AM/NS INDIA

ArcelorMittal Nippon Steel India

/ FORTY SIXTH ANNUAL REPORT

2021 – 2022

BOARD OF DIRECTORS

Mr. Aditya Mittal	*Chairman*
Mr. Bradley Lloyd Davey	*Director*
Mr. Prabh Das	*Director*
Ms. Hilde Van Grembergen Magda Jacqueline	*Director*
Mr. Takahiro Mori	*Director*
Mr. Yoshiaki Kusuhara	*Director*
Mr. Ichiro Sato	*Director*
Mr. Hideki Ogawa	*Director*
Mr. Dilip C. Oommen	*Director & CEO*
Mr. Jun Hashimoto	*Director & Vice President Technology*
Mr. Kalyan Ghosh	*Alternate Director*
Mr. Hiroshi Ebina	*Alternate Director*
Mr. Yoichi Furuta	*Director (upto 26.04.2022)*

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 6689200 / 6689100 / +91 22 69889999
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 69889999

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 Ltd.
Punjab National Bank
Sumitomo Mitsui Banking Corporation Bank
State Bank of India
UCO Bank
HDFC 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.
Tel.: +91 44 2821 3738, 2821 4487
Fax: +91 44 2821 4636
E-mail: amns@dsrc-cid.in

Visit us at our website
http://www.amns.in

CONTENTS

NOTICE OF THE 46TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 46th Annual General Meeting of the Members of ArcelorMittal Nippon Steel India Ltd (CIN: U27100GJ1976FLC013787), will be held through video conferencing on Friday, July 15, 2022 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, 2022, together with the Report of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Shri Dilip Oommen (DIN: 02285794) who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri Ichiro Sato (DIN: 08748844) who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Shri Hideki Ogawa (DIN: 07223732) who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and 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 139 and any other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S R B C & CO LLP, (Firm Registration Number: 324982E/E300003), be and are hereby appointed as Statutory Auditors of the Company to hold office for a term of Five (5) consecutive years i.e. from the conclusion of 46th Annual General Meeting until the conclusion of 51st Annual General Meeting of the Company to be held in the year 2027 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

   RESOLVED FURTHER THAT the Board of Directors, be and are hereby empowered and authorised to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary E- Forms with Registrar of Companies."

SPECIAL BUSINESS:

6. To regularize the appointment of Shri Yoshiaki Kusuhara (DIN: 09576452), 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, Shri Yoshiaki Kusuhara (DIN: 09576452), who was appointed by Circular Resolution as an Additional Director of the Company by the Board of Directors on April 26, 2022 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 ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2023, 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, 2023, 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: July 11, 2022

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.: +91 261 6689200 / 6689100 / +91 22 69889999

NOTES:

1. THE MINISTRY OF CORPORATE AFFAIRS (MCA) HAS, VIDE GENERALCIRCULAR NO. 2/2022 DATED MAY 5, 2022, 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 46TH AGM OF THE CO IS BEING CONVENED AND CONDUCTED THROUGH VIDEO CONFERENCING.
2. SINCE THE 46TH 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 46TH 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:

   https://arcelormittal.zoom.us/j/81648663790?pwd=K090T053MWJ5WFAzSDRBaW02eUdBUT09

   Meeting ID: 816 4866 3790

   Passcode: 110355
6. **THE FACILITY FOR JOINING THE MEETING SHALL BE KEPT OPEN ATLEAST 15 MINUTES BEFORE THE TIME SCHEDULED 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 THROUGH 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 July 11, 2022:

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, 2022, together with the Report of the Board of Directors and the Auditors thereon;		
2.	To appoint a Director in place of Shri Dilip Oommen (DIN: 02285794) who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Shri Ichiro Sato (DIN: 08748844) who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Shri Hideki Ogawa (DIN: 07223732) who retires by rotation and being eligible, offers himself for re-appointment.		
5.	To appoint M/s. S R B C & CO LLP, (Firm Registration Number: 324982E/E300003) as Statutory Auditors and fix their remuneration.		
6.	To regularize the appointment of Shri Yoshiaki Kusuhara (DIN: 09576452), as Director		
7.	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2023		

Information pertaining to voting:

a) A person whose name is recorded in the register of members as on the cut-off date, i.e. 11/07/2022, only shall be entitled to vote on the resolutions in proportion to the share in the paid up equity sharecapital 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 appoint Statutory Auditor

In order to align with the practices adopted by Holding Companies, it is proposed to appoint M/s. S R B C & CO LLP in place of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 302009E) as Auditors of the Company from FY 22-23.

Accordingly, the Board of Directors at its meeting held on June 22, 2022 and pursuant to the provisions of Section 139(1) of the Companies Act, 2013, appointed M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration Number: 324982E/E300003), to hold office as the Statutory Auditors of the Company for a period of five consecutive years, from the conclusion of the 46th AGM, till the conclusion of the 51st AGM to be held in year 2027. Accordingly, your board of directors recommend passing of resolution for appointment of M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration Number: 324982E/E300003) as Statutory Auditors of the Company for a period of 5 consecutive years.

M/s. S R B C & CO LLP (Firm Registration Number: 324982E/E300003), Chartered Accountants have provided their consent and confirmed that their appointment, if made, would be within the limits specified under section

141(3) (g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed Ordinary Resolution as set out at Item No. 5 of the Notice.

