838.88)	**67.38**

Note:

1) **Effect of implementation of Resolution Plan**

Rs. in Crore

Particulars	Amount
a. Gain on write-back of financial creditors, Interest and Preference Shares	(14,238.62)
b. Gain on write-back of ICDs and Other Payable	(6,934.72)
c. Gain on write-back of Operational Creditors / Customer's advances	(3,242.41)
Total	**(24,415.75)**

2) **Provision for expected liability/doubtful claim**

Rs. in Crore

Particulars	Amount
a. Provision for impairment in certain Assets / Claim Receivable	1,740.40
b. Provision for impairment in inventory	207.87
c. Write-off for Trade Receivable	100.36
Total	**2,048.63**

3) Post-acquisition of the Company by AMIPL on 16th December, 2019 under CIRP process, the management has, on the basis of the internal and external information and taking into consideration the anticipated economic performance in light of revised operational plans and discontinuance of certain capital projects, assessed the Recoverable Amounts of the Cash Generating Unit (CGU) of the Company. The Recoverable Amounts are higher of Fair Value less cost to sell and Value in Use. Based on the aforesaid assessment, the Fair Value less cost to sell (determined with assistance of independent valuation expert based on replacement cost method by factoring the market indices, useful lives of assets and market values of the assets with similar age and obsolescence, as applicable), being higher than Value in Use, is considered for estimating the Recoverable Amounts of the CGUs, and impairment of Rs 4,447.32 crore is recognized. Further, the Company has also decided to discontinue certain capital projects (classified Capital work-in-progress), where active development was suspended for prolonged periods and accordingly, has provided for its corresponding carrying amount aggregating to Rs. 2,080.92 crore in the statement of profit and loss.

4) The Company had recognized provision towards impairment in the carrying amount of certain investments based on the internal/external factors under which the said entities operate and judgment made by the management.

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53 Borrowings Note

	As at 31 March, 2020 Rs. in Crore	As at 31 March, 2019 Rs. in Crore
Long Term Borrowings Note		
(1) 13.40 % Non Convertible Debentures Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land).	-	472.07
(2) 10 % Non Convertible Debentures Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land). Debentures principal is repayable on 31st March, 2021 @@	344.59	-
	344.59	**472.07**
(2) Term Loans From Banks and Others		
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company.		
(A) Loans carrying interest @Bank Base rate plus 3.75%.	-	6,524.70
(B) Loans carrying interest @ Bank Base Rate plus 4.25%.	-	573.23
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Principal is repayable on 31st March, 2026 @@. Loans carrying interest 10% p.a.	5,614.20	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Loans carrying interest @6M Libor plus 4.30% p.a.	-	731.16
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Loans carrying interest @6M Libor plus 4.30% p.a. The principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%) **$$**	377.73	-
Secured by pari passu first charge on fixed assets (except assets forming part of Nandniketan Township, Service Centers and 19 MW waste heat recovery power plant) and pari passu second charge on current assets of the Company. Loans carrying interest @ Bank Base Rate plus 4.50 %.	-	47.40
Secured by pari passu first charge on fixed assets (except assets forming part of Nandniketan Township, Service Centers and 19 MW waste heat recovery power plant) and pari passu second charge on current assets of the Company. Loans carrying interest @ 10% . Principal is repayable on 31st March,2026 @@	36.60	-
First pari passu charge on all present and future fixed assets of the Borrower including all land available with the borrower (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company . Loans carrying interest @6M Libor plus 5% p.a.	-	675.15
First pari passu charge on all present and future fixed assets of the Borrower including all land available with the borrower (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company . Loans carrying interest 10.00 % p.a. Principal is repayable on 31st March2026. @@	540.94	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company.		
a) Loans carrying interest @6M Libor plus 4.80% p.a.	-	177.43
b) Loans carrying interest @6M Libor plus 4.80% p.a.	-	538.49
c) Loans carrying interest @6M Libor plus 5.00% p.a.	-	42.83
d) Loans carrying interest @6M Libor plus 5.00% p.a.	-	324.86

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	As at 31 March, 2020 Rs. in Crore	As at 31 March, 2019 Rs. in Crore
e) Loans carrying interest @6M Libor plus 5.00% p.a.	-	1,440.71
f) Loans carrying interest @6M Libor plus 5.00% p.a.	-	1,071.54
g) Loans carrying interest @6M Libor plus 5.00% p.a.	-	191.67
h) Loans carrying interest @6M Libor plus 5.00% p.a.	-	118.75
i) Loans carrying interest @6M Libor plus 4.75% p.a.	-	169.12
j) Loans carrying interest @6M Libor plus 5.00% p.a.	-	354.83
k) Loans carrying interest @6M Libor plus 5.00% p.a.	-	123.51
l) Loans carrying interest @Bank Base rate plus 3.75%.	-	695.81
m) Loans carrying interest @Bank Base rate plus 3.75%.	-	348.48
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Principal is repayable on 31st March, 2026 @@. Loan carries interest of 10% @@.	824.14	
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. The principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%), 2024-25 (33.33%), 2025-26 (33.34%) **$$**		
a) Loans carrying interest @6M Libor plus 4.80% p.a.	682.76	-
b) Loans carrying interest @6M Libor plus 5.00% p.a.	3,489.18	-
c) Loans carrying interest @6M Libor plus 4.75% p.a.	161.41	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders. Loans carrying interest @6M Libor plus 4.90% p.a.	-	1,117.18
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders.The principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%). Loans carrying interest @6M Libor plus 4.90% p.a. **$$**	1,063.95	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company.		
(A) Loans carrying interest @ Bank Base Rate plus 3.00%.	-	1,117.78
(B) Loans carrying interest @ Bank Base Rate plus 2.00%.	-	643.32
(C) Loans carrying interest @ Bank Base Rate plus 3.50%.	-	305.46
(D) Loans carrying interest @ Bank Base Rate plus 3.25%.	-	112.55
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Principal is repayable on 31st March, 2026. Loan carries interest of 10% @@	1,736.60	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders, Corporate Guarantee of Essar Steel Asia Holding Limited & Essar Steel Mauritius Limited and personal guarantee of a promoter. Loans carrying interest @ Bank Base Rate plus 2.50%.**(Refer note below)	-	4,293.03

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	As at 31 March, 2020 Rs. in Crore	As at 31 March, 2019 Rs. in Crore
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company Principal is repayable on 31st March, 2026 . Loan carrying interest @ 10.00 %.p.a. ** (Refer note below) @@	3,469.72	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders, Corporate Guarantee of Essar Steel Asia Holding Limited & Essar Steel Limited and personal guarantee of a promoter. **(Refer note below)		
(A) Loans carrying interest @ Bank Base Rate plus 2.50%.	-	7,501.79
(B) Loans carrying interest @ Bank Base Rate plus 2.30%.	-	812.12
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company Principal is repayable on 31st March, 2026 . Loan carrying interest @ 10.00 %.p.a **(Refer note below) @@	6,676.00	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders, Corporate Guarantee of Essar Steel Asia Holding Limited & Essar Steel Limited and personal guarantee of a promoter. Loan carries interest @ 6M LIBOR plus 6.25% p.a. **(Refer note below)	-	204.36
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company Loan carries interest 10.00 % p.a. Principal is repayable on 31st March, 2026 **(Refer note below) @@	161.03	-
Secured by Pledge of Shares held in Bhander Power Limited as investments by the company, subservient charge on all moveable fixed assets & current assets of the company, Corporate Guarantee of Essar Steel Limited ,Essar Steel Asia Holding Limited & Essar Steel Mauritius Limited and pledge of certain shares held in the company by its shareholders. Loan carries Interest rate base rate plus 4.0%. **(Refer note below)	-	91.20
Secured by Pledge of Shares held in Bhander Power Limited as investments by the company, subservient charge on all moveable fixed assets & current assets of the company, Loan carries Interest rate @ 10.00 %. p.a. Principal is repayable on 31st March, 2026 **(Refer note below) @@	61.43	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders, Corporate Guarantee of Essar Steel Asia Holding Limited & Essar Steel Mauritius Limited and personal guarantee of a promoter .**(Refer note below)	-	792.69
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company . Loan carries Interest rate @ 10.00 %. p.a. Principal is repayable on 31st March, 2026 . **(Refer note below) @@	630.81	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held by pledge providers in ESIL, Corporate Guarantee of Essar Steel Asia Holding limited & Essar Steel Mauritius Limited and personal guarantee of a promoter . Loan carries interest @ 6M LIBOR plus 4.80% p.a.**(Refer note below)	-	961.17

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	As at 31 March, 2020 Rs. in Crore	As at 31 March, 2019 Rs. in Crore
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company Loan carries interest @ 6M LIBOR plus 4.80% p.a. Principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%) **(Refer note below) $$	916.83	-
Secured by pari passu first charge on entire fixed assets of the company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), Second pari passu charge on entire present and future current assets of the company. Loan carries Bank Interest rate base rate plus 4.75%.	-	244.55
Secured by pari passu first charge on entire fixed assets of the company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), Second pari passu charge on entire present and future current assets of the company. Loan carries Bank Interest rate @ 10.00% p.a. Principal is repayable on 31st March, 2026. @@	188.07	-
Secured by pari passu first charge on the current assets of the Company, second charge on fixed assets of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026 . **(Refer note below) @@	10,413.51	-
Loan carries interest @ 10.00 % p.a. Secured by subservient charge on all fixed assets of the company. Principal is repayable on 31st March, 2026 @@	125.40	-
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company.Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@	8,381.80	-
Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land).Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@	333.31	-
Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land) also secured by second pari passu charge on the present and future current assets of the Company.Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026 . @@	157.81	-
Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land)Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@	174.11	-
Secured by residual charge over the entire current assets (both present and future) over all moveable fixed assets (both present and future) of the company . Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026 . @@	55.43	-
Unsecured Borrowings		
Unsecured Facility Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026 . @@	146.50	-
Principal carry interest @ 0.25% p.a. Principal is repayable on 31st March, 2021 ##	238.44	-
	46,657.71	**32,346.87**
(3) Dollar Notes / Rupee Notes		
Dollar Notes principal carry interest @ 0.25% p.a.	-	219.54
Rupee Notes principal carry interest @ 8.00% p.a.	-	15.03
(4) Payment of the Deferred Sales Tax Benefit shall be made during financial year 2019-20 (41.87%) , 2020-21 (23.49%), 2021-22 (17.66%), 2022-23 (11.87%), 2023-24 (5.11%)for each year's collection (i.e. collection from 2005-06 to 2008-09) starting from April, 2019.	-	27.04
(5) The Company has issued 4,35,98,951 10% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10 each. The Company shall have option to redeem the CRPS at par in one or more tranches from any or all of the existing holders, anytime after the date of allotment together with arrears of dividend if any and the Board shall give one month's notice for any such redemption to the registered holders of the CRPS.	-	78.48

Deloitte Haskins & Sells Chartered Accountants

	As at 31 March, 2020 Rs. in Crore	As at 31 March, 2019 Rs. in Crore
Current Borrowings		
(1) Loans from Banks		
Loan carries interest @ Bank Base Rate plus 4.75% p.a. Secured by subservient charge on all fixed assets of the company.	-	162.91
(2) Working Capital Loans - From Banks		
Working Capital Loans are secured by pari passu first charge on the current assets of the Company, second charge on fixed assets of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and Corporate Guarantee of Essar Investments Limited & Personal Guarantee of Promoters up to Rs 1,320 crs (This Guarantee amount includes Rs 1,120 crs Guarantee provided to all consortium members)**(Refer note below)	-	11,936.12
(3) Acceptances		
Secured by margin deposits with the banks & secured by first charge on the current assets, second charge on the fixed assets (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) , Corporate Guarantee of Essar Investments Limited and Personal guarantee of Promoters upto Rs Rs 1,320 crs (This Guarantee amount includes Rs 1,120 crs Guarantee provided to all consortium members) **(Refer note below)	-	294.67
Secured by margin deposits with the banks	3.85	-
	3.85	**12,393.70**
Other Current Financial Liabilities :		
(1) Invoked Advance against Export Performance Bank Guarantee (EPBG)		
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company. This was due for repayment on devolvement of EPBG.	-	10,500.84
(2) Invoked Standby Letter of Credit		
(a) Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land).	-	422.02
(b) Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land) also secured by second pari passu charge on the present and future current assets of the Company.	-	211.69
(c) Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land) and Corporate Guarantee of the Company	-	220.34
(3) Invoked Corporate Guarantee		
Investment of 71,830,001 shares in Essar Steel Offshore Limited were pledged.	-	3,764.80
(4) Principal Only Swap (POS)		
(a) Secured by residual charge over the entire current assets (both present and future) over all moveable fixed assets (both present and future) of the company .	-	70.05
(b) Unsecured POS Facility provided by Banks	-	164.33
	-	**15,354.07**

** As per the Resolution Plan and order of the Supreme Court dated 15th November, 2019, Corporate and Personal Guarantees given by erstwhile Essar promoters and group companies of Essar are not binding on the ArcelorMittal Nippon Steel India Limited (Company).

ArcelorMittal Nippon Steel India Limited
Notes to Financial Statements for the year ended 31st March, 2020

@@ All the Domestic Rupees Loans (Secured and Unsecured including working capital and debentures) have been assigned to ArcelorMittal India Private Limited (Assignee) by virtue of Assignment Agreements dated 16th December 2019 executed between Lenders (Assignors) and Assignee as per the approved Resolution Plan. As per the terms of the assignment, the Assignors have unconditionally and irrevocably assigned the loans to the Assignee without recourse on an 'as is' and 'where is' basis, together with underlying security interest created under the financing documents in favour of the assignee, other than erstwhile Essar promoters and group companies guarantees. Further the Company and ArcelorMittal India Private Limited (AMIPL) have entered into three (3) supplement agreements dated 27th March, 2020 to modify and amend certain conditions related to interest and repayment schedule for the loans assigned to AMIPL under the Resolution Plan. AMIPL has provided an interest moratorium to the Company for the period starting from 1st April 2020 to 31st March,2021.

$$ All the External Commercial Borrowing (ECB) Loans has been have been assigned to Credit Agricole Corporate & Investment Bank, Hong Kong Branch (Transit Lender "CACIB HK") by virtue of Assignments Agreements dated 16th December 2019 on existing terms and conditions executed between lenders and CACIB HK as per the approved resolution plan. Later, CACIB has further assigned the ECB loans to AMNS Luxembourg Holdings S.A.(AMNSL) by virtue of Transfer certificates executed on various dates on existing terms and conditions. The Company and AMNS Luxembourg Holdings S.A. have subsequently entered into supplemental agreements dated 27th March 2020 and modified certain terms relating to interest and repayment schedule of ECB loans. AMNSL has provided an interest moratorium to the company for the period starting from 1st April 2020 to 31st March 2021. One of the ECB loan has been transferred to AMNSL on 2nd July, 2020 and the interest pertaining to the same has been shown as payable to AMNSL.

