AM/NS
INDIA

2020 - 2021
FORTY FIFTH ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Aditya Mittal	*Chairman*
Mr. Brian Edward Aranha	*Director (up to 28.05.2021)*
Mr. Bradley Lloyd Davey	*Additional Director (w.e.f. 28.05.2021)*
Mr. Prabh Das	*Director*
Ms. Hilde Van Grembergen Magda Jacqueline	*Director*
Mr. Katsuhiro Miyamoto	*Director (up to 28.05.2021)*
Mr. Takahiro Mori	*Additional Director (w.e.f. 28.05.2021)*
Mr. Yoichi Furuta	*Director*
Mr. Ichiro Sato	*Director*
Mr. Hideki Ogawa	*Director*
Mr. Dilip C. Oommen	*Director & CEO*
Mr. Hiroyuki Nitta	*Director & Vice President Technology (up to 03.08.2021)*
Mr. Jun Hashimoto	*Additional Director (w.e.f. 03.08.2021)*
Mr. Kalyan Ghosh	*Alternate Director*
Mr. Hiroshi Ebina	*Alternate Director*

CHIEF FINANCIAL OFFICER
Mr. Takahiro Nagayoshi

COMPANY SECRETARY
Mr. Pankaj S Chourasia

REGISTERED OFFICE
"AMNS House", AMNS Township
27th KM Surat Hazira Road, **Dist:** Surat, Gujarat-394270
Tel.: +91 261 6682400 +91 22 6988 9999
Fax: +91 261 6685731
Email: pankaj.chourasia @amns.in
CIN: U27100GJ1976FLC013787

CORPORATE OFFICE
6th & 7th Floor, Raheja Tower, Plot C-30, Block G,
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.
Maharashtra, India **Tel.:** +91 22 6988 9999

BANKERS
Axis Bank Ltd.
Bank of Baroda
Bank of India
Credit Agricole Corporate & Investment Bank
HongKong & Shanghai Banking Corporation Bank
ICICI Bank
IDBI Bank Ltd.
Kotak Mahindra Bank
Mitsubishi UFG Financial Group Bank
Punjab National Bank
Sumitomo Mitsui Banking Corporation Bank
State Bank of India
UCO Bank
Yes Bank

AUDITORS
Deloitte Haskins & Sells
Chartered Accountants
13th & 14th Floor, Building Omega, Bengal Intelligent Park, Block EP& GP, Sector-V, Saltlake Electronics Complex, Kolkatta 700091. West Bengal-India

REGISTRAR & SHARE TRANSFER AGENTS
Data Software Research Company Pvt. Ltd.
Unit: ArcelorMittal Nippon Steel India Limited
19, Pycrofts Garden Road, Off Haddows Road,
Nungambakkam, Chennai - 600 006.
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Fax: +91 44 2821 4636
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Visit us at our website
http://www.amns.in

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NOTICE OF THE 45TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 45th Annual General Meeting of the Members of ArcelorMittal Nippon Steel India Ltd (formerly known as Essar Steel India Limited) (CIN: U27100GJ1976FLC013787), will be held through video conferencing on Tuesday, November 30, 2021 at 11.00 a.m. to transact, the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2021, together with the Report of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mr. Prabh Das (DIN: 00164799) who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Yoichi Furuta (DIN: 08378126) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Ms. Van Grembergen Hilde Magda Jacqueline (DIN: 08394826) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To regularize the appointment of Mr. Takahiro Mori (DIN: 09173335), as Director and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution.**

   "RESOLVED THAT pursuant to the provision of Section 161 and other applicable provisions of Companies Act, 2013, Mr. Takahiro Mori (DIN: 09173335), who was appointed by the Board of Directors as an Additional Director of the Company on May 28, 2021 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company, and who is eligible for appointment and offers himself for the office of Director, be and is hereby appointed as a Director of the Company."

6. To regularize the appointment of Mr. Bradley Lloyd Davey (DIN: 09179206), as Director and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution.**

   "RESOLVED THAT pursuant to the provision of Section 161 and other applicable provisions of Companies Act, 2013, Mr. Bradley Lloyd Davey (DIN: 09179206), who was appointed by the Board of Directors as an Additional Director of the Company on May 28, 2021 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company, and who is eligible for appointment and offers himself for the office of Director, be and is hereby appointed as a Director of the Company."

7. To regularize the appointment of Mr. Jun Hashimoto (DIN: 09244627), as Director and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution.**

   "RESOLVED THAT pursuant to the provision of Section 161 and other applicable provisions of Companies Act, 2013, Mr. Jun Hashimoto (DIN: 09244627), who was appointed by the Board of Directors as an Additional Director of the Company on August 3, 2021 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of the Director of the Company, and who is eligible for appointment and offers himself for the office of Director, be and is hereby appointed as a Director of the Company."

8. Appointment of Mr. Jun Hashimoto (DIN: 09244627) as Wholetime Director designated as Director and Vice President - Technology.

   To consider and if thought fit, to pass the following resolution with or without modification(s), as **Special Resolution:**

   "RESOLVED THAT pursuant to the provision of sections 196 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to the approval of the Central Government, if necessary and such other approvals permissions and sanctions as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, Mr. Jun Hashimoto (DIN: 09244627) be and is hereby appointed as Whole-time Director of the Company designated as Director and Vice President – Technology, with effect from 29th November, 2021, to look after day to day administrative and managerial functions of the Company on following terms and conditions:

1. **Remuneration - Salary & Perquisites:**
   NIL salary will be paid to Mr. Jun Hashimoto (DIN: 09244627).

2. **Tenure**
   Appointment of Mr. Jun Hashimoto (DIN: 09244627) as Whole Time Director shall be for a period of five years.

3. **Other terms:**
   a. No sitting fees shall be paid to Mr. Jun Hashimoto (DIN: 09244627) for attending the meetings of the Board of Directors or any Committee thereof, during his tenure as 'Whole Time Director' of the Company.

   b. Such other terms and conditions as may be decided by the Board from time to time.

RESOLVED FURTHER THAT all acts done by Mr. Jun Hashimoto (DIN: 09244627) from the date of appointment till the date of the meeting be and are hereby ratified;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter, vary and modify the said remuneration including salary, allowance and perquisites in accordance with the provisions of the Companies Act 2013 or any amendment(s) and/or any statutory modification (s) thereto, and if necessary, as may be stipulated by the Central Government;

RESOLVED FURTHER THAT the Directors of the Company be and hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard."

9. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2022, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendments thereof, for the time being in force), the remuneration payable to M/s Manubhai & Associates, Cost Accountants (Firm Registration M-2502), appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, not exceeding ₹6,00,000/- (Rupees Six Lakhs Only) plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, if any, be and is hereby approved."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By the Order of the Board
For ArcelorMittal Nippon Steel India Limited

Place: Mumbai
Date: November 29, 2021

Pankaj S. Chourasia
Company Secretary

Registered Office
AMNS House, AMNS Township 27 km,
Surat Hazira Road, Dist. Surat, Gujarat 394270
Website: www.amns.in
Email: Pankaj.chourasia@amns.in
Tel No.: +91 261 6682400, +91 22 6988 9999
Fax No.: +91 261 6685731

NOTES:

1. IN VIEW OF THE COVID-19 PANDEMIC, THE MINISTRY OF CORPORATE AFFAIRS (MCA) HAS, VIDE GENERAL CIRCULAR NO. 14/2020 DATED APRIL 8, 2020, GENERAL CIRCULAR NO. 17/2020 DATED APRIL 13, 2020 AND GENERAL CIRCULAR NO. 20/2020 DATED MAY 5, 2020 (COLLECTIVELY "MCA CIRCULARS") PERMITTED COMPANIES TO CONDUCT ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS, SUBJECT TO COMPLIANCE OF VARIOUS CONDITIONS MENTIONED

THEREIN. IN COMPLIANCE WITH THE MCA CIRCULARS AND APPLICABLE PROVISIONS OF COMPANIES ACT, 2013, THE 45TH AGM OF THE CO IS BEING CONVENED AND CONDUCTED THROUGH VIDEO CONFERENCING.

2. SINCE THE 45TH AGM IS BEING HELD THROUGH VC IN ACCORDANCE WITH THE MCA CIRCULAR, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBER WILL NOT BE AVAILABLE FOR THE 45TH AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.

3. A STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT"), RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING IS ANNEXED HERETO.

4. SINCE THE MEETING IS BEING CONDUCTED AT SHORTER NOTICE, YOU ARE REQUESTED TO FURNISH YOUR CONSENT FOR THE SAME IMMEDIATELY.

5. **MEMBERS ARE HEREBY REQUESTED TO ATTEND THE AGM THOUGH VC DETAILS FOR JOINING THE MEETING ARE AS FOLLOWS:**
   DOWNLOAD THE ZOOM APPLICATION ON YOUR PHONE / LAPTOP:
   - JOINING MEETING ID: **958 2898 7118**
   - PASSWORD: **097054**

6. **THE FACILITY FOR JOINING THE MEETING SHALL BE KEPT OPEN ATLEAST 15 MINUTES BEFORE THE TIME SHEDULED TO START THE MEETING.**

7. SINCE THE MEETING IS HELD THROUGH VIDEO CONFERENCING, THERE WILL BE NO ROUTE MAP FOR THE VENUE OF THE MEETING AND IT WILL BE DEEMED THAT THE MEETING WAS HELD THROUGH THE CORPORATE OFFICE OF THE COMPANY AT MUMBAI.

8. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND TO THE COMPANY A CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.

9. ATTENDANCE OF MEMBERS THROUGH VC / OAVM SHALL BE COUNTED FOR THE PURPOSE OF RECKONING THE QUORUM UNDER SECTION 103 OF THE COMPANIES ACT 2013.

10. IN COMPLIANCE WITH THE MCA CIRCULAR, THE NOTICE OF THE AGM IS BEING SENT ONLY THORUGH ELECTRONIC MODE TO THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE REGISTERED WITH THE COMPANY.

11. THE DESIGNATED EMAIL ADDRESS FOR THE PURPOSE OF GENERAL MEETING IS: PANKAJ.CHOURASIA@AMNS.IN. MEMBERS ARE ENTITLED TO POSE QUESTIONS PERTAINING TO THE SAID RESOLUTIONS AT THE SAID EMAIL ADDRESS.

12. IN CASE OF POLL IS DEMANDED DURING THE MEETING, THE MEMBERS ARE ADVISED TO VOTE ON THE PARTICULAR RESOLUTION BY SENDING AN E-MAIL IN THE MANNER MENTIONED BELOW. RELEVANT INFORMATION AND INSTRUCTION RELATED TO MANNER OF VOTING IS AS MENTIONED BELOW

Instructions pertaining to voting by the members in case of POLL is demanded are as under:

Members are advised to vote on the resolutions in case of poll is demanded by sending an email in the format as mentioned below at the registered e-mail address of the Company viz., "pankaj.chourasia@amns.in":

1. Name and Registered address of the Member :
2. Name(s) of Joint holder(s), if any :
3. Registered Folio No. :
4. Number of Equity Shares held as on November 29, 2021:

I/We hereby exercise my/our vote in respect of the Resolution to be passed in the Annual General Meeting, by sending my/our Assent (For) or Dissent (Against) to the said Ordinary Resolutions by writing "Accepted" or "Rejected" at the appropriate box below:

Sr. No.	Description of Resolution	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	The Audited Standalone Financial Statements of the Company for the year ended March 31, 2021, together with the Report of the Board of Directors and the Auditors thereon;		
2.	To appoint a Director in place of Mr. Prabh Das (DIN: 00164799) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Mr. Yoichi Furuta (DIN: 08378126) who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Ms. Van Grembergen Hilde Magda Jacqueline (DIN: 08394826) who retires by rotation and being eligible, offers himself for re-appointment.		
5.	To regularize the appointment of Mr. Takahiro Mori (DIN: 09173335), as Director		
6.	To regularize the appointment of Mr. Bradley Lloyd Davey (DIN: 09179206), as Director		
7.	To regularize the appointment of Mr. Jun Hashimoto (DIN: 09244627), as Director		
8.	To appoint Mr. Jun Hashimoto (DIN: 09244627) as Wholetime Director designated as Director and Vice President - Technology.		
9.	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2022.		

Information pertaining to voting:

a) A person whose name is recorded in the register of members as on the cut-off date, i.e. 29/11/2021, only shall be entitled to vote on the resolutions in proportion to the share in the paid up equity share capital of the Company

b) The Voting will take place during the meeting and the members may convey their assent or dissent only at such stage on items considered in the meeting.

c) Members holding shares under multiple folios shall vote separately for each of the folios.

d) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. before the scheduled time of the meeting.

e) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify or withdraw the same.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5: To regularize the appointment of Mr. Takahiro Mori (DIN: 09173335), as Director:

The Board, at its meeting held on May 28, 2021, appointed Mr. Takahiro Mori (DIN: 09173335), as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013 till the ensuing Annual General Meeting of the Company. In terms of requirements of the provision of Companies Act, 2013, approval of the members of the Company is required for regularization of appointment of Mr. Takahiro Mori (DIN: 09173335) as Director of the Company, in respect of whom the Company has received a recommendation from the Board under Section 160 of the Act, proposing their respective candidatures for the office of the Directors of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his service as Director.

Mr. Takahiro Mori (DIN: 09173335) is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

The Board recommends the resolution no. 5 in relation to appointment of Mr. Takahiro Mori (DIN: 09173335) as Director of the Company, for the approval by the shareholders of the Company. A brief profile of each of Mr. Takahiro Mori (DIN: 09173335) director is as follows:

Takahiro Mori is the Representative Director and Executive Vice President of NIPPON STEEL CORPORATION.

Mr. Mori joined NIPPON STEEL CORPORATION in April 1983, in 1992, he studied at the Wharton School of the University of Pennsylvania to obtain MBA in 1992, then, he managed Global Marketing Division from 2002 to 2009, and Corporate Planning Division from 2009 to 2013.

He was appointed as the Executive Officer, Vice Head of Flat Products Unit in 2014. Then, he was sent to the joint venture company in Brazil, USIMINAS (Usinas Siderúrgicas de Minas Gerais S.A.) as the Executive Vice President from 2016 to 2020, then, he was appointed as the Managing Executive Officer, Head of Plate, Pipe & Tube Unit in 2020, then, he was appointed as the Executive Vice President, Head of Global Business Development sector in 2021.

Mori holds a Bachelor's degree in Laws from Tokyo University in Tokyo, Japan.

Mr. Takahiro Mori (DIN: 09173335), who is director of the company is concerned or interested in the resolution. No other Directors of the Company or their relatives are concerned or interested, financially or otherwise.

Item No. 6: To regularize the appointment of Mr. Bradley Lloyd Davey (DIN: 09179206), as Director:

The Board, in its meeting held on May 28, 2021, appointed Mr. Bradley Lloyd Davey (DIN: 09179206), as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013 till the ensuing Annual General Meeting of the Company. In terms of requirements of the provision of Companies Act, 2013, approval of the members of the Company is required for regularization of appointment of Mr. Bradley Lloyd Davey (DIN: 09179206) as Director of the Company, in respect of whom the Company has received a recommendation from the Board under Section 160 of the Act, proposing their respective candidatures for the office of the Directors of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his service as Director.

Mr. Bradley Lloyd Davey (DIN: 09179206) is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

The Board recommends the resolution no. 6 in relation to appointment of Mr. Bradley Lloyd Davey (DIN: 09179206) as Director of the Company, for the approval by the shareholders of the Company.

A brief profile of Mr. Bradley Lloyd Davey (DIN: 09179206) is as follows:

Bradley Lloyd Davey, 56, is a member of the ArcelorMittal Group Management Committee, Executive Vice President and Head of Corporate Business Optimization.

He joined Dofasco in 1986 as a project engineer in the Central Maintenance department, joined assigned Maintenance in 1989, and then the Hot Strip Mill in 1990. He held various positions in the HSM before becoming a Business Unit Manager in 1996. Bradley Davey gained international manufacturing experience through this role by leading 2 separate multi-year technical exchanges with the 2 leading Japanese steelmakers and through leading Dofasco's Hot Strip Mill modernization project.

In 2002 he changed careers to Marketing as a Manager Strategic Marketing, lead Dofasco's Marketing process redesign project before becoming General Manager of Marketing in 2005, then to Director of Industry Sales in 2007, and then Vice President Commercial in 2008. In 2014, he added CMO North America Automotive, then became CMO North America Flat Rolled later in 2014.

In 2016 he became CMO of Global Automotive along with CMO North America. In 2018 Brad became CEO ArcelorMittal North America and held this until his recent nomination to Head of Corporate Business Optimization beginning April 2021.

Currently based in Canada, Mr. Davey has responsibility for Global Automotive, R&D, CTO, Commercial Coordination, Corporate Capital Goods Procurement, Corporate Communications and Corporate Responsibility, Automotive JV's in China and India, Tailored Blanks Americas, and is Vice Chairman of the Investment Allocation Committee.

Mr. Davey holds a mechanical engineering degree from McMaster University, Canada. Bradley Davey is a citizen of Canada.

Mr. Bradley Lloyd Davey (DIN: 09179206), who is director of the company is concerned or interested in the resolution. No other Directors of the Company or their relatives are concerned or interested, financially or otherwise.

Item No. 7 and 8: To regularize the appointment of Mr. Jun Hashimoto (DIN: 09244627), as Director:

The Board, in its meeting held on August 03, 2021, appointed Mr. Jun Hashimoto (DIN: 09244627), as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013 till the ensuing Annual General Meeting of the Company. In terms of requirements of the provision of Companies Act, 2013, approval of the members of the Company is required for regularization of appointment of Mr. Jun Hashimoto (DIN: 09244627) as Director of the Company, in respect of whom the Company has received a recommendation from the Board under Section 160 of the Act, proposing their respective candidatures for the office of the Directors of the Company.

Pursuant to Section 196 of Companies Act, 2013 and considering the expertise of Mr. Jun Hashimoto, it is proposed to appoint Mr. Jun Hashimoto (DIN: 09244627) as an Wholetime Director designated as Director and Vice President – Technology, subject to approval of Central Government on such terms and conditions as set out below:

1. **Remuneration - Salary & Perquisites:**

   NIL salary will be paid to Mr. Jun Hashimoto (DIN: 09244627).

2. **Tenure**

   Appointment of Mr. Jun Hashimoto (DIN:09244627) as Whole Time Director shall be for a period of five years.

3. **Other terms:**

   a. No sitting fees shall be paid to Mr. Jun Hashimoto (DIN: 09244627) for attending the meetings of the Board of Directors or any Committee thereof, during his tenure as 'Whole Time Director' of the Company.

   b. Such other terms and conditions as may be decided by the Board from time to time.

   As Mr. Jun Hashimoto (DIN: 09244627) is a foreign national, his appointment as Wholetime Director will require prior approval of Central Government.

   The Board considers that his association would be of immense benefit to the Company and it is desirable to avail his service as Director.

   Mr. Jun Hashimoto (DIN: 09244627) is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

   The Board recommends the resolution no. 7 and 8 in relation to appointment of Mr. Jun Hashimoto (DIN: 09244627) as Wholetime Director designated as Director and Vice President – Technology, of the Company, for the approval by the shareholders of the Company, subject to approval of the Central Government.

   A brief profile of each of Mr. Jun Hashimoto (DIN: 09244627) director is as follows:

   Jun Hashimoto is the executive advisor of Nippon Steel Corporation.

   Hashimoto joined Nippon Steel Corporation in 1981.

   During his tenure, he held various senior managerial positions in sheet and coil production line, such as cold strip mill and tinplate mill at Yawata works.

   In 1996, he was appointed as the senior manager of technical service of Nippon Steel USA Inc., Chicago, and after working in Japan for eight years, he was appointed as the Vice President Operations of I/N TEK, I/N KOTE. INDIANA, USA in 2008, and as the COO of AM/NS Calvert, Alabama, USA in 2014. After he came back to Japan, he was appointed as the Vice President of Denkishizai Co., ltd. Japan (NSC's group company in the area of electrical sheet) in 2016, and as the President of Denkishizai Co. Ltd. Japan in 2017.

   He holds a master's degree in precision machinery engineering from Tokyo University.

   Mr. Jun Hashimoto (DIN: 09244627), who is director of the company is concerned or interested in the resolution. No other Directors of the Company or their relatives are concerned or interested, financially or otherwise.

Item No. 9: To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2022.

M/s Manubhai & Associates, Cost Accountants, have been reappointed as the Cost Auditors of the Company at the meeting of Board of Directors held on 29th November, 2021, to carry out cost audit pertaining to Steel Business of the Company for the year ending March 31, 2022 at a remuneration not exceeding ₹6,00,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the provisions of Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the shareholders.

Therefore, the Board recommends approval of the members by passing an Ordinary Resolution for item no. 9 for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors, Key Management Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By the Order of the Board
For ArcelorMittal Nippon Steel India Limited

Place: Mumbai
Date: November 29, 2021

Pankaj S. Chourasia
Company Secretary

Registered Office
AMNS House, AMNS Township 27 km,
Surat Hazira Road, Dist. Surat, Gujarat 394270
Website: www.amns.in
Email: Pankaj.chourasia@amns.in
Tel No.: +91 261 6682400, +91 22 6988 9999
Fax No.: +91 261 6685731

BOARD REPORT

To,
The Members of **ArcelorMittal Nippon Steel India Limited**

Your Directors have pleasure in presenting the 45th Annual Report of your Company together with the Audited Statement of Standalone Accounts for the year ended March 31, 2021.

As the members are aware that this is first full year of operations of the company after the successful implementation of the resolution plan under the Insolvency and Bankruptcy Code, 2016 and taking control over the management and affairs of the company on December 16, 2019.

During the last financial year FY20-21, the worldwide economies were under severe duress due to the novel corona virus or covid 19 which resultant into lockdown across the geographies. The impact of corona was widespread, colossal and unparalleled in the modern era. It has caused immense stress on the human lives and needless to say on world-wide economies in an unprecedented way. During this period, the main focus of all the governments were to contain the infection and to support masses impacted due to spread of virus and resultant lockdowns. As a part of contribution towards the society, the Company actively supported local authorities, governments in fight against the pandemic with various aids and support measures, these include substantial contribution to PM Cares Fund.

We are also not unaffected, during this pandemic, we lost few of our colleagues and we sincerely place of record our appreciation for their contribution made by them to the Company and our deepest condolences to the bereaved families and friends.

The lockdown and work-from-home is the new normal during the pandemic and the work force immensely and tirelessly contributed in keeping the operations of the Company intact.

FINANCIAL STATEMENTS & RESULTS:

A) FINANCIAL RESULTS

(₹ in Crore)

Particulars	Standalone	
	FY 2020-21	FY 2019-20
Gross Revenue	**32,592.14**	28,285.16
Expenses	**25,509.71**	25,048.15
Profit before Finance Costs, Exchange Variation and Derivative Gain / Losses, Depreciation / Amortisation, Exceptional Items and Tax	**7,082.43**	3,237.01
Less: Finance Cost	**3,758.47**	1,545,73
Less: Exchange variation and Derivative Losses (net)	**(152.29)**	343.29
Less: Depreciation / Amortization	**2,423.84**	2,442.45
Profit / (Loss) before Exceptional Items and Taxation	**1,052,41**	(1,094.46)
Exceptional items – Expense / (Income)	**(536.51)**	(15,838.88)
Profit / (Loss) before Taxation	**1588.92**	14,744.42
Tax Expense/ (Benefit)	**(279.78)**	823.45
Profit / (Loss) after taxation before Other Comprehensive Income	**1,868.70**	13,920.97
Other Comprehensive Income	**828.63**	(3.28)
Total other comprehensive income	**2,697.33**	**13,917.69**
Retained Earnings: Balance brought forward from the previous year	**(20,271.31)**	**(34,192.28)**
Add: Profit / (Loss) for the year	**1,868.70**	13,920.97
Add: Other Comprehensive Income / (Loss) recognized in Retained Earnings	**(3.54)**	-
Retained Earnings: Balance to be carried forward	**(18,406.15)**	**(20,271.31)**

B. OUTLOOK

Global Economy

Widespread Vaccination – key to global economic recovery

During the current fiscal, availability of vaccine gave a major boost to the fight against the covid-19 pandemic. As economies are recovering from Covid-19, Vaccine access has emerged as the key determinant.

The global economy is projected to grow about 5% in 2022. IMF prospects on emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect the recovery trends, changes in policy support and vaccination coverages.

Rise in Inflation and criticality of global monetary policy actions

Inflation is expected to return to its pre-pandemic ranges in most countries in 2022. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices.

Central banks are expected to look through transitory inflation pressures and **avoid monetary tightening** until there is more clarity on underlying price dynamics. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take pre-emptive action.

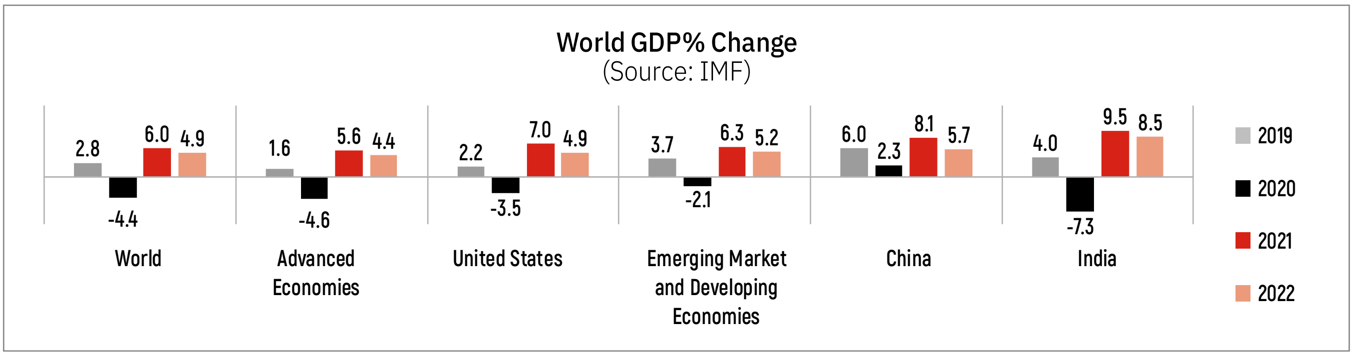
Potential downside Risks to economic revival

There are material **risks** to the economic outlook:

1. **Slower-than-anticipated vaccine rollout** – causing further restrictions in economic activity

2. **Financial conditions tightening rapidly**, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated

3. **A double hit to emerging market and developing economies** from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth



**India forecasts are FY based*

Indian Economy

Following the resurgence of COVID wave in Apr'21, **IMF slashed India's GDP growth estimate from 12.5% to 9.5% for FY22 (Apr'21-Mar'22)**. However, India's GDP growth is estimated to continue in FY23 at 8.5%.