The Board recommends the members to pass Resolution set out at Item No. 5 of the Notice as an ordinary resolution.

Item No. 6: To regularize the appointment of Shri Yoshiaki Kusuhara (DIN: 09576452), as Director

The Board, at its meeting held on April 26, 2022, appointed Shri Yoshiaki Kusuhara (DIN: 09576452) 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 Shri Yoshiaki Kusuhara (DIN: 09576452) 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.

Shri Yoshiaki Kusuhara (DIN: 09576452) 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 Shri Yoshiaki Kusuhara (DIN: 09576452) as Director of the Company, for the approval by the shareholders of the Company.

A brief profile of each of Shri Yoshiaki Kusuhara (DIN: 09576452) director is as follows:

Yoshiaki Kusuhara is the General Manager of Nippon Steel Corporation. He has an extensive career in managing overseas companies and business.

Kusuhara joined Nippon Steel Corporation in April 1993, and he served as the manager at general administration division in KIMITSU Steel Works, global marketing division in Tokyo and production scheduling division in HIROHATA Steel Works from 2000 to 2015.

From 2015 to 2016, he was sent to the subsidiary company in Thailand, after returning to Japan, he worked at flat products global marketing division in Tokyo and general administration division at KIMITSU Steel Works as the general manager. Then he was assigned as the general manager of India Iron and Steel Project in 2022.

He holds a bachelor's degree in Economics from Osaka University in Osaka, Japan.

Shri Yoshiaki Kusuhara (DIN: 09576452), 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: To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2023

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 June 22, 2022, to carry out cost audit pertaining to Steel Business of the Company for the year ending March 31, 2023 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. 7 for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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: July 11, 2022

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.: +91 261 6689200 / 6689100 / +91 22 69889999

BOARD REPORT

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

Your Directors have pleasure in presenting the 46th Annual Report of your Company together with the Audited Statement of Standalone Accounts for the year ended March 31, 2022.

During the last two financial years, economies worldwide were under duress due to unprecedented conditions posed by covid 19 which caused immense stress on the human lives in an unprecedented way. The severity of situation resulted into lockdown across geographies thereby adversely impacting various economic activities. During this period, the main focus of the Govt. was to contain the infection and to support masses impacted due to spread of the virus which resulted in lockdowns. As a part of contribution towards the society, the Company actively supported governments and local authorities, in fight against the pandemic with various aids and support measures.

The second wave of the corona virus had caused immense stress on the human lives and medical infrastructure of the country. Your Company was also affected and unfortunately, lost few of its staff. The Company sincerely places on record its deep appreciation for the contribution made by them to the Company and our heartfelt condolences to the bereaved families and friends.

The lockdown and work-from-home was the new normal during the pandemic and the work force immensely and tirelessly contributed to keep the operations of the Company intact. During the later half of the period under review, the severity of the pandemic receded, and also mass vaccination drive helped with resuming the operations and bringing back normalcy.

During this difficult time, your Company strived its best and remained committed and resilient to its growth path towards the sustainable future which was duly supported by the dedicated work force. Further, favourable market conditions in steel sector have immensely helped the Company to achieve record turnover and profits. The revenue from operation stood at ₹55,634.19 Crores during the year, which is a rise of ₹23,606.83 Crores in comparison to the last financial year. Also, the Company earned a profit of ₹7,943.69 Crores in the current financial year as compared to ₹1,868.70 Crores for the last financial year. Strong cash flows enabled the Company to deleverage the balance sheet and pave a way for the future sustainable growth and expansion.

FINANCIAL STATEMENTS & RESULTS:

A) FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone	
	FY 2021-22	FY 2020-21
Gross Income	**56,284.05**	32,592.14
Expenses	**40,939.86**	25,509.71
Profit before Finance Costs, Exchange Variation and Derivative Gain/Losses, Depreciation /Amortisation, Exceptional Items and Tax	**15,344.19**	7,082.43
Less: Finance Cost	**3,813.41**	3,758.47
Add / Less: Exchange variation and Derivative (Gain) / Losses (net)	**55.76**	(152.29)
Less: Depreciation / Amortization	**2,458.28**	2,423.84
Profit before Exceptional Items and Taxation	**9,016.74**	1,052.41
Exceptional items - Expenses /(Income)	**-**	(536.51)
Profit before Taxation	**9,016.74**	1,588.92
Tax Expense/ (Benefit)	**1,073.05**	(279.78)
Profit after taxation before Other Comprehensive Income	**7,943.69**	**1,868.70**
Other Comprehensive Income	**8,680.36**	828.63
Total Comprehensive income	**16,624.05**	**2,697.33**
Retained Earnings: Balance brought forward from the Previous year	**(18,406.15)**	**(20,271.31)**
Add: Profit for the year	**7,943.69**	1,868.70
Add: Other Comprehensive Income / (Loss) recognised in Retained Earnings	**(8.08)**	(3.54)
Retained Earnings: Balance to be carried forward	**(10,470.54)**	**(18,406.15)**