Dollar Note facility has been taken over by AMNS Luxembourg Holdings S.A.(AMNSL) from I2 Capital Trust Corporation ,London (Trustee) by virtue of Assignments Letter dated 16th December 2019, in line with the approved resolution plan.

The requisite process for satisfaction of charges, pursuant to payments to erstwhile Lenders under the implementation of Resolution Plan, has been initiated. The new Lenders have been assigned all the security rights of erstwhile Lenders. The process of creating fresh charge by mutating the ROC charge register in favour of the new lenders is yet to be completed.

Pursuant to the NCLT order dated 2nd August 2017, Corporate Insolvency Resolution Process (CIRP) was initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. The resolution plan of M/s ArcelorMittal India Private Limited (AMIPL) for the Company was approved and the acquisition process was completed by AMIPL on 16th December, 2019 by making requisite payments to eligible creditors including lenders for borrowings. However, the borrowings were assigned at the same terms of erstwhile lenders. Subsequent to the year end, the lenders have granted waiver against non-compliance of covenant requirements of the debt agreement and accordingly the borrowings have been classified as per the agreed repayment schedules.

54 On September 18, 2020 the Board of Directors of AMNS India approved the "Composite Scheme of Arrangement "under section 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013 wherein certain identified assets of ArcelorMittal India Private Limited (AMIPL) (Transferor Company/Amalgamating Company) have been proposed for transferring to M/s AM Associates India Private Limited (transferee company) and merger of AMIPL with ArcelorMittal Nippon steel India limited (amalgamated company) with residual assets. The said scheme has been filed with National Company Law Tribunal, Ahmedabad on November 13, 2020 and is awaited approval.

55 The figures of the previous year has been regrouped where necessary to conform to current year's classification.

Deloitte Haskins & Sells Chartered Accountants

For and on behalf of the Board of Directors of ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO

Hiroyuki Nitta
Director

Takahiro Nagayoshi
Director & Vice President-Finance
Date: 10th December, 2020
Place: Mumbai

Pankaj Chourasia
Company Secretary

ArcelorMittal Nippon Steel India Limited (formerly Essar Steel India Ltd.)

AM ASSOCIATES INDIA PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2020

	Particulars	Note No.	As at 31 March 2020 (Rs.)
I.	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	(a) Share capital	3	500,000
	(b) Reserves and surplus	4	(5,740)
			494,260
2	**Current Liabilities**		
	(a) Trade payables	5	
	- (A) total outstanding dues of micro enterprises and small enterprises; and		-
	- (B) total outstanding dues of creditors other than micro enterprises and small enterprises.		5,140
			5,140
	Total		499,400
II.	**ASSETS**		
1	**Current Assets**		
	(b) Cash and bank balances	6	473,900
	(c) Other Current Assets	7	25,500
			499,400
	Total		499,400

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements

For AM Associates India Private Limuited

AM Associates India Private Limited

Authorised Signatory

AM ASSOCIATES INDIA PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

	Particulars	Note No.	For the period ended 31 March 2020 (Rs.)
I.	Revenue From Operations		-
II.	Other income		-
III.	**Total Revenue (I+II)**		-
IV.	**Expenses:**		
	Employees benefits expense		-
	Other expenses	8	5,740
	Total expenses		5,740
V.	**(Loss) before tax (III-IV)**		(5,740)
VI.	Tax expenses		
	-Current tax		-
	-Deferred tax charge / (credit)		-
VII.	**(Loss) for the year (V -VI)**		(5,740)
VIII	**Earnings per equity share:**		
	(1) Basic	10	(0.97)
	(2) Diluted	10	(0.97)
	Nominal value of equity shares		10.00

Summary of significant accounting policies **2**

The accompanying notes form an integral part of the financial statements

For AM Associates India Private Limuited

AM Associates India Private Limited

Authorised Signatory

AM ASSOCIATES INDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. **Company's overview**

AM Associates India Private Limited (the 'Company') was incorporated on 18 February 2020 in India under the Companies Act, 2013 as a private limited Company. The Company is engaged in the trade or business of manufacturing, prospecting, operating, buying, investing, selling, importing, exporting, purchasing or otherwise dealing in iron and steel, steel makers and steel converters and as miner, smelter and iron founder.

2. **Summary of Significant Accounting Policies**

a. **Basis of accounting**

i) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

ii) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

iii) The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC.

b. **Use of estimates**

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively.

AM Associates India Private Limited

c. **Taxation**

i) Provision for current tax is made by computing the taxable income for the current financial year as per applicable laws.

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a reasonable/virtual certainty, as may be applicable, that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

iii) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

d. **Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

e. **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

f. **Earnings per share**

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

AM Associates India Private Limited

AM ASSOCIATES INDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3 SHARE CAPITAL

Particulars	As at 31 March 2020 (Rs.)
Authorized	
1,50,000 equity shares of Rs. 10 each	15,000,000
	15,000,000
Issued, subscribed and fully paid-Up	
50,000 equity shares of Rs. 10 each, fully paid up	500,000
	500,000

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	As at 31 March 2020	
	Number	Rs.
Shares outstanding at the beginning of the year	-	-
Add: Shares issued during the year	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000

b) Equity shares held by holding company

Name of the Company	As at 31 March 2020	
	Number	Rs.
Arcelormittal Ventures India Private Limited	49,990	499,900
	49,990	499,900

c) Terms / rights attached to Equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares in the Company held by each shareholder holding more than 5 percent shares:

Name of the shareholder	As at 31 March 2020	
	No. of Shares held	% of Holding
Arcelormittal Ventures India Private Limited	49,990	99.99%

4 RESERVES AND SURPLUS

Particulars	As at 31 March 2020 (Rs.)
Balance in Statement of Profit and Loss :	
Balance at the beginning of the year	-
Less: (Loss) for the year	(5,740)
Closing balance	(5,740)

AM Associates India Private Limited

AM ASSOCIATES INDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5 TRADE PAYABLES

Particulars	As at 31 March 2020 (Rs.)
Total outstanding dues of micro and small enterprises	-
Total outstanding dues of trade payable other than micro enterprises and small enterprises	5,140
	5,140

Particulars	As at 31 March 2020
(a) Dues remaining unpaid as at Balance Sheet date	
-Principal amount	-
-Interest amount	-
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the	-
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during period) but without adding the interest specified under the Act	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when	-
(e)Interest accrued and remaining unpaid as at Balance Sheet date	-

AM ASSOCIATES INDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6 CASH AND BANK BALANCES

Particulars	As at 31 March 2020 (Rs.)
Cash and cash equivalents :	
Cash on hand	-
Balance with banks	473,900
	473,900

There are no restrictions with respect to cash and cash equivalents as at the end of the reporting year.

7 Other Current Assets

Particulars	As at 31 March 2020 (Rs.)
Security Deposit	25,500
	25,500

AM ASSOCIATES INDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

8 OTHER EXPENSES

Particulars	For the period ended 31 March 2020 (Rs.)
Payment to Auditors	
As Auditor:	
Audit Fee	-
Tax Audit fee	-
Reimbursement of expenses	-
Legal and professional fees	5,140
Office Rent	-
Statutory Taxes and Dues	600
	5,740

AM Associates India Private Limited

9 RELATED PARTY DISCLOSURES:

i Related party relationships:

Description of relationship	Name of related party
(i) Where control exists	
Ultimate Holding company	ArcelorMittal SA
Holding Company	Arcelormittal Ventures India Private Limited
(ii) Other Related Parties with whom transactions have taken place during the year:	
Fellow Subsidiary	
Entities in which KeyManagement Personnelexercise significant influence	
	Kalyan Ghosh (Director)
	Devinder Singh Arora (Director)

Notes:

a The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) - 18 'Related Party Disclosures'.

ii **Transactions with related parties:**
Details of related party transactions are as follows:

Particulars	For the period ended 31 March 2020 (Rs.)
Share issued during the year to Holding Company	500,000
Remuneration to KMP	
-Kalyan Ghosh (Director)	-
-Devinder Singh Arora (Director)	-
Particulars	**As at 31 March 2020 (Rs.)**
Balances outstanding at year end	
-Kalyan Ghosh (Director)	-
-Devinder Singh Arora (Director)	-

AM Associates India Private Limited

AM ASSOCIATES INDIA PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10 EARNINGS PER SHARE:

Particulars	For the period ended 31 March 2020 (Rs.)
Profit /(Loss) after tax as per statement of profit and loss (Rs.)	(5,740)
Weighted average number of equity shares outstanding during the year for basic earnings per share (No.)	5,890
Basic earnings per share (Rs.)	(0.97)
Diluted earnings per share (Rs.)	(0.97)
Nominal value of share (Rs.)	10.00

11 The Company is required to comply with the transfer pricing regulations under Section 92-92F of the Income Tax-Act, 1961. The management is of the opinion that its international transactions are at arms length and that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation. The transfer pricing adjustments, if any, will be made in the books of account of the following financial year.

12 The Company has incurred losses during the current year and has accumulated losses of Rs. 5,740 which has resulted in erosion of its net-worth. However, these accounts have been prepared on a "going concern" basis as the necessary financial support is being provided by the holding company towards its existing operations.

14 Due to outbreak of COVID 19 globally and in India. The Company's management has made initial assessment of likely adverse impact on business and financial risk of the recoverability and carrying values of its assets and ability to pay its liabilities as they become due, and has concluded that there are no material impact or adjustments required in the stand-alone financial statements.

Management believes that it has taken into account all the possible impact of known events till the date of approval of its financial statements arising from COVID-19 pandemic in the preparation of the stand-alone financial statements. The Company will continue to monitor any material changes to future economic conditions.

For AM Associates India Private Limuited

AM Associates India Private Limited

Authorised Signatory

ArcelorMittal India Private Limited
Condensed Standalone Financial Statements for the priold ended 31 July 2020

Contents	**Pages**

ARCELORMITTAL INDIA PRIVATE LIMITED

Java Joshi

ArcelorMittal India Private Limited
Condensed Standalone Balance Sheet as at 31 July 2020
(All amount in ₹ million unless otherwise stated)

	As at 31 July 2020 (Unaudited)	As at 31 March 2020 (Unaudited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,665.30	2,665.31
Right of use assets	2.82	5.62
Capital work-in-progress	-	-
Financial assets		
Investments	92,474.67	92,474.67
Loans	413,790.79	413,797.59
Income tax assets (net)	0.10	0.10
Other non-current assets	849.10	560.92
Total non-current assets	**509,782.77**	**509,504.20**
Current assets		
Inventories	353.35	-
Financial assets		
Cash and cash equivalents	2,410.47	1,029.79
Loans	0.59	1.17
Other financial assets	8,432.46	8,168.61
Other current assets	3,416.91	157.65
Income tax assets (net)	92.65	98.71
Assets Classified as Held for Sale	-	0.08
Total current assets	**14,706.42**	**9,456.01**
Total assets	**524,489.19**	**518,960.21**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	281,703.37	221,883.37
Other equity	(4,738.29)	50,935.12
Total equity	**276,965.08**	**272,818.49**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	240,000.00	240,000.00
Lease Liability	1.73	1.73
Provisions	15.66	15.66
Total non-current liabilities	**240,017.39**	**240,017.39**
Current liabilities		
Financial liabilities		
Lease Liability	1.81	4.35
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises: and	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	602.03	62.24
Other financial liabilities	6,892.87	5,930.35
Other current liabilities	4.61	121.99
Provisions	5.40	5.40
Current tax liabilities (net)	-	-
Total current liabilities	**7,506.72**	**6,124.33**
Total equity and liabilities	**524,489.19**	**518,960.21**

For ArcelorMittal India Private Limited

Jaya Joshi

(Authorised Signatory)

ARCELORMITTAL INDIA PRIVATE LIMITED

ArcelorMittal India Private Limited
Condensed Standalone Statement of Profit and Loss for the period ended 31 July 2020
(All amount in ₹ million unless otherwise stated)

	For the period ended 31 July 2020 (Unaudited)	For the period ended 31 July 2019 (Unaudited)
Continuing operations		
Income		
Revenue from operations	-	-
Other income	10,768.47	424.79
Total income	**10,768.47**	**424.79**
Expenses		
Changes in Inventories	(353.35)	-
Employee benefits expense	37.73	40.62
Finance costs	6,251.35	0.90
Depreciation and amortisation expense	3.08	3.24
Other expenses	672.64	191.32
Total expenses	**6,611.46**	**236.07**
Profit/(Loss) before tax	**4,157.01**	**188.72**
Tax expense		
Current tax	10.43	91.60
Net Profit/(Loss) for the year	**4,146.59**	**97.12**
Other comprehensive Income/ (loss) for the year		
Items that will not be reclassified to profit and loss		
Re-measurement gains/ (losses) on defined benefit obligations	-	-
Income tax relating to these items		
Other comprehensive Income/ (loss) for the year (net of tax)	**-**	**-**
Total comprehensive Income/(loss) for the year	**4,146.59**	**97.12**
Earnings/(Loss) per share (of ₹ 10 each):		
Basic	0.01	0.17
Diluted	0.01	0.17

For ArcelorMittal India Private Limited

ARCELORMITTAL INDIA PRIVATE LIMITED

Jaya Joshi

(Authorised Signatory)