CY20 has been one of the most unique period for Indian economy, driven by **timely support from the Central Government and RBI**. CY21 also has undergone similar challenges as previous year with surging Covid cases leading to states initiating lockdowns in the Q2, however with less severe stringency as most manufacturing and related industries continuing to remain operational.

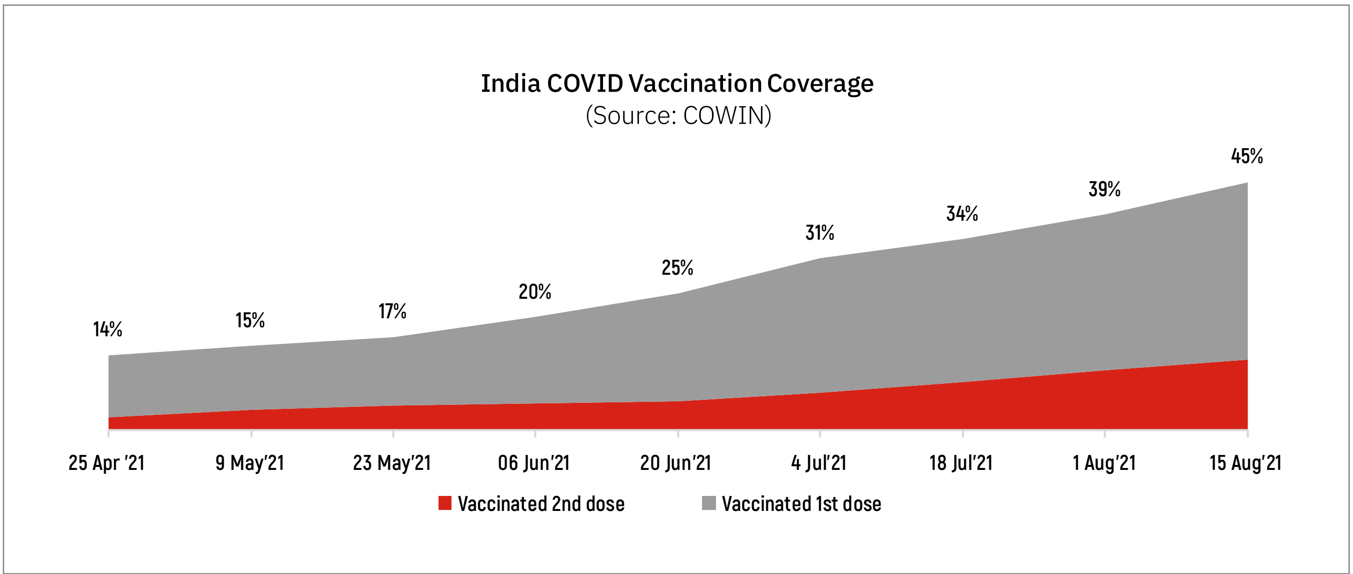
The policy mix has turned supportive of growth, with the RBI's monetary policy stance remaining accommodative, and the fiscal policy stance changing towards supporting growth. This supports a slower fiscal consolidation path, indicating the government's desire to keep expenditure to GDP elevated.

The challenging macro environment in recent years has weighed on **corporate sector balance sheets**. However, signs of deleveraging are visible now and expected to remain begin for some time.

Apart from the implementation of the **goods and services tax** (GST) and the **Insolvency and Bankruptcy Code** (IBC), India's policy makers continue to pursue structural reforms with **focus on pushing for capex-led growth with the cut in corporate tax rates**. This measure has been supported by other targeted policy steps such as **production-linked incentive schemes**, **changes to labour laws**, and creative **solutions on land acquisitions** that can help improve India's competitiveness in the global landscape.

The improvement in domestic demand coupled with a rise in global demand and favourable policy response from the government could help improve capacity utilisation, which would set the stage for enhancement **in private capex**.

Government is **aggressively pursued vaccination** to tackle mounting COVID challenges. By Aug'21, India had vaccinated 45%+ population. The vaccination rate and coverage need to be further enhanced to enable faster return of economic activities



Global Steel Industry

Even after resurgence of COVID 2nd wave and regional 3rd waves, global steel demand for CY21 is estimated to close 1,874 Mn T (at ~100 Mn T higher than CY19 levels).

Despite the disastrous impact of the pandemic on lives and livelihoods, the global steel industry ended 2020 with only a minor contraction in steel demand. This was due to a surprisingly robust recovery in China, with growth of 9.1%. In the rest of the world steel demand contracted by 10.0%. In the coming years, steel demand is estimated to recover firmly, both in the developed and developing economies, supported by pent-up demand and governments' recovery programmes. However, for most developed economies a return to the pre-pandemic levels of steel demand will take a few years.

While it is hoped that the worst of the pandemic is passing, there is still considerable uncertainty for the rest of 2021. The evolution of the virus and progress of vaccinations, withdrawal of supportive fiscal and monetary policies, geopolitics and trade tensions could all affect the recovery envisaged in this forecast.

For the future, the steel industry is expected to witness opportunities from rapid developments through digitisation and automation, infrastructure initiatives, reorganisation of urban centres, and energy use transformation.

China

China's GDP growth is expected to accelerate to 7.5% or higher in 2021, followed by moderate growth of 5.5% in 2022.

The construction sector had a fast recovery from April 2020, supported by infrastructure investment. For 2021 and onwards, real estate investment growth may decrease due to the government's guidance to slow growth in the sector down.

Investment in infrastructure projects in 2020 reported a mild growth of 0.9%. However, as the Chinese government has kicked off a number of new projects to support the economy, the growth in infrastructure investment is expected to pick up in 2021 and continue to affect steel demand in 2022.

In the manufacturing sector, automotive production contracted the most by 45% during the lockdown, but has been recovering strongly since May'20. For the whole of 2020, auto production declined by only 1.4%. Other manufacturing sectors have shown positive growth due to strong export demand.

Due to the strong activity in the construction and machinery sectors, and with some inventory accumulations, apparent steel use rose by 9.1% in 2020. In 2021, it is expected that the stimulus measures introduced in 2020 will largely remain in place to ensure continued reasonable growth in the economy.

As a result, most steel-using sectors can show moderate growth and China's steel demand is expected to grow by 3.0% in 2021. In 2022, steel demand growth could decelerate to 1.0% as the effect of the 2020 stimulus subsides, and the government focuses on more sustainable growth. The government's reaction to the new US administration's trade policy and the intensified environmental push add uncertainty.

China is also pressures of decarbonization and has shown intent to move to less carbon intensive steel making processes. With this intent, China is expected to curtail steel volumes in H2 2021.

2) **Advanced economies**

After the free-fall in economic activity in the second quarter of 2020, industry generally rebounded quickly in the third quarter, largely due to the substantial fiscal stimulus measures and unleashing of pent-up demand. However, activity levels still remained below the pre-pandemic level at the end of 2020. As a result, the developed world's steel demand recorded a double-digit decline of 12.7% in 2020.

Despite high infection levels, the **US** economy was able to rebound strongly due to the substantial fiscal stimulus that supported consumption. This helped durable goods manufacturing, but overall US steel demand fell by 18% in 2020.

Similarly, the **EU** steel-using sectors suffered severely from the first lockdown measures in 2020, but experienced a stronger than expected post-lockdown rebound in manufacturing activities due to supportive government measures and pent-up demand. Accordingly, steel demand in 2020 in the EU27 and the UK ended with a better than expected 11.4% contraction. Italy and France recorded proportionately larger contractions due to the severe lockdown measures and collapsed tourism.

The recovery in 2021 and 2022 is expected to be healthy, driven by recovery in all steel-using sectors, especially the automotive sector, and public construction initiatives. So far, the EU's recovery momentum has not been derailed by the ongoing third waves, but it remains fragile.

3) **Developing economics excluding China**

Generally, developing economies excl. China suffered more from the pandemic relative to the developed economies, with inadequate medical capacity, a collapse in tourism and commodity prices, and insufficient fiscal support. Steel demand in the developing economies excluding China declined by 7.8% in 2020. However, within the emerging economies, the picture was varied. India, MENA, and most Latin American countries suffered the most.

Benefitting from the global economic recovery and with renewed government infrastructure initiatives, steel demand in the developing economies is expected to show a relatively quick rebound in 2021 and 2022, with growth of 10.2% and 5.2% respectively. Accumulation of debts, no recovery in international tourism, and slow vaccination will impede faster recovery.

Steel Demand Outlook	2018	2019	2020	2021	2022	2019 Growth	2020 Growth	2021 Growth	2022 Growth
China	**836**	**908**	**995**	**1,025**	**1,035**	**9%**	**10%**	**3%**	**1%**
Rest of the World (Excl. China)	**871**	**867**	**777**	**849**	**890**	**0%**	**-10%**	**9%**	**5%**
India	**97**	**103**	**89**	**106**	**112**	**6%**	**-14%**	**20%**	**6%**
USA	100	98	80	87	90	-2%	-18%	8%	4%
Japan	65	63	53	56	59	-3%	-17%	6%	5%
South Korea	54	53	49	52	53	-2%	-8%	5%	3%
World	**1,707**	**1,775**	**1,772**	**1,874**	**1,925**	**4%**	**0%**	**6%**	**3%**

Source: WSA

Indian Steel Industry

India suffered severely from an extended period of severe lockdown, which brought most industrial and construction activities to a standstill. However, the economy has been recovering strongly since August, much sharper than expected, with the resumption of government projects and pent-up consumption demand. India's steel demand fell by 13.7% in 2020 but is expected to rebound by 19.8% to exceed the 2019 level in 2021. The growth-oriented government agenda will drive India's steel demand up, while private investment will take longer to recover.

Government of India (GoI) has been proactive to stimulate steel consumption through various schemes like Production Linked Incentive (PLI), infrastructure stimuli in the budget etc. GoI has also demonstrated clear intent in encouraging the domestic steel industry for less Carbon intensive methods of steel making. GoI has also been pushing for usage of more renewable power, innovations to enable usage of Hydrogen steel making processes etc. The industry participants have also portrayed equal inclination towards developing sustainable methods to reduce carbon footprint. While the technologies enabling widespread deployment and carbon reduction are in experimental stage.

In order to participate and contribute to Atma Nirbhar India, Indian steel industry is aggressively generating its footprint through various greenfield and brownfield expansions. Announced expansion projects by major steel players in India is expected to add ~ 25 MT of steelmaking capacity by CY25.

SALES AND MARKETING

World steel demand, according to the World Steel Association (SRO, April 2021) was at 1771.8 Mnt in 2020. The demand contracted by 0.2% y-o-y.

COVID-19 pandemic impacted the lives and livelihoods of many people but resilient steel demand saw a minor contraction, mainly due to robust recovery in China which grew by 9.1% during the year.

The steel demand in Advanced Economies remained well below the pre-pandemic level, despite the industrial activity rebounding in the later part of 2020 and increase in pent-up demand. The steel demand declined by 12.7% in 2020.

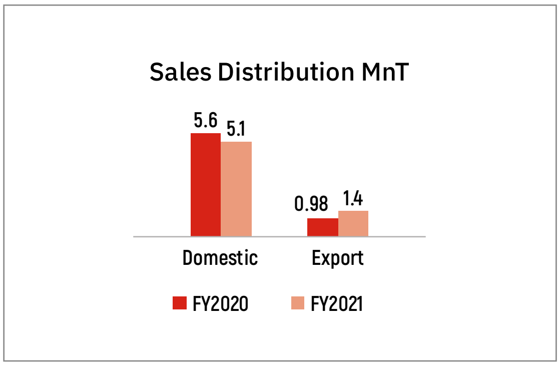
In India, stringent lockdown brought the industrial and manufacturing activities to a standstill. Recovery picked up from August 2020 with the resumption of government projects and pent-up demand but due to stringent lockdown, the steel demand fell by 13.7% in 2020.

In 2021, the world steel demand is expected to recover and grow at 5.8% to 1874 Mnt primarily supported by government stimulus measures and pent-up demand. However, headwinds due to evolution of virus, progress of vaccinations, withdrawal of fiscal & monetary policies and geopolitical and trade tensions could impact recovery.

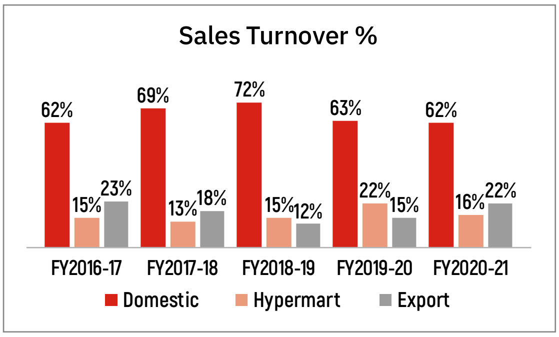
China's steel demand growth is projected to taper down to 3% in 2021 as it strongly moves towards consumer driven economy, lowering fiscal stimulus and support. The Developed Economies of US, EU, Japan & South Korea are forecasted to grow by 8.2% on year driven primarily by a healthy recovery in most steel consuming sectors and continued support by the respective governments.

India's steel demand is set to rebound and projected to grow by 19.8% in 2021 supported by growth-oriented initiatives of the government though some head winds felt due to the 2nd COVID wave could bring down the growth. Atamanirbhar Bharat (self-reliant India) & Production Linked Incentive (PLI) schemes announced by the government for various industries are expected to be the main drivers of steel demand.

AMNS India achieved sales volume of 6.5 million tonnes in FY 2020-21 which was marginally lower by 1.6% y-o-y. The drop in domestic sale was covered strategically by increasing export sale. The sales volume achieved was commendable in the face of stringent lockdown in the country and slowdowns across the major steel consuming regions of the world.

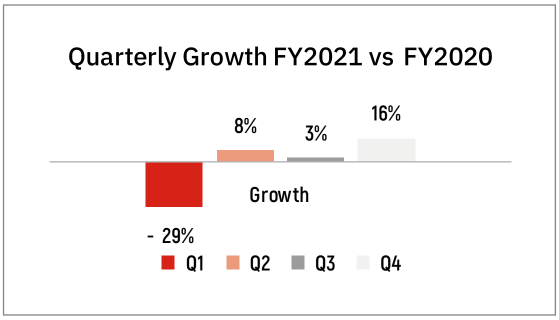


AMNS India met its commitments to domestic OE customers ensuring their requirements were met for the entire year under review. The sale from Hypermart however was lower as smaller customers and retailer's operations were affected during the lockdown.



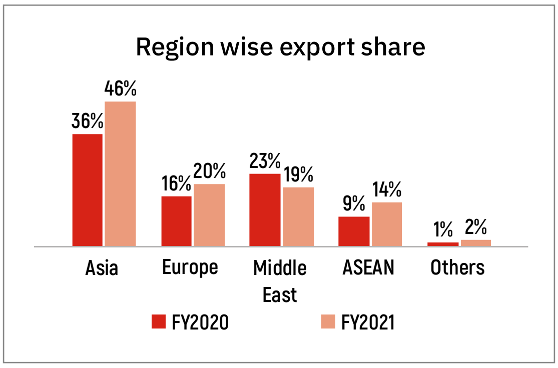
AMNS India focused on export which rose from 15% in FY2020 to 22% in FY2021 helped maintain the overall sales volume during the financial year.

During Q1 FY2021, sale was severely affected as lockdown was clamped in the country declining by 29% in comparison to the previous year. Subsequent quarters saw positive turnaround on easing of lockdown, opening of the economy and continued focus on the export front.

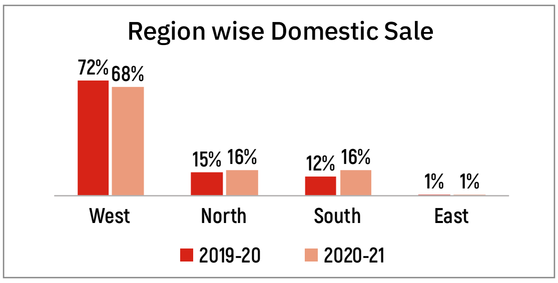


Company's export efforts were directed towards Asia and EU as demand in these regions picked up strongly during the year. AMNS India customer base increased in major steel consuming regions such as Asia, Europe, ASEAN and Middle East.

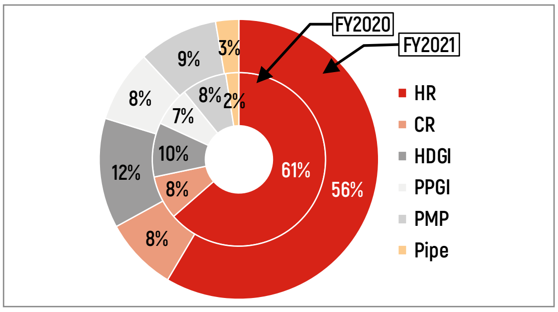
Our increased export on year basis is proof of acceptance of our quality and service to discerning customers in these regions and around the world.



On the domestic sale front, AMNS India aimed at ensuring higher realisation through better geographic distribution. Sale of Downstream products, Branded products & Value-added products remained our topmost priority during the year.

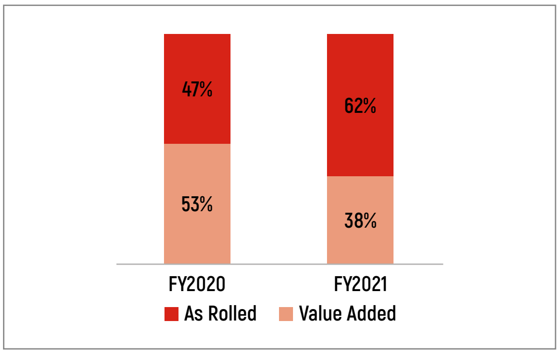


During the year, AMNS India achieved higher total sales in downstream value-added products. HDGI sales increased from 8% to 12%, PPGI from 7% to 8% and PMP from 8% to 9% respectively on year-on-year basis. This, during the challenging time, ensured better and improved sales realization.



In Heavy Plates, AMNS India increased sale of value-added Plates in Furnace Normalized, High Strength Low Alloy, Quenched & Tempered and API grades. Together, these value-added product sales increased from 38% in FY2020 to 62% in FY2021. The transition from as rolled normal grade plates to these value-added plates marks a significant shift in our offerings and creating better value for your company.

Customer satisfaction and meeting higher expectations continue to be the driving force in all our initiatives. During these challenging and trying times, we ensured our continuous support and timely delivery of products to all our customers.



Awards & Recognitions:

ATMASTCO recognized AMNS for 1500t high quality steel plate supplies for first cable stayed bridge for rails constructed by HCC at Anjigad, Jammu.

JCB India appreciated AMNS' efforts in maintaining supply flexibility during Covid lockdown, new product development and superior customer relationship

Stallion, Maximus and Kalash brands launched during the year were widely received by the customers all across India

Import Substitution:


Control Arm


Frames


Car Seat Recliners


Sub frame / Axle


Tipper Body


Armoured Vehicles

Excavator Boom


Backhoe Arm stick


Excavator Bucket


Dumpers

Our Brands:

Your company launched **STALLION MAXIMUS KALASH** and during the year. These brands are well received by the discerning buyers. Premium Colour Coated Steel with up to 5 years warranty and proven to resist chalking, fading and paint peeling

KALASH
PREMIUM COLOUR COATED STEEL

STALLION

Hot Rolled steel with consistency of properties, best in class tolerances and guaranteed flatness

MAXIMUS

Rolled Plates to serve wide range of engineering & fabrication needs

AMNS also re-launched these brands into the marketplace:

ROCKSTAR
TUFMAX
HOT ROLLED HIGH STRENGTH STEEL
BOROSTAR
THERMOSTAR
HIGH PRESSURE RESISTANT STEEL
SOLGAL
PENSTAR
ARMAPRO 500

OPERATIONS:

In FY 2020-21, in spite of various challenges of the market demand, the availability of resources and restrictions imposed by COVID-19 pandemic, your company has endeavored to produce 6.6 million tons (MT) finished steel. The production growth rate was decreased by 6% due to COVID-19 restrictions imposed by government at the start of the financial year. Even with this crisis, company has shown 3.5 % growth rate from Q2 – FY 2020-21.

We produced 6.80 million tons of crude steel as against 7.23 million tons during the previous year. In the year FY 2020-21, the higher volume was produced from the Blast furnace unit. The Blast furnace produced 19.7% higher volume compared to rated capacity. For the seventh consecutive year, the Blast furnace produced higher than its rated capacity.

Your company has put in significant efforts to further strengthen operations to achieve higher capacity utilization. Customer Satisfaction has always been a prime focus. Your company is also taking leading role in new product development and cater customized requirements. In order to improve profitability, the company has focused on margin maximization by reducing fixed and variable cost as well as increasing the value-added grades. Like last year, this year also your company continued to leverage IT, AI, Systems and process development.

During the outbreak of the Covid-19 Pandemic and the subsequent inflexible procedures initiated by the Government of India, the product delivery of finished goods as well as the supply of raw materials to across pan India plants/units were adversely affected. To mitigate the risk factors, your company is constantly and proactively reviewing and monitoring the situation and revising its operational strategies accordingly considering health and safety of its personnel, operational requirements, availability of raw materials, off-take in the markets and available inventories.

Key highlights of the year were –

- Pellet Plants: Overall Pellet production was 11.19 million tons at both pellet plants. The Paradeep Pellet plant produced 4.48 million tons and Vizag Pellet plants produced 6.71 million tons. The second pellet plant in Odisha has been commissioned in Sept-21. In the month of Jul-21, highest ever total pellet production was achieved i.e. 1.1 million tons.

  Iron making: Overall Iron production was 7.97 million tons. Hot metal production from Blast Furnace and Corex plants was 2.09

million tons and 1.23 million tons respectively. Highest ever production was achieved from Iron Making zone i.e. 2256 KT for the Q-3 of FY 2020-21 since inception.

- Steel Making: Overall crude steel production was 6.8 million tons. The Steel Making plant 1 (SMP1) & Steel Making Plant 2 (SMP2) produced 2.92 and 3.87 million tons respectively. Highest ever production was achieved from steel making zone i.e. 1915 KT for the Q-3 of FY 2020-21 since inception. The Steel making plant 1 (SMP1) produced highest ever volume of degassing steel 0.70 million tons (12% increase in volume than previous year). To ramp the critical grade production at SMP1, Ladle Furnace 5 is under commissioning.

- Rolling: Overall rolling production was 6.6 million tons. Highest ever production was achieved from rolling zone i.e. 1834 KT for the Q-3 of FY 2020-21 since inception.

The volume ramp-up and operational excellence projects are under progress, which will further add on to the profitability of the company. The company has, in spite the Covid pandemic, invested in necessary extraordinary maintenance to catch up with the backlog of the previous period. This effort will continue in the next years with major repairs of the iron making facilities and other necessary capex to modernise obsolete systems. These efforts, together with the debottlenecking projects, will lead to a further growth to 8.4 million tons of finished goods by 2024.

AWARDS AND ACCOLADES

Your company received the following awards:

Sr. No.	Award Title	Category / Details	Awarded By	Year
1	S C Dey Memorial Trophy for Professional Excellence	Global Summit Award 2021 on TQM	Techno India University West Bengal, QCFI (Quality Circle Forum of India	**Aug-2021**
2	"Apex Corona Warrior Appreciation Certificate."	Apex Corona Warrior	Kings Expo media & Fire & Safety Magazine (National Level Fire Safety & Security Magazine)	**Oct-2020**
3	"Apex Corona Warrior Appreciation Certificate."	Apex Corona Warrior	Kings Expo media & Fire & Safety Magazine (National Level Fire Safety & Security Magazine)	**Oct-2020**
4	National Convention on Quality Concepts (NCQC) 2020 -- quality concept award	Excellent award Winner in health and environment case studies. Project: Recycling of environmentally hazardous fume extraction system dust and effluent treatment plant sludge at AMNS	Quality circle forum of India – Gujarat	**Dec-2020**
5	Ispat Suraksha Puraskar	Gold award in 1.Coal, Coke & Chemical Zone 2.Iron Zone 3.Steel Zone Rolling Zone	Joint Committee on Safety, Health & Environment in the Steel Industry	**FY 19-20**
6	Best Water Optimisation 2021 (Paradeep Unit)	National level Conference	Mission Energy Foundation	**Jun-2021**
7	Best Power Plant Performer 2021 (< 500 MW) Runner up Award	National level Conference	Mission Energy Foundation	**Jun-2021**

We have applied for 2 patents from AMNSI India:

Title	Patent Grant Date	Patent No
Method of coating iron-ore pellets with lime-rich dust particles	06/10/2020	348673
Coal Briquette and a method for cold briquetting of coal fines using a polymeric organic binder	09/06/2020	338216

FINANCE

FY 2020-21 is the first full year of reporting post successful implementation of the Resolution plan. FY 20-21 was a generally good year for Steel Industry despite the Economy getting adversely affected in India and Globally by the Covid 19 pandemic.

This year witnessed increase in steel demand, especially from the export markets, and steel prices improved steadily. Net worth of Company turned positive during the FY 20-21 with a figure of ₹6609.96 crore. The Company generated net profit of ₹1868.70 crore during the year (despite having challenging times due to Covid 19 pandemic). Company is on a strong path of strengthening its financial and operations performance.

Strong Financial Indicators for FY 2020-21:

1. Company generated sustainable cash flow from its ramped-up production capacity and utilization

2. AMNS Completed acquisition of certain critical assets associated with its operations during FY 2020-21
   (i) Essar Power Orissa Limited (Assets acquired through SARFESAI Act)
   (ii) Bhander Power Limited (Assets acquired through SARFESAI Act) (in March, 2020)

3. Production from Thakurani mines started from July' 2020. Supply of Iron ore started from these mines to AMNS for its production. Iron-Ore production is getting ramped up steadily in captive mines. These acquisitions have provided an opportunity to AMNS to secure its raw material requirement.

4. Approximately 65 % of iron making production capacity in Hazira is based on natural gas. Company is majorly importing such natural gas. To mitigate the risk of price fluctuations, Company has completed the process of hedging long-term natural gas contracts till FY 2026. This is a very strong cost optimization step for AMNS.

