

Transcript of NCLT Convened Meeting of Unsecured Creditors of ArcelorMittal  
Nippon Steel India Limited (“AMNSIL”) held on Tuesday, June 22, 2021 at 01:00  
PM

**Ankit Bandivadekar (CDSL):** *“Sir, we will give you a heads up, then you start the meeting.”*

**Pankaj Chourasia (Company Secretary of AMNSIL):** *“Fair.”*

**CDSL Moderator:** *“We are live Sir.”*

**Ankit Bandivadekar (CDSL):** *“Chairperson Sir, we can start the meeting with your permission.”*

**Abhishek Nagori (Chairperson):** *“Good afternoon ladies and gentlemen. It gives me immense pleasure in extending a warm welcome to all of you to the meeting of the unsecured creditors of ArcelorMittal Nippon Steel India Limited and I thank you all for attending the meeting. I hope all of you are safe and in good state of health during this Covid-19 pandemic. The meeting has been convened pursuant to the directions of the Hon’ble National Company Law Tribunal, Ahmedabad Bench in the matter of Composite Scheme of Arrangement amongst ArcelorMittal India Private Limited, AM Associates India Private Limited, and ArcelorMittal Nippon Steel India Limited and their respective shareholders. This meeting is being held through video conferencing or other audio-visual means in terms of the order of the Hon’ble Tribunal. The Hon’ble Tribunal has appointed me, Abhishek Nagori, as the Chairperson of this meeting. The Hon’ble Tribunal has also appointed Mr. Lokesh Khadaria, Practicing Chartered Accountant as the Scrutinizer to scrutinize the votes cast through remote e-voting and the votes cast during this meeting. All persons who have joined this meeting, are by default, put on mute by the host to avoid technical disturbances and to ensure seamless conduct of the meeting. Once we commence the question-and-answer session, I will then sequentially announce names of the unsecured creditors who have conveyed their desire to speak at the meeting as per the procedure prescribed in the notice. Upon being called, the host will provide appropriate access to the unsecured creditors to speak one at a time. To start speaking, the creditors are required to turn on the video and then speak. In case the creditor is unable to turn on the video, he/she can speak through audio mode. I would request the speakers to please limit their comments to 3 minutes as required under the notice and restrict their observations to the Scheme. During the meeting, the persons attending, if they face any technical difficulty, they may kindly call on the helpline number given in the notice. Now I request Mr. Ankit to inform the number of participants present in the meeting to ascertain the quorum, Mr. Ankit?”*

**Ankit Bandivadekar (CDSL):** “*Sir, we have 272 members.*”

**Abhishek Nagori (Chairperson):** “*Okay, Thank you. As per the order of the Hon’ble Tribunal, quorum for this meeting shall be 75 unsecured creditors. The requisite quorum is present and therefore I call the meeting to order. Let us commence the proceedings of the meeting. I will now introduce the panelists attending the meeting, Mr. Lokesh Khadaria – the Hon’ble Tribunal has appointed Mr. Lokesh Khadaria, Practicing Chartered Accountant as the Scrutinizer to scrutinize the votes cast through remote e-voting and the votes cast during this meeting; Mr. Ashim Sood, as an advisor to me; Mr. Pankaj Chourasia, Company Secretary of ArcelorMittal Nippon Steel India Limited. We also have with us as a panelist, Mr. Amit Harlalka, Deputy CFO of ArcelorMittal Nippon Steel India Limited, we also have Mr. Rohit Sharma, Head – Working Capital of ArcelorMittal Nippon Steel India Limited and Mr. Dinesh Mangal, General Manager – Finance of ArcelorMittal Nippon Steel India Limited. Ladies and gentlemen, the notice dated May 19, 2021, convening this meeting together with the documents accompanying the same including the explanatory statement and the Composite Scheme of Arrangement between ArcelorMittal India Private Limited, AM Associates India Private Limited, and ArcelorMittal Nippon Steel India Limited and their respective shareholders under Section 230 to Section 232 of the Companies Act read with Section 66 of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions of the Companies Act, 2013, have already been circulated to the unsecured creditors of the company. I take them as read. In addition, in accordance with the directions of the Hon’ble Tribunal, advertisements containing the details of the meeting were duly published in newspapers on May 20, 2021, after the dispatch of notice of this meeting. Please note that the company has availed electronic voting system of Central Depository Services (India) Limited to enable the creditors to cast their votes in accordance with the required process. The resolution is incorporated as part of the notice of this meeting. Since the physical presence at the meeting is dispensed with, appointing proxies is not applicable. The documents that are required to be kept open for inspection are available for inspection in electronic mode on the website of the company, should you wish to inspect please refer to the instructions in the notice. Unsecured creditors who are present in the meeting and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, are eligible to cast their votes during the meeting. Such persons may visit voting site of CDSL to cast their votes. Before we proceed, let me brief you on the business as stated in the notice to be considered and transacted at this meeting. We are here to consider and seek approval of the unsecured creditors to the Composite Scheme of Arrangement between ArcelorMittal India Private Limited, AM Associates India Private Limited, and ArcelorMittal Nippon Steel India Limited and their respective shareholders. The Scheme provides for the transfer and vesting of certain assets and liabilities of AMIPL to AMAIPL, reduction of equity share capital of AMIPL, amalgamation of AMIPL comprising of the residual business into AMNSIL, 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. As per the Board, some of the key benefits of the Scheme are that the Scheme would enable AMNSIL to improve operational efficiencies and lead to further*