ArcelorMittal India Private Limited
Condensed Standalone Statement of changes in equity for the period ended 31 July 2020
(All amount in ₹ million unless otherwise stated)

A Equity share capital

	Amount
Balance as at 01 April 2020	**221,883.37**
Changes in equity share capital during the period	**59,820.00**
Balance as at 31 July 2020	**281,703.37**

B Other equity

	Share application money	Share based payment reserve	Retained earnings	Total
Balance as at 01 April 2020	59,820.00	2.88	(8,887.76)	**50,935.12**
Profit/(Loss) for the period			4,146.59	4,146.59
Other comprehensive Income/(loss) for the period:				
Remeasurement of defined benefit obligations				
Total comprehensive Income/(loss) for the period	-	-	4,146.59	**4,146.59**
Transactions with owners in their capacity as owners:				
Share alloted during the period against share application money				
Employee stock option charge for the period		-		
Share alloted during the period against share application money	(59,820.00)			(59,820.00)
Balance as at 31 July 2020	**0.00**	**2.88**	**(4,741.17)**	**(4,738.29)**

A Equity share capital

	Amount
Balance as at 01 April 2019	**90,414.44**
Changes in equity share capital during the period	**-**
Balance as at 31 July 2019	**90,414.44**

B Other equity

	Share application money	Share based payment reserve	Retained earnings	Total
Balance as at 01 April 2019	-	3.16	(10,109.22)	**(10,106.06)**
Profit/(Loss) for the period			97.12	97.12
Other comprehensive Income/(loss) for the period:				
Remeasurement of defined benefit obligations				
Total comprehensive Income/(loss) for the period	-	-	97.12	**97.12**
Transactions with owners in their capacity as owners:				
Share alloted during the period against share application money				
Employee stock option charge for the period		-		
Share alloted during the period against share application money				-
Balance as at 31 July 2019	**-**	**3.16**	**(10,012.10)**	**(10,008.94)**

A Equity share capital

	Amount
Balance as at 01 August 2019	**90,414.44**
Changes in equity share capital during the period	**131,468.93**
Balance as at 31 March 2020	**221,883.37**

B Other equity

	Share application money	Share based payment reserve	Retained earnings	Total
Balance as at 01 August 2019	-	3.16	(10,012.10)	**(10,008.94)**
Profit/(Loss) for the period			1,125.11	1,125.11
Other comprehensive Income/(loss) for the period:				
Remeasurement of defined benefit obligations			(0.77)	(0.77)
Total comprehensive Income/(loss) for the period	-	-	1,124.34	**1,124.34**
Transactions with owners in their capacity as owners:				
Share alloted during the period against share application money				
Employee stock option charge for the period		(0.28)		(0.28)
Share application money received during the period	59,820.00			59,820.00
Balance as at 31 March 2020	**59,820.00**	**2.88**	**(8,887.76)**	**50,935.12**

For ArcelorMittal India Private Limited

Jaya Joshi

(Authorised Signatory)

ArcelorMittal India Private Limited
Condensed Standalone Cash Flow Statement for the period ended 31 July 2020
(All amount in ₹ million unless otherwise stated)

		For the period ended 31 July 2020 (Unaudited)	For the period ended 31 July 2019 (Unaudited)
A	**Cash flow from operating activities**		
	Profit/(loss) before tax:	**4,157.01**	**188.72**
	Adjustments for:		
	Depreciation and amortisation expense	3.08	3.24
	Interest income	(10,758.05)	(389.96)
	Finance costs others	0.16	-
	Interest expenses on Bonds	6,250.01	-
	Operating profit before working capital changes	**(347.79)**	**(197.99)**
	Movement in working capital		
	(Increase) in inventories	(353.35)	-
	(Increase) in loans (security deposits)	(0.06)	(15.10)
	Decrease in other financial assets	10,453.68	3.73
	(Increase) in other assets	(3,547.44)	(40.40)
	Increase in other financial liabilities	(5,287.49)	(9.97)
	Increase in other liabilities	(117.38)	(8.16)
	Increase/ (Decrease) in trade payables	539.79	(53.66)
	Cash flow from operating activities post working capital changes	**1,339.96**	**(321.55)**
	Income tax (paid)	(4.37)	(50.92)
	Net cash flow from operating activities (A)	**1,335.60**	**(372.47)**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment (including capital work-in-progress)	(2.98)	(2.86)
	Right of use assets	2.80	-
	Loan acquisition of UGSL, KSS, AMNSI & Others	7.65	(686.45)
	Interest accrued	12.32	20.81
	Interest received	28.00	368.94
	Net cash flows used in investing activities (B)	**47.79**	**(299.57)**
C	**Cash flows from financing activities**		
	Interest paid	(0.16)	-
	Repayment of long term borrowings	-	0.02
	Lease Liability	(2.55)	-
	Net cash used in financing activities (C)	**(2.71)**	**0.02**
	Increase/ (Decrease) in cash and cash equivalents (A+B+C)	1,380.68	(672.02)
	Cash and cash equivalents at the beginning of the year	1,029.79	18,940.58
	Cash and cash equivalents at the end of the year	**2,410.47**	**18,268.56**
	Reconciliation of cash and cash equivalents as per the cash flow statements		
	Comprise:		
	Balances with banks:		
	- in current accounts	55.05	25.73
	- deposits with original maturity less than three months	2,355.40	18,242.80
	Cash on hand	0.02	0.03
		2,410.47	**18,268.56**

For ArcelorMittal India Private Limited

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ARCELORMITTAL INDIA PRIVATE LIMITED

(Authorised Signatory)

1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)

ArcelorMittal India Private Limited (the "Company") a limited company domiciled in India and having its registered office at Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad – 380014, Gujarat, India, was incorporated on 10 April 2006, under the Companies Act 1956 to carry on the business of prospecting, and mining of iron ore and manufacture of iron, steel and other alloys. On 10 April 2016 the Company amended its memorandum of association to include the business of generation/supply/transmission of electricity by any source such as solar, wind, hydro, thermal etc.

2. Basis of preparation and significant accounting policies

a. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared to comply in all material aspects with accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act") and Companies (Indian Accounting Standards) Amendment Rules, 2018, with other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and share based payments, which are measured at fair values.

The significant accounting policies and measurement bases have been summarised below.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b. Other non-operating income

Income on reimbursement of expenses incurred in respect of services provided to ArcelorMittal SA, Luxembourg is recognised in accordance with the terms of contract with ArcelorMittal SA, Luxembourg.

Income on account of service provided to other group companies is recognised as and when the expenses are accrued.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably

Jora Joshi

c. Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

d. Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flows statements comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e. Foreign currency transactions

(i) Functional and Presentation currency

The financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentational currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such

ARCELORMITTAL INDIA PRIVATE LIMITED

Java Joshi

transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

f. Financial instruments

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or in loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

Financial assets

Subsequent measurement

i. **Financial assets carried at:**

Amortised cost – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

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Fair value through other comprehensive income(FVOCI) - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represents solely payments of principal and interest are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue and foreign exchange gain and losses, which are recognized in profit and loss. When the financial assets is derecognized, the cumulative gains or losses previously recognized in OCI is reclassified from equity to profit or loss and recognized in other income/other expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains, losses, and impairment expenses in other expenses.

Fair Value through profit or loss (FVPL) – Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of hedging relationship is recognized in profit or loss and are presented net in statement of profit and loss within other income/other expenses in the period in which it arises.

ii.**Investments in equity instruments** – The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/other expenses in the statement of profit and loss.

Income recognition

Interest income:
Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

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De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

g. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

h. Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investments in subsidieries and joint ventures

i. Property, plant and equipment ('PPE')

Recognition and initial measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at their cost of acquisition. The historical cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

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In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, useful lives and residual values

Depreciation on property, plant and equipment is provided on the straight line method over the estimated useful life of the assets at rates that are different from the rates specified in Schedule II to the Companies Act, 2013 as the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support etc. The useful lives of the assets is given as below

Block of asset	**Useful life (in years)**
Computers	5
Furniture and fixtures	10
Office equipment (other than mobile phones and telephones)	10
Office equipment (mobile phones and telephones)	3
Leasehold improvements	Lower of Lease period or the useful life of assets
Building (fences)	5
Building (other temporary structure)	3

The assets residual values, useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment classified as assets held for sale. The asset is carried at the lower of carrying amount and fair value less costs to sell. (Refer Accounting Policy no. **(s. 'Non-current assets held for sale').**

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

j. Capital work in progress

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Expenditure incurred by the company in pre-operative stage such as salary and wages, legal and professional, travelling and conveyance and such others, were for the development of the projects. If there is any activity carried out (or proposed to be carried out) for construction of a tangible asset, then any directly attributable expenses incurred by the Company as part of cost of construction of the asset are classified as capital work-in-progress. At each balance sheet date, the Company assesses the status of ongoing projects and if required make necessary provision for impairment of CWIP.

k. Intangible assets

Recognition, initial measurement and subsequent measurement
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

	Useful life (in years)
Computer software	6

Transition to Ind AS
On transition to Ind AS, The company has elected to continue with the carrying value of all of its intangible assets as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

l. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

m. Mining, exploration and development expenditures: -

Expenditure in respect of mineral, exploration and evaluation is charged to the Statement of profit and loss as incurred except in
following cases where it is capitalised:

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· it is expected that the expenditure will be recouped by future exploitation or sale; or
· substantial exploration and evaluation activities have identified a mineral resource but these activities have not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves

n. Leases

As a lessee

Till March 31, 2019

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease, unless the increase in rent is to compensate the lessor for the effects of inflation to compensate for the lessor's expected inflationary cost increases.

With effective from 1 April 2019:

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

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- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Company, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.
Low-value assets comprise IT equipment and small items of office furniture.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

p. Employee benefits

i. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as calculated by actuary. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustment and changes in actuarial assumptions are recognized in profit or loss.

iii. Post- employement obligations

The company operates following post-employment schemes:

a) Defined benefit plans such as gratuity.
b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

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Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contributions plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for bonus elements in equity share issued during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

r. Share based payments

The Company participates in group equity-settled share-based remuneration plans(including RSU's, PSU's & GSOP) for its employees wherein equity shares of ArcelorMittal SA is allotted to the employees of the Company. The fair value of the options so granted is recognized as an employee benefits expense with corresponding increase in equity as transactions with owners. The total expense is recognized over the vesting period over which all of the specified vesting conditions are to be satisfied.

The fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted by the ultimate holding company. This fair value is determined at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

s. Non-current assets held for sale:

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

t. Rounding of amounts

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All amounts disclosed in the financial statements and notes have been rounded off to the nearest INR million as per the requirement of schedule III, unless otherwise stated.

u. Finance Cost

Finance cost includes guarantee fee incurred in connection with the counter bank guarantee issued by the ArcelorMittal SA (ultimate holding company). All guarantee fees are expensed in the period they occur.

v. Significant accounting judgements, estimates and assumptions

When preparing the financial statements management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

Significant judgements:

Evaluation of indicators for impairment of non-financial assets

i. The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors that could result in deterioration of recoverable amount of the assets.

ii. **Contingent liabilities**: The Company is the subject of certain legal proceedings which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Sources of estimation uncertainty:

(i) Useful lives depreciation method and residual value of property, plant and equipment

The assessment of useful lives, depreciation method and residual value of property, plant and equipment requires judgment. Depreciation is charged to the Statement of profit and loss based on assessment of useful lives and the residual value. This assessment requires estimation of the period over which the Company will benefit from these assets.

Management reviews its estimate of the useful lives, residual values and depreciation method of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of plant and equipments.

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(ii) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(iii) Provision for impairment of investments in subsidiaries

At each balance sheet date, the Company assesses the requirement of provisions for impairment of investments in subsidiaries based on its expectation of successful implementation of proposed projects by those subsidiaries.

(iv) Provision for impairment of Capital work in progress (CWIP)

At each balance sheet date, the Company assesses the status of ongoing projects and if required make necessary provision for impairment of CWIP.

(v) Recoverability of advances/receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

(vi) Fair value measurement of financial instruments

When the fair value of financials assets and financials recorded in the balance sheet cannot be measured based on quoted price in active markets, their fair value is measured using valuation techniques including discounted cash flows method. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgment is required in establishing faire values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reporting fair value of financials instruments. Further disclosures in this regard are given in note 40.

(vii) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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For ArcelorMittal India Private Limited

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AM ASSOCIATES INDIA PRIVATE LIMITED
UNAUDITED BALANCE SHEET AS AT 31 JULY 2020

	Particulars	As at 31 July 2020 (Rs.)	As at 31 March 2020 (Rs.)
		Unaudited	Unaudited
I.	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds**		
	(a) Share capital	500,000	500,000
	(b) Reserves and surplus	(225,972)	(5,740)
		274,028	494,260
2	**Current Liabilities**		
	(a) Trade payables		
	- (A) total outstanding dues of micro enterprises and small enterprises; and	-	-
	- (B) total outstanding dues of creditors other than micro enterprises and small enterprises.	130,717	5,140
	(b) Other current liabilities	3,826	-
		134,543	5,140
	Total	408,571	499,400
II.	**ASSETS**		
1	**Current Assets**		
	(b) Cash and bank balances	383,071	473,900
	(c) Other Current Assets	25,500	25,500
		408,571	499,400
	Total	408,571	499,400

For AM Associates India Private Limited

AM Associates India Private Limited ★

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AM ASSOCIATES INDIA PRIVATE LIMITED

UNAUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 JULY 2020

	Particulars	For the period ended 31 July 2020 (Rs.)	For the period ended 31 July 2019 (Rs.)
		Unaudited	Unaudited
I.	Revenue From Operations		
II.	Other income		
III.	**Total Revenue (I+II)**	-	-
IV.	**Expenses:**		
	Employees benefits expense		
	Other expenses	220,232	-
	Total expenses	220,232	-
V.	**(Loss) before tax (III-IV)**	(220,232)	-
VI.	Tax expenses		
	-Current tax	-	
	-Deferred tax charge / (credit)	-	
VII.	**(Loss) for the year (V -VI)**	(220,232)	-
VIII	**Earnings per equity share:**		
	(1) Basic	(4.40)	-
	(2) Diluted	(4.40)	-
	Nominal value of equity shares	10	

Note:- Company was incorporated on 18 February 2020.