B. OUTLOOK

Global Outlook

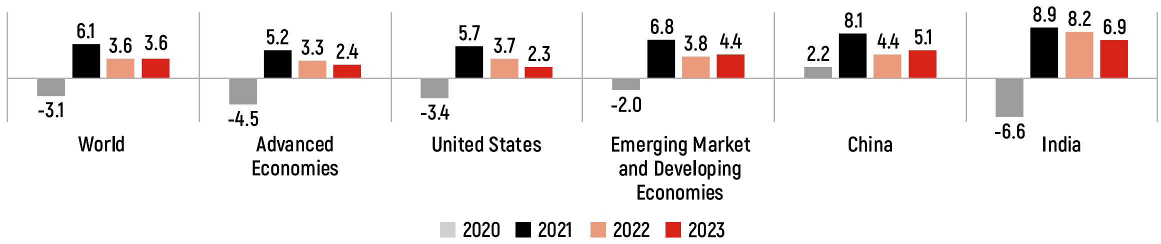
Challenging year for Global economy

This year is marked by various challenges to the global economy – rising interest rates, supply chain disruptions continuing since 1st COVID wave, rising global inflation, a war in Eastern Europe. The ongoing conflict in Eastern Europe has contributed to a significant slowdown in global recovery in 2022. With few exceptions, inflation is high in most of the world's major economies, reflecting supply chain frictions, labor market tightness and recurring commodity price shocks. The impact of recent challenges is heightened since many countries have already exhausted fiscal policy cushion to absorb COVID led impacts.

On COVID front, while the world appears to be moving away from the crisis, deaths remain high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China have compounded supply disruptions in Global trade.

IMF has reduced 2022 global growth estimates from 6.1% in 2021 to 3.6% in 2022 and 2023 – coupled with inflation estimates at 5.7% in advanced economies (revised upwards from 3.9% Jan'22 estimates), 8.7% (revised upwards from 5.9% Jan'22 estimates) in emerging market and developing economies.

World GDP% Change
(Source: IMF)



The global outlook is challenged by various risks, including new virus variants, inflation and potential financial stress. These challenges underscore the need to foster widespread vaccination, enhanced debt sustainability and diversify economic activity.

India Outlook

The East Europe war crisis has impacted India's growth outlook with increased Crude oil, wheat and edible oil prices —all of which are critical imports from the war affected nations. India also partly meets its fertilizer needs from the region. Higher fuel and fertilizer prices could reduce government revenues and increase subsidy costs. Furthermore, capital outflows and rising import bills could weigh on the current account balance and currency valuation.

Like India, several emerging economies are reeling under external shocks. It is however expected that given the strength of India's underlying economic fundamentals, the impact of ongoing turbulence on the long-term outlook could be marginal. The results of growth-enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending is expected to start kicking in from 2022, leading to a stronger multiplier effect on jobs and income, productivity and higher efficiency-culminating in accelerated economic growth. Furthermore, the emphasis on manufacturing in India, various government incentives such as lower taxes, and rising services exports on the back of stronger digitization and technology transformation drive across the world should support growth. On the health front, a large, vaccinated population may likely help contain the impact of subsequent infections waves, if any.

On the back of these factors, expected growth in India is 8.2% during FY22, followed by equally strong growth of 6.9% in FY23. This will likely mean that the baton for the fastest-growing emerging country could be passed on from China to India in the coming years.

Global Steel Industry

The World Steel Association forecasts that steel demand will grow by 0.4% in 2022 to reach 1,840 MnT after having increased by 2.7% in 2021. In 2023 steel demand is estimated to further grow at 2.2% to reach 1,881 MnT. The current forecast includes the uncertainty related to ongoing conflict in Eastern Europe.

The magnitude of this conflict could vary across regions, depending on their direct trade and financial exposure to Russia and Ukraine. There is an immediate devastating effect on the EU due to its reliance on Russian energy and its geographic proximity to the conflict area. The impact could also be felt globally via higher energy and commodity prices – especially raw materials for steel production – and continued supply chain disruptions, which were troubling the global steel industry since COVID 1st wave. Furthermore, financial market volatility and heightened uncertainty is risking the investment timelines.

Spillovers from the abovementioned global concerns, along with low growth in China, point to reduced growth expectations for global steel demand in 2022. There are further downside risks from the continued surge in virus infections in some parts of the world, especially China, and rising interest rates.

China

Chinese steel demand saw a major slowdown in 2021 due to the tough government measures on real estate developers. Steel demand in 2022 is estimated to remain flat as the government tries to boost infrastructure investment and stabilize the real estate market. The stimuli introduced in 2022 are likely to support small positive growth in steel demand in 2023. There is upside potential from more substantial stimulus measures, which is likely if the economy faces more challenges from the deteriorating external environment. China's production rate in 2022 has reduced by ~2% from 1,033 MnT in 2021 to is 1,009 MnT (annualized) in 2022.

Advanced economies

Despite the sporadic COVID infection waves and the manufacturing sector's supply chain constraints, steel demand recovered strongly in 2021, especially in the EU and the US. However, the outlook for 2022 has weakened due to inflationary pressure. Steel demand in the developed world is forecast to increase by 1.1% and 2.4% in 2022 and 2023 respectively, after recovering by 16.5% in 2021.