5. To stabilize its operations (due to coming out of Insolvency and Covid 19 pandemic impact) and not burden the company with financial cost, Group companies, who have provided loan facilities, have given Interest moratorium for FY 2020-21 to AMNS. This step has provided an opportunity for AMNS to increase its cash liquidity position and invest in increasing its production volumes.

6. Company is in process of ramping up its production capacity by taking several steps:
   - Debottlenecking of the current processes
   - Expanding the current capacity
   - Observing for viable and attractive investment opportunities in steel sector for expansion through acquisitions
   - Putting emphasis on in house research for improvement in the product quality and introduction of the new products in the market
   - Taken several proactive measures to cut the cost and improve efficiency
   - Implemented process automation of the various manual processes in Finance and Accounts Area to cut cost, save time and improve efficiencies

C) REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company has availed exemption under rules framed under Companies (Accounts) Amendment Rules, 2016 and Para 4(a) of Ind AS 110, for preparing consolidated financial statement. AMIPL, the Indian holding company, is preparing consolidated financial statements for period ending the year ended 31st March 2021, consolidating accounts of subsidiaries and associates of AMNSI.

The report on financial performance of subsidiaries, associates and Joint Venture companies pursuant to Section 129 (3) read with Rule 5 of Companies (Accounts) Rules, 2014 is attached herewith as **Annexure – I**.

D) **DIVIDEND:**

No dividend recommended for the financial year March 31, 2021 as the Company is still under the process of recovery from the impact of being under Corporate Insolvency Resolution Process in the last financial year (2019-2020) and do not have adequate profits in the financial period (2020-2021) under consideration.

E) **TRANSFER TO RESERVES:**

No amount is recommended for transfer to reserves during the year under review.

F) **REVISION OF FINANCIAL STATEMENT:**

There was no revision of the financial statements for the year under review.

G) **DISCLOSURES UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, no material changes or commitments affecting the financial position of the company have occurred between the end of the financial year and the date of this report.

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

During the year under review, there are no significant or material orders passed by the Regulators/ Courts/ Tribunals that could impact the going concern status of the Company and its future operations.

I) **PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:**

The transactions / contracts / arrangements entered by the Company with related party(ies) during the period under review, are in the ordinary course of business and at arms' length. Therefore, such transactions do not come within the purview of the provisions of Section 188 of the Companies Act, 2013 ("Act"). To systematically deal with and ensure proper compliance of Section 177 and 188 of the Act, the Company has formulated a detailed Related Party Transactions Policy containing identification of related parties, identification of related party transactions, creation of monitoring team, roles and responsibilities of executives, approval matrix, approval process, documentation for arm's length justification, methods to be used for arm's length pricing, audit process etc.

Company's major related party transactions are generally with its holding companies / fellow subsidiaries and associates. All related party transactions entered into are based on considerations of various business exigencies, such as synergy in operations, industry specialization and the Company's long-term strategy for investments, optimization of market share, profitability, contractual obligations of lenders, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on an arms' length basis and are intended to supplement interest of the company. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 43 of Standalone Financial Statements, forming part of the Annual Report. Further, refer **Annexure II** for details of contracts and arrangements.

J) **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

Particulars of loans and guarantees is not applicable to the Company. The particulars of investment made by the Company pursuant to the provision of section 186 of the Companies Act, 2013 can be referred in the Note No. 6 of the Notes to Financial Statement for the year ended March 31, 2021.

K) **SHARE CAPITAL:**

During the year under review, there was no change in the authorised or paid-up share capital of the Company. As on year ended March 31, 2021 the Authorised Share Capital and the paid-up share capital of the Company were remained at ₹30,000 Cr. and ₹9,222 Cr. respectively.

L) **GENERAL:**

There has been no change in the nature of business of the Company.

Further, no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year ended under review:

1. Details relating to deposits covered under chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme.
4. Issue of equity shares under Employees Stock option Scheme.
5. Non exercising voting rights in respect of shares purchase directly by employees under scheme pursuant to section 67(3) of the Companies Act, 2013.

2. MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review and till the date of this board report, few changes were undertaken in the board constitution due to superannuation and realignment of duties at parent companies' level.

ArcelorMittal has nominated Mr. Bradley Davey (DIN: 09179206) in place of Mr. Brian Aranha (DIN: 07977330) and Nippon Steel Corporation has nominated Mr. Takahiro Mori (DIN: 09173335) in place of Mr. Katsuhiro Miyamoto (DIN-08378114) as Directors on May 28, 2021. Nippon Steel Corporation has further nominated Mr. Ichiro Sato (DIN: 08748844) in place of Mr. Taisuke Nomura (DIN: 03479380) and Mr. Jun Hashimoto (DIN: 09244627) in place of Mr. Hiroyuki Nitta (DIN: 08378146) as Directors on June 11, 2020 & August 03, 2021 respectively. All these appointments were made by the board by circular resolutions.

The Board places on record its deep gratitude for the services rendered and contribution made by Mr. Brian Aranha, Mr. Katsuhiro Miyamoto, Mr. Taisuke Nomura and Mr. Hiroyuki Nitta during their respective tenures as a Directors of the Company.

As per the provision of section 161(1) of the Companies Act 2013, following were appointed as additional directors of the company:

I Mr. Takahiro Mori (DIN: 09173335) with effect from May 28, 2021

II Mr. Bradley Lloyd Davey (DIN: 09179206) with effect from May 28, 2021

III Mr. Jun Hashimoto (DIN: 09244627) with effect from August 03, 2021

These directors hold respective office of directorships till the conclusion of ensuing Annual General Meeting. The Board recommend the appointment of Mr. Bradley Davey (DIN: 09179206), Mr. Takahiro Mori (DIN: 09173335) and Mr. Jun Hashimoto (DIN: 09244627) as Directors of the Company at this 45th Annual General Meeting. The Board is of the opinion that the continuation of the aforesaid Directors are within the requirements of the Companies Act, 2013 and in the interest of the company. Accordingly, the Board recommends the appointment of Mr. Bradley Davey (DIN: 09179206), Mr. Takahiro Mori (DIN: 09173335) and Mr. Jun Hashimoto (DIN: 09244627) as Directors of the Company.

During the year under review, Mr. Takahiro Nagayoshi was appointed as Chief Financial Officer (CFO) of the Company with effect from June 15, 2020.

As per the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company. Mr. Prabh Das (DIN 00164799), Ms. Van Grembergen Hilde Magda Jacqueline (DIN: 08394826) and Mr. Yoichi Furuta with (DIN: 8378126) retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

During the year under review, following are the details of Key Managerial Personnel:

Name	Designation
Mr. Dilip Oommen	Director and Chief Executive Officer
Mr. Hiroyuki Nitta	Director and Vice President - Technology
Mr. Takahiro Nagayoshi	Chief Financial Officer
Mr. Pankaj Chourasia	Company Secretary

The Board, in it meeting held on 29th November, 2021, recommended Mr. Jun Hashimoto (DIN: 09244627) as whole time director of the Company designated as Director and Vice President – Technology with effect from **30th November, 2021.**

Mr. Kalyan Ghosh (DIN: 06444120) was appointed as alternate director to Mr. Brian Edward Aranha. Details of his appointment and cessation as Alternate Director are given below:

Date	Status
29.06.2020	Resignation
30.06.2020	Appointment
10.12.2020	Resignation
11.12.2020	Appointment
08.03.2021	Resignation
09.03.2021	Appointment

Mr. Hiroshi Ebina (DIN: 08224876) was appointed as Alternate Director to Mr. Yoichi Furuta. Detail of his appointment and cessation as Alternate Director is given below:

Date	Status
29.06.2020	Resignation
30.06.2020	Appointment
10.12.2020	Resignation
11.12.2020	Appointment
08.03.2021	Resignation
09.03.2021	Appointment

b. **DECLARATIONS BY INDEPENDENT DIRECTORS:**

In accordance with the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014, after the Acquisition, the Company is not required to appoint any independent directors.

c. **PAYMENT OF COMMISSION TO MANAGERIAL PERSONNEL**

The Company has not paid any Commission to Managerial Personnel during the financial period under review.

3. **DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES**

Disclosure in relation to Section 134 (3) (p) of Companies Act, 2013 read with Rule 4 of Companies (Accounts) Rules, 2014.

a. **BOARD MEETINGS**

During the year under review, the Board of Directors met Eight times as under:

Name of the Director	24-06-2020	29-06-2020	18-09-2020	05-10-2020	23-11-2020	10-12-2020	17-02-2021	08-03-2021
Mr. Aditya Mittal	N	Y	N	Y	N	Y	N	Y
Mr. Brian E. Aranha	Y	Y	N	Y	N	Y	N	Y
Mr. Prabh Das	Y	Y	N	Y	Y	Y	Y	Y
Ms. Hilde Van Grembergen	Y	Y	N	Y	Y	Y	N	Y
Mr. Katsuhiro Miyamoto	N	Y	N	Y	N	Y	N	Y
Mr. Yoichi Furuta	N*	Y	N	Y	N	Y	N	Y
Mr. Hideki Ogawa	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Ichiro Sato#		Y	N	Y	N	Y	N	Y
Mr. Dilip Oommen	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Hiroyuki Nitta	N	Y	N	Y	Y	Y	N	Y
Mr. Kalyan Ghosh (Alternate Director)			Y*		Y*	N	Y*	
Mr. Hiroshi Ebina (Alternate Director)	Y*		Y*		Y*		Y*	

* attended by respective alternate directors.

appointed on June 11, 2020

Y – Yes, N – No, NA- Not Applicable

b. **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March, 2021, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b. such accounting policies have been selected and applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit/loss of the Company for that year;

c. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. the annual accounts of the Company have been prepared on a going concern basis.

e. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

c. ANNUAL EVALUATION OF DIRECTORS, COMMITTEES AND BOARD (PURSUANT TO SECTION 134(3)(p).

The Board has undertaken the Annual Evaluation of its own performance as well as the working of the Committees of the Board, Non-executive Directors and Executive Directors during the year under review.

d. RISK MANAGEMENT

The Board of Directors of the Company has designed Risk Management Policy and Guidelines for monitoring the various Business Risks to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and to define a structured approach to manage uncertainty and to make use of these in their decision-making pertaining to all business divisions and corporate functions. Key business risks and their mitigation plans are considered in the annual/strategic business plans and in periodic management reviews.

e. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility Committee was formed in May 2013. As per the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee was re-constituted by the Board in its meeting held on December 16, 2019, and Mr. Brian Edward Aranha, Mr. Prabh Das, Mr. Taisuke Nomura and Mr. Hideki Ogawa were nominated as its members. Later, on June 11, 2020, Mr. Ichiro Sato replaced Mr. Taisuke Nomura as the member of CSR Committee and on 17th June 2021 Mr. Bradley Lloyd Davey was appointed as member in replace of Mr. Brian Edward Aranha who superannuated.

The Board of Directors of the Company has approved CSR Policy based on the recommendation of the CSR Committee. The CSR Policy of the Company is available on the Company's website www.amns.in.

The Company has undertaken CSR activities as part of its social responsibility and also under MoEF conditions. These activities are generally for the upliftment and benefit of persons residing in and around the vicinities where company carries its operations. Further in the time of COVID – 19 pandemic Company had also contributed toward the PM CARES Fund and vaccination drive. The yearly report on CSR Activities for FY 2020-21 is attached as **Annexure – III.**

f. INDIAN ACCOUNTING STANDARDS (IND AS)

The financial Statements of the Company has been prepared as per applicable Indian Accounting Standards (IND AS).

g. INTERNAL CONTROL SYSTEMS: ACCOUNTS

i. INTERNAL AUDIT:

As required under Section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit function is carried out by an in house qualified and experienced team, assisted by outsourced audit resources. The internal audit function is independent of the Executive Management. Internal audit reviews the internal controls on all the key business processes across functions and locations of the Company. The scope, functioning, methodology and risk based annual audit plan for conducting the internal audit was formulated in consultation with the Management Committee and is approved by the Assurance Review Committee of the Board of Directors. The key findings from the internal audit and progress on action taken by the Management are presented to the Assurance Review Committee. The audit plan and coverage is commensurate with the size and operation of the Company.

ii. **VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company has formulated "Vigil Mechanism Policy" for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The Directors, employees of the Company or other allied parties have the right/ option to report their concern/grievance to the appointed Ombudsperson who acts independently or the CEO or any senior management personnel.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. For the purpose of investigating the whistleblower complaints, the Company has set up an in-house investigation team under Chief Internal Auditor to investigate the complaints independently. The Company also follows a strict policy for non-retaliation and ensures the confidentiality of the whistleblowers at all times.

The Vigil Mechanism Policy of the Company is available on the website of the company i.e., www.amns.in.

iii. **INTERNAL CONTROLS:**

The company has adequate system of internal controls commensurate with the size of the company and complexity of the business. The internal controls are achieved through the following key aspects:

- Preparation of Annual Business Plan and robust monitoring of the same at the Managing Committee and Board level
- Implementation of Delegation of Authority for approvals of various business transactions based on financial impacts
- Mapping of all the key business processes in SAP having in built controls through release strategy and workflows in all the key financial transactions, procurement of goods & services and sales
- Maker/checker controls before releasing of funds
- Automation and digitization of business processes through eAuctions, implementation of Robotics in Accounts Payables function.
- Implementation of SOX & Internal Financial Controls with underlying SOPs across the functions which are tested by the Internal Controls/SOX team, Internal Audit team and the Statutory auditors.
- Internal audit of all the functions is undertaken by an independent in-house internal audit team and the significant observations are reported to the Managing Committee and the Assurance Audit Committee of the Board.
- Establishment of corporate governance policies in respect of code of conduct, conflict of interest, anti-bribery & corruption, competition compliance, whistleblower policy, etc.

h. **DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014 - PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

During the year under review, the details of the employees whose particulars are required to be given under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are annexed herewith as **Annexure-IV**.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours, any member interested in obtaining such information may write to the Company Secretary, and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

i. **PAYMENT OF REMUNERATION / COMMISSION TO DIRECTORS FROM HOLDING OR SUBSIDIARY COMPANIES**

None of the managerial personnel i.e., CEO and Whole-time Directors of the Company are in receipt of any remuneration / commission from the Holding or Subsidiary Company of the Company.

4. **AUDITORS AND THEIR REPORTS**

The matters related to Auditors and their Reports are as under:

A. **STATUTORY AUDITORS – ACCOUNTS**

I. **Auditors and their Reports**

i. **Standalone Financial Statement:**

There was no qualification by the auditors on the financial statement of the company. However auditors have put emphasis of the matter and drawn the attention to note 44(ii)(2) to the financial statements relating to the ongoing disputed matters with a vendor pending before arbitration tribunal and its assessment as a contingent liability and not acknowledged as debt by the management basis consideration of relevant underlying acts of such disputed matters and the independent legal opinions obtained by the Management.

Management Response:

Management response has been provided in the note 44(ii)(2) of standalone financial statement.

ii. **Consolidated Financial Statement:**

The Company has availed exemption under rules framed under Companies (Accounts) Amendment Rules, 2016 and Para 4(a) of Ind AS 110, for preparing consolidated financial statement. AMIPL, the Indian holding company, is preparing consolidated financial statements for the year ended on March 31, 2021, consolidating accounts of subsidiaries and associates of AMNSI.

B. **SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2021**

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary, accordingly Ashish Garg Company Secretaries LLP were appointed to issue Secretarial Audit Report for the financial year 2020-2021.

Secretarial Audit Report issued by Ashish Garg Secretaries LLP, Company Secretaries, in prescribed Form MR-3 for the financial year 2020-2021 forms part to this report **Refer Annexure V**. The said report does not contain any observation or qualification requiring explanation or comments from the Board.

C. **STATUTORY AUDITORS:**

M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 302009E), have been appointed as Statutory Auditors of the Company for a term of five years till the conclusion of 48th Annual General Meeting to be held in year 2024.

D. **COST AUDITORS:**

M/s. Manubhai & Associates, Cost Accountants has been re-appointed as the Cost Auditors of the Company for the financial year 2021-2022 for all applicable Product Groups. The said report does not contain any observation or qualification requiring explanation or comments from the Board.

E. **INTERNAL AUDITOR:**

As required under Section 138 of the Companies Act, 2013 and Rule 13 of the Companies (Accounts) Rules, 2014, the Internal Audit function is carried out by an in house qualified and experienced team, assisted by outsourced audit resources. The internal audit function is independent of the Executive Management. Internal audit reviews the internal controls on all the key business processes across functions and locations of the Company. The scope, functioning, methodology and risk based annual audit plan for conducting the internal audit was formulated in consultation with the Management Committee and is approved by the Assurance Review Committee of the Board of Directors. The key findings from the internal audit and progress on action taken by the Management are presented to the Assurance Review Committee. The audit plan and coverage is commensurate with the size and operation of the Company

Also, At the year end the Board at the meeting held on March 08, 2021 has appointed Mr. Nilesh Likhite, Chartered Accountant as the Head Internal Assurance designated as Chief Internal Auditor of the Company. Further, Mr. Nilesh Likhite is required to report his findings to the Assurance Review Committee of Directors

F **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The disclosure pertaining internal financial controls have already been provided under para 3 of this board report relating to ‘Disclosure related to Board, Committee and Policies’ sub-para (g.).

5. **OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. **EXTRACT OF ANNUAL RETURN:**

In accordance with the provisions of Section 134 (3) (a) and subsection (3) of Section 92 read with rule 12 of the Companies (Management and Administration) Rules, 2014, of the Companies Act, 2013, the Annual Return of the Company for financial year 2020-21, is available on the Company’s website at www.amns.in. - Annexure VII

b. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure VI** which forms part of this Report.

c. **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committees are set up at each business locations to redress complaints, if any. All employees are covered under the policy. There is no complaint outstanding as on 31.03.2021 for redressal.

During the year under review, 3 meetings of Internal Complaints committee were held on 09.07.2020, 14.10.2020 and 08.01.2021 respectively, attended by the following members:

Mr. Anil Matoo, Smt. Renuka Kulkarni, Smt. Srikanya and Mr. Deepak Gupta.

d. DISCLOSURE RELATING TO SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

During the year under review, the Company has initiated winding up of 2 subsidiary companies namely AMNS Steel Logistics Limited and Essar Steel Offshore Limited. There were no companies which ceases to be Joint venture or associate companies except Odisha Slurry Pipelines Infrastructure Limited (OSPIL). During the period under review, OSPIL was ceased to be an associate Company as it was acquired under IBC by AM Mining India Private Limited.

e. COMPLIANCE WITH SECRETARIAL STANDARD

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

f. MERGER AND AMALGAMATION OF THE COMPANY

A composite scheme of arrangement has been proposed between ArcelorMittal India Private Limited ("AMIPL" or "Transferor Company" or "Amalgamating Company"), AM Associates India Private Limited ("AMAIPL" or "Transferee Company") and ArcelorMittal Nippon Steel India Limited (formerly known as Essar Steel India Limited) ("AMNSIL" or "AMNSI" or "Amalgamated Company") ("together referred to as "Scheme Entities") 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 ("Scheme") which was approved by the board of directors of the respective Scheme Entities on September 18, 2020. In view of this, a First motion Company Application No. (CAA) No. 80 of 2020 was filed before the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("Hon'ble Tribunal") on November 13, 2020 ("Company Application"). The Hon'ble Tribunal, by an order dated April 28, 2021 in the Company Application (uploaded on the website of the Hon'ble Tribunal on May 11, 2021), had directed, inter-alia, holding of meetings of the creditors and members of the Scheme Entities for the purpose of considering, and if thought fit, approving the proposed Scheme. Accordingly, the Chairperson appointed by the Hon'ble Tribunal, conducted a total of 6 meetings for the Scheme Entities on 21st and 22nd June 2021 and the Scheme was approved at all the meetings by the requisite majority.

Thereafter, the Scheme Entities have filed the second motion petition before the Hon'ble Tribunal on July 13, 2021 seeking approval of the Scheme from the Hon'ble Tribunal ("Company Petition"). The proceedings in the Company Petition are pending and ongoing before the Hon'ble Tribunal.

6. ACKNOWLEDGEMENT

Your directors would like to express their gratitude for the assistance and cooperation received from the Financial Institutions, Banks, Government Authorities, Vendors, Customers and Shareholders during the year under review. Your Directors wish to place on record their deep sense of appreciation to all the employees for their commendable teamwork, exemplary professionalism and enthusiastic contribution during the year.

By the Order of the Board
For ArcelorMittal Nippon Steel India Limited

Dilip Oommen	**Jun Hashimoto**
Director & CEO	Director

Date: 29 November 2021
Place: Mumbai

ANNEXURE I

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with all amounts in Rupees Crores)

Sr. No.	Particulars	Details	Details	Details	Details	Details	Details
1.	**Name of the subsidiary**	**AMNS Middle East FZE**	**Essar Steel Trading FZE**	**AMNS Steel Logistics Limited**	**AMNS Shared Services Limited**	**Essar Steel (UAE) Limited**	**PT AMNS Indonesia**
2.	The date since when subsidiary was acquired	16.12.2009	12.06.2006	23.05.2013	20.05.2011	19.09.2015	19.09.2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rs. 73.50/$	Rs. 73.50/$	-	-	Rs. 73.50/$	Rs. 73.50/$
5.	Share capital	452.64	28.04	0.05	0.20	301.55	279.32
6.	Reserves & surplus	(2,504.41)	(88.55)	(4.33)	(12.63)	(51.89)	434.66
7.	Total assets	57.04	0.20	3.80	4.67	-	836.52
8.	Total Liabilities	3,093.78	60.71	8.08	17.11	50.93	122.54
9.	Investments	984.96	0	0	0	300.59	-
10.	Turnover(including Other Income)	9.56	0	0	5.13	-	1,666.01
11.	Profit / (Loss) before taxation	6.08	(0.24)	0	(0.21)	(2.32)	112.96
12.	Provision for taxation	0	0	0	(0.05)	-	28.30
13.	Profit / (Loss) after taxation	6.08	(0.24)	0	(0.16)	(2.32)	84.65
14.	Proposed Dividend	0	0	0	0	0	0
15.	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%	99.74%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Amount in Rupees **Crores**)

AME of Associates/Joint Ventures	Essar Steel Processing FZCO
1. Latest audited Balance Sheet Date	31-03-2021
2. Date on which the Associate or Joint Venture was associated or acquired	04.04.2010
3. Shares of Associate/Joint Ventures held by the company on the year end	
No.	2
Amount of Investment in Associates/Joint Venture	0.25
Extent of Holding (in percentage)	40%
4. Description of how there is significant influence	Through percentage equity shareholding
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	(25.51)
7. Profit/(Loss) for the year	
i. Considered in Consolidation	Nil
ii. Not Considered in Consolidation	(0.03)

ANNEXURE II

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis -**NIL**

ANNEXURE III
ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline on CSR Policy of the Company:**

   ArcelorMittal Nippon Steel India Limited is an integrated flat carbon steel manufacturer from iron ore to ready to market products with an achievable crude steel capacity of 9 million tonnes per annum (MTPA). Our manufacturing facilities comprise iron making, steelmaking and downstream facilities spread across India. Our goal is to help create smarter, more sustainable steels for India, and the world. AM/NS India is a joint venture between ArcelorMittal and Nippon Steel, two of the world's leading steel companies.

   AM/NS India is committed to conduct its business in a socially responsible, ethical and environment friendly manner and continuously work towards improving quality of life of the communities in its operational areas and that is why our Corporate Social Responsibility (CSR) is as strategic as our steel. This Policy provides guidance in achieving its commitment and ensures that the Company operates on a consistent and compliant to applicable law.

2. **Composition of CSR Committee:**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Bradley Davey *	Director	1	1
2	Mr. Prabh Das	Director	1	1
3	Mr. Hideki Ogawa	Director	1	1
4	Mr. Ichiro Sato	Director	1	1

***** - Mr. Brian Aranha was replaced by Mr. Bradley Davey w.e.f. 17th June 2021

3. **The web-link of Composition of CSR committee, CSR Policy and CSR projects approved by the board is disclosed on the website of the company:**

   https://www.amns.in/sustainability/csr/

   https://www.amns.in/media_amns_website/images/about_us/CP.pdf

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**
   - **Not Applicable [impact assessment is under progress for FY 2021-22]**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any-**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Crores)	Amount required to be set- off for the financial year, if any (in ₹ Crores)
1	2019-20	11.61	NA
2	2018-19	9.19	NA
3	2017-18	21.24	NA
	TOTAL	**42.04**	NA

6. Average net profit of the company for last three Financial Years: Negative (Calculated as per section 198)

7. (a) Two percent of average net profit of the company: NIL

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

   (c) Amount required to be set off for the financial year, if any: NIL

   (d) Total CSR obligation for the financial year (7a+7b-7c): NIL

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year. (₹. in Crores)</th><th colspan="5">Amount Unspent (₹. in Crores)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th></tr>
<tr><th>Amount</th><th>Date of Transfer</th><th>Name of the fund</th><th>Amount</th><th>Date of Transfer</th></tr>
<tr><td>64.11</td><td>NIL</td><td>NA</td><td>NA</td><td>NIL</td><td>NA</td></tr>
</table>

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (₹. in Crores.)	(8) Amount spent in the current financial Year (₹. in Crores.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹. in Crores.).	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Nam e	CSR Reg. No.
1	Project Arogya (Health Initiatives)	Item (i)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 Years	1.7	1.63	NA	Yes & with Govt. administration		
2	Project Padega Bharat (Education Initiatives)	Item (ii)	yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Kendrapara Pune	3 Years	3.90	3.58	NA	Yes & with Govt. administration		
3	Project Safal & Lok Vikas Kendra (Livelihood)	Item (iii)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 Years	1.0	0.50	NA	Yes		
4	Project Trupti & Ujjawla (Community Infrastructure & others initiative)	Item (x)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 Years	5.0	4.75	NA	Yes		
	Total							**10.46**				

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes / No).	(5) Location of the project.		(6) Amount spent For the Project (₹. In Crores)	(7) Mode of implementation Direct (Yes / No).	(8) Mode implementation of - Through implementing agency.	
				State	District			Name	CSR registration number
1	PM CARES FUND	Item (viii)	Yes	All site	All site	50.0	Yes		
2	Masks & PPE kits	Item (i)	Yes	All site	All site	3.65	Yes		
	Total					**53.65**			

(d) **Amount spent in Administrative Overheads: NIL**

(e) **Amount spent on Impact Assessment, if applicable: NIL**

(f) **Total amount spent for the Financial Year(8b+8c+8d+8e): ₹64.11 Crores**

(g) **Excess amount for set off, if any**

Sr. No.	Particulars	Amount (₹. In Crores)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	64.11
(iii)	Excess amount spent for the financial year [(ii)-(i)]	64.11
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	64.11

9. (a) **Details of Unspent CSR amount for the preceding three financial years: NIL**

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1) Sr. No.	(2) Project ID.	(3) Name of the Project	(4) Financial Year in which the project was Commenced	(5) Project duration	(6) Total amount allocated for the project (₹. In Crores).	(7) Amount spent on the project in The reporting Financial Year (₹. In Crores)	(8) Cumulative amount spent the end of reporting Financial Year (₹. In Crores)	(9) Status of the project - Completed / Ongoing.
1.		Project Arogya (Health Initiatives)	FY 2019-20	3 Years	1.7	1.63	2.09	Ongoing
2.		Project Padega Bharat (Education Initiatives)	FY 2019-20	3 Years	3.90	3.58	3.97	Ongoing
3.		Project Safal & Lok Vikas Kendra (Livelihood)	FY 2019-20	3 Years	1.0	0.50	0.81	Ongoing
4.		Project Trupti & Ujjawla (Community Infrastructure & others initiative)	FY 2019-20	3 Years	5.0	4.75	15.59	Ongoing
	TOTAL					**10.46**	**22.46**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): No Creation or acquisition of capital asset.