For AM Associates India Private Limited

AM Associates India Private Limited

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AM ASSOCIATES INDIA PRIVATE LIMITED
UNAUDITED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 JULY 2020

	Particulars		Period ended 31st July 2020 Unaudited	Period ended 31st July 2019 Unaudited
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	(Loss) before tax		(220,232)	-
	Adjustments for:			
	Interest income			
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		(220,232)	-
	Movement in Working Capital:			
	Increase in trade payables		125,577	
	Increase in other current liabilities		3,826	
	CASH USED IN OPERATIONS		**(90,829)**	-
	Direct tax paid		-	
	NET CASH FLOW USED IN OPERATING ACTIVITIES	(A)	**(90,829)**	-
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Investment			
	NET CASH FLOW USED IN INVESTING ACTIVITIES	(B)	-	
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from Share Capital		-	
	NET CASH FLOW FROM FINANCING ACTIVITIES	(C)	-	
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(90,829)**	-
	Cash and cash equivalents at the beginning of the year		**473,900**	-
	Cash and cash equivalents at the end of the year		**383,071**	-
	Components of cash and cash equivalents as at the year end comprises of :			
	With Banks			
	Cash			
	Current account		**383,071**	-
			383,071	-
	Total cash and cash equivalents		**383,071**	-

Note:- Company was incorporated on 18 February 2020.

For AM Associates India Private Limited

AM Associates India Private Limited

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1. Company's overview

AM Associates India Private Limited (the 'Company') was incorporated on 18 February 2020 in India under the Companies Act, 2013 as a private limited Company. The Company is engaged in the trade or business of manufacturing, prospecting, operating, buying, investing, selling, importing, exporting, purchasing or otherwise dealing in iron and steel, steel makers and steel converters and as miner, smelter and iron founder.

2. Summary of Significant Accounting Policies

a. Basis of accounting

i) These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended), specified under section 133 and other relevant provisions of the Companies Act, 2013.

ii) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

iii) The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a SMC.

b. Use of estimates

The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively.

AM Associates India Private Limited

AM ASSOCIATES INDIA PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2020

c. **Taxation**

i) Provision for current tax is made by computing the taxable income for the current financial year as per applicable laws.

ii) The deferred tax for timing differences between the book profits and tax profits for the year is accounted for based on the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is a reasonable/virtual certainty, as may be applicable, that these would be realised in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

iii) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

d. **Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, requires an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

e. **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

f. **Earnings per share**

The basic earnings per share ("EPS") is computed by dividing the net profit/ (loss) after tax for the year available for the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year available for equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

AM Associates India Private Limited

ArcelorMittal Nippon Steel India Limited

Condensed standalone Financial Statement for the period ended 31st July 2020

Contents	Pages

ArcelorMittal Nippon Steel India Limited

Condensed Standalone Balance Sheet as on 31st July, 2020

Rs. in Crores

Particulars	**As at 31st July, 2020**	**As at 31st March, 2020**
	Unaudited	**Unaudited**
Non-Current Assets		
Property, Plant and Equipment	37,448.66	38,031.34
Intangible Assets (net of amortisation)	0.18	0.24
Capital Work-in-Progress	3,379.20	3,263.10
Right of Use Asset	1,542.48	1,725.81
Financial Asset		
Other Investments	2,706.88	336.70
Other Non Current Financial Assets	169.57	171.72
Other Non-Current Assets	261.42	248.46
	45,508.39	**43,777.37**
Current Assets		
Inventories	4,881.15	5,422.01
Financial Asset		
Current investments	1,480.70	1,446.91
Trade Receivables	679.04	781.57
Cash and Bank Balances	465.19	285.18
Other Bank Balances (Term Deposits)	4,971.74	6,611.92
Current Loans and Advances	1.39	1.97
Other Current Financial Assets	183.55	197.61
Other Current Asset	974.88	737.47
Current Tax Assets (Net)	73.49	65.30
	13,711.13	**15,549.94**
Total	**59,219.52**	**59,327.31**
Equity and Liabilities		
Equity		
Equity Share Capital	9,222.00	9,222.00
Other Equity	(3,453.56)	(3,219.22)
	5,768.44	**6,002.78**
Non-Current Liabilities		
Financial Liabilities		
Non Current Borrowings	45,453.79	45,507.41
Lease Liability	1,202.90	1,306.54
Other Non Current Liabilities	166.64	172.54
Non Current Provisions	20.19	19.69
	46,843.52	**47,006.18**
Current Liabilities		
Financial Liabilities		
Current Borrowings	207.74	3.85
Trade Payables	1,507.35	1,512.50
Lease Liability	326.41	384.56
Other Current Financial Liabilities	4,077.32	4,034.66
Other Current Liability	486.83	380.87
Short Term Provisions	1.91	1.91
	6,607.56	**6,318.35**
Total	**59,219.52**	**59,327.31**

For ArcelorMittal Nippon Steel India Ltd

(Authorised Signatory)

ArcelorMittal Nippon Steel India Limited
Condensed Standalone Statement of Profit and Loss for the period ended 31st July, 2020

Particulars	Period Ended 31st July 2020	Period Ended 31st July 2019
	Unaudited	**Unaudited**
Income		
Revenue from Operations	7,763.30	10,503.99
Other Income	152.01	27.78
	7,915.31	**10,531.77**
Expenditure		
Cost of Materials Consumed	4,563.76	6,471.45
Purchase of Traded Goods	1.17	-
Energy Cost	846.48	1,239.25
Changes in Inventories	304.08	(11.24)
Employee Benefits Expense	154.69	146.16
Other Expenses :		
Manufacturing & Asset Maintenance	457.69	737.47
Administrative Expenses	81.28	76.35
Selling & Distribution Expenses	277.35	468.39
	6,686.50	**9,127.83**
Profit before Finance Costs, Exchange variation and Derivative Losses, Depreciation /Amortisation and Taxation	**1,228.81**	**1,403.94**
Finance Costs (Refer Note 7)	1,217.12	213.93
Exchange Variation (net)	(38.34)	(20.38)
Depreciation / Amortisation	774.53	809.01
Profit/ (Loss) before Prior period items/ Exceptional Items	**(724.50)**	**401.38**
Exceptional Items - Expense / (Income) (Refer Note 5)	(489.18)	0.07
Profit / (Loss) before Taxation	**(235.32)**	**401.45**
Tax Expense		
Deferred Tax Charge/ (Credit)	-	-
Profit / (Loss) after Taxation	**(235.32)**	**401.45**
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss	0.18	(0.26)
B (i) Items that will be reclassified to profit or loss	0.80	-
Total other comprehensive income	**0.98**	**(0.26)**
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	**(234.34)**	**401.19**
Earnings/ (Loss) Per Share (EPS) Basic and Diluted EPS (not annualised) (in Rupees) (Face Value Rs. 10/- each)	(0.25)	1.38

For ArcelorMittal Nippon Steel India

(Authorised Signatory)

ArcelorMittal Nippon Steel India Limited

Condensed Standalone Statement of Changes in Equity for the period ended 31st July, 2020

(Rs. in crore)

Particulars	Equity Share Capital	Other Equity										Total
		Reserve & Surplus							Iems of Other Comprehensive		
		Treasury shares	Capital Reserve	Retained Earnings	Capital Redemption Reserve	Securities Premium Account	Capital Contribution	General Reserve	Effective portion of cash flow hedges	Fair Value through Other Comprehensive Income- Equity Instrument	
Balance as on 1st April, 2019	**3,109.63**	**(766.07)**	**12.73**	**(34,192.28)**	**202.92**	**7,814.61**	**-**	**77.51**	**-**	**(19.69)**	**(23,760.64)**
Profit/ (Loss) for the period	-	-	-	401.45	-	-	-	-	-	-	401.45
Other Comprehensive Income (Loss) for the Period	-	-	-	-	-	-	-	-	-	(0.26)	(0.26)
Total Comprehensive Income for the Period	**-**	**-**	**-**	**401.45**	**-**	**-**	**-**	**-**	**-**	**(0.26)**	**401.19**
Balance as on 31st July, 2019	**3,109.63**	**(766.07)**	**12.73**	**(33,790.83)**	**202.92**	**7,814.61**	**-**	**77.51**	**-**	**(19.95)**	**(23,359.45)**

Particulars	Equity Share Capital	Other Equity										Total
		Reserve & Surplus							Iems of Other Comprehensive		
		Treasury shares	Capital Reserve	Retained Earnings	Capital Redemption Reserve	Securities Premium Account	Capital Contribution	General Reserve	Effective portion of cash flow hedges	Fair Value through Other Comprehensive Income- Equity Instrument	
Balance as on 1st August, 2019	**3,109.63**	**(766.07)**	**12.73**	**(33,790.83)**	**202.92**	**7,814.61**	**-**	**77.51**	**-**	**(19.95)**	**(23,359.45)**
Profit/ (Loss) for the period	-	-	-	20,057.49	-	-	-	-	-	-	20,057.49
Other Comprehensive Income (Loss) for the Period	-	-	-	-	-	-	-	-	(0.49)	(1.33)	(1.82)
Total Comprehensive Income for the Period	**-**	**-**	**-**	**20,057.49**	**-**	**-**	**-**	**-**	**(0.49)**	**(1.33)**	**20,055.67**
Extinguishment of Share Capital (transfer to Capital Reserve)	(3,109.63)	766.07	2,343.56	-	-	-		-	-	-	-
Fresh Issue of Equity Shares	9,222.00	-	-	-	-	-		-	-	-	9,222.00
Capital Contribution during the year	-	-	-	-	-	-	84.56	-		-	84.56
Change in Tax rate (on revaluation reserve)		-	-	-	-	-	-	-	-	-	-
Balance as on 31st March, 2020	**9,222.00**	**-**	**2,356.29**	**(13,733.34)**	**202.92**	**7,814.61**	**84.56**	**77.51**	**(0.49)**	**(21.28)**	**6,002.78**

Particulars	Equity Share Capital	Other Equity										Total
		Reserve & Surplus							Iems of Other Comprehensive		
		Treasury shares	Capital Reserve	Retained Earnings	Capital Redemption Reserve	Securities Premium Account	Capital Contribution	General Reserve	Effective portion of cash flow hedges	Fair Value through Other Comprehensive Income- Equity Instrument	
Balance as on 1st April, 2020	**9,222.00**	**-**	**2,356.29**	**(13,733.34)**	**202.92**	**7,814.61**	**84.56**	**77.51**	**(0.49)**	**(21.28)**	**6,002.78**
Profit/ (Loss) for the period	-	-	-	(235.32)	-	-	-	-	-	-	(235.32)
Other Comprehensive Income (Loss) for the period	-	-	-	-	-	-	-	-	0.80	0.18	0.98
Total Comprehensive Income for the period	**-**	**-**	**-**	**(235.32)**	**-**	**-**	**-**	**-**	**0.80**	**0.18**	**(234.34)**
Balance as on 31st July, 2020	**9,222.00**	**-**	**2,356.29**	**(13,968.66)**	**202.92**	**7,814.61**	**84.56**	**77.51**	**0.31**	**(21.10)**	**5,768.44**

For ArcelorMittal Nippon Steel India Ltd

(Authorised Signatory)

ArcelorMittal Nippon Steel India Limited
Condensed Financial Statements

Condensed Standalone Cash Flow Statement for the period ended 31st July, 2020

Rs. in Crores

Particulars	Period ended 31st July,2020 (Unaudited)	Period ended 31st July,2019 (Unaudited)
1 Cash flows from operating activities	1,671.79	1,382.85
2 Cash flows from investing activities	(209.80)	(723.81)
3 Cash flows from financing activities	(1,281.98)	(484.11)
4 Net increase/(decrease) in cash and cash equivalents	180.01	174.93
5 Cash and cash equivalents at beginning of period	285.17	144.33
6 Cash and cash equivalents at end of period	465.18	319.26

For ArcelorMittal Nippon Steel India Ltd

(Authorised Signatory)

1 Nature of Operations/ Corporate Information

ArcelorMittal Nippon Steel India Limited (Formerly known as (fka) Essar Steel India Limited) (the "Company") is a public limited Company incorporated in India with its registered office at 27th Km, Surat Hazira Road, Hazira, Dist.- Surat. The Company owns and operates an integrated steel manufacturing facility comprising the unit for manufacturing of flat rolled products at Hazira, a Precoated facility at Pune, Beneficiation facilities at Kirandul and Dabuna, Slurry Pipelines, Pelletisation facilities at Vizag and Paradeep. The Company also operates Processing and Distribution centers and Hypermarts at various locations across India.

2 Basis of Preparation

These standalone condensed financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act") as ameded from time to time. The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

3 Statement of Significant Accounting Policies

(i) Investment in Subsidiaries, Associates and Joint Ventures

Investments in Subsidiaries and Associates are stated at cost in accordance with Ind AS 27 – Separate financial statements.

(ii) Property, Plant & Equipment

An item of Property, Plant & Equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, Plant & Equipment are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant & equipment are also included to the extent they relate to the period till such assets are ready for their intended use. In respect of accounting periods commencing on or after 7th December, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items which are recognised in the financial statements till the period ending 31st March 2016 at rates different from those at which they were initially recorded during the period, or reported in the previous Financial Statements are added to or deducted from the cost of the assets and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable property, plant & equipment.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(iii) Capital Work-In-Progress

All expenditure, including interest cost during the project construction period, are accumulated and presented as Capital Work-in-Progress until the assets are ready for intended use. Assets under construction are not depreciated. Income earned from investments of surplus borrowed funds during the construction/trial run period is reduced from Capital Work-in-Progress. Expenditure/Income arising during trial run is added to/reduced from Capital Work-in-Progress.