Developing economies excluding China

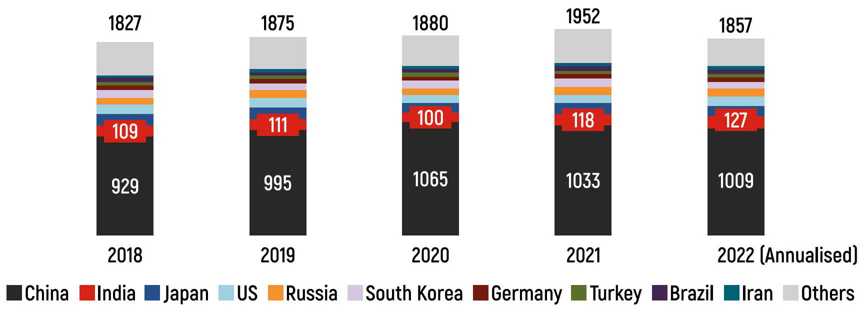
In the developing economies, recovery from the pandemic faced more challenges with the continued impact of the pandemic and surging inflation, which prompted a monetary tightening cycle in many emerging economies. After falling by 7.7% in 2020, steel demand in the developing world excluding China grew by 10.7% in 2021. In 2022 and 2023, WSA expects the emerging economies to face challenges from the worsening external environment – leading to low Steel demand growth of 0.5% in 2022 and 4.5% in 2023.

Steel using sectors

Global construction activity continued to recover from the lockdowns to record growth of 3.4% despite a contraction in China in 2021. The recovery was driven by an infrastructure push as part of recovery programs in many countries, while investments related to the energy transition are likely to drive the construction sector's growth for years to come. However, the construction sector faces potential headwinds from rising costs and interest rates.

The recovery of the global auto industry in 2021 was weak as the supply chain bottlenecks arrested the recovery momentum in the second half of the year. The East Europe conflict is risking the delay in return to normal, especially in Europe. Despite the slump in global auto production, the EV segment grew during the pandemic. On the positive note, global sales of EVs in 2021 reached 6.6 million units, almost doubling from 2020. The share of EVs in total car sales increased from 2.49% in 2019 to 8.57% in 2021.

Global Crude Steel Production (Mn T)
(Source: WSA)



Indian Steel Industry

The third wave of COVID-19 in early 2022 was short-lived and did not greatly affect economic activities. However, the manufacturing sector slowed down as high inflation affected consumer sentiment and investment. In 2022, construction and manufacturing will likely be supported by spending on infrastructure and a gradual revival in automotive production, with an expected improvement in semiconductor supply. Expected raw material supply constraints in the international market could result in higher domestic mining output and support the capital goods sector. However, the risk of increase in Cost of capital and cautionary stance of central bank could result in headwinds.

Boosted by higher spends on infrastructure and gradual revival of the automotive sector, India's steel demand growth is estimated at 114 MnT in 2022 compared with 106 MnT in 2021.

The introduction of export duty of 15% on steel could majorly impact exports and supply demand balance. However, the impacts are expected to be reduced by slashing of the import duty on crucial raw materials. The new duty structure risks derailment of the industry's massive investment plans.

Sales & Marketing

Year 2021 can be rightly termed as a year of recovery with all the major economies looking at ways to recover from the pandemic related economic shocks and supply chain disruptions. With increased vaccination coverage the impact of each covid wave on the economy for major economies was minimal. Each country looked at ways to mitigate the risk of lockdown and ensure the economic activity is not impacted drastically.

The global steel demand for 2021 was at 1833.7 Mnt registering a growth of 2.7% yoy basis. All the major steel consuming regions except China registered a healthy growth in the Demand for 2021.

In China, the steel demand was at 952 Mnt, down by 5.4% yoy. High energy prices, tight raw material and stricter emission norms impacted the overall demand in 2021. The Evergrande collapse also impacted the construction steel demand (Construction industry demand accounts for more than 50% of the total steel demand). With focus on domestic market, China cancelled the export tax rebates for steel products and as a result the overall exports from China particularly in the second half of the year started declining.

The start of the financial year saw India in the grip of the second wave impacting the lives and livelihoods of many people across the country. A devastating second wave of coronavirus across India saw the daily demand for supplemental medical oxygen rising significantly than what was needed during pre-covid times. To meet the oxygen shortage, all the major steel mills ramped up its capacities to supply medical oxygen across the nation. The Indian steel Industry inspite of multiple challenges remained one of the highest growing markets.

India continues to remain the world's second largest steel producer. Crude steel production stood at 120 Mnt and was up by 15.9% yoy. The Finished steel production stood at 113.6 Mnt and the Finished steel consumption at 105.8 Mnt grew at 11% yoy. All the steel consuming sectors contributed to increasing the overall steel consumption.

According to World Steel Association Short Range Outlook – April 22 forecast, the world steel demand in 2022 is anticipated to be 1840.2 growing at 0.4% and 1881.4 Mnt in 2023 growing at 2.2%. The rising geopolitical tensions between Ukraine and Russia have cast a shadow on the anticipated steady recovery from the pandemic related shocks.

The conflict will have an impact across regions and depending upon the direct and indirect exposure to Russia & Ukraine, the magnitude will vary. Globally the impact will be felt through high commodity prices and high energy prices and supply chain disruptions. The continued conflict is likely to impact the steel demand in 2022 and in 2023. Also, the rising inflation could see the major economies tightening monetary policies and this further could add to the volatility and heighted uncertainty.