    (a) Date of creation or acquisition of the capital asset(s)- Not Applicable

    (b) Amount of CSR spent for creation or acquisition of capital asset.- Not Applicable

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Not Applicable

    (d) Provide details of the capital asset(s) created or acquired (including complete address and Location of the capital asset).- Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)-
    Not Applicable

ANNEXURE IV

Disclosures under Section 197 (12) of the Companies Act, 2013

Remuneration of Directors

1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

A. Whole-time Directors and KMP

Name of KMP	% increase in remuneration	Ratio of remuneration of each director to the median remuneration paid/ payable to all employee for FY 2020-2021
Pankaj S Chourasia, Company Secretary,	5%	Nil
Comparison of remuneration of KMP against performance of the Company:	Not Applicable	

Salaries to the Directors are not directly processed through the Company.

B. Non-Executive Directors

1) Non-executive Directors are not entitled to any remuneration and payment of sitting fees,

2) Median remuneration of all the employees of the Company for the financial year 2020-2021 : ₹790,983/-;

3) The percentage increase in the median remuneration of Employees for the financial year: 6.8%

4) The number of permanent employees on the payrolls of the Company as on March 31, 2021 are 4150

5) Relationship between average increase in remuneration and Company's performance:-

   Average increments of 6.80% in remuneration were given to employees for 2020-21.

6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: Refer Point No.1;

7) Variation in market capitalization: Not applicable as shares of Company are not listed;

8) Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year and also the increase in the managerial remuneration was – 6.8%;

9) The key parameters for any variable component of remuneration availed by the directors:-

   No salary or any variable components was paid.

10) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: **NA**

11) Remuneration is as per the remuneration policy of the company.

ANNEXURE V
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ARCELORMITTAL NIPPON STEEL INDIA LIMITED
(Formerly known as Essar Steel India Limited)
AMNS House, AMNS Township
27km, Surat Hazira Road, Hazira
Dist. Surat Gujarat – 394270

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARCELORMITTAL NIPPON STEEL INDIA LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the "Act") read with the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; *in so far as they are made applicable;*

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"),

a) The Securities and Exchange Board of India, (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; <u>which is not applicable to the Company during the Audit Period.</u>

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; <u>which is not applicable to the Company during the Audit Period.</u>

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; <u>which is not applicable to the Company during the Audit Period.</u>

d) The Securities and Exchange Board of India (Employees Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines 1999; <u>which is not applicable to the Company during the Audit Period.</u>

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; <u>which is not applicable to the Company during the Audit Period.</u>

f) The Securities and Exchange Board of India (Registrar to Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act, and dealing with client; <u>*in so far as they are made applicable;*</u>

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; <u>which is not applicable to the Company during the Audit Period.</u>

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998; which is not applicable to the Company during the Audit Period.

i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015; which is not applicable to the Company during the Audit Period.

(vi) Other laws applicable specifically to the Company namely:

a) The Mines Act, 1952 and the rules, regulations made there under.

b) Mines and Minerals (Development & Regulation) Act, 1957 and the rules made there under.

c) The Iron ore Mines Manganese ore Mines & Chrome ore mines Labour welfare Fund Act, 1976.

I have also examined compliance with the applicable clauses of the Secretarial Standards relating to Board Meetings and General Meetings issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The changes in the composition of Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance and and in case of meeting at shorter notice, consent for Shorter Notice was taken from the requisite majority of Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions at Board Meetings and Committee(s) Meetings are carried through unanimously while the dissenting members' views are captured and recorded as part of the minutes.

I further report that the Company has filed an application, which is pending before the Hon'ble National Company Law Tribunal, Ahmedabad Bench for approval of Composite Scheme of Arrangement among ArcelorMittal India Private Limited, AM Associates India Private Limited and ArcelorMittal Nippon Steel India Limited and their respective shareholders.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Indore
Date: 29 November 2021

Sd/-
Ashish Garg
Practicing Company Secretary

FCS No: 5181
CP No: 4423
PR: 568/2018
UDIN: F005181C001567830

To,
The Members,
ARCELORMITTAL NIPPON STEEL INDIA LIMITED
(Formerly known as Essar Steel India Limited)
AMNS House, AMNS Township 27km, Surat Hazira Road,
Hazira Dist. Surat Gujarat – 394270

Our report of even date is to be read along with this letter:

1. Maintenance of Statutory and other records are the responsibility of management of the Company. Our responsibility is to express an opinion on these records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company. We have relied on the report of the statutory auditor in respect of the same as per the guidance of the Institute of Company Secretaries of India.

4. We have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc. for laws other than corporate laws.

5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Indore
Date: 29 November 2021

Sd/-
Ashish Garg
Practicing Company Secretary

FCS No: 5181
CP No: 4423
PR: 568/2018
UDIN: F005181C001567830

ANNEXURE VI

INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY:

Sr. No.	ENERGY CONSERVATION MEASURES 2020-2021
1	Sinter- Logic modification in CH3 & CH4 belt conveyor to stop idle operation. -Annual Energy savings (kWh) - 1.01 Lakhs
2	BF - BF Air Compressor replacement with higher efficiency - Annual Energy savings (kWh) - 11.35 Lakhs
3	BF - Reduce Wastage of Compressed Air and Maintain Compressed Air Network Pressure - Annual Energy savings (kWh) - 5.49 Lakhs
4	Corex - Energy optimisation of HVAC cooling water system - Annual Energy savings (kWh) - 2.67 Lakhs
5	SMP 1 - Increasing 160t crane #1 utilisation for HDRI maximization - Annual Energy savings (kWh) - 66.15 Lakhs
6	SMP 2 - Control logic modification in Primary booster fan inlet damper - Annual Energy savings (kWh) - 12.3 Lakhs
7	Pipe Mill - Reducing false ceiling height for optimum utilisation of AHU - Annual Energy savings (kWh) - 0.44 Lakhs
8	CRM -Replacement of GAL-1 Water Quench motor with energy efficient one - Annual Energy savings (kWh) 0.31 Lakhs
9	CRM - Switching off one hydraulic pump in ECL entry - Annual Energy savings (kWh) - 4.82 Lakhs
10	CRM -Installing VVVFD (AC drive) for power saving in GAL-2 DFH Comb Air Blower1 &2- Annual Energy savings (kWh) - 1.26 lLakhs

Sr. No.	ENERGY CONSERVATION MEASURES 2020-2021
11	CRM - Optimising fuel consumption by refractory lining modification in CGL-2 furnace - Annual Energy savings (Sm3) - 3.44 Lakhs
12	Lime Plant - Logic modification for reduced Blower speed during inversion process. - Annual Energy savings (kWh) - 1.48 Lakhs
13	Utilities -Modification in PHE-1 piping to stop one pump in Primary 1&2 system -Annual Energy savings (kWh) - 26.06 Lakhs
14	Utilities - Reduction in pressure drop of DSC Compressed air system by 0.6 bar - Annual Energy savings (kWh) - 29.51 Lakhs
15	Utilities - Reduced power consumption by connecting Compressed air and Instrument air grid in Plant B - Annual Energy savings (kWh) - 7.46 Lakhs
16	Material Handling - Energy saving during idle time in Corex feeding system - Annual Energy savings (kWh) - 7.36 Lakhs
17	BBT - HBI waste heat recovery boiler LP drum feed water scheme modification - Annual Energy savings (kWh) - 17.28 Lakhs
18	BBT - Increase combine generation capacity of CPP1 & 19 MW from 24 MW to 28 MW with BF gas utilization - Annual Energy savings (kWh) - 218.12 Lakhs
19	BBT - Energy saving in Motor workshop area. - Annual Energy savings (kWh) - 0.06 Lakhs
20	BBT - HBI waste heat recovery boiler LP drum feed water scheme modification - Annual Energy savings (kWh) - 17.28 Lakhs
21	BBT - STG#2 to reduce the power consumption during shutdown Period. - Annual Energy savings (kWh) - 2.58 Lakhs
22	Common - Replacing conventional illumination system by LED fittings - Annual Energy savings (kWh) - 12.06 Lakhs

Proposed Energy Saving Projects - 2021-22
BF - Replacement of second compressor for compressed air supply - Energy Savings (Lakhs kWh) - 10.22 - Approx. Investment - 120 Lakhs
BF - Install VVVFD for Combustion Air Supply Fan for Stoves - Energy Savings (Lakhs kWh) - 15.96 - Approx. Investment - 100 Lakhs
COREX - Power Saving in Jockey Pump System - Energy Savings (Lakhs kWh) - 0.37 - Approx. Investment - Nil
HBI - Drive Installation (Internal shifting) in Mod-6 Main Air Fan - Energy Savings (Lakhs kWh) - 24 - Approx. Investment - 40 Lakhs
HBI - Increasing feed gas temp through recuperators to reduce fuel consumption in Mod-3 - Energy Savings (Lakhs SCM) - 9.79 - Approx. Investment - 70 Lakhs
SMP-1 - Reduction in energy consumption by increasing HDRI vessel capacity - Phase II - Energy Savings (Lakhs kWh) - 43.22 - Approx. Investment - 50 Lakhs
SMP-1 - To reduce power consumption by reducing hot dri wastage - Energy Savings (Lakhs kWh) - 11.04 - Approx. Investment - 50.48 Lakhs
SMP-2 - Power saving by providing individual outlet damper for HMPS Station A Booster fan - Energy Savings (Lakhs kWh) - 4.75 - Approx. Investment - 18 Lakhs
SMP-2 - Power saving by providing individual outlet damper for HMPS Station B Booster fan. - Energy Savings (Lakhs kWh) - 4.75 - Approx. Investment - 18 Lakhs
SMP-2 - Drive installation in LF 1.1 Booster fan (1/5 nos.) - Phase 1 - Energy Savings (Lakhs kWh) - 7.58 - Approx. Investment - 100 Lakhs
SMP-2 - Drive installation in LF 1.1 Booster fan (4/5 nos.) - Phase 2 - Energy Savings (Lakhs kWh) - 30.32 - Approx. Investment - 350 Lakhs
SMP-2 - Drive installation in Primary Booster Fan (1/4 nos.) - Phase 1 - Energy Savings (Lakhs kWh) - 17.16 - Approx. Investment - 100 Lakhs
SMP-2 - Energy saving in water return pumps by 35% at FES 2 - Energy Savings (Lakhs kWh) - 0.63 - Approx. Investment - Nil
SMP-2 - Energy saving in HMPS FES system by 25% - Energy Savings (Lakhs kWh) - 4.75 - Approx. Investment - Nil
HSM - Recuperator Bundles replacement (4 - hot, 4 - cold) - Energy Savings (Lakhs SCM) - 12.47 - Approx. Investment - 1000 Lakhs
HSM - Pressure filter (PF) Pump replacement with energy efficient pumps - 3 Nos. - Energy Savings (Lakhs kWh) - 16 - Approx. Investment - 128 Lakhs
HSM - Laminar Pump replacement with energy efficient pumps - 2 Nos. - Energy Savings (Lakhs kWh) - 11.6 - Approx. Investment - 96 Lakhs

Proposed Energy Saving Projects - 2021-22
CSP MILL - Recuperator Efficiency improvement - Phase I - Energy Savings (Lakhs SCM) - 3.45 - Approx. Investment - 60 Lakhs
CSP MILL - Recuperator Efficiency improvement - Phase II - Energy Savings (Lakhs SCM) - 5.17 - Approx. Investment - 100 Lakhs
CSP MILL - Improving power factor of PMCC (MIC-2) - Energy Savings (Lakhs kWh) - 0.16 - Approx. Investment - Nil
PLATE MILL - Optimising compressed air consumption - Energy Savings (Lakhs kWh) - 49.2 - Approx. Investment - 2.5 Lakhs
PIPE MILL - Replace Screw Compressors with Centrifugal compressor - Energy Savings (Lakhs kWh) - 3.2 - Approx. Investment - 70 Lakhs
CRM - VVVF drive to be installed in place of star-delta starter for CRM-1 roll coolant supply pump. (132KW) - Energy Savings (Lakhs kWh) - 4.31 - Approx. Investment - 9 Lakhs
CRM - VVVF Drive to be installed for APC Dryer Blower -6(WQT) motor (75KW) - Energy Savings (Lakhs kWh) - 0.73 - Approx. Investment - 6 Lakhs
CRM - Installation of Magnetic Resonators in Gal-2 - Energy Savings (Lakhs SCM) - 2.1 - Approx. Investment - Nil
Lime plant B - combustion blower drive for kiln (DOL TO VVVF) - Energy Savings (Lakhs kWh) - 6.13 - Approx. Investment - 50 Lakhs
UTILITIES - Steam Grid - RHTOB to RHD Boiler - Energy Savings (Lakhs SCM) - 31.5 - Approx. Investment - 450 Lakhs
UTILITIES - HMPS secondary pumps & cooling tower to be used for CSP Caster-1&2 mould ckt - Energy Savings (Lakhs kWh) - 24.24 - Approx. Investment - 15 Lakhs
UTILITIES - Stopping 2 pumps by modification in Conarc IC4 cooling circuit. - Energy Savings (Lakhs kWh) - 59.17 - Approx. Investment - 20 Lakhs
UTILITIES - Replacing existing screw and reciprocating compressors with high efficiency centrifugal compressor in HSM - Energy Savings (Lakhs kWh) - 23.4 - Approx. Investment - 87 Lakhs
UTILITIES - Reduction in pumping power by relocation of cooling tower overflow line from warm to cold sump - Energy Savings (Lakhs kWh) - 102.96 - Approx. Investment - 3 Lakhs
COMMON - Replacing conventional illumination system with LED fittings - Energy Savings (Lakhs kWh) - 47.72 - Approx. Investment - 236.6 Lakhs

ENERGY CONSERVATION MEASURES 2020-21 AT ODISHA

1. CONSERVATION OF ENERGY
   - By using High Pressure burners and reducing interruptions in operations, the sp. consumption of furnace oil has been reduced to 13.5 liter / MT. Around 2 liter/MT Reduction in furnace oil consumption.
   - By using external magnetite concentrate to improve chemical composition of fired pellet and helps us to decrease fuel rate by providing exothermic heat during firing of green pellets.

CONSERVATION OF ENERGY FOR FY 2020-21- Pune

Energy Conservation measures taken:

1. Energy saving on account of switching off RTF combustion blower by merging it with DFF combustion blower. Annual saving of 4.38 Lacs.

2. Energy Saving on account of Chem. coater exhaust blower replaced from 37 KW to 11 KW in CCL-2.
   Annual savings of ₹6.44 Lacs

3. Energy Saving on account of Provision of VFD for Mill 3 Fume ex. Blower 200 kw.
   Annual savings of ₹12.81 Lacs

4. Energy Saving on account of Provision of VFD for Mill 3 coolant pump- 160Kw.
   Annual savings of ₹7.22 Lacs

5. Energy Saving on account of Provision of VFD for Mill 1 coolant pump- 55Kw.
   Annual savings of ₹4.56 Lacs

6. Energy Saving on account of Provision of VFD for Mill 1 DC motor ventilation blower 90kw.
   Annual savings of ₹4.61 Lacs

7. Energy Saving on account of Provision of VFD for hot well pump (75 KW) in CGL-2.
   Annual savings of ₹8.71 Lacs

8. Energy Saving on account of Switching off 1 no 15 kw exit hyd. motors (now 2 no's running) CCL-1.
   Annual savings of ₹4.19 Lacs

9. Energy Saving on account of Provision of VFD for incinerator exhaust fan CCL-1.
   Annual savings of ₹7.03 Lacs

10. Energy Saving on account of Provision of VFD for finish water quench pump of 75kw CCL-2.
    Annual savings of ₹7.12 Lacs

11. Energy Saving on account of Provision of VFD for RTF combustion blower of 15KW CGL-2.
    Annual savings of ₹2.92 Lacs

12. Energy Saving on account of Provision of VFD for F/O Z1 R/C fan CCL-1.
    Annual savings of ₹3.87 Lacs

13. Energy Saving on account of Provision of VFD for F/O Z2 R/C fan CCL-1.
    Annual savings of ₹3.87 Lacs

14. Energy saving on account of Installing Energy Efficient Pumps at Mill-1 Coolant system. In place of Running 02 Pumps of 55 KW each, we are running only one pump of 55 KW, so direct saving of 55KW power per hour.
    Annual savings of ₹7.54 lacs

15. Energy saving on account of Installing Energy Efficient Pumps, At Mill-2 Coolant system. In place of Running 02 Pumps of 55 KW each, we are running only one pump of 55 KW, so direct saving of 55KW power per hour. Total Annual savings of ₹7.51 lacs.

16. Energy saving on account of Installing Energy Efficient Pumps, At Mill-3 Coolant system. In place of Running 02 Pumps of 55 KW each, we are running only one pump of 55 KW, so direct saving of 55KW power per hour. Total
    Annual savings of ₹21.94 lacs.

    Total Saving – 114.72 Lacs

ArcelorMittal Nippon Steel India Ltd, Pellet Operations, Visakhapatnam Conservation of Energy

Beneficiation Plant

1. Optimization of process by switching off equipment related to Beneficiation when Incoming fines quality is above 65% Fe- Annual energy saving of 10.34 Lack KWH (0.54Cr).
2. Migration of Conventional Lighting to LED lights. Annual saving of 0.5Lack KWH (2.65 Lacs).

Pellet Plant - Vizag

1. Optimisation of Fuel consumption by adding additives to LSHS the specific consumption is reduced from 13.57 kl/ton to 13.07 kl /ton, resulted in savings of 4.89 Crs.
2. Implementation of energy efficiency improvement by replacing various luminaries, fans and motors resulted in savings of ₹15.39 Lakh
3. Sourcing of power from third party for power cost optimisation resulted in savings of ₹975 Lakh

Captive Power Plant – Vizag

1. RO treated water pumping line is directly connected to DM Plant, bypassing the existing RO storage tank and its DM pump. Thus eliminated running of DM pump and savings achieved ₹0.50 lack per Year.

SPL & WPL

1. Migration of Conventional Lighting to LED lights phase-2 completed at PS1 & PS2. Transparent roof sheets installed at pump house of PS2. Annual saving of 1.05 Lakh KWH (Saving INR 5.5 Lakh).

2. At Sukuma pump house, Sump Water draining system modified from Motorized to Natural Gravity System. Annual Saving of 41,756 KWH (Saving – INR 3.946 Lakh).

Technology Absorption

Beneficiation plant

1. The Fe% of the plant's primary tails generated depends upon input feed Fe (i.e. Above 64.5%) and LOI (i.e. Above 2.5). Higher the feed Fe%, higher the tail Fe % in DR mode of operation. Also higher the LOI in feed fines, higher the tails generation in DR grade operation. This leads to Loss of Iron Values in Tails. To reduce the tails quantity and also to recover Fe units from the produced Secondary tails, various process options are explored. Based on the process audit findings two feasible solutions were explored. Accordingly, 30 % of Derrick Screen stack sizer mats are replaced with 120-micron aperture from 100- microns. This would reduce the o/f rejects. Also the Secondary Tails with higher Fe units are processed through Slon Magnetic Separator. The modified circuit is put into trail operations from Feb 21 and process is being tweaked for optimising the circuit. Based on the current observations and results the

potential for recovery of 28,000 MT of concentrate of Fe % 60 with input grade of Fe % 47-49 % per annum. The project has given an average yield of 28 %.

Pellet Plant – Vizag

1. For the new Administrative building construction, Hydraulic Piling Rig method is used in place of conventional Direct Mud Recirculation method. In Hydraulic rig piling, the dry muck only will be generated which requires less space for temporary storing. The shifting of the dry muck is more environmental friendly when compared the DMR method. The job work is neat and clean. It is faster and on an average 3-4 piles can be drilled with one rig. This saved about 25 days of project time. This Hydraulic Piling Rig method saves 8 m3 of water per pile of 20 m depth as the bentonite pumping can be recirculated for 3 nos piles. The total saving on water for this project is ₹73200/-. There is no additional power requirement as compared to conventional Direct Mud Recirculation method. The power saving is ₹1.26 lakhs. Total saving is ₹1.99 lakhs

2. Process modification using the Variable frequency drives resulted in annual savings of ₹53 Lakh.

3. DDRF rollers are developed ingeniously by adopting chromium carbide powder coating on rollers, resulted in savings of ₹60.59 lakhs

4. New Dry Lintel were installed in induration furnace of pellet plant -1 and replaced water lintels. This has reduced the consumption of water consumption.

5. Gunny ball crushers are installed at discharge of pelletizing discs to reduce the gunny ball formation. This will help to maintain uniform size of green pellet.

Captive Power Plant – Vizag

Bed coils erosion protection coating to enhance the life.

In our AFBC boiler, the bed coils are prone for wear out due to fluidizing velocities. As protective measure we had gone for conventional refractory protection with Phoscast 90-xr 15mm thick refractory coating on the bottom side of the coils to increase the life of the coils. This has affected the heat transfer and reduced the power generation by 1.5 -2 MW day.

In view of the above, it is proposed to go for HVOF spray/ Metal arc spray coating technology to apply Chromium carbide coating on the pipes. In the recent annual shut down for total bed coils replacement, we have applied on trial basis for 10 nos coils with Chromium carbide coating of 0.3mm thickness to assess the performance in improvement in life. After the start up, the power generation could be increased by 1.5 MW per day.

The tube life is expected to increase by 12 to 18months with HVOF coating but it has to be practically established with our operating conditions and the grade coal being used. The erosion pattern of coils will be inspected and assessed in due course of time.

SPL & WPL

1. Replaced old and obsolete SCADA system with upgraded version of Honeywell EPKS R501 to increase the reliability of SPL & WPL operations.

2. At PS2, for 5th GEHO pump low harmonic variable frequency drive installed, compared to existing pumps VFD's, consumes less power of average 45 KWH and is with inbuilt power factor improvement function. Saving of annual 17.48 Lakhs.

Process Optimization

1. Bentonite, coal and lime are grinded in the same Dry grinding mill. The contingency plan is executed for a period of 2 months during overhauling of Bentonite Grinding mill.

2. Lime was added, grinded in wet grinding circuit along with Iron ore resulted in savings of ₹32.00 Lakhs

FORM B – R&D

ARCELORMITTAL NIPPON STEEL INDIA LIMITED-HAZIRA R&D 2020-2021

AMNS remains committed to research and development for long term sustainability of the company.

Areas of research of AMNS:

1. Raw materials:
   a. Characterization of iron ore,
   b. Development of novel beneficiation techniques,
   c. Improvement of iron-ore pellet quality

2. By-Product Recycling:
   a. Finding innovative usages of steel plant by-products like replacement of stone aggregates with steel slags in civil constructions, roads etc.

3. Process & Modelling:
   a. Development of mathematical models to simulate process,
   b. Studies on process improvement in areas of iron-making, steel making and rolling

4. New product development:
   a. Development of new steel grades
   b. Improving the properties and quality consistency of steel grades already in product portfolio

5. Failure analysis:
   a. Metallurgical failure analysis of equipment parts used in the steel plant.

Projects completed in 2020-21

No of projects	Name	Lab studies	Pilot trials	Plant trials
Raw materials projects				
1	Improvement of green ball properties of Paradeep Pellets using organic binders	√	√	√
Waste recycling				
1	Development of Alkali Activated Steel Slag Concrete	√	√	
Process and Modelling				
1	Mathematical Model for Straight-Grate Pellet Induration Furnace: Part-1: Solver Development	√	√	√

New Products Developed

Fifteen new steel grades were developed as per the list below:

No of projects	Name	Plant trials	Commercial Production
Hot Rolled Sheets/Plates/Coils			
4	High strength S700MC (YS>700Mpa) in lower gauges <5.00mm for automotive applications	√	
	High strength S460MC with good fatigue performance for yellow good applications	√	√
	High strength 500LA for LPG gas cylinders	√	√
	Stretch flangeable steel FB600 with HER 100% for specialised automotive applications	√	
Cold Rolled products			
2	Special boron treated steel for automotive applications (20MnB5)	√	
	Bake Hardening steel BH-195 for automotive panels	√	√
	Cold Rolled and coated products		
2	EN 10346 S420GD	√	√
	A653 SS 50 galvanised high strength steel sheets for construction	√	√
	Thick plate products		
7	IS 2062 E410 Grade C Normalised Rolled	√	√
	SA 387 Grade 11 Class 2 with NACE quality	√	√
	API X-65 line pipe steel in Q&T condition	√	√
	SA 738 Gr B high strength Pressure vessel plates	√	√
	Weather resistant steel plates –S355 J2W	√	
	API X-52 line pipe steel in Normalised condition	√	
	ArmaPro 500 plates in 16 & 25mm for protection from AP ammunition	√	

New R&D equipment / Software procured

Capital Goods and softwares of approximate value of ₹1 Crore was procured during the financial year. Following new facilities were created:

a. Pilot scale ball mill (wet grinding) – 1T/hr capacity
b. Software suite and camera for optical microscope
c. J-MatPro software for calculation of Phase diagrams
d. Misc. equipment for raw materials laboratory like Hydrocyclone, High intensity magnetic separator, screw classifiers etc.