(iv) Expenditure on Substantial Expansion

Both direct and indirect expenditure are capitalised if it increase the value of the asset beyond its original standard of performance. As regards indirect expenditures on expansion, only that portion of expenditure is capitalised that is attributable to the expansion.

(v) Depreciation and Amortisation

Tangible Assets

Tangible assets are depreciated as per the useful life specified in Schedule II to the Companies Act, 2013 except in case of certain Plant and Machinery which is as per useful life assessed by an independent Chartered Engineer & Valuer on straight-line method (SLM). Depreciation on additions to / deletions from property, plant & equipment is provided on pro-rata basis from the date of such addition and up to the date of deletion as the case may be. Depreciation on additions to assets due to exchange variation is provided over the remaining useful life of the assets. Depreciation is provided on individual project only after commencement of commercial production from intended integrated facility, to which such project belongs.

The difference in useful lives of Plant and Machinery as per Companies Act, 2013 and as assessed by independent Chartered Engineer & Valuer (who has assessed useful life after taking into account review of physical status of asset, usage of asset in terms of capacity or physical output, physical wear and tear which depends on operational factors such as the number of shifts for which the asset is to be used and the repair and maintenance program and the care and maintenance of the asset, while idle, technical or commercial or commercial obsolescence arising from changes or improvement in production, or from a change in the market demand for the product or service output of the asset) is highlighted below:

Plant & Machinery	Useful life as per Companies Act, 2013	Average useful life as per Technical Evaluation
	(Years)	(Years)
Sinter Plant, Rolling Mill and Blast Furnace	20	30
Power Generation Plant	40	30
Others	25	30

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible Assets

Costs relating to softwares, which are acquired, are capitalised and amortised on straight-line method over estimated useful life of 3 to 6 years.

(vi) Impairment of non-financial Assets

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital which is a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If impairment loss is provided, depreciation is calculated on the revised carrying amount of the assets over its remaining useful life.

(vii) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.
Revenue is measured based on the transaction price, which is the consideration adjusted for sales returns, quality claims, volume discounts, trade allowances, rebates etc. Revenue also excludes taxes collected from customers on behalf of government.

Export Benefits

Export benefits are accounted for in the period of exports based on eligibility and where there is certainty of realising the same.

Interest income

Interest income for debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

(viii) Income Taxes

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in accordance with the Income Tax Act, 1961. Current income tax and deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax is measured, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each Balance Sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ix) Inventories

Raw Materials, Production Consumables, Stores & Spares are valued at lower of cost and net realisable value . However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold above cost. Cost is determined on a Weighted Average basis. Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. By-products are valued at net realisable value. Cost includes direct material, labour and a proportion of manufacturing and administrative overheads based on normal capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and cost to make the sale.

(x) Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:
(a) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
(b) those measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded in profit or loss or other comprehensive income. For investments in debt instruments, it depends on the business model in which the investment is held. The Company reclassifies debt investments only when its business model for managing those assets changes.

Initial Measurement

At initial recognition, the Company measures a financial asset at its fair value. In case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to the cost of acquisition to arrive at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

(a) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method.

(b) **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses and reversals, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

(c) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments (except Investment in Subsidiaries, Associates and Joint Ventures) at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in statement of Profit and Loss.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset. In respect of trade receivables that are within the scope of Ind AS 115, the Company has used the practical expedient as permitted under Ind AS 109 and followed the simplified approach for computation of loss allowance. This expected credit loss allowance is computed at an amount equal to lifetime expected credit losses based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information. For other than trade receivable, the Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Derecognition of financial assets

A financial asset is derecognised only when:

(a) The Company has transferred the rights to receive cash flows from the financial asset or

(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where transfer of an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the substantial risks and rewards of ownership of the financial asset has not transferred, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income (OCI) is reclassified from the equity to profit and loss (P&L).

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments measured at fair value through other comprehensive income and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company determines change in the business model as a result of external or internal changes which are significant to the company's operations.

(xi) Financial Liabilities

Initial recognition & subsequent mesurement

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, where time value of money is significant.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

(xii) Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the counter party fails to make a payment when due in accordance with the terms of a debt instrument. The company accounts for financial guarantee contracts as per the principles of Ind AS 104 as it consider that such contracts are in the nature of insurance contracts. Once the arrangements are designated as insurance contracts, these are disclosed as contingent liabilities unless the obligations under guarantee become probable.

(xiii) Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is also the company's functional and presentation currency.

Initial Recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are generally recognised in profit or loss. They are recorded in OCI if they relate to qualifying cash flow hedges. All foreign exchange gains and losses are presented in the statement of profit and loss.

Measurement of Foreign Currency Monetary Items at Balance Sheet Date

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(xiv) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xv) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present legal or constructive obligation in respect of which a reliable estimate can be made as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are not recognised but disclosed in the notes to the Financial Statements. Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

(xvi) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash in hand and at bank in current accounts and term deposits, which are not pledged, with an original maturity of three months or less.

(xvii) Derivative Instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to price risk in raw material, finished products and balance sheet exposure.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company adopts hedge accounting wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item, transaction and nature of the risk being hedged. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

• for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Mark to market gains and losses on forward contracts outstanding at the balance sheet date are recognised in the statement of profit and loss.

(xviii) Employee Benefits

Short term employee benefits

Liabilities for wages and salaries, including any non-monetary benefits that are expected to be settled within the next 12 months from the end of the reporting period in which the employees render the related service are recognised as employees cost up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits –
Compensated Absences

Provision for compensated absences is determined based on actuarial valuation. Therefore it is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of period ending 31st December 2014 using the projected unit credit method. Post this date, there are no compensated absences provided to the employees and hence not provided for. The obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment Benefits

Provident Fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss of the period when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

(xix) Borrowing Costs

Borrowing cost in ordinary course of business is recognised as an expense in the period in which these are incurred. Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalised as part of cost of such asset up to the date the assets are ready for their intended use. However borrowing cost is not capitalised for projects which are completed individually but not as part of an intended integrated facility.

All expenditures, including interest cost during the project construction period, are accumulated and presented as Capital Work-in-Progress until the assets are ready for intended use. However borrowing costs incurred during extended period in which construction activities suspended, are capitalized only if substantial technical and administrative work is carried out and when a temporary delay is a necessary part of the process of getting an asset ready for its intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(xx) Leases

Where the Company is the Lessee

Finance leases considered till 31st March,2019, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, was capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as "Right of Use Asset". The corrosponding liability to the lessor is included in the balance sheet as finance lease obligation. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

Where the Company is the Lessor

Assets subject to operating lease are included in property, plant & equipment. Lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(xxi) Mining, Exploration and Development Expenditure

Expenditure in respect of mineral, exploration and evaluation is charged to the Statement of profit and loss as incurred except in following cases where it is capitalised:

· it is expected that the expenditure will be recouped by future exploitation or sale; or
· substantial exploration and evaluation activities have identified a mineral resource but these activities

have not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves

(xxii) Measurement of EBIDTA

The company has elected to present earnings before finance costs, exchange variation and derivative gains & losses, depreciation and amortisation expenses and taxes (EBIDTA) as a separate line item on the face of the Statement of Profit and Loss. The company measures EBIDTA on the basis of Profit /(Loss) for the period and does not include finance costs, exchange variation and derivative losses, depreciation and amortisation expenses, exceptional items and taxes.

(xxiii) Current versus non-current classification

All the assets and liabilities in the balance sheet are classified as current and non-current based on the below mentioned factors except deferred tax assets and liabilities which is always classified as non-current. An asset is classified as current when it is:

· Expected to be realised or intended to be sold or consumed in normal operating cycle
· Held primarily for the purpose of trading
· Expected to be realised within twelve months after the reporting period, or
· Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is classified as current when:

· It is expected to be settled in normal operating cycle
· It is held primarily for the purpose of trading
· It is due to be settled within twelve months after the reporting period, or
· There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
All other liabilities are classified as non-current.

(xxiv) Fair value measurement

The company measures financial instruments, such as, derivatives of equity investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

· Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
· Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

· Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(xxv) Government Grant

Government grants are recognised if there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and recognised in the statement of profit and loss over the period necessary to match them with the cost that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are reduced from the cost of the assets. The benefit of a Government loan at a below market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of loan based on prevailing market interest rates.

4 List of critical estimates and judgments:

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets , liabilities and disclosure of contingent liabilities and contingent assets at the date of financial statements and the reported amounts of income and expenses during the period.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the period up to five years. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

b) Control assessments for investment in associates

An entity is said to be an associate of an investor entity when the later has significant influence over the former. There is a rebuttable presumption that significant influence exist if an investor holds 20% or more voting rights in the investee entity. However demonstration of significant influence over an entity is a matter of judgment and is not always evident from the percentage of voting rights.

c) Recognition of deferred tax assets for unused tax losses and unabsorbed depreciation

Deferred Tax Assets (DTA) are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The company has recognised Deferred Tax Assets to the extent of Deferred Tax Liabilities recognized on deductible temporary differences.

d) Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty.

e) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Determination of functional currency

The Company determines its functional currency as INR since it is the currency that mainly influences the prices of goods and also the prices are determined basis the economic environment prevalent in India. There are exports which are denominated in US Dollars, however this does not have a significant impact on the Company. Also, major financing of the Company is in INR.

g) Arrangements in the nature of Lease

i. Leases previously classified as finance leases

The Company applied the practical expedients provided in Ind AS 116 and did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS116 was applied to these leases from 1 April 2019.

ii. Leases previously accounted for as operating leases

In previous year, Company has made assessment as per IND AS 116 and recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised by an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

h) Estimation of uncertainties relating to COVID-19

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government of India taken significant measures to curtail the wide spread of virus, and announced the first phase of the nationwide lockdown for 21 days from March 25, 2000. Under the circumstances, the Company forthwith decided to temporarily scale down operations to support Government efforts. Since Steel is a continuous flow process industry and classified as an essential service under the Essential Service and Management Act (ESMA), the guidelines issued by Ministry of Home Affairs (MHA) permitted steel plants to continue their operations during lockdown. However, the constrained movement of people and materials, affected the Company's plant operations. In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, right to-use assets, intangible assets, inventories, trade receivables, investments and other financial assets. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Company's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements.

5 ArcelorMittal Nippon Steel India Ltd. formerly known as Essar Steel India Ltd. (the Company) and Odisha Slurry Pipeline Infrastructure Ltd. (OSPIL) entered into a Business Transfer Agreement (BTA) dated 27th February 2015 pursuant to which a business undertaking of the Company, viz. Slurry Pipeline was agreed to be transferred to OSPIL for a total consideration of Rs. 4,000 Crore. The purchase consideration was proposed to be paid in a phased manner, however the Company had the right to exercise an option for transfer of the Slurry Pipe Line back to it from OSPIL, in the event that OSPIL fails to pay the instalments of the Purchase Consideration. The Company and OSPIL have also entered into a Right to Use agreement (RTUA) dated March 30, 2015 wherein OSPIL allowed the Company to use the allocated capacity of the Slurry Pipe Line in consideration of payment of usage charges. The RTUA was further amended by the addendum dated August 31, 2015, wherein it was inter alia agreed that the usage charges will be in proportions of the payment of purchase consideration.

OSPIL paid a part of the purchase consideration to the Company, however, in January 2016, the RBI issued a clarification to banks stating that such sale and lease back transactions will be treated as an event of restructuring for the debt of the seller as well as the buyer. Thus, OSPIL could not raise the envisaged debt and equity for making the payment of the full amount of purchase consideration to the Company for the transaction, thus effectively frustrating the transaction. Therefore, mutually entered into an agreement dated 24th June 2016 (Cancellation Deed) agreeing inter-alia to unwind the transaction w.e.f. 30th June 2016 and re-transfer the Slurry Pipeline, along with loans availed by OSPIL (for funding the purchase of Slurry Pipe Line) to the Company.

To give effect of cancellation deed, some of the Company's lenders and OSPIL's lenders granted in-principal approval to the Company and OSPIL respectively, however SREI Infrastructure Finance Ltd. (SREI), objected and filed a suit before the Civil Judge (Senior Division) at Sealdah. SREI also filed an application seeking interim reliefs which was refused by the Hon'ble Civil Judge at Sealdah. SREI filed an appeal in Calcutta High Court, seeking injunction in relation to unwinding of the RTUA as set out in the Cancellation Deed. The Hon'ble Calcutta High Court vide its order dated 22nd December 2016 passed an ex-parte order for status-quo with regard to alienation, transfer in respect of the Slurry Pipeline which has been extended from time to time and is still in force.

On 2nd August 2017, the Company was admitted into CIRP by Hon'ble NCLT, Ahmedabad Bench. An application was filed before NCLT for seeking reliefs towards declaring the slurry pipeline as the asset of the Company and allow Company to apply before the Calcutta HC for disposal of the appeal in light of the admission of application. The NCLT vide its order dated 7th February 2018, did not grant any relief and stipulated that the title of pipeline asset is subject to the proceeding before the Hon'ble High Court of Calcutta.

IDBI Bank has filed an application under IBC for initiating Corporate Insolvency Resolution Process against OSPIL which has been admitted by NCLT, Cuttack on 14th May, 2019. The Company has submitted its claim to OSPIL's RP as financial creditors towards investment in Convertible Debentures in OSPIL for an amount of Rs. 722.22 Crore (including interest) on 22nd July, 2019 which has been admitted by OSPIL's RP.

The resolution plan submitted by M/s ArcelorMittal India Private Limited (AMIPL), has been approved by the National Company Law Tribunal (NCLT). AMIPL has completed the takeover process of OSPIL on 8th July 2020, as per the Resolution Plan submitted to NCLT. The Company has received Rs. 489.24 Crore against the principal amount of investment in Debentures of OSPIL Rs. 501.01 Crore which has been considered as exceptional item (gain, as it was impaired in previous period) in the financial statement for the period ended 31st July, 2020.