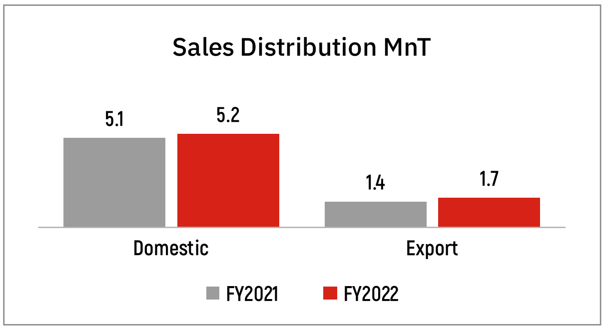
The long-term ramifications of the geopolitical situation surrounding Ukraine & Russia will have long term implications for the global steel industry. Going forward the global trade and supply chain will undergo a change resulting in new economic order.

In 2022, steel demand in China is expected to remain flat as the government introduces stimulus measures to accelerate the slow economy by boosting infrastructure investment and stabilizing the real estate market. The rising covid cases and the resulting lockdown disrupting supply chain across the regions in China will also have an impact on the overall steel demand. The expected increase in stimulus measures will help sustain and help a slight increase in overall steel demand in 2023.

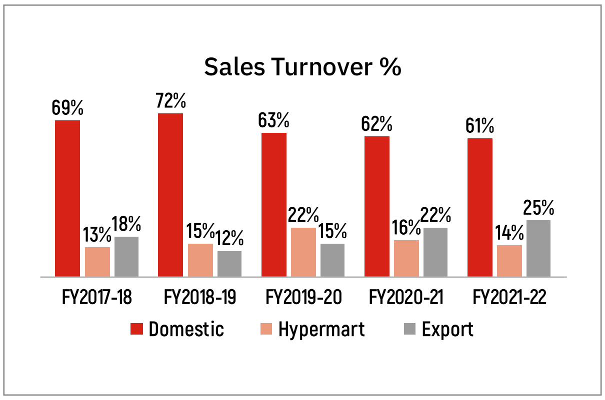
India remains one of the highest growing steel markets in the world. Steel demand is projected to be at 114.1 Mnt in 2022 growing at 7.5% and will be at 120.9 Mnt in 2023 growing at 6%. Government's continued focus on the construction of roads, railways, ports, railways and airports will drive the steel demand. The increase in infra spends will support the Construction and Manufacturing sector. The gradual improvement in the semiconductor supply will help the Automotive sector.

With effective vaccination of entire population, India has managed to come out rapidly from third wave of COVID. With less chances of severe covid wave, Indian economy to remain stronger in next year and overall steel demand to be better compared to last year.

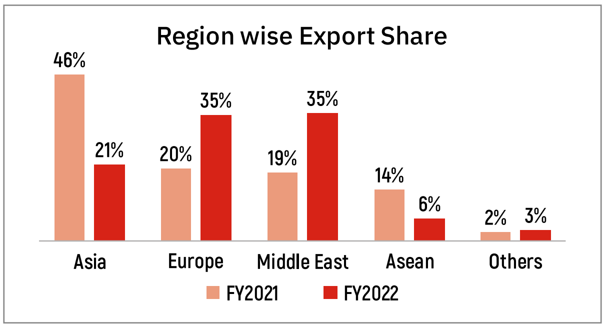
Company Performance:
In FY 2021-22, AMNS India achieved a total sale of 6.9 Mnt which is 7% higher on yoy basis. The focus of the company continues to remain in Domestic market with 75% of the total sales happening in Domestic and balance 25% in Exports.



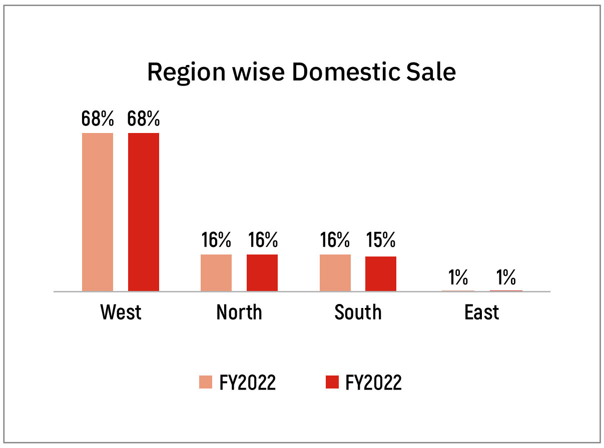
Volumes in the Domestic market increased by 3% while that of Exports increased by 21% due to Covid effects and opportunities on international markets in terms of prices.



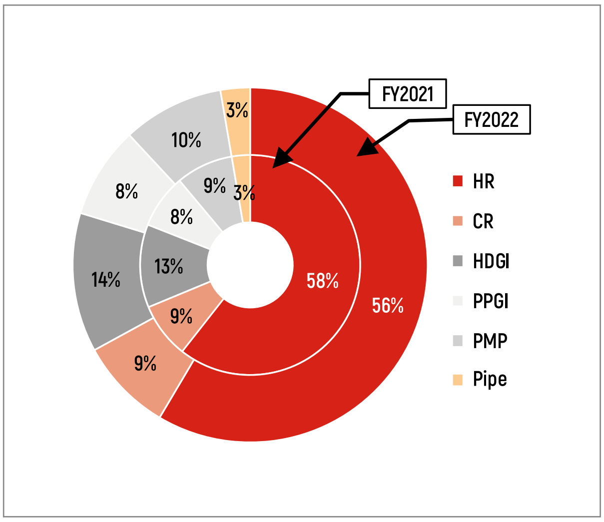
Out of total 1.7 MnT export volume, ME and EU market contributed to 70%.