Patents

Granted Patents in FY2020-21:

Application Number	Title	Patent Grant Date	Patent No
3569/MUM/2012	Method of coating iron-ore pellets with lime-rich dust particles	06/10/2020	348673
3058/MUM/2013	Coal Briquette and a method for cold briquetting of coal fines using a polymeric organic binder	09/06/2020	338216

Collaborations

1. IIT KANPUR: AMNS agreed to collaborate on a GOI sponsored project on energy optimization in EAF steel making process.

2. Central Road Research Institute: Study of suitability of use of electric arc furnace slag in different layers of heavy duty road. An experimental patch of 1.2 KM road is being made under the guidance from CRRI near Hazira works.

Deformation of plates when cooled under ADCO

1. **TECHNOLOGY ABSORPTION- AT ODISHA**
   - The Pellet technology as supplied by M/s Aker (presently known as Metso) for induration process has been fully absorbed.
   - The filtration technology and equipment supplied by M/s. Outotec has been fully absorbed.
   - The additive grinding technology and equipment supplied by M/s. ALSTOM for Coal Lime Grinding.
   - Process Fans and equipment supplied by VENTI OLDE.

2. **RESEARCH AND DEVELOPMENT (R & D)**
   - **Plant audit with a pellet car equipped with thermocouples, known as Thermocar** in order to record the real process temperature of process gas and the pallet car main body and grate bars, when exposed in the induration furnace in travelling condition and to visualize the temperature profile along the length of induration furnace.

     It is concluded that pellet plant has a great potential to improve the feed station arrangement, specially the side hearth layer chute and also the green pellet distribution at the wide belt.

     Further, it was identified that the main phenomena of low fired pellets has strong correlation that some process fans are underperforming, especially the cooling air fan. It was recommended to further investigate the underperformance of the cooling fan and also consider to extend such analysis to the other process gas fans.

     Recently, Thermocar was introduced into chain of pellet car and it was concluded that the pellet bottom layer temperature is not sufficient for firing the pellet, which indicates that due to high plasticity of green balls, pellets are deforming at middle layer of pellet bed which affects the bed permeability and fired pellet quality.

   - **Introduction of organic binder (modified Guar Gum) with replacement of current inorganic binder (bentonite)** to improve green ball plasticity of pellets, which improves the bed permeability inside the induration furnace and better heat transfer to bottom of the. Improvement in green ball plasticity has helped to reduce deformed balls at middle layer of the pellet bed.

   - **Usage of mill scale along with filter cake and other additives** to reduce the furnace oil consumption. Mill scale contains a large amount of FeO content, which reacts with oxygen during firing of pellets and provides a lots of heat energy due to oxidation of FeO (exothermic reaction), this energy helps in internal firing of pellets and improve strength of pellets.

   - **Usage of External concentrate like Ukraine concentrate** to decrease the Al_2O_3 content in fired pellet for better blast furnace feed input, which directly reduces the coke rate and increases productivity. Basically external concentrates are magnetite iron ore which helps in induration of iron ore pellets by releasing exothermic heat during firing.

- **Replacement of SDRS** of 25 rollers to 40 rollers screen for better screening efficiency and to reduce load at DDRS. New SDRS with 40 rollers is used to control the MPS and eliminate +18 mm and + 16 mm green balls and helps to have proper size of green balls on the belt to maintain bed permeability inside the induration furnace, which helps in better firing at bottom of pellet bed and. MPS of 11.5 ± 0.25 mm has improved the Tumbler index to 92.8.

- **Replacement of normal rollers to coated rollers** to reduce downtime of screening equipment because of high wear rate. It has improved the roller consumption rate and increase the reliability factor.

- **Dry fog suppression system** to suppress the dust at HLSB and meet statutory standards of ambient air quality.

- **Feed end de-dusting system**: Installation of Wet Scrubber to control the fugitive emissions at Induration Machine Feed End.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

AMNS has increased significantly its sales volumes on export in CY21 to get benefit of higher price realisation on external market. 25% of the total sales were done on export.

When taking exports from Hazira India

1) The Company has focused first its export volumes to Middle East as we are considering this market as a freight friendly market. In addition, AMNS has a steel Service Centre in Dubai and a local sales team developing relationship with all the key end users customers in the Middle East. Volumes in CY21 reached400Kt

2) Outside Middle East, the company optimized sales all along CY21 from the Hazira site into Europe and SEA. On average 35% of the sales were done into EU and 35% into SEA.

3) Overall the forecast for CY21 is about 1.43 Million Ton shipments on which 80% is in hot rolled products, the remaining part being in cold rolled and galvanized products

On Coated products from our coated Division from India

1. Company has exported about 300Kt in CY21 with 50% of this volume in galvanized and 50% in PPGI (Organic Coated products)

2. 80% of sales were done into EU, the remaining part being done into Middle East

From our Subsidiary in Indonesia

1. Successfully taking benefit of export markets to optimize pricing with a total sales of about 80Kt during the year

2. Focus was on USA market and Middle East

Total Foreign exchange used and earned

₹ in Crore

a)	Total Foreign exchange earned	**2020-21**	**2019-20**
	i) Foreign exchange directly earned through export	6006.87	3624.00
	ii) Others	314.20	216.68
	Total foreign exchange earned	6321.07	3840.68
b)	Total foreign exchange used		
	i) For import of plant and machinery/technical know-how	203.85	17.52
	ii) Others including raw materials and interest	9818.59	9017.94
	Total foreign exchange used	10022.44	9035.46

ANNEXURE VII

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31 March 2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION AND OTHER DETAILS:

i)	**CIN**	:	U27100GJ1976FLC013787
ii)	**Registration Date**	:	JUNE 01, 1976
iii)	**Name of the Company**	:	Arcelormittal Nippon Steel India Limited
iv)	**Category / Sub-Category of the Company**	:	Company limited by Shares Non-govt company
v)	**Address of the Registered office and contact details**	:	ArcelorMittal Nippon Steel India Limited AMNS House, AMNS Township, 27 km, Surat Hazira Road, Dist Surat Pin 394270 Tel no. 0261 – 6682400 Fax No 0261 – 6685731
vi)	**Whether listed company**	:	Equity shares of the Company are not listed on any Stock Exchanges
viii)	**Name, Address and Contact details of Registrar and Transfer Agent, if any:**	:	Data Software Research Co Pvt Ltd 19, Pycrofts Garden Road, Off Haddows Road,Nungambakkam Chennai 600006 Tel No. 044 28213738 | Fax No – 04428214636

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Manufacturing of Hot Rolled Coils / Cold Rolled Coils / Sheets / Plates	330 / (New Code No. 2410)	94%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	ArcelorMittal India Private Limited 126, 101-104 GCP Business Centre, Opp Memnagar Fire Station, Vijay Cross Road, Memnagar, Ahmedabad 380014	U27100GJ2006PTC106923	Holding Company	100%	2(46) and 2(87)
2	AMNS Middle East FZE Plot No S 40402, PB No 261754, Jafza South, Dubai UAE	NA	Wholly Owned Subsidiary	100%	2(87)(ii)
3	Essar Steel Trading FZE Emmar Business Park No 4, Suite No 508, Sheikh Zayed Road, PO Box No 61078, Dubai	NA	Wholly Owned Subsidiary	100%	2(87)(ii)
4	Essar Steel Offshore Limited Essar House, 10 Frere Felix De Valious Street, Port Louis, Mauritius	NA	Wholly Owned Subsidiary	100%	2(87)(ii)
5	AMNS Shared Services Limited Cowrks, 2nd floor, Birla Centurion, Century Mills Compound Pandurang Budhkar Marg, Worli, Mumbai 400 030	U27100MH2011PLC217214	Wholly Owned Subsidiary	100%	2(87)(ii)
6	AMNS Steel Logistics Limited 27 km, Surat Hazira Road, Dist Surat - 394270	U60220GJ2013PLC074244	Wholly Owned Subsidiary	100%	2(87)(ii)
7	Trinity Coal Marketing LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
8	Essar Minerals Limited (FKA Essar Mining Limited)	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
9	Essar Mineral Cooperatief U.A	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
10	Essar Minerals Canada Limited	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
11	New Trinity Holding LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
12	New Resources Inc	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
13	Essar Mineral INC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
14	Trinity Parent Corporation	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
15	Trinity Coal Corporation	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
16	Trinity Coal Partners LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
17	New Trinity Coal Inc	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
18	Bear Fork Resources	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
19	Deep Water Resources LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
20	Levisa Fork Resources LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
21	North Springs Resources LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
22	Little Elk Mining Company LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
23	Banner Coal Terminal LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
24	Hughes Creek Terminal LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
25	Frasure Creek Mining LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
26	Falcon Resources LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
27	Prater Branch Resources LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
28	Trinity RMG Holding LLC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
29	RMG INC	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
30	Essar Steel UAE Limited 305, AI, Futtaim Tower, AL Maktoum Street,Post Box 1961, Dubai UAE	NA	Step-down Wholly owned Subsidiary	100%	2(87)(ii)
31	P T Essar Indonesia (PTEI) Graha Essar, BFI Estate, Industri 3 Area KAV #B, Cibitung, Bekassi West Java 17520, Indonesia	NA	Step-down Wholly owned Subsidiary	99.74%	2(87)(ii)
1	Bhander Power Limited 27 KM Surat Hazira Road Surat-394270	U31101GJ1995PLC065146	Associates	26%	2(87)(ii)
2	Essar Bulk Terminal Limited 27 KM Surat Hazira Road Surat-394270	U13100GJ2004PLC043477	Associates	26%	2(87)(ii)
3	Essar Power (Orissa) Limited 27 KM Surat Hazira Road Surat-394270	U31101GJ2005PLC081701	Associates	26%	2(87)(ii)
4	Bhagwat Steel Limited 601, 6th Floor, Indra Complex, Near Namrata Society Mangalpur, Vadodara 390004	U27100GJ2005FLC046274	Associates	47.38%	2(87)(ii)
5	Essar Power Hazira Limited 27 KM Surat Hazira Road Surat-394270	U40300GJ2006PLC063146	Associates	26%	2(87)(ii)
6	Essar Steel Processing FZCO Plot No S40402 PB No 261754 Jaffa South Dubai UAE	NA	Associates	40%	2(87)(ii)
7	Essar Power MP Limited Prakash Deep, 10th Floor,7 Tolstoy Marg New Delhi-110001	U40100DL2005PLC201961	Associates	26%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 2020				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1 Indian									
(a) Bodies Corporate	9222000000	0	9222000000	100.00	9222000000	0	9222000000	100.00	0.00
(b) Any other Trust									
Sub-Total (A)(1)	9222000000	0	9222000000	100.00	9222000000	0	9222000000	100.00	0.00
2 Foreign									
(a) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Promoter Shareholding=(A)(1)+(A)(2)	**9222000000**	**0**	**9222000000**	**100.00**	**9222000000**	**0**	**9222000000**	**100.00**	0.00
B. Public Shareholding									
1 Institutions									
(a) Mutual Funds/ UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b) Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	0.00
2 Non -Institutions									
(a) **Bodies Corporate**	0	0	0	0.00	0	0	0	0.00	0.00
(i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh.	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c) Others									
Non Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	0.00

Category of Shareholders	No. of Shares held at the beginning of the year 2020				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+B(2)	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL (A) + (B)	9222000000	0	9222000000	100.00	9222000000	0	9222000000	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A)+(B)+(C)	9222000000	0	9222000000	100.00	9222000000	0	9222000000	100.00	0.00

B) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2020			Shareholding at the end of the year 2021			% change in share holding during the year
		No. of Shares	% of Shares total of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	
1	ArcelorMittal India Private Limited (AMIPL)	9221999994	100.00	0	9221999994	100.00	0	0.00
2	ArcelorMittal Projects India Private Limited nominee of AMIPL	1	0.00	0	1	0.00	0	0.00
3	ArcelorMittal Design & Engineering Centre Private Limited, nominee of AMIPL	1	0.00	0	1	0.00	0	0.00
4	Mr. Devinder Singh Arora, nominee of AMIPL	1	0.00	0	1	0.00	0	0.00
5	Ms. Java Joshi, nominee of AMIPL	1	0.00	0	1	0.00	0	0.00
6	Mr. Ramakrishna Chinnamsetty, nominee of AMIPL	1	0.00	0	1	0.00	0	0.00
7	Mr. Deepak Sahu, nominee of AMIPL	1	0.00	0	1	0.00	0	0.00
	Total	9222000000	100.00	0.00	9222000000	100.00	0	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Promoters Shareholding during the FY 2020-21

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	9222000000	100.00	9222000000	100.00
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reason for increase / decrease (e.g.., allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year	9222000000	100.00	9222000000	100.00

D) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) NA

E) **Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders (please specify, if there is no change):**

There is no change in the Promoters Shareholding during the FY 2020-21

Sr. No.	Particulars	Shareholding at the beginning of the year (as on 31st March 2020)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reason for increase / decrease (e.g.., allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
3	At the end of the year	NIL	NIL	NIL	NIL

F) **Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2021 is as under: ₹ In crores**

(₹ in Crore)

Particulars	Secured Loans excluding deposits[1]	Unsecured Loans	Deposits / ICD	Others[2]	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	45,705.55	381.79	-	-	46,087.34
ii) Interest Outstanding	916.17	3.14	-	-	919.30
Total (i+ii)	**46,621.71**	**384.93**	**-**	**-**	**47,006.64**
Change in Indebtedness during the financial year			-	-	
Net Change - Addition / (Reduction)	**(1,473.09)**	**(188.42)**	**-**	**-**	**(1661.51)**
Indebtedness at the end of the financial year			-	-	
i) Principal Amount	44,424.00	184.72	-	-	44,608.72
ii) Interest Outstanding	724.62	11.79	-	-	7,36.41
Total (i+ii)	**45,148.62**	**196.51**	**-**	**-**	**45,345.13**

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL –

A. Remuneration to Managing Director, Whole-time Directors and/or Manager – NIL **(₹ in Lakh)**

Sr. No.	Particulars of Remuneration	Total Amount
	Name	-
	Designation	-
1	Gross salary	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	-
5	Others, please specify	-
	Total (A)	-
6	Ceiling as per the Act	

B. Remuneration to other directors - Nil (₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**-**	**-**	**-**	**-**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		CEO	CFO	CS	
	Name				(₹/ Lac)
	Designation				
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	48.69	48.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	NA	NA
3	Sweat Equity	-	-		
4	Commission	-	-	NA	NA
	- as % of profit	-	-	NA	NA
	- others, specify...	-	-	NA	NA
5	Others, please specify	-	-	-	-
	PF	-	-	2.42	2.42
	NPS	-	-	1.50	1.50
	Total	**-**	**-**	**52.61**	**52.61**

XII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES – NIL

By the Order of the Board
For ArcelorMittal Nippon Steel India Limited

Date:
Place: Mumbai

Dilip Oommen
Director & CEO

Jun Hashimoto
Director

INDEPENDENT AUDITOR'S REPORT

To The Members of ArcelorMittal Nippon Steel India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of ArcelorMittal Nippon Steel India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the 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, 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 31 March 2021, and its profit total 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 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 Standalone 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 of India (ICAI) 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 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 standalone financial statements.

Emphasis of Matter

We draw attention to note 44(ii)(2) to the financial statements relating to the ongoing disputed matters with a vendor pending before arbitration tribunal and its assessment as a contingent liability and not acknowledged as debt by the management basis consideration of relevant underlying facts of such disputed matters and the independent legal opinions obtained by the Management.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' report, including annexures thereof, but does not include the standalone financial statements and our auditor's report thereon. The Board of Directors' report, including annexures thereof is expected to be made available to us after the date of this auditor's report.

- Our opinion on the standalone financial statements does not cover the other information and we do not and will 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 identified above when it becomes available 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.

- When we read the Board of Directors' report, including annexures thereof, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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 Ind AS and other accounting principles generally accepted in India. 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 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 statement 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 skepticism 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 financial 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 the 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.

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 standalone 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 standalone 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 Section 143(3) of the Act, based on our audit 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 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 Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/ provided for the remuneration during the year.

   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 – refer note 44 to the financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins and Sells
Chartered Accountants
(Firm Registration No.: 302009E)

Place: Mumbai
Date: October 18, 2021

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 21046930AAAAFR5579)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ArcelorMittal Nippon Steel India Limited ("the Company") as of March 31, 2021 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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 Company's internal financial controls over financial reporting of the Company 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins and Sells
Chartered Accountants
(Firm Registration No.: 302009E)

Place: Mumbai
Date: October 18, 2021

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 21046930AAAAFR5579)

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

(i) In respect of property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds / conveyance deeds/ court orders provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land	Gross block *as at March 31, 2021 (₹ in crore)*	Net block *as at March 31, 2021 (₹ in crore)*	Remarks
Freehold land located at Hazira admeasuring 81.1707 hectares, 20.4569 hectares and 22.4905 hectares.	519.16	446.89	The title deeds are in the name of State Government. The Company acquired these land parcels by paying provisional consideration in earlier years and the land parcels are in possession of the Company. Refer note 5(a)(4) to the Standalone financial statements.
Freehold land located at Hazira admeasuring 18.98 hectares	65.58	56.44	The title deeds are in the name of the land owners from whom the Company acquired these land parcels by paying the agreed consideration in earlier years and the land parcels are in possession of the Company. These are pending to be registered in name of the Company. Refer note 5(a)(5) to the Standalone financial statements.

Particulars of the land	Gross block *as at March 31, 2021 (₹ in crore)*	Net block *as at March 31, 2021 (₹ in crore)*	Remarks
Freehold land located at Hazira admeasuring 20 hectares	14.19	14.19	The Company has acquired certain land parcels along with other identified assets from M/s Edelweiss Asset Reconstruction Company Limited, under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. These are pending to be registered in name of the Company. Refer note 5(a)(7) to the Standalone financial statements.
Freehold land located at Odisha admeasuring 4.51 hectares	4.32	4.32	The Company has acquired certain land parcels along with other identified assets from M/s Edelweiss Asset Reconstruction Company Limited, under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. These are pending to be registered in name of the Company. Refer note 5(a)(7) to the Standalone financial statements.

Immovable properties of land and acquired buildings whose title deeds have been pledged as security for loans, guarantees, etc. are held in the name of the Company based on the confirmations directly received by us from security trustee holding the pledged titles on behalf of the parent company to whom the debts are owed.

(d) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use in the Standalone Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements, except the following:

Particulars of the land	Gross block *as at March 31, 2021 (₹ in crore)*	Net block *as at March 31, 2021 (₹ in crore)*	Remarks
Leasehold land located at Odisha admeasuring 34.22 hectares	24.47	24.42	The Company has acquired certain leasehold land parcels along with other identified assets from M/s Edelweiss Asset Reconstruction Company Limited, under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. This is pending to be registered in name of the Company. Refer note 47(a) to the Standalone financial statements.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, except for inventories lying with third parties where confirmations have been received by the management, and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as on March 31, 2021 on account of disputes, read with note 44 to the Standalone Financial Statements. The disputed dues pertaining to the period prior to December 16, 2019 (pre CIRP period) are considered to be settled as described in detail in note 44 to the financial statements.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from the government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year except for few matters identified by the management in respect of which the investigations are currently ongoing against certain employees of the Company.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration during the year hence reporting under clause 3(xi) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanation given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties entered during the year ended March 31, 2021. 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.

In our opinion and according to the information and explanation given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins and Sells
Chartered Accountants
(Firm Registration No.: 302009E)

Place: Mumbai
Date: October 18, 2021

Rupen K. Bhatt
(Partner)
(Membership No. 046930)
(UDIN: 21046930AAAAFR5579)

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Crore)

Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020	
Assets					
Non-Current Assets					
Property, Plant and Equipment	5(a)	32,019.08		33,574.31	
Capital Work-in-Progress		1,765.39		1,182.15	
Intangible Assets	5(b)	18.38		0.24	
Intangible Assets under development		175.18		-	
		33,978.03		34,756.70	
Right of Use Asset	47	2,946.91		1,725.81	
			36,924.94		36,482.51
Financial Assets					
Investments	6(a)	2,705.47		335.50	
Other Non-Current Financial Assets	7	798.02		171.72	
			3,503.49		507.22
Other Non-Current Assets	8		233.62		248.46
Non-Current Tax Assets (net)			56.53		-
Deferred Tax Assets (net)	9		-		-
Current Assets					
Inventories	10		6,570.44		5,422.01
Financial Asset					
Current investments	6(b)	1,569.69		1,446.91	
Trade Receivables	11	2,112.56		781.57	
Cash and Bank Balances	12	986.69		285.18	
Other Bank Balances	13	6,889.95		6,611.92	
Current Loans	14	1.49		1.97	
Other Current Financial Assets	15	754.67		197.61	
			12,315.05		9,325.16
Other Current Asset	16		1,032.65		737.48
Current Tax Assets (Net)	17		21.91		65.30
TOTAL			**60,658.63**		**52,788.14**
Equity and Liabilities					
Equity					
Equity Share Capital	18	9,222.00		9,222.00	
Other Equity	19	(2,612.04)		(9,758.39)	
			6,609.96		(536.39)
Non Current Liabilities					
Financial Liabilities					
Non-Current Borrowings	20	43,970.53		45,507.41	
Lease Liability		2,511.26		1,306.54	
			46,481.79		46,813.95
Other Non-Current Liabilities	21		154.84		172.54
Non-Current Provisions	22		22.27		19.41
Current Liabilities					
Financial Liabilities					
Current Borrowings	23	635.98		3.85	
Trade Payables					
A) Total outstanding dues of micro, small and medium enterprises	24	116.06		101.81	
B) Total outstanding dues (others)	24	2,252.02		1,410.69	
Lease Liability		436.02		384.56	
Other Current Financial Liabilities	25	3,284.60		4,034.66	
			6,724.68		5,935.57
Other Current Liabilities	26		663.15		380.87
Current Provisions	27		1.94		2.19
TOTAL			**60,658.63**		**52,788.14**

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
Date: October 18, 2021

For and on behalf of the Board of Directors of
ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director
DIN: 09244627

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: October 12, 2021
Place: Mumbai

Pankaj Chourasia
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

Particulars	Note No.	For Year ended 31st March, 2021		For Year ended 31st March, 2020	
Income					
Revenue from Operations	28		32,027.36		28,107.45
Other Income	29		564.78		177.71
Expenses			32,592.14		28,285.16
Cost of Materials Consumed	30	18,440.64		17,543.18	
Purchase of Traded Goods		82.07		63.22	
(Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(229.51)		(676.41)	
Energy Cost	32	3,546.52		4,048.14	
Employee Benefits Expense	33	493.47		441.59	
Other Expenses	34	3,176.52		3,628.43	
			25,509.71		25,048.15
Profit before Finance Costs, Exchange Variation and Derivative Gains/Losses, Depreciation/Amortisation, Exceptional items and Tax			7,082.43		3,237.01
Finance Costs	35		3,758.47		1,545.73
Exchange Variation and Derivative (net)	36		(152.29)		343.29
Depreciation / Amortization Expense			2,423.84		2,442.45
Profit / (Loss) before Exceptional items and Tax			1,052.41		(1,094.46)
Exceptional Items - (Income)	51		(536.51)		(15,838.88)
Profit / (Loss) before Tax			1,588.92		14,744.42
Tax Expense / (Benefit)					
Deferred Tax Charge / (Credit)	37		(279.78)		823.45
Profit / (Loss) after Tax for the year			1,868.70		13,920.97
Other Comprehensive Income	38				
A (i) Items that will not be reclassified to profit or loss			(3.23)		(2.79)
B (i) Items that will be reclassified to profit or loss			1,111.64		(0.49)
(ii) Income tax relating to items that will be reclassified to profit or loss			(279.78)		-
Total other comprehensive income			828.63		(3.28)
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)			2,697.33		13,917.69
Earning/(Loss) per Share (in Rupees)	48				
Basic [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			2.03		46.03
Diluted [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			2.03		46.03

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 and on behalf of the Board of Directors of
ArcelorMittal Nippon Steel India Ltd

For Deloitte Haskins & Sells
Chartered Accountants

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director
DIN: 09244627

Rupen K. Bhatt
Partner
Membership No.: 46930
Date: October 18, 2021

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: October 12, 2021
Place: Mumbai

Pankaj Chourasia
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ 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, 2019	**3,109.63**	**(766.07)**	**12.73**	**(34,192.28)**	**202.92**	**7,814.61**	**-**	**77.51**	**-**	**-**	**(19.69)**	**(23,760.64)**
Profit 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)	(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 19(f)]	-	-	-	-	-	-	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)**
Profit for the year	-	-	-	1,868.70	-	-	-	-	-	-	-	1,868.70
Other Comprehensive Income (Loss) for the year	-	-	-	(3.54)	-	-	-	-	-	831.86	0.31	828.63
Total Comprehensive Income for the year	**-**	**-**	**-**	**1,865.16**	**-**	**-**	**-**	**-**	**-**	**831.86**	**0.31**	**2,697.33**
Capital Contribution during the year [Refer Note 19(f)]	-	-	-	-	-	-	4,449.02	-	-	-	-	4,449.02
Balance as on 31st March, 2021	**9,222.00**	**-**	**2,356.29**	**(18,406.15)**	**202.92**	**7,814.61**	**4,533.58**	**77.51**	**-**	**831.37**	**(22.17)**	**6,609.96**

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 and on behalf of the Board of Directors of **ArcelorMittal Nippon Steel India Ltd**

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No.: 46930
Date: October 18, 2021

Dilip Oommen
Director & CEO
DIN: 02285794

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: October 12, 2021
Place: Mumbai

Jun Hashimoto
Director
DIN: 09244627

Pankaj Chourasia
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

Particulars	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
A. Cash Flow from Operating Activities				
Net Profit before Taxation		1,588.92		14,744.42
Adjustments for -				
Depreciation / Amortisation	2,423.84		2,442.45	
Loss on sale / disposal / write off of PPEs (net)	74.36		0.42	
Gain Due to Termination of lease	(17.15)		-	
Liabilities written back	(88.17)		(25.66)	
Profit on Sale of Investment	(46.89)		(11.40)	
Exceptional Items (Income)	(536.51)		(15,838.88)	
Finance Costs	3,758.47		1,545.73	
Exchange Variation & Derivatives (Net)	(152.29)		372.26	
Interest on Deposit with Banks and Others	(323.52)		(104.70)	
Amortisation of Deferred Gain	(17.70)		(17.70)	
Allowance for Doubtfull Debt/ Trade Advances	16.29		16.91	
Gain On Fair Valuation Of Investments	(47.51)		(6.88)	
		5,043.22		(11,627.45)
Operating Profit before movements in Operating Assets and Liabilities:		6,632.14		3,116.97
Movements in Operating Assets and Liabilities:				
Increase / (Decrease)in Trade Payables	889.91		(1,008.09)	
Increase/ (Decrease) in Other Financial Current Liabilities	(3.28)		14.45	
Increase/ (Decrease) in Other Current Liabilities	406.55		(618.29)	
Increase/ (Decrease) in Long Term Provisions	(0.68)		(3.81)	
Increase /(Decrease) in Short Term Provisions	(0.25)		(0.68)	
(Increase)/ Decrease in Inventories	(1,148.43)		(747.94)	
(Increase) / Decrease in Trade Receivables	(1,346.48)		427.13	
(Increase) / Decrease in Current Loans	0.47		(0.07)	
(Increase) / Decrease in Other Current Assets	(303.17)		87.21	
(Increase) / Decrease in Other Non-Current Assets	55.12		(50.07)	
(Increase) / Decrease in other Other Current Financial Assets	2.54		2.54	
		(1,428.67)		(1,897.62)
Cash Generated from Operations		5,203.47		1,219.35
Direct Taxes (Paid)/Refunded (net)		(13.14)		19.67
Net Cash Generated from Operating Activities		5,190.33		1,239.02
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment,intangible assets (Including under Development)	(1,189.83)		(852.74)	
Purchase of Non Current Investment	(2,370.00)		-	
Proceeds from Non Current Investment	489.24		-	
Purchase of Current Investments	(5,835.06)		2,893.40	
Proceeds from Sale of Current Investments	5,807.02		(4,297.49)	
Interest Income	316.47		132.97	
(Increase)/Decrease in Deposit with Banks/(Net)	(366.81)		(6,236.62)	
Net Cash used in Investing Activities		(3,148.97)		(8,360.48)
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	621.59		(205.78)	
Payment towards Lease liabilities	(608.04)		(768.80)	
Finance Cost paid	(1,353.39)		(107.00)	
Net Cash Generated from / (used in) Financing Activities		(1,339.84)		7,262.30
Net Increase in Cash and Cash Equivalents		**701.52**		**140.84**
Cash and Cash Equivalents at the beginning of the year		285.17		144.33
Cash and Cash Equivalents at the end of the year		986.69		285.17
Net Increase in Cash and Cash Equivalents		**701.52**		**140.84**

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2021

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.