*synergies. 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. The amalgamated AMNSIL shall be able to optimize the resources required for overall general and administrative purposes of the company. Overall, as per the Boards of the respective scheme entities, the Scheme shall be in the interest of all concerned stakeholders. The applicable law provides for electronic voting. Accordingly, the company provided the unsecured creditors the facility to cast their votes through remote e-voting system administered by CDSL. Unsecured creditors who are present in the meeting and have not casted their vote on the resolutions through remote e-voting system are eligible to cast their votes during the meeting. Such persons may visit voting site of the CDSL to cast their votes while continuing to watch the proceedings of the meeting. The Hon'ble Tribunal has appointed Mr. Lokesh Khadaria, Practicing Chartered Accountant as the Scrutinizer to scrutinize the votes cast through remote e-voting and the votes cast during this meeting. Since the meeting is being held through the audio-visual means, and the resolutions forming part of the notice have already been put to vote through remote e-voting, the practice of proposing and seconding the resolution is not required and will not be followed in this meeting. I will now call registered speakers to speak one at a time. Before I invite registered speakers to speak, I would like to mention that this meeting is being called pursuant to the directions of the Hon'ble Tribunal specifically to discuss the proposal in the notice of this meeting and therefore I humbly request all speakers to limit their discussion, questions, and observations to such proposal only. I would request these speakers to please limit their comments to 3 minutes as required under the notice, at the end of 2<sup>nd</sup> minute I will give you an indication that you have 1 minute left. I will now invite the speakers one by one, our first speaker is Ms. Alice George Kallingal representing Essar Bulk Terminal Limited. I request the host to give access to the speaker. Mr. Ankit?"*

**Alice Kallingal (Essar Bulk Terminal Limited):** *"I have got access. May I start?"*

**Abhishek Nagori (Chairperson):** *"Yes Maám, Welcome."*

**Alice Kalingal (Essar Bulk Terminal Limited):** *"Thank you. Respected Chairperson, I am Alice George, General Counsel of Essar Bulk Terminal Limited ("EBTL") which provides port services to AMNS at Hazira. Firstly, we seek your permission to deem our letter dated June 09, 2021, setting out our objections and queries in relation to the Scheme as read and on record for the purpose as we have limited time of 3 minutes today. We have also circulated our queries in advance to the Company Secretary of AMNS. At the outset, I would like to highlight the main issue we have in relation to the Scheme, several unsecured creditors have written off close to 80% of its dues due to the high debt of AMNS and consequent insolvency resolution in 2019, including EBTL which wrote off 560 crores. AMNS originally had about 30,000 crore loans in 2015 which became unserviceable by 2017 as interest kept piling up. We looked forward to a better payment after the insolvency resolution in 2019. The claims in respect of the old AMNS debt of 2017 was*

*extinguished under the court approved resolution plan and the debt was now assigned to AMIPL, the applicant No. 1 here, which has been waiving the interest on such acquired loans as the claims are fully extinguished in the resolution plan. By virtue of the proposed Scheme, it's a déjà vu for the unsecured creditors, AMNS will once again have external debt of over 30,000 crores which are all assigned to foreign banks and which needs to be serviced. Unsecured creditors will once again face same prejudice because of this Scheme which is adding significant debt to the company. Chairperson Sir, this is the most important reason that this unsecured creditors meeting and voting is required to be taken with utmost seriousness. We have a set of queries addressed to the company and the Chairperson which are as follows:*