For Domestic market the regional distribution between West/North/South & East remained at similar levels of FY 2020-21.



Downstream products (CR, HDGI & PPGI) contribute 30% of total sales volume. AMNS continues to focus in selling value added grades resulting in higher realisation. Contribution of PMP to the overall volumes increased to 10% in FY 22 from 9% in FY 2021. The contribution of value-added products in the overall PMP sales has improved from 62% in FY 21 to 70% in FY 22.



Customer remains the focal point for all our initiatives. The primary objective of any initiative being value addition for the customer and enhancing the ease of doing business.

During FY 2021-22 various initiatives were launched. The 3 main initiatives launched include

1) Digitalization
2) Product Development/Import Substitution
3) New Brand launch.

Digitalization

During the FY 2021-22, AMNS India launched various initiatives with the objective of ensuring ease of doing business and being connected with the last mile customers.

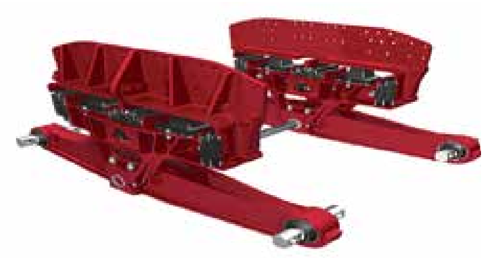
The initiatives launched are:

E-Sales

- **E-Sales -** Online Steel Buying for Customer with best-in-class features.
- **CUSTOMER PORTAL -** One Stop Portal wherein customer can get information on the GO.
- **END TO END CRM IMPLEMENTATION -** for Sales Team with key modules to Improve response time for customer.

PRODUCT/GRADE DEVELOPMENT

a) AMNS India is the first steel supplier for Air Suspension for Commercial Vehicles.



b) Grades developed for Oil Refinery application (Fluidized Catalytic Cracking Unit, Cyclone Assembly, Recovery & Cracking Units etc.) with critical requirements.

IMPORT SUBSTITUTION

a) Import Substitution activity with TUFMAX700 for Camber Plate application.

b) Import Substitution for Nuclear Power segment in Pressurized Heavy Water Reactor.

c) Import Substitution in 5 different colour shades for top loading washing machine

AWARDS & RECOGNITIONS:

a) JCB awarded AMNS for Import Substitution of value-added grades.

b) L&T MHI awarded AMNS India for sharing its best practices to improve service.

GREENPRO ECOLABELING:

a) AMNS has qualified for GreenPro Ecolabelling for its Colour Coated products

OPERATIONS:

In FY 2021-22, despite of various challenges of the market demand, the availability of resources and restrictions imposed by 2^{nd} wave of COVID-19 pandemic, your company has endeavored to produce 7.22 million tons (MT) finished steel. The production growth rate was increased by 9.2% even with a 2^{nd} wave of COVID-19 limited restrictions imposed by the Indian government at the start of the financial year.

We produced 7.41 million tons of liquid steel as against 6.80 million tons during the previous financial year. In the year FY 2021-22, the higher volume was produced from the Blast furnace unit. The Blast furnace produced 25.85% higher volume compared to the rated capacity. For the eighth consecutive year, the Blast furnace produced higher than its rated capacity. This year, the Compact Strip mill (CSP) has also achieved 99.7% production target as compared to the 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 financial year were:

- Mining Operations: Mining operation of Sagasahi Iron Ore mines was started from Sep-21.

- Pellet Plants: Overall Pellet production was 13.89 million tons at both pellet plants. The Paradeep Pellet plants produced 6.75 million tons and Vizag Pellet plants produced 7.14 million tons. The second pellet plant in Odisha was commissioned in Sept-21. In the month of March 2022, the highest ever total pellet production was achieved i.e., 1.46 million tons.

- Iron making: Overall Iron production was 8.68 million tons. Hot metal production from Blast Furnace and Corex plants was 2.20 million tons and 1.13 million tons respectively. Blast Furnace unit successfully implemented Natural Gas injection for process, with this AMNS becomes the first to use dual auxiliary fuel injection in India. HBI plant achieved highest ever quarterly production in Q3 i.e 1.39 million tons since inception.

- Steel Making: Overall liquid steel production was 7.41 million tons. The Steel Making plant 1 (SMP1) & Steel Making Plant 2 (SMP2) produced 3.36 and 4.05 million tons respectively. Highest ever production was achieved from the steel making zone, i.e. 1918 KT for the Q2 of the FY 2020-21 since inception. The Steel making plant 1 (SMP1) produced the highest ever volume of degassing steel, 0.90 million tons (28.5% increase in volume than previous year). To sustain the production ramp up and value-added grade at the steel zone, major equipment's were commissioned like Ladle Furnace 5, 2 charging cranes at SMP-1 and Ladle Furnace 7, under commissioning at SMP-2.