ArcelorMittal Nippon Steel India Limited (fka Essar Steel India Limited)
Notes to Unaudited Condensed Standalone Financial Statements for the period ended 31st July, 2020

6 Since 2010, Essar Bulk Terminal Limited ("EBTL") is providing port and port handling services to Essar Steel India Limited (then "ESIL" and now ArcelorMittal Nippon Steel India Limited ("AMNSI")) at Hazira, as per the Agreement for Cargo Handling Services dated 25 February 2011 ("CHA"). The CHA provides for cargo handling charges, which subsumes charges for all services under the CHA (including loading and unloading of cargo, pilotage, towage, etc.). However, from inception, EBTL has charged additional amounts for vessel related services like pilotage and towage, and ESIL had been paying those vessels related charges.

The corporate insolvency resolution process of ESIL in terms of the Insolvency & Bankruptcy Code, 2016 commenced on 2 August 2017. The resolution plan of M/s ArcelorMittal India Private Ltd. (AMIPL) for ESIL was approved by the committee of creditors in October 2018.

In March 2019, EBTL unilaterally increased the vessel related charges substantially from approximately USD 1.2 per Gross Registered Tonnage (GRT) to USD 3.25 per GRT. ESIL opposed this payment of separate vessel related charges, and this unilateral increase in charges. As per the terms of the CHA, AMNSI is not required to pay any amounts over and above the agreed rates as per Annexure I of the CHA. The levy of additional charges by EBTL is accordingly contrary to the terms of the CHA. Further, the resolution plan of AMIPL provides that EBTL to continue services 'in the same manner and on the same terms as set out under the subsisting contract for such period as AMNSI requires such access for its business and operations'. However, in order to maintain ESIL as a going concern during the insolvency process, ESIL continued to pay the separate vessel related charges at the previous rate of USD 1.2 per GRT.

Pursuant to the final judgement of the Hon'ble Supreme Court of India on November 15, 2019 in the CIR process of ESIL, the resolution plan of AMIPL was approved in terms of the IB Code and AMIPL acquired ESIL on 16 December 2019.

Post the takeover as well, AMNSI has been objecting to these charges levied by EBTL and in its letter to EBTL on 1 May 2020, AMNSI (erstwhile ESIL) expressly stated that no separate vessel related charges are payable under the CHA; however, even after 1 May 2020, AM/NS India has been paying the vessel related charges according to the older rates to avoid disruption of services by EBTL. However, EBTL has been raising invoices on AMNSI based on the revised rates (i.e. USD 3.25 per GRT) and has raised claim for an amount Rs. 322.12 Crore as on 31st March 2020 (Rs. 170.09 Crore up to 16th December 2019 and Rs. 152.03 Crore post 16th December 2019 to 31st July 2020).

Additionally, EBTL has also raised claims on AMNSI for:
A. Purported deepening of the channel from 10m to 12m depth, which deepening is disputed by AMNSI on account of lack of satisfactory evidence. EBTL has made a total claim of Rs. 68.53 Crore as on 31st July 2020. (Rs. 29.31 Crore up to 16th December 2019 and Rs. 39.22 Crores post 16th December 2019 to 31st July 2020).

B. Purported rental charges of Rs. 5.94 Crore (Rs. 5.52 Crore up to 16th December 2019 and Rs. 0.42 Crore post 16th December 2019 to 31st July 2020), which are disputed by AMNSI as there is no contractual agreement for such charges to be levied on AMNSI.

C. Purported claims on account of take or pay obligations during the force majeure period under the CHA. The Force Majeure event was invoked by AMNSI in April 2020 and such obligations were suspended during the Force Majeure period. These claims up to 31st July 2020 amount to Rs. 27.49 Crore.

In view of the aforesaid, the Company has called upon EBTL to withdraw its demands with respect to the escalated cargo handling charges, separate vessel related charges, port dues and rental charges. Further under the Resolution Plan (as approved by the Supreme Court) all claims arising during the resolution process until the date of takeover by AMIPL i.e. December 16, 2019 stands extinguished/settled in terms of the plan.

AMNSI has a claim against EBTL of Rs. 6.28 Crore (Rs. 6.28 Crore up to 16th December 2019) towards Demurrage charges. These claims are disputed by EBTL.

7 Pursuant to the implementation of approved Resolution Plan, borrowings of the Company have been taken over by its Parent Companies, ArcelorMittal India Pvt. Ltd. and AMNS Luxembourg. As per the agreement dated 27th March, 2020, no interest is payable or accrue on the borrowings for the period between April 1, 2020 and March 31, 2021. However, interest cost (included in Finance Cost) on these borrowings for the period from 1st April 2020 to 31st July 2020 has been accrued using the Effective Interest Rate method to comply with the accounting standards.

During the previous year, company has accrued interest on borrowings till Nov. 19. After the implementation of resolution Plan the same was written back and therefore interest cost pertaining to these borrowings have been considered as Nil in the comparative period April- July 19.

For ArcelorMittal Nippon Steel India Ltd

(Authorised Signatory)

Singhi & Co.
Chartered Accountants

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E kolkata@singhico.com
www.singhico.com

To,
The Board of Directors,
ArcelorMittal India Private Limited
Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station,
Vijay Cross Road, Memnagar, Ahmedabad,
Gujarat, India-380014

Ref: Independent Auditor's Certificate to confirm that the Accounting Treatment contained in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013

1. We, Singhi & Co., Chartered Accountants, the Statutory Auditors of ArcelorMittal India Private Limited (hereinafter referred to as "the Company/ Transferor Company"), have examined the proposed accounting treatment specified in Clause 3.11.2& 4.8 of the Scheme of Arrangement (hereinafter referred as 'the Scheme') between the Company and AM Associates India Private Limited (hereinafter referred to as the "Transferee Company") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, arrangements and Amalgamations) Rules 2016 with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles.

Management's Responsibility

2. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards read with the rules made there under and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is only to examine and report whether the accounting treatment specified in Clause 3.11.2& 4.8 of the Scheme referred to above complies with the applicable Accounting Standards, as applicable and Other Generally Accepted Accounting Principles.

4. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 3 above. We have performed the following procedures:

    - Obtained the Scheme, read and understood the accounting treatment in the books of the Company specified in Clause 3.11.2& 4.8 of the Scheme along with applicable Accounting Standards.

5. We conducted our examination of the aforesaid accounting treatment in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI), in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment, as contained in Clause 3.11.2& 4.8 of the Scheme, is in compliance with the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013, read with the rules made there under, and Other Generally Accepted Accounting Principles, as applicable.

SINGHI & CO. ★ Chartered Accountants ★

8. For ease of references, Clause 3.11.2& 4.8, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

Restriction on Distribution and Use

9. This certificate is issued at the request of the Company for onward submission by the Company to National Company Law Tribunal and other regulatory authority associated for approval of the Scheme. This Certificate should not be used for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

10. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

SINGHI & CO. * Chartered Accountants *

Anurag Singhi
Partner
Membership No.: 066274
UDIN:20066274AAAABZ2058

Place: Kolkata
Date: September 24, 2020

ArcelorMittal

Annexure 1

Accounting in the books of Transferor Company

1. Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of Transferred Undertaking from Transferor Company to Transferee Company shall be accounted as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

   - The Transferor Company shall derecognize the assets and liabilities transferred at the carrying value of the assets and liabilities respectively.

   - The Transferor Company shall recognise the investment in equity shares of Transferee Company at the Fair value.

   - The difference, if any, between carrying value of the assets and liabilities (which will be transferred) and fair value of investment of transferee company shall be debited/ credited to profit and loss.

2. Upon the Scheme becoming effective and with effect from the Appointed Date, the financial statements of the Transferor Company shall be accounted as per Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in the following manner:

   - Transferor Company shall derecognise the equity share capital outstanding on account of cancellation of its equity shares equivalent to the value of equity share received from Transferee company.

   - Transferor Company shall derecognise the investment in equity shares of Transferee Company at its carrying value.

   The difference, if any, between the carrying value of investments derecognized and the share capital cancelled shall be recognised in other equity.

ARCELORMITTAL INDIA PRIVATE LIMITED

SINGHI & CO. ★ Chartered Accountants ★

Singhi & Co.
Chartered Accountants

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To,
The Board of Directors,
AM Associates India Private Limited
B-301, Safal Pegasus Prahladnagar, Ahemdabad,
Gujrat 380015 India.

Ref: Independent Auditor's Certificate to confirm that the Accounting Treatment contained in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013

1. We, Singhi & Co., Chartered Accountants, the Statutory Auditors of AM Associates India Private Limited (hereinafter referred to as "the Company/ Transferee Company"), have examined the proposed accounting treatment specified in Clause 3.11.1 of the Scheme of Arrangement (hereinafter referred as `the Scheme') between the Company and ArcelorMittal India Private Limited (hereinafter referred to as the "Transferor Company") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, arrangements and Amalgamations) Rules 2016 with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles.

Management's Responsibility

2. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards read with the rules made there under and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. Our responsibility is only to examine and report whether the accounting treatment specified in Clause 3.11.1 of the Scheme referred to above complies with the applicable Accounting Standards, as applicable and Other Generally Accepted Accounting Principles.

4. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria, mentioned in paragraph 3 above. We have performed the following procedures:
   - Obtained the Scheme, read and understood the accounting treatment in the books of the Company specified in Clause 3.11.1 of the Scheme along with applicable Accounting Standards.

5. We conducted our examination of the aforesaid accounting treatment in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI), in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment, as contained in Clause 3.11.1of the Scheme, is in compliance with the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013, read with the rules made there under, and Other Generally Accepted Accounting Principles, as applicable.

8. For ease of references, Clause 3.11.1 duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialled by us only for the purposes of identification.

Singhi & Co. Chartered Accountants

Restriction on Distribution and Use

9. This certificate is issued at the request of the Company for onward submission by the Company to National Company Law Tribunal and other regulatory authority associated for approval of the Scheme. This Certificate should not be used for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

10. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

SINGHI & CO. ★ Chartered Accountants ★

Anurag Singhi
Partner
Membership No.:066274
UDIN:20066274AAAACA8989

Place: Kolkata
Date: September 24, 2020

ArcelorMittal

Annexure 1

Accounting in the books of Transferee Company

Upon the Scheme becoming effective and with effect from the Appointed Date, the transfer of Transferred Undertaking from Transferor Company to Transferee Company shall be accounted in the financial statements of Transferee Company as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

- The Transferee Company shall identify and recognise the individual identifiable assets and liabilities at their respective fair values.

- The equity share capital issued as a consideration shall be recognised at its face value and the difference, if any, between the fair value of the net assets acquired and the face value of equity share capital issued shall be recognised in the Securities premium account of the Transferee Company.

AM Associates India Private Limited ✱

SINGHI & CO. ✱ Chartered Accountants ✱

Deloitte
Haskins & Sells

Chartered Accountants
13th & 14th Floor
Building-Omega
Bengal Intelligent Park
Block-EP & GP, Sector-V
Salt Lake Electronics Complex
Kolkata-700 091
West Bengal, India

Tel: +91 336 6121 1000
Fax: +91 336 6121 1001

The Board of Directors

ArcelorMittal Nippon Steel India Limited
27km, Surat-Hazira Road,
Hazira, Surat,
Gujarat – 394 270
India

Independent Auditor's Certificate

1. This certificate is issued in accordance with the terms of our engagement letter dated August 27, 2020.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of Arcelormittal Nippon Steel India Limited (AMNSIL / "the Company" / Amalgamated Company), have examined the proposed accounting treatment specified in clause 5.15.1, clause 5.15.2 and clause 5.15.3 with regards to amalgamation of the residual business undertaking of Arcelormittal India Private Limited (AMIPL / Transferor Company / Amalgamating Company) with AMNSIL as specified in the draft Composite Scheme of Arrangement (hereinafter referred as "the Scheme") between the Company, AMIPL, AM Associates India Private Limited (AMAIPL / the "Transferee Company") and their respective shareholders and creditors with reference to its compliance with the applicable Accounting Standards notified under section 133 of the Companies Act, 2013 ("the Act"), read with the rules made there under and other generally accepted accounting principles.

Management's responsibility

3. The responsibility for the preparation of the Scheme and compliance with the provisions of the Act and rules made thereunder generally, and provisions of section 230 to 232 of the Act specifically and the applicable accounting standards notified under section 133 of the Act and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation and accounting treatment for the proposed amalgamation transaction; and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the accounting treatment in the books of the Amalgamated Company referred to in Clause 5.15.1, clause 5.15.2 and clause 5.15.3 of the Scheme referred to above comply with the applicable accounting standards notified under section 133 of the Act, and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under section 143(10) of the Act, in so far as

applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that :

   (a) the proposed accounting treatment contained in clause 5.15.1 and clause 5.15.2 of the Scheme, is in compliance with the provision of section 230 to 232 of the Act with reference to its compliance with the applicable accounting standards notified under section 133 of the Act, read with the rules made there under, and other generally accepted accounting principles, as applicable.

   (b) Based on our examination and according to the information and explanations given to us, we confirm that in the accounting standards notified under section 133 of the Act and Other Generally Accepted Accounting Principles, no accounting treatment has been specified for set-off of debit balance of retained earnings of the Amalgamated Company against balance of capital reserve and capital redemption reserve in its financial statements as specified in clause 5.15.3 of the Scheme and accordingly the proposed accounting treatment if approved by the National Company Law Tribunal shall prevail.

8. For ease of reference, clause 5.15.1, clause 5.15.2 and clause 5.15.3 of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this certificate and is initialed by us only for the purposes of identification.

Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements of section 230 to 232 of the Act, for onward submission by the Company to the National Company Law Tribunal for the purpose of approval of the scheme. This certificate should not be used for any other purpose without our prior written consent. 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins and Sells, Kolkata**
Chartered Accountants
(Firm Registration No. : 302009E)

Rupen K Bhatt
Partner
(Membership No. 046930)
(UDIN no. 20046930AAAAFF7549)

Mumbai, September 28, 2020

AM/NS INDIA

Annexure 1

To Whomsoever it may Concern

Certified extract of the Accounting Treatment for Composite Scheme of Arrangement passed by Board of Directors of ArcelorMittal Nippon Steel India Ltd. on 18th September, 2020.