3 **Reconcilliation of borrowings during the year**

(₹ in Crore)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
Borrowing as at beginning	47,006.15	64,288.33
Writeback of Borrowing	-	(17,474.87)
Repayment of Borrowings	-	(878.12)
Proceeds from Borrowings	621.59	(205.78)
Capital Contribution	(4,449.02)	(84.56)
Interest accrued	3,496.41	919.31
Interest Paid	(1,177.58)	-
Exchange Variation	(154.63)	441.84
Borrowing as at closing	**45,342.92**	**47,006.15**

4 Non-cash transactions of Investing and Financing activities includes Capital contribution [Refer Note- 19(f)]

5 Cash and Cash Equivalents included in the Cash Flow Statement comprise the following Balance Sheet amounts:

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalents (Refer Note 12)	986.69	285.18
Less: Exchange Variation Gain / (Loss)	-	0.01
Cash and Cash Equivalents at the end of the year	**986.69**	**285.17**

In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No.: 46930
Date: October 18, 2021

For and on behalf of the Board of Directors of
ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director
DIN: 09244627

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: October 12, 2021
Place: Mumbai

Pankaj Chourasia
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

1 Nature of Operations/ Corporate Information

a) ArcelorMittal Nippon 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) 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, ArcelorMittal India Private Limited (AMIPL) is preparing consolidated financial statements for the year ended 31st March 2021.

c) The Standalone Financial Statements were authorized for issuance on 12th October, 2021 by the Company's Board of Directors.

2 Basis of Preparation

These standalone financial statements which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2021, 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 6 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/ Intangible Assets under development (CWIP)

All expenditure, including borrowing cost in respect of qualifying assets, incurred during the project construction period, are accumulated and presented as CWIP 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 CWIP. Expenditure/Income arising during trial run is added to/reduced from the CWIP.

(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 Companies 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 (Years)	Average useful life as per Technical Evaluation (Years)
Plant and Machinery		
Sinter, Rolling Mill and Blast Furnace	20	25
Power Generation Plant	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,

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

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 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, 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(b)]

<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.

Current and deferred tax for the year

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 and Associates) 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

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 measurement

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 liability 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.

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 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.

(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.

(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.

(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.

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

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. 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”)

NOTES TO STANDALONE FINANCIAL STATEMENTS
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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) and where the value of underlying assets is immaterial (low value 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:

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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.

(xx) Measurement of EBIDTA

The Company has elected to present earnings before finance costs, exchange variation and derivative gains and losses, depreciation and amortisation expenses, exceptional items 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

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(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) 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 6(1)]

b) 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 taxable temporary differences. (Refer note 9)

c) 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 46)

d) 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.

e) 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 44)

f) **Estimation of uncertainties relating to COVID-19**

In view of the impact of COVID-19, the Company has assessed the carrying amounts of trade receivables and other financial assets as at March 31, 2021. 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.

g) **Assessment of Business Combination**

Note 5(a)(7) describes the acquisition of certain identified assets related to the power plant of Essar Power Orissa 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, substantive 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.

h) **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

i) **Assessment of potential voting rights:**

The company evaluates the potential voting rights arising from the convertible instrument subscribed considering the nature of the instrument, the benefits or deterrence in conversion, operational barriers/ incentives for conversion of the instrument into equity shares in accordance with the requirement of IND AS 110 [Refer Note 6(3)]

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

5(a) Property, Plant & Equipment

(₹ 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 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	(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
Disposals	-	-	-	-	-	-	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**
Additions	4.32	-	33.35	-	319.54	-	0.38	0.59	27.50	71.37	-	4.40	-	461.45
Disposals	-	-	0.91	-	121.63	-	-	-	0.01	-	-	-	-	122.55
At 31st March 2021	**3,726.72**	**-**	**4,710.45**	**-**	**38,759.94**	**-**	**24.38**	**12.59**	**48.84**	**79.48**	**13.93**	**66.04**	**4.58**	**47,446.95**
Accumulated depreciation														
At 1st April 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	-	(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 51)	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**
Charge for the year	-	-	151.19	-	1,781.23	-	1.48	0.54	2.99	1.66	0.58	2.29	0.38	1,942.34
Disposals	-	-	0.67	-	47.53	-	-	-	0.01	-	-	-	-	48.21
At 31st March 2021	**482.83**	**-**	**958.52**	**-**	**13,917.47**	**-**	**13.86**	**9.79**	**18.55**	**7.70**	**4.89**	**11.98**	**2.28**	**15,427.87**
Net book value														
At 31st March 2021	**3,243.89**	**-**	**3,751.93**	**-**	**24,842.47**	**-**	**10.52**	**2.80**	**30.29**	**71.78**	**9.04**	**54.06**	**2.30**	**32,019.08**
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**
Expected Useful Life of the assets (years)	NA	NA	9-63	NA	4-55	NA	10	5	3-6	8-10	24-28	15-25	20	
Capital Work-in-Progress														
At 31st March 2021														**1,765.39**
At 31st March 2020														**1,182.15**

Notes:

1 Railway Sidings and Wagons includes the railway wagons of ₹0.69 Crore (Previous Year ₹0.69 Crores) (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 Buildings includes equipments at Retail outlet of ₹0.71 Crore (Previous year ₹0.78 Crore) (Net book value) given on lease , depreciation debited to Statement of Profit and Loss ₹0.07 crore (Previous year ₹0.06 crore).

3 Certain property, plant and equipment are pledged against borrowings. The details relating to the same have been described in Note 52.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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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 ₹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 ₹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 ₹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 ₹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 2015 and taken back vide cancellation agreement dated 24th June 2016. The matter is under sub-judice. [Please refer Note44(1) for details].

7 The Company has acquired certain identified assets from M/s Edelweiss Asset Reconstruction Company Limited, which in turn acquired the same through enforcement of security interest over the assets under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI) comprising of land, building, plant & machinery and Capital - work in progress related to power plants of Essar Power Orissa Limited (EPORL) and Bhander Power Limited (BPOL) for a consideration of ₹335 crores and ₹500 crores, excluding stamp duty/registration charges, during the year ended 31st March, 2021 and previous year 31st March, 2020 respectively. The land including 4.51 hectare at Kujang, Odisha and 20 Hectare at Hazira is under possession of the Company but registration formalities is under progress as on 31st March 2021.

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.

(₹ 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
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5(b) **Intangible Assets** (₹ in Crore)

Particulars	Software
Cost / Deemed Cost	
At 1st April 2019	**28.54**
Additions	-
Deletions	-
At 31st March 2020	**28.54**
Additions	18.89
At 31st March 2021	**47.43**
Accumulated Amortisation	
At 1st April 2019	**23.87**
Charge for the year	4.43
Disposals	-
At 31st March 2020	**28.30**
Charge for the year	0.75
Disposals	-
At 31st March 2021	**29.05**
Net book value	
At 31st March 2021	**18.38**
At 31st March 2020	**0.24**
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.

(₹ 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: (₹ in Crore)

Particulars	For the Year ended 31st March, 2021	31st March, 2020
Depreciation and amortisation for the year as above	1,943.09	1,900.90
Amortisation on Right of Use Asset (Refer Note 47)	480.75	541.55
Depreciation and amortisation as per statement of profit and loss	**2,423.84**	**2,442.45**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

6 **(a) Non-Current Investments**

Unquoted Equity Instrument

(₹ in Crore)

	Particulars	As at 31st March, 2021		As at 31st March, 2020	
(A)	**Investment in Subsidiaries (At Cost / Deemed Cost)**				
	226 (PY 226) fully paid Equity Shares of AED 1 million (PY AED 1 million) of AMNS Middle East FZE		322.75		322.75
	Essar Steel Offshore Limited - Deemed Investment[3]	60.09		60.09	
	Provision for Impairment	(60.09)		(60.09)	
			-		-
	50,000 (PY 50,000) fully paid Equity Shares of ₹10 (PY ₹10) of of AMNS Steel Logistics Limited (Fka Essar Steel Logistics Limited)	0.05		0.05	
	Provision for Impairment	(0.05)		(0.05)	
			-		-
	130,357,881 (PY 130,357,881) fully paid ordinary Shares of USD 1 million (PY USD 1 million) of Essar Steel Offshore Limited	738.07		738.07	
	Provision for Impairment	(738.07)		(738.07)	
			-		-
	200,000 (PY 200,000) fully paid Equity Shares of ₹10 (PY ₹10) of AMNS Shared Services Limited (Fka Paradeep Steel Company Limited)	0.20		0.20	
	Provision for Impairment	(0.20)		(0.20)	
			-		-
	14 (PY 14) fully paid Equity Shares of AED 1 million (PY 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 (PY 2) fully paid Equity Shares of AED 0.1 million (PY AED 0.1 million) of Essar Steel Processing FZCO Dubai	0.25		0.25	
	Provision for Impairment	(0.25)		(0.25)	-
			-		-

(C) Non-Current Investment - Others

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Equity Instruments - Unquoted (Carried at FVOCI)		
96,905,000 (PY 96,905,000) fully paid Equity Shares of ₹10 each of Bhander Power Limited [Cost - ₹104.77 Crores] [1]	-	-
5,781,944 (PY 5,781,944) fully paid Equity Share of ₹10 each of Bhagwat Steel Limited [Cost - ₹5.78 Crores] [1]	-	-
68,900,000 (PY 68,900,000) fully paid Equity Shares of ₹10 each of Essar Power MP Limited [Cost - ₹68.90 Crores] [1]	-	-
1,300,000 (PY 1,300,000) fully Paid Equity Shares of ₹10 each of Essar Bulk Terminal Limited [Cost- ₹1.30 Crores] [1]	9.05	9.05
2,600,000 (PY 2,600,000) fully paid Equity shares of ₹10 each of Essar Power Hazira Limited [Cost - ₹2.60 Crores] [1]	2.68	2.68
2,600,000 (PY 2,600,000) fully paid Equity shares of ₹10 each of Essar Power Orissa Limited [Cost- ₹2.60 Crores] [1]	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(C) Non-Current Investment - Others (Contd..)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
2,000 (PY 2,000) fully Paid Equity Shares of ₹10 each of Essar Bulk Terminal Paradip Limited (*** ₹20,000)	***	***
250,000 (PY 250,000) fully paid Equity Shares of ₹10 each of Frontline Roll Forms Private Limited [Cost - ₹0.25 Crores]	-	-
Nil (PY 2,595,000) fully paid Equity Shares of ₹10 each of Odisha Slurry Pipe Line Infrastructure Limited [Cost- ₹25.50 Crores] (Refer Note 44)	-	-
20 fully paid Equity Shares of ₹10 each of Essar Commvision Limited (# ₹200)	#	#
Equity Instrument - Quoted (Carried at FVOCI)		
1,273,611 (PY 1,273,611) fully paid Equity Shares of ₹10 each of Essar Shipping Limited	0.99	0.68
Convertible Debentures		
1,065,585 (PY 1,065,585) fully paid Comp. Conv. Cumulative Debenture of ₹1000 each of AMW Auto Component Limited (Carried at FVTPL) (Cost - ₹106.56 Crores)	-	-
Nil (PY 50,100,810) Odisha Slurrry Pipeline Infrastruture Limited (Convertible Debenture) of ₹100 each.(Carried at FVOCI) (Cost - ₹501.01 Crores) (Refer Note 44)	-	-
Compulsorily Convertible Preference Shares (Carried at FVTPL)		
790,000,000 (PY Nil) Compulsory Convertible Preference Shares of ₹10 each of AM Mining India Private Limited. [3]	2,370.00	-
Investments in Unit Linked Insurance Policy (Carried at FVOCI)		
Nil (PY 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
Non-Current Investment - Others (Total) (C)	**2,382.72**	**12.75**
Non-Current Investment (A)+(B)+(C)	**2,705.47**	**335.50**
Aggregate amount of Unquoted Investments	3,520.75	1,150.75
Aggregate amount of Impairment	(816.27)	(816.27)
	2,704.48	**334.48**
Aggregate amount of Quoted Investments	**0.99**	**1.02**
	0.99	**1.02**

1. Company does not have power to participate in the financial and operating policy decisions of these entities and these entities ceased to be the associates of the Company and have been regarded as the investments in equity instruments valued at fair value through other comprehensive income post acquisition of control over the Company by AMIPL under the IBC proceedings with effect from December 16, 2019.

2 Essar Steel Offshore Limited (ESOL) was extended a loan facility of USD 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 (ESIL), 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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As part of the Corporate Insolvency Resolution Process (CIRP), SCB had submitted its claim for USD 544.27 Million (₹3,487.10 Crore) pertaining to the SCB Facility given to ESOL including interest thereon, through invocation of the Corporate Guarantee provided by ESIL. 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") wherein 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 (₹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 ESOL which were pledged against loan availed from Standard Chartered Bank (SCB, London Branch) by ESOL (a subsidiary), has been assigned in favour of AMNS Luxembourg S.A. by executing assignment agreement dated 16th December 2019. The liability of ₹60.09 crore paid and waived by AMNS Luxembourg on behalf of the Company and had 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.

On September 24, 2021, the Supreme Court of Mauritius granted the Company's prayer for the winding up of ESOL and appointed Mr. Anjeev Hurry as the liquidator of ESOL. As per the Order, the dissolution/liquidation process to be completed by the end of January 2022.

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.

3 On 6th July, 2020, the company subscribed to 79 Crores (nos.) compulsorily convertible preference shares (CCPS) issued by AM Mining India Private Limited (AM Mining), with dividend coupon bearing rate of 0.01% per annum and carrying face value of ₹10 per share issued at premium of ₹20 per share for an aggregate consideration of ₹2,370 Crores. As per the terms of the instrument, the CCPS are convertible into fix number of equity shares of AM Mining at any time during the period of 10 years, being the tenure of CCPS.

The company has evaluated the feasibility of the conversion option included in the CCPS instrument to assess control over AM Mining basis which it has concluded that considering the legal/ regulatory deterrents, the conversion rights as at 31st March, 2021 are not currently substantive in accordance with IND AS 110 and accordingly, the investment in CCPS, basis evaluation of the ongoing disputes in respect of the underlying assets supported with an independent legal opinion, has been recognised at Fair value through Profit and Loss.

6 **(b) Current Investments** **(₹ in Crore)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investments in Mutual Fund (Unquoted) (Carried at FVTPL)		
778,150 (PY 1,297,212) units of SBI Liquid Fund-Direct Plan-Growth	250.69	403.30
2,118,881 (PY 2,118,881) units of SBI Banking & PSU Fund Direct-Growth	541.17	501.19
Nil (PY 765,584) units of 'SBI Magnum Low Duration Fund Direct-Growth	-	201.35
59,795,816 (PY 141,323,956) units of 'SBI Short Term Debt Fund-Direct Plan-Growth	155.64	341.07
55,631,562 (PY Nil) Kotak Banking & PSU Debt Fund	286.63	-
453,016 (PY Nil) Axis Money Market Fund	50.14	-
80,113,548 (PY Nil) ICICI Prudential Banking & PSU Debt Fund	205.22	-
2,631,917 (PY Nil) ICICI Prudential Liquid Fund	80.20	-
Current Investments (Total)	**1,569.69**	**1,446.91**
Aggregate amount of Unquoted Investments	1,569.69	1,446.91
Aggregate amount of Quoted Investments	-	-
	1,569.69	**1,446.91**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

7 Other Non-Current Financial Assets

(Unsecured unless otherwise stated)

(₹ in Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Security Deposit	91.26		188.02	
Less: Allowance for Expected credit loss (ECL)*	22.08		63.86	
		69.18		124.16
Deposits with Banks with maturity period more than 12 months (Refer note 13)		136.34		47.56
Derivative Financial Assets		592.50		-
		798.02		**171.72**
*Additional Information: Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		63.86		-
Add: Additional provision during the year		-		63.86
Less: Reversal during the year		41.78		-
Provision for ECL at the end of the year		**22.08**		**63.86**

8 Other Non-Current Assets

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advances	233.62	248.32
Prepaid Expenses	-	0.14
	233.62	**248.46**

9 Deferred Tax Assets (net)

Deferred Tax Asset/(Liability) movement for FY 2020-21

(₹ in Crore)

Particulars	As at 1st April 2020	Recognised / (reversed) through Profit and Loss	Recognised / (reversed) through Other Comprehensive Income	Recognised in / reclassified from Equity	As at 31st March 2021
Property, plant and equipment, Intangible Assets and Right of Use Assets (ROU)	(4,678.50)	(3.61)	-	-	(4,682.11)
Carried forward Unabsorbed depreciation	4,098.28	(1,053.57)	(279.78)	-	2,764.93
Lease Liability	417.56	321.47	-	-	739.03
Deferred Gain on Lease	47.88	(4.45)	-	-	43.43
Expenses allowable for tax purposes on payment basis	114.78	1,019.94	-	-	1,134.72
Net Deferred Tax	**-**	**279.78**	**(279.78)**	**-**	**-**

Deferred Tax Asset/(Liability) Movement for FY 2019-20

(₹ 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 and ROU assets	(8,210.48)	3,531.98	-	-	(4678.50)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Deferred Tax Asset/(Liability) Movement for FY 2019-20 (cond..) **(₹ 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
Carried forward Unabsorbed depreciation	8,680.71	(4,582.43)	-	-	4098.28
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)**	**-**	**-**	**-**

10 Inventories[1]

(Valued at lower of cost and net realizable value) **(₹ in Crore)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials and components	1,610.55	1,116.35
Goods-in transit	439.47	367.15
Stores and Spares	782.47	592.41
Goods-in transit	16.57	26.97
Production Consumable	397.85	283.60
Goods-in transit	18.30	79.99
Fuel	137.13	116.55
Goods-in transit	99.60	-
Work-in-Progress	2,306.19	1,712.21
Finished Goods	762.31	1,126.78
	6,570.44	**5,422.01**

Value of inventories, above is stated after provision of ₹9.57 Crore (Previous Year - ₹9.57 Crores) towards slow-moving and obsolete items and ₹198.31 Crore (Previous Year ₹235.62 Crores) towards reduction in net realisable value.

11 Trade Receivables[1#]

(Unsecured unless otherwise stated) **(₹ in Crore)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Considered Good	2,112.56	781.57
Credit Impaired	834.30	831.07
Less : Allowance for Expected credit loss (ECL)*	834.30	831.07
	2,112.56	**781.57**
*Additional Information: Movement in Allowance for ECL		
Provision for ECL at the beginning of the year	831.07	802.16
Add: Additional provision during the year (Including Exchange Variation)	7.75	38.79
Less: Reversal during the year	4.52	9.88
Provision for ECL at the end of the year	**834.30**	**831.07**

#The Carrying amounts of the trade receivables include receivables amounting to ₹371.98 Crores which are subject to a bills discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the bank / financial institution in exchange of cash and is prevented from selling or pledging the receivables.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

12 Cash and Cash Equivalents[1]

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	0.01	0.01
Cheques on hand	11.67	14.85
Balances with banks in Current Accounts	693.60	225.32
Deposits with original maturity of less than 3 months	281.41	45.00
	986.69	**285.18**

13 Other Bank Balances[1]

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deposits with original maturity for more than 3 months but less than 12 months	800.27	809.61
Deposits with original maturity for more than 12 months	2,960.83	4,861.22
Margin Money	3,128.85	941.09
	6,889.95	**6,611.92**

Margin Money ₹3,212.32 Crs (including Margin money on long term deposits in Other Non-Current financial Assets ₹83.47 Crs 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 52 pertaining to borrowings.

14 Current Loans

(Unsecured and Considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Inter Corporate Deposits (ICD) - Related Parties				
Considered Good	-		-	
Credit Impaired	2,492.52		2,556.31	
Less : Allowance for Expected credit loss (ECL)*	2,492.52		2,556.31	
		-		-
Loans and Advances to Staff				
Considered Good	1.49		1.97	
Credit Impaired	0.25		0.25	
Less : Allowance for Expected credit loss (ECL)*	0.25		0.25	
		1.49		1.97
		1.49		**1.97**
*Additional Information: Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		2,556.56		1,785.19
Add: Additional provision during the year (Including Exchange Variation)		-		771.39
Less: Reversal during the year (Including Exchange Variation)		63.79		0.02
Provision for ECL at the end of the year		**2,492.77**		**2,556.56**

NOTES TO STANDALONE FINANCIAL STATEMENTS
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15 Other Current Financial Assets

(Unsecured and Considered good unless otherwise stated) (₹ in Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Security Deposits	228.27		199.73	
Less : Allowance for Expected credit loss (ECL)*	111.07		100.03	
		117.20		99.70
Export Benefit	103.13		93.73	
Less : Allowance for Expected credit loss (ECL)*	30.51		30.51	
		72.62		63.22
Interest Accrued on ICDs, Loans & Deposits		1.67		1.75
Derivative Financial Assets		551.01		7.34
Other Receivables		12.17		25.60
		754.67		**197.61**
*Additional Information: Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		130.54		19.80
Add: Additional provision during the year		11.04		110.74
Provision for ECL at the end of the year		**141.58**		**130.54**

16 Other Current Assets

(Unsecured and Considered good unless otherwise stated) (₹ in Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Balances with Government Authorities	439.05		403.21	
Less: Provision for Impairment	127.09		127.09	
		311.96		276.12
Loans and Advances to Suppliers - Related Parties	19.83		16.67	
Less: Provision for Impairment	11.17		11.17	
		8.66		5.50
Loans and Advances to Suppliers	823.78		580.81	
Less: Provision for Impairment	157.82		169.27	
		665.96		411.54
Claims Receivables	922.20		941.99	
Less: Provision for Impairment	915.50		937.38	
		6.70		4.61
Prepaid Expenses		39.37		39.71
		1,032.65		**737.48**

17 Current Tax Assets (Net)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Income Tax	21.91	65.30
	21.91	**65.30**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

18 **Equity Share Capital** (₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Authorised		
29,900,000,000 (Previous Year 29,900,000,000) Equity Shares of ₹10 each	29,900.00	29,900.00
100,000,000 (Previous Year - 100,000,000) 10% Cumulative Redeemable Preference Shares of ₹10 each	100.00	100.00
	30,000.00	**30,000.00**
Issued, Subscribed and Paid-up		
9,222,000,000 (Previous Year 9,222,000,000) Equity Shares of ₹10 each	9,222.00	9,222.00
	9,222.00	**9,222.00**

a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the year:

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year	9,222,000,000	9,222.00	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	9,222,000,000	9,222.00

b) Rights, preferences and restrictions attached to shares

Equity Shares

The Company has one class of Equity Shares having face value of ₹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.

d) Details of shareholders holding more than 5% shares in the Company

	31st March, 2021		31st March, 2020	
	Number	% of Holding	Number	% of Holding
Equity Shares				
ArcelorMittal India Private Limited and it's Nominees	9,222,000,000	100.00	9,222,000,000	100.00
	9,222,000,000	100.00	9,222,000,000	100.00

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

19 Other Equity (₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Reserves	2,356.29	2,356.29
Capital Redemption Reserve	202.92	202.92
Securities Premium Account	7,814.61	7,814.61
Capital Contribution	4,533.58	84.56
General Reserve	77.51	77.51
Retained Earnings	(18,406.15)	(20,271.31)
Other Comprehensive Income	809.20	(22.97)
	(2,612.04)	**(9,758.39)**

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) ₹2,957.88 Crore (Previous Year ₹3,113.58 Crore) net of depreciation. Depreciation charge (net of Deferred Taxes) for the year includes ₹155.70 Crore (Previous Year ₹150.05 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) **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.

d) **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.

e) **Capital Reserve**

As per the approved resolution plan, the Equity Share Capital amounting to ₹3,109.63 Crores and Treasury Shares amount to ₹766.07 Crores as on effective date i.e. 16.12.2019, were extinguished and had been transferred to Capital Reserve.

f) **Capital Contribution**

During the previous year as described in detail in Note 6(2) to the financial statements, subsequent to settlement of claim of Standard Chartered Bank under the CIRP on behalf of the Company, the same was waived off by AMNS Luxembourg and an amount of ₹60.08 Crore was recognised as capital contribution. Further during the year, certain modifications were made in the existing debt agreement, in view of the said modifications, net interest expense of ₹246.26 Crores is recognised as capital contribution. During the year the company has received waiver of borrowings from AMNS Luxembourg amounting to ₹1,418.89 Crores and this is also being recognised as capital contribution. Further, during the previous year certain borrowing 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, an amount of ₹24.47 Crores was recognised as capital contribution. During the year 2020-21, there have been extension in the moratorium period of interest in the existing debt agreement of the Company, accordingly, interest amounting to ₹2,256.47 Crores and principal amounting to ₹527.39 Crores have been recognised as capital contribution.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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20 Non-Current Borrowings (Refer Note 52)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Non-Convertible Debentures of ₹10,00,000 each	337.32	-
Term Loans		
From Related Party (Refer Note 43)	43,485.15	45,031.58
From Banks	-	332.31
From Financial Institutions	6.49	-
Unsecured		
Term Loan from Related Party	141.57	143.52
	43,970.53	**45,507.41**

21 Other Non-Current Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred gain*	154.84	172.54
	154.84	**172.54**

*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.