- Rolling: Overall rolling production was 7.22 million tons. Highest ever production was achieved from rolling zone i.e. 1863 KT for the Q2 of FY 2021-22 since inception.

- Ports Operation: In Q2 – FY 2021-22, a newly organised Hazira Port operation started the barging operations of coal and coke from Sep-21 to the shallow draft jetty. The full operations and maintenance control of this jetty was transferred to the Hazira Port team from Nov-21. The port set a new benchmark of highest ever cargo handled on the shallow draft jetty on Jan-22 i.e., 0.64 million tons.

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 of the Covid pandemic, invested in necessary extraordinary maintenance to catch up with the backlog of the previous period. A major repair of Corex 2 and DRI module 6 has been realised. The effort will continue in the next years with further 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	12th CII National HR Excellence Award, 2021-22	Strong Commitment to HR Excellence	Confederation of Indian Industry	**FY 2021-22**
2	Greentech HR Award	Outstanding achievement in Employee Engagement	Greentech Foundation	**2020**
3	Apex India Foundation, 2020	HR Excellence	Ape India Foundation	**2020**
4	CHRO of the Year 2021	Global HR Excellence Award	World HRD Congress	**2021**
5	National Convention on Quality Concepts (NCQC) - S C Memorial Trophy for Professional Excellence Award	TQM Global Summit	QCFI (Quality Circle Forum of India	**2021**
6	National Convention on Quality Concepts (NCQC) - PAR Excellence Award	International Convention on Quality Concepts	QCFI (Quality Circle Forum of India	**2021**
7	National Convention on Quality Concepts (NCQC) – Excellent Award	National Convention on Quality Concepts	QCFI (Quality Circle Forum of India	**2021**

FINANCE

FY 2021-2022 was a very good year for the Steel Industry. With the economic recovery and control on Covid 19 Pandemic, the global demand for steel is slated to increase this year and the trend is expected to continue in the next financial year as well. This is mainly on account of the government's focus on infrastructure development including roads, railways, and defence production. The government also introduced the Production linked Incentive Scheme (PLI) scheme to boost steel production.

Quote:

Finance Minister Nirmala Sitharaman presented the Economic Survey which details a noting that the performance of the steel industry is pivotal for the growth of the economy, the Survey said "despite being hit by COVID-19, the steel industry has bounced back with cumulative production of crude and finished steel in 2021-22 (April-October) at 66.91 MT and 62.37 MT, an increase of 25.0 percent and 28.9 percent respectively over the corresponding period last year."

Unquote

This FY 21-22 year again witnessed an increase in steel demand, especially from the export markets, and steel prices remained steady. The net worth of the Company as at 31st March, 2022 was ₹25,866.60 Crores. The Company generated a net profit of ₹7,943.69 Crores during the year (The company is on a strong path of strengthening its financial and operations performance.)

Robust and Strong Financial Indicators for FY 2021-2022

1. During the year Company got its credit rating assessment done through CRISIL. The company got good credit ratings as below. This is an indicator of the improved financial performance by the Company.

a. Corporate Credit Rating -- AA-/ Stable
b. Short Term Rating – A1+
c. Long term Rating – AA-/ stable

2. AMNS Completed the acquisition of certain critical assets during FY 20-21 directly or through its associates. Now these acquisitions are contributing to the operational/financial performance of the company. These acquisitions have provided an opportunity for AMNS to secure its raw material requirement and energy requirement. The company is actively observing for viable and attractive investment opportunities in the steel sector for expansion through acquisitions.

3. To improve on Cash Liquidity of AMNS, the Group company, which has provided Domestic loan facilities, has given an Interest moratorium up to December 2022 to AMNS. This step has provided an opportunity for AMNS to increase its cash liquidity position and invest in increasing its production volumes.

4. Debottlenecking process at the plant begun during FY 20-21. Now certain bottlenecking processes are completed during the year and are now contributing to the bottom line of the company.

5. During the year, the Company started its mega Capex program for Hazira Location to increase its capacity. Ground-breaking was carried out during the year. Total Capex orders worth ₹43.59 Billion were rolled out during FY-2021-2022 across the Company. The Company is generating internal accruals which are used for capex purposes along with the support of equity funding (during the implantation of the resolution plan) from the parent Company.

6. Banks and Financial institutions are also willing to provide credit facilities to the company at attractive interest rates. Currently, AMNS has availed of NFB facilities for its working capital requirements. Bankers are offering tailor-made solutions for the company for its requirement of funds and operations.

7. Company has taken several measures to improve efficiency through the implementation of process automation of the various manual processes. The company is also in process of upgrading its ERP systems. This company will be able to cut costs, 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 2022, 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, 2022, as the Company proposes to plough back profits to meet capex expansion and long-term working capital requirement.

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 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. 44 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, 2022.

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, 2022 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.

Pursuant to the provisions of Section 161(1) appointment of Shri Bradley Davey (DIN: 09179206), Shri Takahiro Mori (DIN: 09173335) and Shri Jun Hashimoto (DIN: 09244627), who were appointed as Additional Director during the year under review, were regularized and appointed as Directors at the Annual General Meeting held on November 30, 2021. Also, the Company noted and placed on record its deep gratitude for the services rendered and contribution made by Shri Brian Aranha, Shri Katsuhiro Miyamoto and Shri Hiroyuki Nitta, during their respective tenures, as the Directors of the Company who resigned from the Company in the current Financial Year.