5.15 Accounting Treatment
Accounting in the books of Amalgamated Company

5.15.1 Upon the Scheme becoming effective and with effect from the Appointed date, the financial statements of the Amalgamated Company shall be accounted as per Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, in following manner:

(i) The Amalgamated Company shall record the assets and liabilities of the Amalgamating Company vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of accounts of the Amalgamating Company;

(ii) The balance of the retained earnings appearing in the financial statements of the Amalgamating Company is aggregated with the corresponding balance appearing in the financial statements of the Amalgamated Company;

(iii) The identity of the reserves shall be preserved and shall appear in the financial statements of the Amalgamated Company in the same form in which they appeared in the financial statements of the Amalgamating Company.

5.15.2 The difference, if any, between the carrying amounts of the net assets (including reserves) acquired, and the face value of the equity share capital of the Amalgamated company issued to the shareholders of the Amalgamating Company upon cancellation of the reduced share capital of Amalgamating Company, including difference resulting from elimination of intercompany balances, shall be recognised as capital reserve.

Accounting in the books of Amalgamated Company (in relation to the reduction of capital reserve and capital redemption reserve of the Amalgamated Company).

5.15.3 Upon the Scheme becoming effective and with effect from the Appointed Date, the financial statements of the Amalgamated Company shall be accounted, in the following manner:

The debit balance of retained earnings appearing in the financial statements of the Amalgamated Company shall be set-off against the credit balance of the capital reserve and capital redemption reserve appearing in its financial statements.

For **ArcelorMittal Nippon Steel India Limited**

Pankaj S Chourasia
Company Secretary

Deloitte Haskins & Sells Chartered Accountants

Essar Steel India Limited

2nd Floor, Birla Centurion, Century Mills Compound
Pandurang Budhkar Marg, Worli, Mumbai 400 030

Regd. Off: 27km, Surat-Hazira Road, Hazira, Surat
Gujarat 394270 India

CIN U27100GJ1976FLC013787

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W www.amns.in

A joint venture between ArcelorMittal and Nippon Steel Corporation

ArcelorMittal NIPPON STEEL

<u>General details related to ArcelorMittal Nippon Steel India Limited *(formerly known as Essar Steel India Limited)*, AM Associates India Private Limited and ArcelorMittal India Private Limited as per Rule 6 (3) (ii) to Rule 6 (3) (iv) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016</u>

Details of ArcelorMittal India Private Limited (i.e. AMIPL / Applicant Company No.1 / Transferor Company / Amalgamating Company)

1. Details of AMIPL:

ArcelorMittal India Private Limited (AMIPL)	
Corporate Identification No. (CIN)	U27100GJ2006PTC106923
Permanent Account No. (PAN)	AAECM6306J
Incorporation Date	April 10, 2006
Type of Company	Private Limited Company
Registered Office Address	Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar Ahmedabad – 380014, Gujrat, India
Email	java.joshi@arcelormittal.com
Stock Exchange(s) where securities of AMIPL are listed	NIL

2. Summary of the main objects as per the memorandum of association of AMIPL:

a) To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing:

(i) in iron and steel as iron mongers, iron masters, steel makers and steel converters;

(ii) in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;

(iii) as miners, smelters, and iron founders;

(iv) in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite. cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials.

b) To construct, execute, develop, manage, install, operate, and maintain for the, above purposes all plants, building, mines, establishments, works, factories, communication and transportation ways, power houses, transmission lines, and all other works whatsoever, and generally to carry on the business of builders, contractors, engineers, estimators, and designers and to undertake works on contract basis and to tender for such works.

c) To act as consultants, advisors, principal or agent to individuals, firms and bodies corporate engaged in domestic and international trading, in all commodities, goods and materials, for sourcing products and arranging manufacturing programmes for importers, wholesalers and/or retailers worldwide and engaging in all activities to facilitate the foregoing, including without limitation, buying and selling raw materials and/or component parts and contributing finance to customers and suppliers and to perform consultancy services related to the above, including testing, quality assurance, financing, warehousing, storage and shipping, and as may be required to design, establish, provide and maintain industrial projects and for that purpose to prepare and get prepared reports, market studies, investigations, surveys, inspections, and any such other services.

d) To carry on the business as Processors, Distributors, Dealers, Stockist, Agents, Indentors, Traders, Exporters, Importers, Wholesalers including cash and carry wholesale trade, Bulk imports with ex-port/ ex-bonded warehouse sales related to Steel and Metal products including establishing Service centre for cutting, slitting, bending and caging of products, sales and after sales support and to provide end to end solutions for the business stated herein.

e) To carry on, manage, operate, supervise and control, whether directly or through any Special Purpose Vehicle and/or Joint Venture Company(ies), the business of manufacturing, generating, transmitting, supplying, distributing and dealing in electricity and all forms of energy and power generated by any source whether solar, wind, hydro, thermal and/or hydrocarbon fuel or any other form, kind or description and to setup and/or acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes.

f) To carry on all such activities, including employment of persons, as may be necessary in order to promote and coordinate the activities of its promoters and subsidiaries, to help achieve their economic and financial objectives/targets and secure optimal utilization of all resources placed at their disposal.

3. Summary of main business carried on by AMIPL:

AMIPL is presently engaged in the business of setting up steel manufacturing plants in India including by way of acquiring mining leases/ prospecting licenses, acquiring steel plants and/or other supporting facilities for manufacture of steel, including power plants.

4. Details of change of name of AMIPL during the last five years:

AMIPL was originally incorporated on April 10, 2006 as “Mittal Steel Jharkhand Private Limited” as a private limited company with the Registrar of Companies, Bihar and Jharkhand. Its name was changed to “Mittal Steel Jharkhand Limited” on June 13, 2006 pursuant to its conversion to a public limited company, and subsequently to “Mittal Steel India Limited” on August 23, 2006. Thereafter, the name was changed to “ArcelorMittal India Limited” on August 27, 2007 and then to “ArcelorMittal India Private Limited” on September 22, 2014 pursuant to its conversion to a private limited company. Accordingly, there has been no change in the name of AMIPL during the last five years.

5. Details of change in registered office of AMIPL during the last five years:

The previous registered office of AMIPL was situated at 7 & 8, JD Corporate, 3rd Floor, Near Mahabir Tower, Jokhiram Durgadutta Compound, Main Road, Ranchi-834001, Jharkhand, India. On December 15, 2015, the registered office was shifted to 8, JD Corporate, 3rd Floor, Near Mahabir Tower, Jokhiram Durgadutta Compound, Main Road, Ranchi-834001, Jharkhand, India. On March 5, 2019, the registered office of AMIPL shifted from the State of Jharkhand to its current registered office in the State of Gujarat, Ahmedabad. As on date, the registered office of AMIPL is situated at Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad, Gujarat, India-380014.

6. Details of change in objects of AMIPL during the last five years:

There has been no change in objects of AMIPL during the last five years.

7. Details of the capital structure of AMIPL including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (in Rs.)
Authorized Share Capital as on May 15, 2021	
5000,00,00,000 equity shares of Rs. 10/- each	50000,00,00,000
Total	50000,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on May 15, 2021	
2817,03,37,129 equity shares of Rs. 10/- each	28170,33,71,290
Total	28170,33,71,290

Subsequent to May 15, 2021, there has been no change in the authorized, issued, subscribed and paid-up share capital of AMIPL.

8. Names of the Promoter and Promoter group of AMIPL along with their addresses:

S. No.	Name	Address
1.	Oakey Holding BV	Eemhavenweg 70 Rotterdam, Netherlands 3089KH

AMIPL is a wholly owned subsidiary of Oakey Holding BV ("**Oakey**"), wherein Oakey (being the promoter of AMIPL) holds beneficial interest in the entire issued, subscribed and paid-up share capital of AMIPL.

9. Names of the directors of AMIPL as on May 15, 2021 along with their addresses:

S. No.	**Name**	**Address**
1.	Mr. Prabh Das	E-Tower, Pent House - 1, Pearl Gateway Towers, Sector-44 Noida 201301 UP IN
2.	Mr. Aditya Mittal	9, Palace Green, London W8 4QA GB
3.	Mr. Dilip Oommen	D5/1, Nand Niketan Essar Township, Hariza, Surat – 394270, Gujarat, India
4.	Mr. Brian Edward Aranha	6, Rue Charles IV, L – 1309, Luxembourg
5.	Mr. Subir Kumar Khasnobis (Alternate Director to Mr. Brian Edward Aranha)	Flat No.10c2, Peak Tower, Hiland Park 1925, Chak Garia, Panchasayar, Kolkata – 700094, West Bengal, India
6.	Ms. Van Grembergen Hilde Magda Jacqueline	Antwerpse Heirweg 22, 9900 Eeklo, Brandstraat 54, Ghent, Belgium
7.	Mr. Katsuhiro Miyamoto	4-7-11-603 Komagome Toshima-Ku, Tokyo, Japan, 1700003
8.	Mr. Yoichi Furuta	115-50, Moegino, Aoba-Ku, Kanagawa Yokohamashi, Japan, 227044
9.	Mr. Hiroshi Ebina (Alternate Director to Mr. Yoichi Furuta)	D1/39, 2nd Floor, Vasant Vihar, New Delhi – 110057, India
10.	Mr. Hiroyuki Nitta	Grand Hyatt, Mumbai Off, Western Express Highway, Santacruz East, Mumbai – 400055 Maharashtra, India
11.	Mr. Hideki Ogawa	45-705, Ichigaya Yakuoji- Machi, Shinjuku-Ku Tokyo, Japan, 1620063
12.	Mr. Ichiro Sato	2-6-19, Daita, Setagaya-ku, Tokyo 155-0033, Japan

10. The date of the board meeting at which the Scheme was approved by the AMIPL including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of AMIPL at a meeting held on September 18, 2020. None of the directors present voted against or abstained from voting in the said meeting. The details of the directors who were present and participated and voted at the meeting are as under:

S. No.	**Names of the Directors (present at the board meeting)**	**Votes**
1.	Mr. Dilip Oommen	For the resolution
2.	Mr. Hiroshi Ebina	For the resolution
3.	Mr. Hideki Ogawa	For the resolution
4.	Mr. Subir Kumar Khasnobis	For the resolution

Details of AM Associates India Private Limited (i.e. AMAIPL/ Applicant Company No. 2/ Transferee Company)

11. Details of AMAIPL:

AM Associates India Private Limited (AMAIPL)	
Corporate Identification No. (CIN)	U27209GJ2020PTC112781
Permanent Account No. (PAN)	AATCA3207H
Incorporation Date	February 18, 2020
Type of Company	Private Limited Company
Registered Office Address	Chalet No. 29, Paragraph, B Wing, 17th Floor, Mondeal Heights, Nr. Novotel Hotel, S.G. Highway Ahmedabad 380015, Gujarat, India
Email	jaylaxmi.murarka@arcelormittal.com
Stock Exchange(s) where securities of AMAIPL are listed	NIL

12. Summary of the main objects as per the memorandum of association of AMAIPL:

a) To carry on in India and elsewhere the trade or business of manufacturing, prospecting, raising, operating, buying, investing, selling, importing, exporting, purchasing, acquiring, holding or otherwise dealing:

(i) in iron and steel as iron mongers, iron masters, steel makers and steel converters;

(ii) in ferro-silicon, ferro-chromine and/or all products made of iron and steel, coking coal, manganese, ferro-manganese, limestone, refractories, iron ore and other alloys;

(iii) as miners, smelters, and iron founders;

(iv) in stainless steel, silicon steel, special steel, mild steel and in allied products, fireclay, dolomite, limestone, refractories, iron ore, bauxite. cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, lime burners, stone quarrying concrete manufacturing in all respective branches, and other allied input or other materials;

(v) in any and all kinds of property, whether tangible, intangible, movable or immovable including land, factories, warehouses, securities of any person or entity, in connection with any of the aforesaid purposes.

b) To construct, execute, develop, hold, manage, install, operate, and maintain for the, above purposes all plants, land, building, mines, establishments, works, factories, communication and transportation ways, power houses, transmission lines, and all other works whatsoever, and generally to carry on the business of builders, contractors, engineers, estimators, and designers and to undertake works on contract basis and to tender for such works.

c) To act as consultants, advisors, principal or agent to individuals, firms and bodies corporate engaged in domestic and international trading, in all commodities, goods and materials, for sourcing products and arranging manufacturing programmes for importers, wholesalers and/or retailers worldwide and engaging in all activities to facilitate the foregoing, including without limitation, buying and selling raw materials and/or component parts and contributing finance to customers and suppliers and to perform consultancy services related to the above, including testing, quality assurance, financing, warehousing, storage and shipping, and as may be required to design, establish, provide and maintain industrial projects and for that purpose to prepare and get prepared reports, market studies, investigations, surveys, inspections, and any such other services.

d) To carry on the business as Processors, Distributors, Dealers, Stockist, Agents, Indentors, Traders, Exporters, Importers, Wholesalers including cash and carry wholesale trade, Bulk imports with ex-port/ ex-bonded warehouse sales related to Steel and Metal products including establishing Service centre for cutting, slitting, bending and caging of products, sales and after sales support and to provide end to end solutions for the business stated herein.

e) To carry on, manage, operate, supervise and control, whether directly or through any Special Purpose Vehicle and/or Joint Venture Company(ies), the business of manufacturing, generating, transmitting, supplying, distributing and dealing in electricity and all forms of energy and power generated by any source whether solar, wind, hydro, thermal and/or hydrocarbon fuel or any other form, kind or description and to setup, hold and/or acquire/ invest in any manner power transmission systems/networks, power systems of any kind, including solar parks, hydro power plants, generation stations, tie-lines, sub-stations and transmission or distribution systems from any person including State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes.

f) To render all kinds of advisory and support services and assistance to companies and/ or other enterprises, whether Indian or foreign including on inorganic growth opportunities available to the companies and other enterprise by the acquisition of Indian and/ or foreign companies and/or industrial/ production/ manufacturing/ business/ service units and rendering support and assistance by way of provision/ collection of data, analysis, feasibility studies, techno-economic reports or in any other manner whatsoever and / or providing personnel support for handling in-house business, compliance, statutory and operational matters, negotiations, discussions, general liaising, presentations or any other interactions whatsoever with other companies, persons, organizations, governmental/ judicial / quasi-judicial agencies or any other party whatsoever in respect of any of the aforesaid matters.

g) To carry on all such activities, including employment of persons, as may be necessary in order to promote and coordinate the activities of its promoters and subsidiaries, to help achieve their economic and financial objectives/targets and secure optimal utilization of all resources placed at their disposal.