22 Non Current Provisions

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits (Refer Note 46)		
Gratuity	7.75	6.93
Compensated Absences	14.52	12.48
	22.27	**19.41**

23 Current Borrowings

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured (Refer Note 52)		
Acceptance for Capital Expenditures	4.46	-
Acceptances for Goods and Expenses	216.39	3.85
Liability for Bills Discounting*	371.98	-
Unsecured		
Acceptances for Goods and Expenses	42.55	-
Acceptance for Capital Expenditures	0.60	-
	635.98	**3.85**

*The Company has transferred the relevant receivables to the bank / financial institution (under Bills Discounting arrangement) in exchange of cash and is prevented from selling or pledging the receivables.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

24 Trade Payables

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Outstanding dues of micro,small and medium enterprises (Refer note 49)	116.06	101.81
Outstanding dues - other than MSME (Including Accrued Liability)	2,252.02	1,410.69
	2,368.08	**1,512.50**

25 Other Current Financial Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term debt (Refer Note 52)	736.41	1,494.89
Creditors for Capital Expenditures	78.06	20.81
Derivative Liability for Forward Contracts	2.21	0.49
Security Deposits Received	2.85	3.99
Other Liabilities (Refer Note 44(1))	2,465.07	2,514.48
	3,284.60	**4,034.66**

26 Other Current Liabilities

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from Customers	329.74	140.42
Deferred gain (Refer Note 21)	17.70	17.70
Statutory Liabilities	315.71	222.75
	663.15	**380.87**

27 Current Provisions

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Employee benefits-Compensated Absences (Refer Note 46)	1.94	2.19
	1.94	**2.19**

28 Revenue from Operations

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Sale of products	31,593.66	27,654.44
Sale of services	6.05	29.76
Other operating revenues	427.65	423.25
	32,027.36	**28,107.45**

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 11 – Trade Receivables to the financial statements for the amount of contracts assets outstanding as at 31st March, 2021, and refer to details of Advances from customers in note 26 – Other current liabilities to the financial statements for the amount of contract liabilities outstanding as at 31st March, 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Information about Products and Services:

Products	Unit	For the Year 31st March, 2021		For the Year 31st March, 2020	
		Quantity	₹ in Crore	Quantity	₹ in Crore
Pellets	MT	897,338	696.54	108,680	78.74
Hot Briquette Iron Fines	MT	22,161	20.77	21,864	16.06
Hot/Cold Rolled Coils, Sheets and Plates	MT	6,336,705	29,021.44	6,425,159	25,849.49
Pipes	MT	165,855	1,123.52	154,897	992.58
Others			731.39		717.57
Total Products Sales			**31,593.66**		**27,654.44**
Sale of services			6.05		29.76
Other operating revenues			427.65		423.25
Revenue from Operations			**32,027.36**		**28,107.45**

29 Other Income (₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Interest Income on Financial Assets measured at amortised cost		
Bank Deposits	313.38	92.93
Others	10.14	11.77
Rent	16.83	8.80
Gain on sale of Investments	46.89	11.40
Gain On Fair Valuation Of Investments	47.51	6.88
Dividend Income - Trade Long Term Investments	3.08	-
Gain Due to Termination of lease	17.15	-
Amortisation of Deferred Gain (Refer Note 21)	17.70	17.70
Liabilities/ Provision no longer required written back	88.17	25.66
Miscellaneous Income	3.93	2.57
	564.78	**177.71**

30 Cost of Materials Consumed (₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Raw Materials	15,575.90	13,841.22
Production Consumables	1,959.53	2,485.52
Interplant Freight for input materials	905.21	1,216.44
	18,440.64	**17,543.18**

31 (Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade (₹ in Crore)

Particulars	For the Year 31st March, 2021		For the Year 31st March, 2020	
Opening Stock				
Finished Goods	1,126.78		672.89	
Work-in-Progress	1,712.21		1,688.00	
		2,838.99		2,360.89
Closing Stock				
Finished Goods	762.31		1,126.78	
Work-in-Progress	2,306.19		1,910.52	
		3,068.50		3,037.30
		(229.51)		**(676.41)**

*Opening stock of work-in-progress is net of impairment ₹198.31 Crores

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

32 Energy Cost

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Petroleum Products - Fuel	2,199.32	2,622.72
Power and Water charges	1,347.20	1,425.42
	3,546.52	**4,048.14**

33 Employee Benefits expense

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Salaries and wages	373.47	336.74
Contribution to Provident and Other Funds (Refer Note 46)	30.59	26.51
Staff Welfare expenses	89.41	78.34
	493.47	**441.59**

34 Other Expenses

(₹ in Crore)

Particulars	For the Year 31st March, 2021		For the Year 31st March, 2020	
Manufacturing & Asset Maintenance				
Repairs, Maintenance and Equipment Hire charges	549.03		743.70	
Stores and Spares	751.83		1,003.10	
Labour and Sub Contracting charges	350.08		309.54	
Plant Insurance	40.59		23.52	
		1,691.53		2,079.86
Administrative Expenses				
Traveling, Conveyance and Vehicle Hire & Maintenance charges	14.68		20.24	
Printing, Stationery, Postage and Telephone	6.10		6.35	
Professional Fees	168.55		97.63	
Operating Lease Rent	18.68		24.44	
Repairs, Maintenance - other than Plant	16.10		21.51	
Insurance - other than Plant	8.82		7.38	
Rates and Taxes	25.13		36.09	
Auditor's Remuneration*	4.36		4.36	
Loss on sale/disposal/write off of PPEs (net)	74.36		0.42	
Allowance for Doubtful Debt/Trade Advances	16.29		16.91	
Donations and Charities	-		50.00	
Miscellaneous Expenses	39.23		38.79	
		392.30		324.12
Selling & Distribution Expenses				
Sales Commission	3.94		2.59	
Freight Outward (net), Intercarting and Packing charges	1,083.65		1,220.88	
Other Selling expenses	5.10		0.98	
		1,092.69		1,224.45
		3,176.52		**3,628.43**
*Auditor's Remuneration				
Audit Fees		3.95		3.95
Other Services		0.41		0.41
		4.36		4.36

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

35 Finance Costs

(₹ in Crore)

Particulars	For the Year 31st March, 2021		For the Year 31st March, 2020	
Interest				
on Term Loans	3,470.94		1,032.85	
on Debentures	25.47		10.68	
on Lease Liability	241.54		226.74	
to Banks and Others	15.97		198.91	
		3,753.92		1,469.18
Guarantee and other Bank charges		51.21		29.89
Exchange differences regarded as an adjustment to borrowing costs		(46.66)		46.66
		3,758.47		**1,545.73**

36 Exchange Variation & Derivative Loss / (Gain) (net)

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Exchange Variation on Borrowings (Incl Working Capital & Interest Accrued)	(110.47)	395.20
Exchange Variation (net)	22.45	(40.05)
Loss / (Gain) on cancellation / settlement of Derivative and Forward Exchange Contracts (Net of premium paid / Amortised)	2.64	(2.57)
Mark to Market on derivative contract	(66.91)	(9.29)
	(152.29)	**343.29**

37 Income Tax expense

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Deferred Tax		
Deferred Tax Charge / (Credit)	(279.78)	823.45
	(279.78)	**823.45**
(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit / (Loss) before Tax (PBT) as per Books	1,588.92	14,744.42
Tax expenses/(credit) on above PBT @ 25.17%	399.90	3,710.88
Deferred Tax Assets not recognised on carry forward business losses and other temporary differences	-	1,376.60
Utilisation of losses unrecognised in prior years (net)	(1,452.93)	(4,697.85)
Tax effect of amount which are not deductible in calculating taxable Income	773.25	2.70
Change in tax rate	-	431.12
Income Tax Expenses - Charge / (Credit)	**(279.78)**	**823.45**

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 ₹7,762.95 Crore (Previous Year ₹12,854.05 Crores).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

38 Other Comprehensive Income (₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
A. Items that will not be reclassified to profit or loss		
Fair Value Changes on Financial Assets	0.31	4.58
Actuarial (Loss)/Gain on defiend benefit obligation (DBO)	(3.54)	(7.37)
	(3.23)	**(2.79)**
B. Items that will be reclassified to profit or loss		
(i) Items that will not be reclassified to profit or loss		
Cash flow hedges	1,111.64	(0.49)
	1,111.64	**(0.49)**
(ii) Income tax relating to items that will be reclassified to profit or loss		
Cash flow hedges - Transfer to Profit & Loss	(279.78)	-
	(279.78)	**-**

39 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:

(₹ in Crore)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Assets (Current & Non-Current):						
Investment in Equity Shares, Preference Shares, MF,ULIP, and Debentures	12.72	3,939.69	-	12.41	1,447.25	-
Trade Receivable	-	-	2,112.56	-	-	781.57
Cash and Bank balances	-	-	7,876.64	-	-	6,897.10
Other Financial Assets	1,143.45	0.06	409.18	-	7.34	361.99
Current Loans	-	-	1.49	-	-	1.97
Total Financial Assets	**1,156.17**	**3,939.76**	**10,399.87**	**12.41**	**1,454.59**	**8,042.63**
Financial Liabilities (Current & Non-Current):						
Borrowings	-	-	45,342.92	-	-	47,006.15
Lease Liability	-	-	2,947.28	-	-	1,691.10
Trade and other Payables	-	-	2,368.08	-	-	1,512.50
Other Financial Liabilities	-	2.21	2,545.98	0.49	-	2,539.28
Total Financial Liability	**-**	**2.21**	**53,204.26**	**0.49**	**-**	**52,749.03**

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Fair Value Hierarchy for Financial Assets & Liabilities measured at Fair Value - (₹ in Crore)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Shares,Preference Shares, MF & ULIP	1,570.68	-	2,381.73	1,447.59	0.34	11.73
Derivative Financial Assets	-	1,143.51	-	-	7.34	-
	1,570.68	**1,143.51**	**2,381.73**	**1,447.59**	**7.68**	**11.73**
Financial Liabilities						
Derivative Financial Liability	-	2.21	-	-	0.49	-
	-	**2.21**	**-**	**-**	**0.49**	**-**

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, 2021 is as below:

Particulars	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Investment 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 ₹1 Crore as of 31st March,2020 and 31st March, 2021
		Projected Free Cash Flows	-	5% increase would result in increase in fair value by ₹0.96 Crore as of 31st March,2020 and 31st March, 2021

The CCPS investment in AM Mining India Private Limited are valued using Net Asset Value approach as on the date of the transaction and as at year end.

Fair Value of Financial Assets and Liabilities measured at Amortised Cost for which Fair Values are disclosed - (₹ in Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets				
Other Non-Current Financial Assets	195.77	205.52	162.99	171.72
	195.77	**205.52**	**162.99**	**171.72**
Financial Liabilities				
Lease Liability	2,900.28	2,947.28	2,033.12	1,691.10
	2,900.28	**2,947.28**	**2,033.12**	**1,691.10**

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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

- 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:

(₹ in Crore)

Particulars	As at 31st March, 2021		
	Gross Carrying Amount	Allowance for expected credit loss	Net carrying amount (net of expected credit loss)
Amounts not yet due	2,038.71	-	2,038.71
Up to six months overdue	73.84	-	73.84
Greater than six months overdue	834.31	834.30	0.01
	2,946.86	**834.30**	**2,112.56**

(₹ in Crore)

Particulars	As at 31st March, 2020		
	Gross Carrying Amount	Allowance for expected credit loss	Net carrying amount (net of expected credit loss)
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**

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 above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

- 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(₹ in Crore)

Particulars	As at 31st March, 2021 < 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	636.73	362.61	38,925.43	5,234.32	45,159.09
Interest Payout	1,108.20	4,072.02	12,117.78	573.82	17,871.82
Trade and Other Payables	2,368.08	-	-	-	2,368.08
Lease Liability	636.26	589.01	1,737.37	935.21	3,897.85
Other Financial Liabilities	2,548.19	-	-	-	2,548.19
Total	**7,297.46**	**5,023.64**	**52,780.58**	**6,743.35**	**71,845.03**

(₹ in Crore)

Particulars	As at 31st March, 2020 < 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	1,498.74	-	4391.32	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**

- 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.

- 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 ₹. in Crore) is as follows:

(₹ in Crore)

Particulars	As at 31st March, 2021				As at 31st March, 2020			
	USD	EUR	Others	Total	USD	EUR	Others	Total
Trade Receivables	488.12	177.46	-	665.58	65.01	6.10	-	71.11
Cash and Bank balances	0.44	-	-	0.44	0.16	-	-	0.16
Other Financial Assets	-	-	-	-	-	-	-	-
Financial Assets	488.56	177.46	-	666.02	65.17	6.10	-	71.27
Net Exposure to Foreign Currency risk on Financial Assets	488.56	177.46	-	666.02	65.17	6.10	-	71.27
Borrowings	5,310.34	0.07	-	5,310.41	6,930.30	-	-	6,930.30
Trade and Other Payables	151.27	6.95	0.12	158.34	435.79	22.42	1.66	459.87
Financial Liabilities	5,461.61	7.02	0.12	5,468.75	7,366.09	22.42	1.66	7,390.17
Covered by Derivative Contracts	36.75	-	-	36.75	279.71	-	-	279.71
Net Exposure to Foreign Currency risk on Financial Liabilities	5,424.86	7.02	0.12	5,432.00	7,086.38	22.42	1.66	7,110.46

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(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.

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
USD sensitivity		
Increase by 5%	(246.82)	(351.06)
Decrease by 5%	246.82	351.06
EUR sensitivity		
Increase by 5%	8.52	(0.82)
Decrease by 5%	(8.52)	0.82
Others sensitivity		
Increase by 5%	-	(0.08)
Decrease by 5%	-	0.08

- 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 2020-21, 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 (₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Variable Rate Borrowing	5,234.33	6,587.63
Total Exposure	**5,234.33**	**6,587.63**

(b) Sensitivity (₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Impact on Company's Profit/ Loss, if interest rates had been 50 basis points higher/lower and all other variables were held constant.	26.17	32.94

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.

The Company has undertaken Brent hedging deals against contracted exposure of the period from calendar year 2021 to 2024 (Highly probable exposure).

(A) Fair Value of Forward / Derivatives held by the company **(₹ in Crore)**

Sr. No.	Particulars	As at 31st March, 2021		As at 31st March, 2020	
		Assets	Liabilities	Assets	Liabilities
1.	Foreign Currency forward contracts	0.06	2.21	7.34	-
2.	Commodity Derivative Contracts	1,143.45	-	-	0.49

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(B) Notional value of outstanding Forward / Derivatives held

(₹ in Crore)

Sr. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
		Assets	Assets
1.	Foreign Currency forward contracts	278.50	534.86
2.	Commodity Derivative Contracts	6,119.58	295.53

Other price risks

The Company's exposure to price risks from investments in equity shares is considered immaterial.

40 Capital Management

Company is an integrated steel producer and is in a capital intensive industry. The Company, after successful resolution and emerging 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 optimizing the level of debt and equity. 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 parent Company 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 Bank Balances and current investments.

Gearing ratio infomation: **(₹ in Crore)**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
Borrowings		45,342.92		47,006.15
Lease Liability		2,947.28		1,691.10
Total Borrowings		**48,290.20**		**48,697.25**
Less: Cash and Bank Balances	7,876.64		6,897.10	
Current Investments	1,569.69		1,446.91	
		9,446.33		8,344.01
Net Debt (A)		**38,843.87**		**40,353.24**
Total Equity (B)		**6,609.96**		**(536.39)**
Gearing Ratio = (A/B)		**5.88**		**(75.23)**

41 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 28) **(₹ in Crore)**

Geographical Information	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Domestic	Export	Total	Domestic	Export	Total
Revenues (Income from operation)	**25,869.63**	**6,157.73**	**32,027.36**	**24,349.62**	**3,757.83**	**28,107.45**

(b) All Non-current Assets other than financial Instruments of the Company are located in India.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

42 Derivative Instruments

Sr. No.	Type of Transaction	Amount 31st March 2021	Amount 31st March 2020	Currency	Purpose
1	Forward purchase contracts (USD / INR)	35,800,000	70,700,000	USD	To hedge the exchange risk on opex import
2	Forward purchase contracts (EUR / INR)	-	226,750	EUR	To hedge the exchange risk on opex import
3	Forward purchase contracts (JPY / INR)	56,000,000	-	JPY	To hedge the exchange risk on opex import
4	Forward purchase contracts (JPY / INR)	175,335,300	-	JPY	To hedge the exchange risk on capex import
5	Commodity price contracts	832,543,116	39,202,560	USD	To hedge the Price Risk under Gas Purchase contract

43 Related Party disclosures:

List of related parties and relationships

(a) Parent Companies

1 ArcelorMittal India Private Limited - Holding Company
2 Oakey Holding B.V - Intermediate Holding Company
3 AMNS Luxembourg Holding S.A – Ultimate Holding Company

(b) Subsidiaries

1 AMNS Middle East FZE (fka Essar Steel Middle East FZE)
2 AMNS Shared Services Limited (fka Paradeep Steel Company Limited.)
3 AMNS Steel Logistics Limited (fka Essar Steel Logistics Limited)
4 Essar Steel Trading FZE
5 Essar Steel UAE Limited*
6 PT AM/NS Indonesia* (fka PT Essar Indonesia)
7 Essar Steel Offshore Limited & its subsidiaries

*These are step down subsidiaries of direct subsidiaries of the Company.

(c) Fellow Subsidiaries (with whom the transaction have taken place)

1 AM Mining India Limited
2 Odisha Slurry Pipeline Infrastructure Limited
3 Arkay Logistics Limited **
4 EPC Constructions India Limited **
5 Essar Bulk Terminal Paradip Limited **
6 Essar Power Transmission Company Limited **
7 Essar Shipping DMCC **
8 Essar Shipping Limited **
9 Essar Vizag Terminal Limited **

**ceased to be fellow subsidiary w.e.f 16.12.2019 as per Ind AS 24. During previous year, transaction with these companies were disclosed for the period 01.04.2019 to 15.12.2019.

(d) Associates (with whom the transaction have taken place)

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 Essar Steel Processing FZCO (ESP-FZCO)

*** ceased to be associate w.e.f 16.12.2019 as per Ind AS 24. During the previous year, transaction with these companies were disclosed for the period 01.04.2019 to 15.12.2019.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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(e) Other related parties (with whom transactions have taken place).

1 AFS Sedan
2 ANS Steel Tubes Limited (ceased to be related party w.e.f. 23.12.2020)
3 ArcelorMittal Shipping Limited
4 ArcelorMittal Design and Engineering Centre Pvt Ltd
5 ArcelorMittal DSTC FZCO
6 ArcelorMittal International Luxembourg SA
7 ArcelorMittal Neel Tailored Blanks Private Ltd.
8 ArcelorMittal Singapore Private Limited
9 ArcelorMittal Sourcing SCA
10 ArcelorMittal Ventures India Private Limited
11 Gestamp Automotive India Private Limited
12 Global Chartering Limited
13 Ice Steel 1 Private Limited
14 IFGL Refractories Limited
15 Nippon Steel India Private Limited
16 Nippon Steel Pipe India
17 Nippon Steel Trading Corporation
18 TRL Krosaki Refractories Limited
19 Umang Shipping Services Limited

(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) ****

'**** ceased to be Related Party w.e.f 16.12.2019. During the previous year transaction with these KMPs are disclosed for the period 01.04.2019 to 15.12.2019.

Terms and conditions

Sales / Purchases:

The related party transactions attracting the compliance under Section 177 of the Companies Act were placed before the management for necessary approval/review. These transactions are in the ordinary course of business and on prevailing pricing based on contractual terms and agreement.

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 12% 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 2.7% to 10%.

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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
		₹ in Crore					
(a)	Sales (Net)	-	-	-	-	575.80	-
		-	(21.08)	-	(1.81)	(42.54)	-
(b)	Income-Lease Rentals/ Rent building	-	-	-	-	-	-
		-	-	(0.24)	(1.95)	-	-
(c)	Purchase of Raw Materials,Stores and Spares, Production Consumables and Services	1,381.71	-	-	-	198.11	-
		-	-	(763.27)	(611.90)	(8.76)	-
(d)	Power Processing Charges / Recovery	-	-	-	-	-	-
		-	-	-	(166.96)	-	-
(e)	Repairs and Maintenance	-	-	-	-	7.75	-
		-	-	-	(0.01)	(1.60)	-
(f)	Plant and Equipment Hire Charges	-	-	-	-	-	-
		-	-	(8.95)	(18.73)	-	-
(g)	Professional / Technical Fees	-	-	-	-	45.65	-
		-	(0.10)	-	-	(10.93)	-
(h)	Freight Outwards Expenses	-	-	-	-	-	-
		-	-	(463.32)	(53.11)	-	-
(i)	Interest Expenses (including interest on Finance lease obligation)	3,496.41	-	-	-	-	-
		(1,043.53)	-	-	(61.75)	-	-
(j)	Water Charges (recovery)	-	-	-	-	-	-
		-	-	-	(3.16)	-	-
(k)	Miscellaneous Income	-	-	-	-	0.20	-
		-	-	-	(0.09)	(0.03)	-
(l)	Remuneration & perks	-	-	-	-	-	0.58
		-	-	-	-	-	(5.77)
(m)	Purchase of Capital Goods	-	-	-	-	-	-
		-	-	-	-	(0.12)	-
(n)	Investment in Preference Shares	-	-	2,370.00	-	-	-
		-	-	-	-	-	-
(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)	-	-

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Sr. No.	Particulars	Parent Companies	Subsidiaries	Fellow Subsidiaries	Associates	Entity have joint control over Parent company	Key Management Personnel
		₹ in Crore					
(v)	Assignment of Dollar Notes	-	-	-	-	-	-
		(223.52)	-	-	-	-	-
(w)	Issuance of Equity Shares	-	-	-	-	-	-
		(9,222.00)	-	-	-	-	-
(x)	Capital contribution	4,449.02	-	-	-	-	-
		(84.56)	-	-	-	-	-
(y)	Redemption of Investment in Debentures	-	-	489.23	-	-	-
		-	-	-	-	-	-

Balance outstanding at year end

Sr. No.	Particulars	Parent Companies	Subsidiaries	Fellow Subsidiaries	Associates	Entity have joint control over Parent company
		₹ in Crore				
(a)	Investments	-	1,078.68	2,370.00	0.25	-
		-	(1,078.68)	-	(0.25)	-
(b)	Debtors	-	591.66	-	-	323.19
		-	(606.22)	-	-	(18.72)
(c)	Other Advance/Receivable	-	235.81	-	-	8.67
		-	(241.52)	-	-	(5.51)
(d)	Sundry Creditors	516.17	-	-	-	13.48
		-	(0.28)	-	-	(7.47)
(e)	Advance From Customer	-	2.09	-	-	1.67
		-	(2.09)	-	-	(2.32)
(f)	Inter Corporate Deposits Given/ Invocation of SBLC	-	2,267.93	-	-	-
		-	(2,325.97)	-	-	-
(g)	Non-convertible debentures	345.83	-	-	-	-
		(344.60)	-	-	-	-
(h)	Term Loan Taken	39,118.76	-	-	-	-
		(39,727.41)	-	-	-	-
(i)	External Commercial Borrowings Taken	5,235.11	-	-	-	-
		(6,359.56)	-	-	-	-
(j)	Dollar Notes Taken	-	-	-	-	-
		(238.43)	-	-	-	-
(k)	Capital contribution	4,533.57	-	-	-	-
		(84.56)	-	-	-	-
(l)	Provision for doubtful debt / impairment/fair valuation	-	3,849.24	-	0.25	-
		-	(3,927.55)	-	(0.25)	-

Note: Figures mentioned in bracket are previous year figure

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

44 Contingent Liabilities not provided for

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Cross Subsidy (₹ in Crore)	218.66	13.23

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.

(ii) Claims against the Company not acknowledged as debt in respect of:

1 Right to Use Charges - OSPIL:

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 ₹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 had 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, the parties 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.

OSPIL was admitted into corporate insolvency resolution process by NCLT, Cuttack on 14th May, 2019 in terms of the Insolvency & Bankruptcy Code, 2016. The Company submitted its claim to OSPIL's RP as financial creditors towards investment in Convertible Debentures in OSPIL for an amount of ₹722.22 Crore (including interest) on 22nd July, 2019. The resolution plan submitted by M/s ArcelorMittal India Private Limited (AMIPL), was approved by the National Company Law Tribunal (NCLT) on 2nd March 2020 and AMIPL has completed the takeover process of OSPIL on 8th July 2020, as per the Resolution Plan submitted to NCLT. Pursuant to implementation of Resolution Plan, the existing investment of the Company in Equity Shares of OSPIL, stands cancelled and extinguished. The Company has received ₹489.24 Crore against

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the principal amount of investment in Debenture of OSPIL ₹501.01 Crore. The company has written back interest accrued amounting to ₹536.51 Crores on the liability taken over from OSPIL consequent to entering Cancellation Deed and the same has been disclosed as exceptional Item.

SREI Infrastructure Finance Limited and SREI Multiple Asset Investment Trust have filed appeal before the NCLAT, for seeking to set aside the NCLT Cuttack order dated 2nd March 2020 approving the resolution plan of AMIPL for OSPIL.