*Our first question number, question number one is - why has AMNS not accounted for liabilities payable to EBTL as per the expressly agreed contractual terms despite such amounts being payable in a plain reading of the contract. Kindly clarify for our benefit if EBTL's voting share after correcting the liabilities as per Indian Accounting Standards 37 would be over 25%."*

**Abhishek Nagori (Chairperson):** *"Excuse me Madam, you have 1 minute left."*

**Alice Kalingal (Essar Bulk Terminal Limited):** *"Sure. Question number two – is it not correct that AMNS has subsequent to September 08, 2020, acknowledged and paid significant amounts to its creditors including to one of our subsidiaries EBTPPL (Essar Bulk Terminal Paradip Limited) which are not reflected as on September 08, 2020. Chairperson Sir, we have submitted our legal opinion and accounting opinion in this respect.*

*Question number three – why has AMNS not filed a review petition in the NCLT to seek directions to use the current list of unsecured creditors instead of the list as of September 08, 2020, which is now wholly irrelevant after 9 months, because some of these creditors who may consent today have no dues as on date. Respected Chairperson, this is our belief that the list of unsecured creditors is incorrect and has been drawn up with a malafide intent of reducing the voting share of legitimate unsecured creditors, such as EBTL. As demonstrated above, the entire manner, methodology, and mode of executing this Scheme is completely incorrect and fraught with misinformation. If all these wrongdoings as highlighted by us are allowed in the garb of a scheme, it would be great injustice to the unsecured creditors. That is not the intent Chairperson Sir of the provisions of the Companies Act and in our humble opinion the entire Scheme as proposed should be reported to NCLT for misinformation filed in the scheme documents, the Scheme saddling huge debt on the company, and the prejudice caused to the unsecured creditors of the company. Thank you for the opportunity to speak in this forum."*

**Abhishek Nagori (Chairperson):** *"Thank you maám for finishing in the time. Thank you, we have taken your views on the record. We will now proceed to the next speaker who has registered to speak, I invite Mr. Rahul Bhurat from Essar Bulk Terminal Paradip Limited. Mr Ankit you can give access to Mr. Rahul Bhurat."*

**Rahul Bhurat (Essar Bulk Terminal Paradip Limited):** *“Good Afternoon Sir, hope you can hear me.”*

**Abhishek Nagori (Chairperson):** *“Yes, you are audible.”*

**Rahul Bhurat (Essar Bulk Terminal Paradip Limited):** *“Yeah so, first of all I request the Chairperson Sir to kindly note and put on record our detailed submissions which we have sent by our letters dated June 11, 2021 and June 17, 2021 on the matter.”*

**Abhishek Nagori (Chairperson):** *“Mr. Rahul, excuse me, will you be able to turn your video on if there is no technical difficulty?”*

**Rahul Bhurat (Essar Bulk Terminal Paradip Limited):** *“I have not been given. yes (video turned on).”*

*Yes Sir, so the broad structure of my representation to you is two-fold - a) we have concerns on the reliability of the CA certificate which has certified the outstanding dues of the unsecured creditors as on September 08, 2020, which is patently misrepresented and which severely affects our voting rights vis a vis other unsecured creditors; and b) our objections to the Scheme since the current structure seems to be inequitable and heavily favouring the current owners with disregard to other shareholders, specially the unsecured creditors. Coming to my first point, please refer for details in our letters, the CA certificates furnished by AMNS represents our dues as around 43 Lakhs but as per AMNS’s own representation the CA had the benefit of audited financials only till 2019 and the rest have been represented by AMNS. The actual outstanding against 43 Lakhs has been around 35.8 crores and it’s extremely important for the Hon’ble Chairman to please note that 34.57 crores out of this amount has been admitted by AMNS in writing as a contractual due which has also been paid to us on December 31, 2020, so it is beyond us why these dues are not reflected in the CA certificate because these are ex-facie dues. Same has been the case with certain other group companies who have been paid their dues but the same has not been reflected in the CA certificate. So, this is our humble submission to you that it becomes unavoidable to the Chairperson to examine, investigate, and correct this voting share of unsecured creditors. Our question to you is also that AMNS has classified several raw material suppliers as unsecured creditors for amounts which have been given as advances without adjusting these payments which have been given as a collateral. The second query is on the Scheme itself, the unsecured creditors have faced grave issues in the Essar Steel resolution plan whereby we have lost more than 80% of our dues. EBTPPL itself has lost more than 270 crores in this plan, so my query is..”*