13. Summary of main business carried on by AMAIPL:

AMAIPL has been incorporated recently on February 18, 2020 to carry out the business of, inter alia, manufacturing, prospecting, operating and otherwise dealing in mining.

14. Details of change of name of AMAIPL during the last five years:

There has been no change in the name of AMAIPL since the date of incorporation.

15. Details of change in registered office of AMAIPL during the last five years:

AMAIPL has been incorporated recently on February 18, 2020. There has been no change in registered office of AMAIPL[1].

16. Details of change in objects of AMAIPL during the last five years:

There has been no change in AMAIPL's objects since incorporation.

17. Details of the capital structure of AMAIPL including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (in Rs.)
Authorized Share Capital as on May 15, 2021	
1,50,000 equity shares of Rs. 10/- each	15,00,000
Total	15,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on May 15, 2021	

[1] **Note**: The Scheme inadvertently refers to the registered office address of AMAIPL as B-301, Safal Pegasus Prahladnagar, Ahmedabad, Gujarat 380015, India, which upon incorporation was changed to Chalet No. 29, Paragraph, B Wing, 17th Floor, Mondeal Heights, Nr. Novotel Hotel, S.G. Highway Ahmedabad 380015, Gujarat, India and has been duly mentioned in the memo of the Company Application CAA No 80 of 2020 filed before the Hon'ble Tribunal, which may kindly be noted.

1,00,000 Equity Shares of Rs 10/- each	10,00,000
Total	10,00,000

Subsequent to May 15, 2021, there has been no change in the authorized, issued, subscribed and paid-up share capital of AMAIPL.

18. Names of the Promoter and Promoter group of AMAIPL along with their addresses:

S. No.	Name	Address
1.	ArcelorMittal Ventures India Private Limited	A-74, Nizamuddin East, New Delhi – 110013, India

AMAIPL is a wholly owned subsidiary of ArcelorMittal Ventures India Private Limited ("**AMVIPL**"), wherein AMVIPL (being the promoter of AMAIPL) holds beneficial interest in the entire issued, subscribed and paid-up share capital of AMAIPL.

19. Names of the directors of AMAIPL as on May 15, 2021 along with their addresses:

S. No.	Name	Address
1.	Mr. Kalyan Ghosh	A3/304, Tower – 3, Silver City, Sec – 93 A, Noida, Gautam Budh Nagar – 201304, Uttar Pradesh, India
2.	Mr. Devinder Singh Arora	19/115, Second Floor, Vikram Vihar, Lajpat Nagar – IV, New Delhi – 110024, India

20. The date of the board meeting at which the Scheme was approved by the AMAIPL including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of AMAIPL at a meeting held on September 18, 2020. None of the directors present voted against or abstained from voting in the said meeting. The details of the directors who were present and participated and voted at the meeting are as under:

S. No.	Names of the Directors (present at the board meeting)	Votes
1.	Mr. Kalyan Ghosh	For the resolution
2.	Mr. Devinder Singh Arora	For the resolution

Details of ArcelorMittal Nippon Steel India Limited (i.e. AMNSIL/ Applicant Company No. 3/ Amalgamated Company

21. Details of AMNSIL:

ArcelorMittal Nippon Steel India Limited (AMNSIL)	
Corporate Identification No. (CIN)	U27100GJ1976FLC013787
Permanent Account No. (PAN)	AAACE1741P
Incorporation Date	June 1, 1976
Type of Company	Public Limited Company
Registered Office Address	"AMNS House" AMNS Township, 27th KM, Surat-Hazira Road, Hazira, District Surat 394270, Gujarat, India.
Email	Pankaj.chourasia@amns.in
Stock Exchange(s) where securities of AMNSIL are listed	NIL

22. Summary of the main objects as per the memorandum of association of AMNSIL:

a) To carry on business of constructional engineers, mechanical engineers, Iron Founders, Public Works and general Contractors, Constructors Builders, dealers, in bridges Steel Frames, Buildings, steel, iron, structures of all kinds, iron and steel converters, smiths, wood workers, painters, electrical engineers and electricians and dredgers.

b) To undertake any type of construction work comprising of Civil, Mechanical, Electrical and Electronic Works, including Construction of Jetties, Breakwater, Casting of Concrete Blocks, Beams, Tetrapods, Roads, Heavy Construction Works, etc.

c) To act as consulting engineers for construction of Harbour, Ports, Buildings, Bridges, Dams, Tunnels, etc., and to execute contracts for construction of such works.

d) To maintain and undertake repairs of Ships, Barges, Boats, Lorries, Tractors, Trailers, Cranes, Plant and Machineries of any kind including Earthmoving machineries.

e) To deal in or manufacture, import, export, trade or use iron and steel, hardware, Cement, Lime, Stones, Bricks, Sand, China Clay and any other construction materials, Oils, Diesels, Timbers, Motor, Paints, Granite, Varnishes and other materials required for the purposes of business of the Company.

f) To carry out the work of Harbour and Port construction including dealing in blue metal, Quarrying of Stone and Stone-metals, Transport by means of Lorries, Tippers, Tractors, Trailers or any other suitable means, use Cranes or other earthmoving machineries, Compressors, Jack Hammers or other equipment. Transport over area by barges, floating Crafts, Lighters, Ships, Boats and Vessels, Launches, Motor Boats, etc., Passenger, Mail, Live Stock Goods, Foods and Merchandise and articles of all kinds.

g) To own, purchase, hire, import, export, dredgers or any other equipment required for dredging operation and any other relevant operations and to undertake construction for dredging Harbours, Ports, Rivers, Canals, Dams, etc.

h) To carry on business as manufacturers, merchants, dealers, agents, importers, exporters, buyers, sellers, stockists, distributors, processors, assemblers, traders, retailers and marketers in all kinds of goods including but not limited to consumers electronics, domestic appliances, entertainment products, machineries, equipment, media and content in all its forms, components and spares, accessories, communication services including pre-paid and post-paid connections, internet packages, all kinds of telecom related products including but not limited to mobile handsets, telephone instruments whether corded, cordless, mobile or of any other kind, tele-terminals, fax machines, telegraphs, recording instruments and devices, telephone message / answering machines and devices, dialing machines, trunk dialing barring devices, wireless sets and other wireless communication devices like radio pagers, cellular phones, satellite phones etc, telecom switching equipments of all kinds, telecom transmission equipments of all kinds, test equipments, instruments, apparatus, appliances and accessories and equipment and machinery for the manufacture thereof and all kinds of services including but not limited to repairs, after sales services, food vending services and to assist, develop, procure, manage, operate and lease, servicing stations, retail outlets, depots and other modes of distribution, procurement and marketing of any of the above mentioned goods or services across India or overseas and to provide technical services in respect thereof or relating thereto.

i) To carry on the business of running an online shopping portal over internet for all kinds of industrial material, construction material, home decor and interior materials and consultancy services, mason and carpentry services, to act as commission agents for companies on behalf of other manufacturers, dealers, carrying and forwarding agents, retailers, sellers whose products are listed on the e-commerce portal, to act as agents or sub- agents for any other business whether of a similar nature or not and to accept and enter into sub-contracts for the performance and carrying on any of the purpose for which the company is formed, to offer promotion services, campaign and advertising services on and through web portal, providing solutions and services related to Web- Technologies, Internet and E-commerce, including to design, develop, maintain, operate, own, establish, install, host, provide, create, facilitate, supply, sale, purchase, licence or otherwise deal in Internet portals, Internet networks, Media Portals, Internet solutions, Internet gateways, E-commerce, Web-site designing, Web based and Web enabled services and applications, E-commerce service provider, E-commerce solutions, E-commerce platforms, E-commerce education, E-commerce technologies and E-business solutions and to provide consultancy services addressed to business process engineering, information technology and the design and implementation of information technology solutions for Industry and to establish computer network, either as part of international network or as stand-alone network or otherwise, development of websites, Portal Sites and provide high speed digital / analog communication links to other networks and any other service which is feasible by using internet or any other such international networks and to create, manage and protect the intellectual property and/ or rights associated with providing above-mentioned services.

23. Summary of main business carried on by AMNSIL:

AMNSIL is presently engaged in the business of manufacturing flat carbon steel including through ore beneficiation, pellet making, iron making and downstream facilities including cold rolling mill, galvanizing, pre-coated facility, extra wide plate mill and pipe mill.

24. Details of change of name of AMNSIL during the last five years:

AMNSIL was originally incorporated with the name “Essar Constructions Limited”. Its name was changed to “Essar Gujarat Limited” on August 19, 1987, and subsequently to “Essar Steel Limited” on December 4, 1995. Thereafter, the name was changed to “Essar Steel India Limited” on January 18, 2012. Thereafter, it was acquired by AMIPL pursuant to Resolution Plan, subsequent to which, its name was changed “ArcelorMittal Nippon Steel India Limited” on January 8, 2020.

25. Details of change in registered office of AMNSIL during the last five years:

With effect from October 05, 2020, the registered office of AMNSIL has been changed from 27km, Surat Hazira Road, Hazira, Surat – 394270, Gujarat, India to “AMNS House”, AMNS Township, 27th KM, Surat-Hazira Road, Hazira, Surat – 394 270, Gujarat, India.

26. Details of change in objects of AMNSIL during the last five years:

There has been no change in AMNSIL’s objects during the last five years.

27. Details of the capital structure of AMNSIL including authorized, issued, subscribed and paid-up share capital:

Particulars	Amount (in Rs.)
Authorized Share Capital as on May 15, 2021	
2990,00,00,000 equity shares of Rs. 10/- each	29900,00,00,000
10,00,00,000 10% Cumulative Redeemable Preference Shares of Rs. 10/- each	100,00,00,000
Total	30000,00,00,000
Issued, Subscribed and Fully Paid-up Share Capital as on May 15, 2021	
9,22,20,00,000 Equity Shares of Rs 10/- each	9222,00,00,000
Total	9222,00,00,000

Subsequent to May 15, 2021, there has been no change in the authorized, issued, subscribed and paid-up share capital of AMNSIL.

28. Names of the Promoter and Promoter group of AMNSIL along with their addresses:

S. No.	Name	Address
1.	ArcelorMittal India Private Limited	Office No. 126, 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Memnagar Ahmedabad – 380014, Gujrat, India

AMNSIL is a wholly owned subsidiary of AMIPL, wherein AMIPL (being the promoter of AMNSIL) holds beneficial interest in the entire issued, subscribed and paid-up share capital of AMNSIL.

29. Names of the directors of AMNSIL as on May 15, 2021 along with their addresses:

S. No.	Name	Address
1.	Mr. Prabh Das	E-Tower, 1, Pearl Gateway Tower, Sector-44 Noida, Uttar Pradesh-201301
2.	Mr. Aditya Mittal	9, Palace Green, London W8 4QE, GB
3.	Mr. Dilip Oommen (Whole-Time Director & CEO)	D-3/4 Nand Niketan ESSAR Township, Hazira Surat Road, Surat-394270
4.	Mr. Kalyan Ghosh (Alternate Director to Mr. Brian Aranha)	A-3/304 Tower-3 Silvercity Sector-93A, Noida Gautam Buddh Nagar, Uttar Pradesh- 201304
5.	Mr. Hideki Ogawa	45-705, Ichigayayakuoji Shinjuku-ku, Tokyo 1620063, Japan
6.	Mr. Brian Edward Aranha	6, Rue Charles IV, L-1309, Luxembourg
7.	Mr. Hiroshi Ebina (Alternate Director to Mr. Yoichi Furuta)	D1/39, 2nd Floor, Vasant Vihar, New Delhi-110057
8.	Mr. Katsuhiro Miyamoto	4-7-11-603, Komagome, Toshima-Ku, Tokyo-1700003
9.	Mr. Yoichi Furuta	15-50, Moegino, Aoba-Ku, Yokohamashi, Kanagawa-2270044, Japan
10.	Mr. Hiroyuki Nitta (Whole-time Director- Director and Vice President – Technology)	Grand Hyatt, Mumbai Off Western Express Highway Santacruz East Mumbai-400 055

11.	Ms. Van Grembergen Hilde Magda Jacqueline	Antwerpse Heirweg 22, 9900 Eeklo, Belgium
12.	Mr. Ichiro Sato	2-6-19, Daita, Setagaya-ku, Tokyo 155-0033, Japan

30. The date of the board meeting at which the Scheme was approved by AMNSIL including the names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

The Scheme was unanimously approved by the Board of AMNSIL at a meeting held on September 18, 2020. None of the directors present voted against or abstained from voting in the said meeting. The details of the directors who were present, participated and voted at the meeting are as under:

Names of the Directors (present at the board meeting)	Votes
1. Mr. Dilip Oommen, Director & CEO	For the resolution
2. Mr. Hideki Ogawa, Director	For the resolution
3. Mr. Kalyan Ghosh, Alternate Director to Mr. Brian Edward Aranha	For the resolution
4. Mr. Hiroshi Ebina, Alternate Director to Mr. Yoichi Furuta	For the resolution

All directors present at the meeting participated and voted in favour of the resolution approving the Scheme. No director voted against the Scheme. Thus, the Scheme was approved unanimously by the directors who attended and voted at the meeting.

31. Relationship between the applicant companies:

AMIPL (i.e. Applicant Company No. 1) is a wholly owned subsidiary of Oakey. Further, AMNSIL (i.e. Applicant Company No. 3) is wholly owned subsidiary of AMIPL.

AMAIPL (i.e. Applicant Company No. 3) is a wholly owned subsidiary of ArcelorMittal Ventures India Private Limited, which is an ArcelorMittal group entity. AMIPL and AMNSIL are part of joint venture between ArcelorMittal group and Nippon Steel Corporation.