Further SREI Infrastructure Finance Limited has also filed an application to NCLT, Ahmedabad on 5th March 2020, seeking a direction for payment of approx. ₹1,300 Crores of outstanding RTU charges to OSPIL RP as CIRP cost and in the alternative, for an order of liquidation be passed against the Company u/s 33(4) of the Insolvency Code on account of contravention of the resolution plan submitted by AMIPL for the Company. The NCLT, Ahmedabad allowed the application and passed an order dated 10th November 2020. AMIPL and the Company have filed appeal against the NCLT, Ahmedabad order which was admitted by NCLAT on 4th December 2020 and 8th December 2020 respectively. NCLAT has passed an interim order staying the operation of the order of NCLT dated 10th November 2020. Based on a legal opinion, likelihood of any potential liability of the Company in relation to RTU charges in the pending appeals is remote.

2 Cargo Handling Charges:
ArcelorMittal Nippon Steel India Limited (“AMNSI” or “Company”), formerly Essar Steel India Limited (“ESIL”) was acquired by ArcelorMittal India Private Limited (AMIPL) (Resolution applicant), (Parent Company of AMNSI) pursuant to a resolution plan approved by the committee of creditors of ESIL in October 2018 under a Corporate Insolvency Resolution Process (CIRP) in terms of the Insolvency and Bankruptcy Code, 2016 (IB Code / IBC) which commenced on 2nd August 2017. Pursuant to the final judgement of the Hon’ble Supreme Court of India on 15th November, 2019, the resolution plan of AMIPL was approved in terms of the IB Code and AMIPL acquired ESIL on 16th December 2019. Subsequent to the acquisition, the name of ESIL was changed to ArcelorMittal Nippon Steel India Limited (“AMNSI” or “Company”).

As at 31st March, 2021, Essar Bulk Terminal Limited (“EBTL”) (vendor) has raised claims against the Company aggregating ₹879.40 crore (which includes interest on delayed payments on the alleged overdue balances of ₹78.35 crore) (As at March 31, 2020 – ₹299.06 crores) including claims aggregating ₹204.93 crore relating to CIRP period (i.e. from 2nd August 2017 until the date of takeover by AMIPL i.e. 16th December 2019), which have been disputed by the Company. The aforesaid disputed claims of ₹879.40 crores mainly relate to the following matters:

A. Additional vessel related charges (i.e. over and above USD 1.2 per Gross Registered Tonnage (GRT)) for an amount ₹518.82 crore as on 31st March, 2021 (₹. 170.09 Crore up to 16th December, 2019 and ₹348.73 crore from 16th December, 2019 to 31st March, 2021) (As at 31st March, 2020 – ₹241.32 crore).

EBTL is providing port and port handling services to ESIL/AMNSI at Hazira, as per the Agreement for Cargo Handling Services dated 21st February 2011 (“CHA”), effective from 1st May 2010. The CHA provides for cargo handling charges leviable as per the rates defined in Annexure I to the CHA which varies based on the year of service, material handled and depth of the channel, and subsumes charges for all the port and port handling services under the CHA (including cargo handling and vessel related services). However, from inception, EBTL has charged separate and additional amounts for vessel related services like pilotage and towage, and ESIL/ AMNSI had been paying these vessels related charges to avoid disruption of services.

The approved resolution plan for ESIL 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’’. 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 the payment towards separate vessel related charges, and the unilateral increase in charges. Further, at the time of the increase, the operations of the Company were in control of Monitoring Committee established under the IBC, who had rejected the arbitrary increase in the vessel related charges. As per the terms of the CHA, then ESIL and now AMNSI is not required to pay any amounts over and above the agreed rates as per Annexure I of the CHA. The levy of vessel related charges and unilateral increase thereof by EBTL is accordingly contrary to the terms of the CHA.

NOTES TO STANDALONE FINANCIAL STATEMENTS
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Post CIRP completion in December 2019, AMNSI continued with the stand taken by the Monitoring Committee and continued to dispute the levy and increase in the vessel related charges on the grounds that vessel related service charges are already subsumed in cargo handling charges prescribed under Annexure I to the Cargo Handling Agreement as it does not provide for any separate charges for vessel related services and unilateral increase in charges by EBTL is not in accordance with the requirement of Cargo Handling Agreement wherein any amendment warrants agreement of both the parties in writing. However, in order to avoid disruption of the services provided by EBTL and 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 under protest.

In its letter to EBTL on 1 May 2020, AMNSI expressly stated that no separate vessel related charges are payable under the CHA. However, AMNSI has been recognizing these vessel related charges as an expense in the Statement of Profit and Loss, being paid under protest, according to the older rates at USD 1.2 per GRT, to avoid disruption of services by EBTL though EBTL has been raising invoices on AMNSI based on the revised rates (i.e. USD 3.25 per GRT).

B. Deepening of the channel from 10m to 12m depth - In June 2019, EBTL furnished the hydrographic chart of the channel depth for the first time and demanded the cargo handling charges at the increased rates as given in Annexure I of the CHA claiming that the depth of the channel has increased to 12mtrs. Monitoring committee of ESIL during the CIRP / AMNSIL refused the increased charges, on account of lack of satisfactory evidence. EBTL has made a total claim of ₹106.21 crore as on 31st March, 2021 – (₹. 29.32 crores up to 16th December 2019 and ₹78.15 crores post 16th December 2019 to 31st March 2021) (As at 31st March, 2020 – ₹51.80 crore).

C. Payment of wharfage and other statutory port dues at the GMB notified rates, over and above the actual payments made by EBTL to GMB, amounting to ₹20.29 crore as at 31st March 2021, which is disputed by AMNSI as the benefit of GMB concession is not passed on by EBTL to AMNSI.

D. Rental charges of ₹6.90 Crore (₹. 5.52 Crore up to 16th December 2019 and ₹1.38 Crore post 16th December 2019 to 31st March, 2021) (As at 31st March, 2020 – ₹5.94 crore), which are disputed by AMNSI as there is no contractual agreement for such charges to be levied on AMNSI."

E. Take or pay obligations relating to Minimum Guaranteed Tonnage (MGT) charges levied by EBTL during the force majeure period invoked by AMNSI under the CHA on account of COVID 19 pandemic from 1st April 2020 to 10th May 2020, amounting to ₹38.76 Crore as at 31 March, 2021.

F. Take or pay obligations related to MGT charges from January 2021 to March 2021: AMNSI was unable to meet its minimum monthly cargo obligation for these months owing to the disruptions caused by EBTL. Therefore, AMNSI only paid for the actual quantities and did not pay for the shortfall quantities for these months. EBTL's claim for the take or pay charges for January 2021 to March 2021 amounts to ₹55.61 crores.

G. Payment of incremental cargo handling charges in INR equivalent of USD denominated tariff: AMNSI has disputed the raising of invoices by EBTL as per dollarized benchmark.. EBTL argues that the Third and Fourth Amendment Agreements to CHA (in year 2013) are applicable, and since it has drawn its first tranche of borrowing in USD on 31 December 2020, it is entitled to claim the dollarised rates from 1 January 2021.

AMNSI has disputed the applicability of these amendments contending that long period of time has elapsed since their execution and the underlying purpose no longer survives as the relevant factors i.e. ESIL taken over by AMIPL and USD rates have materially changed, leading to unjust enrichment to EBTL. EBTL's claim for the dollarisation charges amount to ₹54.46 crores as on 31st March 2021."

H. Interest on delayed payment of ₹78.35 crore in respect of aforesaid disputed claims has also been disputed by the Company.

Further, under the Resolution Plan (as approved by the Supreme Court), all claims arising during the CIRP period until the date of takeover by AMIPL i.e. 16th December 2019 stand extinguished/settled in terms of the plan.

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Article 15 of the CHA, provides that all disputes arising out of the CHA shall be settled in accordance with the Arbitration and Conciliation Act (Act). All the aforementioned claims by EBTL are disputed by AMNSI and are subject matter of the ongoing arbitration proceedings. (The proceeding has been commenced by AMNSI vide notice of arbitration dated 22 November 2020).

Both, the Company and EBTL filed a separate application with the H'ble District Court, Surat for interim relief. On 20 September 2021, the District Court, Surat passed a common judgment with respect to the petitions seeking interim reliefs filed under Section 9 of the Arbitration and Conciliation Act, 1996 (Act) by AMNSI and EBTL (Section 9 Order). The District Court held that:

a. EBTL must provide at least 10 meters draft, and consequently at least 11.3 meters channel depth, at the terminal at all times. EBTL should also provide any additional draft that is available because of tidal variation. Further, EBTL must determine and declare the available draft every month. It is an implied covenant between the parties that EBTL must maintain a channel depth of 10 meters below chart datum.

b. AMNSI shall pay cargo handling charges at the foreign exchange rate prevailing on 30 December 2020 (the date on which EBTL availed the External Commercial Borrowing). These charges are to be paid from January 2021 onwards. (Subsequent to the year end, in compliance with the Order and without prejudice to its rights in the arbitration, AMNSI paid ₹3.30 crore (including GST) to EBTL for the period from January 2021 to August 2021, of which ₹0.23 crore pertains to the period from January 2021 to March 2021)"

c. AMNSI shall pay Minimum Guaranteed Tonnage as per the CHA from January 2021 onwards. (Subsequent to the year end, AMNSI, in compliance with the Order and without prejudice to its rights in the arbitration, paid ₹65.87 crore (Including GST) to EBTL for the period from January 2021 to September 2021, of which ₹31.27 crore pertains to the period from January 2021 to March 2021)

d. AMNSI must provide a Standby Letter of Credit (SBLC) to EBTL in accordance with the Third Amendment to the CHA (Subsequent to year end, AMNSI has provided SBLC of ₹68.15 crore to EBTL).

   The Section 9 Order, awarding aforesaid interim reliefs, will be in operation for three months or until the arbitral tribunal decides any application under Section 17 of the Act, whichever is earlier. The Order also clarifies that the Services rendered by EBTL and payments made by AMNSI under CHA shall be subject to final outcome of the pending arbitration proceedings.

   Basis above contentions, and the independent legal opinions obtained by the Management, the claims of ₹879.40 crores (Previous year ₹299.06 crores) relating to aforesaid disputed matters pending before arbitration tribunal are regarded as contingent liability and not acknowledged as debt.

   Further, AMNSI also has a claim against EBTL of ₹6.28 crore towards Demurrage charges recoverable from EBTL under CHA. This claim is disputed by EBTL. Pending agreement by EBTL of this amount, AMNSI has not recognized the claim in the Statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

45 Commitments

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	730.49	415.05
(b) Export obligation under EPCG scheme*	9,461.00	15,900.30

* Export obligation, includes commitment to export for a value of ₹9,451.93 Crores (USD 1,253.81 million) till 31st August 2018. The Company has requested extension from DGFT on 28th April, 2021. 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.

(c) AMNS Middle East FZE (AMNSME) (the wholly owned subsidiary of the company) has deficit in its equity as on 31st March 2021. The Company has its present intention that it will provide financial support to AMNSME if required, to continue its operations and to meet its liability towards Company's Loan and Trade Payables.

46 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 ₹18.94 Crore (Previous year ₹17.38 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 separate 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:

Net employee benefit expense recognised

(₹ in Crore)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Current Service Cost	6.23	5.38
Past Service Cost	-	-
Net Interest/(Income) on net defined benefit liability/(asset)	0.16	(0.09)
Immediate recognition of (gains)/losses - other long term employee benefit plans	-	-
Expenses Recognised in the statement of profit and loss	**6.39**	**5.29**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Other Comprehensive Income (₹ in Crore)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Actuarial (gain)/loss recognised in the year due to liability experience changes	3.65	2.82
Actuarial (gain) / loss recognised in the year due to liability assumption changes	(0.21)	4.31
Actuarial (gain)/loss arising on the liability during the period	**3.44**	**7.13**
Add: Return on Plan Assets (greater)/less than discount rate	0.10	0.24
Actuarial Loss/(Gain) recognised in OCI	3.54	7.37
Defined Benefit Cost		
Service Cost	6.23	5.38
Net interest/(income) on net defined benefit liability/(asset)	0.16	(0.09)
Actuarial (gain)/loss arising recognised in OCI	3.54	7.37
Defined Benefit Cost	**9.93**	**12.66**

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance Sheet		
Details of provision		
Defined Benefit Obligation	(103.77)	(92.14)
Fair value of Plan Assets	96.02	85.21
Funded Status [Surplus/(Deficit)]	(7.75)	(6.93)
Net Defined Benefit Asset/(Liability)	**(7.75)**	**(6.93)**
Reconciliation of Net Balance Sheet position		
Net defined benefit asset/(liability) at the end of prior period	(6.93)	(3.37)
Service cost	(6.23)	(5.38)
Net interest on net defined benefit (liability)/asset	(0.16)	0.09
Gain/(Loss) recognised in OCI	(3.54)	(7.37)
Employer Contribution	9.11	9.10
Net Defined Benefit (Liability)/Asset at the end of reporting period	**(7.75)**	**(6.93)**

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Changes in the present value of the defined benefit obligation are as follows:		
Projected Benefit Obligations (PBO) at the beginning of the year	92.14	79.29
Service Cost	6.23	5.38
Interest Cost	5.95	5.60
Actuarial (gain)/loss - experience	3.65	2.82
Actuarial (gain)/loss - financial assumptions	(0.21)	4.31
Benefits paid	(3.99)	(5.26)
PBO at the end of the year	**103.77**	**92.14**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Changes in the fair value of plan assets are as follows:		
Fair Value of plan assets at the beginning of the year	85.21	75.92
Interest income on plan assets	5.79	5.68
Contributions/Transfers	9.10	9.11
Benefits paid	(3.99)	(5.26)
Return on plan assets greater/(less) than discount rate	(0.10)	(0.24)
Fair Value of plan assets at the end of the year	**96.01**	**85.21**
The Company expects to contribute ₹9.06 Crore (previous years ₹10.17 Crore) to its gratuity plan for the next year.		
Expected benefits payment for the year ending		
Less than 1 year	9.06	10.17
Between 2 to 5 years	42.34	44.12
Over 5 years	64.60	58.57
Weighted Average duration of the defined benefit obligation	9 years	8 years
Investment details of plan assets		
Plan assets comprise of Schemes of Insurance - Conventional products		

Sensitivity Analysis - Impact on DBO - Gratuity (₹ in Crore)

Particulars	31st March 2021		31st March 2020	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.5% movement)	(4.07)	4.36	(3.12)	3.32
Salary Escalation Rate (0.5% movement)	3.33	(3.24)	2.63	(2.56)
Withdrawal Rate (3% movement)	0.24	(0.44)	(0.01)	(0.10)

(₹ in Crore)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Defined Benefit Cost		
Assumptions		
Discount rate	6.60%	6.60%
Rate of Return on Plan Assets	7.50%	7.50%
Salary escalation rate	7.50%	7.50%
Withdrawal rate	7.50%	10.00%
Mortality	Indian Assured Lives Mortality (2006 - 08) Ult. Modified	

Net Asset / (Liability) recognised in Balance Sheet (₹ in Crore)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non Current	Current	Non Current
Gratuity	-	(7.75)	-	(6.93)
Compensated Absences	(1.94)	(14.52)	(2.19)	(12.48)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

47 Leases

a) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(₹ in Crore)

Particulars	Land	Buildings	Plant & Machinery	Total
Right of use assets as on 1st April 2020	304.07	1.85	1,419.89	1,725.81
Additions (including remeasurement)	24.47	1.92	2,041.77	2,068.16
Deletions	-	-	(366.31)	(366.31)
Depreciation	(10.98)	(0.44)	(469.33)	(480.75)
Closing Balance as on 31st March 2021	**317.56**	**3.33**	**2,626.02**	**2,946.91**

(₹ in Crore)

Particulars	Land	Buildings	Plant & Machinery	Total
Right of use assets on initial recognition as on 1st April 2019	71.30	1.89	1,584.92	1,658.11
Additions	243.64	-	365.59	609.24
Depreciation	(10.88)	(0.04)	(530.62)	(541.54)
Closing Balance as on 31st March 2020	**304.06**	**1.85**	**1,419.89**	**1,725.81**

The Company has acquired certain identified assets from M/s Edelweiss Asset Reconstruction Company Limited, which in turn acquired the same through enforcement of security interest over the assets under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI) related to power plants of Essar Power Orissa Limited (EPORL) during the year ended 31st March, 2021. The land including 34.22 Hectare at Kujang, Odisha is under possession of the Company, but formalities for lease agreement is under progress as on 31st March 2021.

b) The following is the movement in lease liabilities during the year ended March 31, 2021: (₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Lease Liability as on 1st April	1,691.10	2,052.04
Additions	2,045.19	374.47
Finance cost accrued during the period	241.54	226.74
Deletions	(383.51)	-
Payment(including write back) of lease liabilities	(647.04)	(962.15)
Closing Balance as on 31st March	**2,947.28**	**1,691.10**

c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis: (₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Less than one year	636.27	553.06
One to five years	2,326.38	1,183.44
More than five years	935.21	1,137.59
Total	**3,897.86**	**2,874.09**

d) Expenses related to short term leases and leases of low value assets: (₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Short term Leases and Low Value Leases	18.68	28.38
Total	**18.68**	**28.38**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

48 **Earning Per Share**

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
Net Profit/(Loss) as per statement of Profit & Loss	1,868.70	13,920.97
Weighted average number of shares for the purpose of calculating basic and diluted earning per share (in nos.)	9,222,000,000	3,024,139,348
Basic and diluted earning/(loss) per Equity share of ₹10 each (in Rupees)	2.03	46.03

49 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:

(₹ in Crore)

Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
(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	116.06	101.81
Interest due	0.40	0.43
(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	0.40	0.43
(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	0.30	1.65

50 The Corporate Insolvency Resolution Process (''CIRP'') was initiated against the Company on 2 August 2017 ("Insolvency Commencement Date") and 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 8 March 2019 and the order of National Company Law Appellate Tribunal dated 4 July 2019.
Accordingly, pursuant to the Resolution Plan:

i. AMIPL had completed the acquisition of the Company 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. The existing share capital at the time of acquisition was cancelled and extinguished.

ii. The admitted dues of financial creditors amounting to ₹39,830.57 crores and ₹6,136.79 crores (equivalent to USD 948.46 million as on August 02, 2017) were assigned to AMIPL and AMNS Luxembourg Holding SA, respectively. Refer Note 52 for the details of assignment of loans. Consequently, an amount aggregating to ₹14,238.62 Crores, being the difference between the outstanding liabilities towards financial creditors on the Effective Date and the amount of admitted dues was adjusted in the statement of profit and loss as an Exceptional Item on Effective Date as referred in note 51.

iii. 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 ₹1,218.36 Crores were made as per the approved resolution plan against their admitted claims as on Insolvency Commencement Date and the difference of ₹3,242.41 crores pertaining to Operational Creditors (including advance from Customers, workmen and employee dues) and ₹6,934.72 crores pertaining to ICDs, Statutory payable and other Payable between the outstanding liabilities and the payment so made were recognised in the statement of Profit and Loss as an exceptional item on Effective Date as referred to in Note 51.

iv. 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 were extinguished.

Refer note 51 for the details of exceptional items.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

51 Exceptional Items (₹ in Crore)

Sr. No.	Particulars	For the Year 31st March, 2021	For the Year 31st March, 2020
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]	-	-
5	Liability/ Provision written back [Refer Note 44(ii)(1)]	(536.51)	-
		(536.51)	**(15,838.88)**

Note:

1) **Effect of implementation of Resolution Plan** (₹ 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** (₹ 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 had, 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 were 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, was considered for estimating the Recoverable Amounts of the CGUs, and impairment of ₹4,447.32 crore was recognized in statement of Profit and Loss. 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 ₹2,080.92 crore in the statement of profit and loss as on effective date.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

52 Borrowings Note (₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Long Term Borrowings Note		
(1) 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
(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, 2023 @@, &&&	345.82	-
	345.82	**344.59**
(3) 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. Principal is repayable on 31st March, 2026. Loans carrying interest 10% p.a. @@, &&&	5,527.01	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. The principal is repayable in 3 annual instalments during Financial Year 2023-24 (33.33%),2024-25 (33.33%), 2025-26 (33.34%) $$	-	377.73
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Loans carrying interest @6M Libor plus 2.50 % p.a. The principal is repayable on March 20,2030 $$$	227.34	-
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 @@ &&&	36.03	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 10.00 % p.a. Principal is repayable on 31st March 2026. @@, &&&	532.54	540.94

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

52 Borrowings Note (Contd..)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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%.@@, &&&	811.34	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%) $$		
a) Loans carrying interest @6M Libor plus 4.80% p.a.	-	682.76
b) Loans carrying interest @6M Libor plus 5.00% p.a.	-	3,489.18
c) Loans carrying interest @6M Libor plus 4.75% p.a.	-	161.41
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Loans carrying interest @6M Libor plus 2.50 % p.a. The principal is repayable on March 20,2030 $$$	3,521.20	-
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), 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. $$	-	1,063.95
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company and pledge over certain shares held in the company by its shareholders. Loans carrying interest @6M Libor plus 2.50 % p.a. The principal is repayable on March 20,2030 $$$	797.63	-
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% @@	1,709.63	1,736.60
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties, both present & future, of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets, both present & future, of the Company Principal is repayable on 31st March, 2026. Loan carrying interest @ 10.00 %.p.a. ** (Refer note below) @@ &&&	3,415.84	3,469.72

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

52 Borrowings Note (Contd..)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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 **,@@,&&&	6,572.33	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 Loan carries interest 10.00 % p.a. Principal is repayable on 31st March, 2026 **, @@, &&&	158.53	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, Loan carries Interest rate @ 10.00 %. p.a. Principal is repayable on 31st March, 2026 **,@@, &&&	60.48	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. Loan carries Interest rate @ 10.00 %. p.a. Principal is repayable on 31st March, 2026. **, @@, &&&	621.01	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 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%) **,$$	-	916.83
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties, both present & future, of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets, both present & future, of the Company Loan carries interest @ 6M LIBOR plus 2.50% p.a. The principal is repayable on March 20,2030 $$$	688.12	-
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. @@ &&&	185.15	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. **,@@,&&&	10,251.79	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 @@, &&&	123.45	125.40

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

52 Borrowings Note (Contd..)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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. @@, &&&	8,251.63	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. @@, &&&	328.14	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. @@ ,&&&	155.36	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. @@ ,&&&	171.40	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. @@,&&&	54.57	55.43
Secured by hypothecation and charge on Vehicles financed by Daimler Financial Services India Private Limited. Principal is repayable on December 2024. Loans carrying interest @ 7.90% p.a	3.43	-
Secured by hypothecation on Vehicles financed by BMW Financial Services Private Limited. Principal is repayable on December 2024 and January 2025. Loans carrying interest @ 8.75% p.a.	3.80	-
Unsecured Borrowings		
Unsecured Facility Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@,&&&	153.36	146.50
Principal carry interest @ 0.25% p.a. Principal is repayable on 31st March, 2021. Refer Note ##,%%	-	238.44
	44,361.11	**46,657.71**
Current Borrowings		
Acceptance for Goods and Expenses- Secured		
Secured by margin deposits with the banks	216.41	3.85
Acceptance for Goods and Expenses- Unsecured		
Acceptance for Goods and Expenses- Unsecured	42.55	-
	258.96	**3.85**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

52 Borrowings Note (Contd..)

(₹ in Crore)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Acceptance for Capital Expenditures- Secured		
Secured by Margin Deposits lien marked with the Banks	4.46	-
Acceptance for Capital Expenditures - Unsecured		
Acceptance for Capital Expenditures- Unsecured	0.60	-
	5.06	**-**
Liability against Bills Discounted		
Sales Bill Discounting with recourse to the company is secured by margin deposits lien marked with the banks	371.98	-
	371.98	**-**

** As per approved Resolution Plan and Supreme Court order dated 15th November, 2019, Corporate & Personal Guarantees provided by erstwhile Essar promoters and group companies of Essar are not binding on the ArcelorMittal Nippon Steel India Limited (Company).

@@ 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.

&&& AMIPL has provided further Interest moratorium on all the Domestic Rupees Loans (Secured and Unsecured including working capital and debentures) from 1st April 2021 to 31st December 2021 vide letter dated January 6 , 2021

$$ All the External Commercial Borrowing (ECB) Loans has been taken over by 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 in due implementation of 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. entered into agreements dated 27th March 2020 to modify and amend the certain conditions of the 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 was in the process of being transferred to AMNSL and the interest pertaining to the same has been shown as payable to AMNSL as on 31st March, 2020.

$$$ The transfer processs of above ECB loan to AMNS Luxembourg was completed on July 2, 2020. Certain Terms and Conditions of the ECB facillities provided by AMNS Luexmbourg was amended as bleow vide agreement dated March 30 ,2021.

1. Interest rate revised to 6 Month Libor + Spread of 2.50 % p.a.
2. Change in Interest accural due dates as 20 Sep and 20 March every year starting from 1st April 2021.
3. Bullet Repayment date as March 20 ,2030
4. Post merger between AMIPL and AMNSI , ECB loan will be coverted to unsecured from existing secured loan.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

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.

%% AMNS Luxembourg Holding S.A. (vide request letter dated November 17 ,2020) has provided complete waiver of repayment of principal and Interest accured post October 1,2020 under Dollar Note facility.

During FY 2019-20, the requisite processes of satisfaction of charges on account of implementation of Resolution Plan by making payment to and execution of Assignment Agreements dated 16th December 2019 (or such other Agreement(s) executed during the implementation of Resolution Plan) with erstwhile lenders to satisfy their respective liabilities were undertaken. In few Instances, satisfaction of charges are pending with erstwhile lenders/ FI. The said charges are likely to be satisfied in due course of time. Non satisfaction of said charges are not creating any liability or legal issues for the Company, as the company is fully protected by virtue of Supreme Court Order dated 15th November,2019 and underlying approved resolution plan.

53 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.

54 The figures of the previous year has been regrouped where necessary to conform to current year's classification.

For and on behalf of the Board of Directors of
ArcelorMittal Nippon Steel India Ltd

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director
DIN: 09244627

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120

Pankaj Chourasia
Company Secretary

Date: 12th October, 2021

Place: Mumbai

ArcelorMittal Nippon Steel India Limited
'AMNS House', AMNS Township, 27 km, Surat - Hazira Road,
District Surat, Gujarat - 394 270, India