**Abhishek Nagori (Chairperson):** *“Sir, you have one minute left. ”*

**Rahul Burat (Essar Bulk Terminal Paradip Limited):** *“Yeah, what is the interest cost which is being considered in the P&L, as per the AMNS balance sheet the 39,000 crores of loan from AMIPL is an interest free loan till March 31, 2021, but there is no insight given in the Scheme as to whether the 2000 crores of interest will be applicable on this entity after the Scheme and secondly the benefit to the owners – why is the debt settlement amount paid by the group for Uttam Galva which is a family run business becoming the liability of AMNS. So, we request you to please take care of these prejudices which have been caused to the unsecured creditors. We thank you for the opportunity to speak on this forum.”*

**Abhishek Nagori (Chairperson):** *“Thank you for completing within the given time frame. We have taken your views on the record, we will now proceed to the next speaker who has registered to speak, now I invite as a registered speaker Mr. Vaibhav Mehta representing Essar Power Hazira Limited. Mr. Ankit you can give access to Mr. Vaibhav Mehta.”*

**Ankit Bandivadekar (CDSL):** *“Sir, third speaker is not present in the meeting.”*

**Abhishek Nagori (Chairperson):** *“Mr. Vaibhav? Ankit, are you sure?”*

**Ankit Bandivadekar (CDSL):** *“Yes Sir.”*

**Abhishek Nagori (Chairperson):** *“We can wait for 1 minute. No issue. Mr. Ankit, let me know if Mr. Vaibhav joins, we are waiting for 1 minute.”*

**Ankit Bandivadekar (CDSL):** *“Sure Sir.”*

Silence for 1 minute and 45 seconds

**Abhishek Nagori (Chairperson):** *“Since Mr. Vaibhav Mehta is not present, we are proceeding further. We will now take the questions which were put forward by the registered speakers. As far as the question 2 and 3 raised by the first speaker concerning the number and value of the vote, as*

*you are all aware the Hon'ble NCLT by its order directed in paragraph 28 that number and value of the vote of each of the meetings shall be in accordance with the books of accounts as on September 08, 2020. Both the number and value of your votes have been determined in compliance with this direction. As far as the other questions are concerned, I invite representative of the company to answer to the same.*

**Pankaj Chourasia (Company Secretary of AMNSIL):** *“Thank you Mr. Chairman. We would like to confirm here that there is no misinformation in the Scheme and we deny the points raised by attendees who have spoken on behalf of their respective companies. We would like to briefly answer that with this Scheme our network is increasing and there is no prejudice caused to any of the unsecured creditors. Rather post-merger, post approval of the Scheme, the company will be in cash surplus and all the certifications issued by the independent professionals, they are firms of international repute having their standing in the market and the business practice. Accordingly, we deny all the allegations with regard to all the points raised by both the speakers. Thank you.”*

**Abhishek Nagori (Chairperson):** *“Thank you Mr. Chourasia. I would also like to convey that all views expressed in the meeting will be taken on record. With this I hereby authorize the Company Secretary to conclude the voting procedure and close the meeting. The remote e-voting facility will remain open for the next 15 minutes to enable the creditors to cast their vote. We will wait for 15 minutes and then we will resume the meeting to close the meeting formally.”*

**Pankaj Chourasia (Company Secretary of AMNSIL):** *“Thank you Chairperson.”*

Silence for 14 minutes and 48 seconds

**Pankaj Chourasia (Company Secretary of AMNSIL):** *“Chairman Sir, as per your direction as per the procedure, we kept the e-voting open for 15 more minutes as provided. Now, with your permission you can proceed further Sir.”*

**Abhishek Nagori (Chairperson):** *“Thank you Mr. Chourasia. With that, we now close the e-voting process. I confirm that the requisite quorum was present throughout the meeting. The results will be announced within 3 days from the conclusion of this meeting on the website of the company and website of CDSL. With this, I declare meeting as closed. I thank you all for participation in the meeting. Thank you everybody, Namashkar and I wish you all good health and happiness. Thank you.”*

**Pankaj Chourasia (Company Secretary of AMNSIL):** *“Thank you very much Sir. On behalf of the company and all other participants, I humbly thank for chairing this meeting and conducting the proceedings so smoothly Sir. Thank you very much Sir.”*

**Rohit Sharma (Head – Working Capital of AMNSIL):** *“Thank you Sir.”*

**Abhishek Nagori (Chairperson):** *“Thank you. Mr. Ankit you can stop the video recording. Thank you everybody.”*

**Pankaj Chourasia (Company Secretary of AMNSIL):** *“Ankit, kindly confirm once you close the meeting, please.”*

End of Meeting