During the year, pursuant to the provision of section 161(1) of the Companies Act 2013, Shri Yoshiaki Kusuhara (DIN: 09576452) was appointed as an additional director of the company with effect from April 26, 2022. Shri Yoshiaki Kusuhara (DIN: 09576452) holds office of directorship till the conclusion of this Annual General Meeting. The Board recommend the appointment of Shri Yoshiaki Kusuhara (DIN: 09576452) as Director of the Company at this 46th Annual General Meeting. The Board is of the opinion that the continuation of the aforesaid Director is within the requirements of the Companies Act, 2013 and in the interest of the Company. Accordingly, the Board recommends the appointment of Shri Yoshiaki Kusuhara (DIN: 09576452) as Director of the Company.

As per the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri Dilip Oommen (DIN 02285794), Shri Ichiro Sato (DIN: 08748844) and Shri Hideki Ogawa with (DIN: 07223732) 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
Shri Dilip Oommen	Director and Chief Executive Officer
Shri Takahiro Nagayoshi	Chief Financial Officer
Shri Jun Hashimoto	Wholetime Director and Vice President Technology
Shri Pankaj Chourasia	Company Secretary

The Board, in its meeting held on 29th November, 2021, recommended and appointed Shri Jun Hashimoto (DIN: 09244627) as Whole Time Director of the Company designated as Director and Vice President – Technology with effect from 29th November, 2021 in place of Shri Hiroyuki Nitta (DIN: 08378146).

Shri Kalyan Ghosh (DIN: 06444120) was appointed as alternate director to Shri Bradley Davey and Shri Hiroshi Ebina (DIN: 08224876) was appointed as Alternate Director to Shri Yoichi Furuta and later to Shri Yoshiaki Kusuhara.

b. DECLARATIONS BY INDEPENDENT DIRECTORS:

In accordance with the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014, 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 Seven times as under:

Name of the Director	16.06.2021	12.10.2021	29.11.2021	09.12.2021	23.12.2021	24.02.2022	24.03.2022
Shri Aditya Mittal	Y	Y	N	Y	N	N	Y
Shri Bradley Davey	Y	Y	Y*	Y	Y*	Y*	Y
Shri Prabh Das	Y	Y	N	Y	N	Y	Y
Smt Hilde Van Grembergen	Y	Y	N	Y	N	N	Y
Shri Takahiro Mori	Y	Y	N	Y	N	N	Y
Shri Ichiro Sato	Y	Y	N	Y	N	N	Y
Shri Hideki Ogawa	Y	Y	Y	Y	N	Y	Y
Shri Dilip Oommen	Y	Y	Y	Y	Y	Y	Y
Shri Jun Hashimoto#	NA	Y	Y	Y	Y	N	Y
Shri Yoichi Furuta	Y	Y	Y*	Y	Y*	Y*	Y
Shri Hiroyuki Nitta	Y	NA	NA	NA	NA	NA	NA
Shri Kalyan Ghosh (Alternate Director)			Y*		Y*	Y*	
Shri Hiroshi Ebina (Alternate Director)			Y*		Y*	Y*	

* Attended by respective alternate directors. *Ceased to be Director w.e.f. August 03, 2021

Appointed on August 03, 2021 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, 2022, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2022, 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, 2022 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**

CSR initiatives of the Company and activities are aligned to the requirements of Section 135 of the Act. 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.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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 websitehttps://www.amns.in/about_us/Policies/.

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 led by Chief Internal Auditor, assisted by outsourced audit resources. The internal audit function is independent of the Executive Management. The Chief Internal Auditor reports functionally to the Chairman of Assurance Review Committee of the Board and administratively to the Director & Chief Executive Officer of the Company.

Internal audit reviews the internal controls, propriety aspects and compliances of 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 Management Committee and Assurance Review Committee. The audit plan and coverage are 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 "Whistle-blower 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 on the 'Ethicsline' a whistle blower mechanism set up by the company which is run by an independent 3rd party service provider. The concerns pertaining to noted unethical behaviour can be raised on the web interface https://amnsindia.integritymatters.in/cases/case_instructions?locale=en. The additional reporting channels are available on the above link. The complaints can also be raised to 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/about_us/policies/

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

Having regard to the provisions of the proviso to Sub-rule 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, 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.

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 45(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 45(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, 2022, consolidating financials of subsidiaries and associates of AMNSI.

B. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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 2021-2022.

Secretarial Audit Report issued by Ashish Garg Secretaries LLP, Company Secretaries, in prescribed Form MR-3 for the financial year 2021-2022 forms part to this report **Refer Annexure-IV**. 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.

In order to align with the practices adopted by Holding Companies, it is proposed to appoint M/s. S R B C & CO LLP in place of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 302009E) as Auditors of the Company from FY 22-23.

Accordingly, the Board has proposed to appoint M/s. S R B C & CO LLP, (Firm Registration Number: 324982E/E300003), Chartered Accountants, as the Statutory Auditors of the Company in place of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 302009E), for a period of 5 years from the conclusion of 46th Annual General Meeting till the conclusion of Annual General Meeting to be held in year 2027 pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Company has received the requisite consent and eligibility letter from M/s. S R B C & CO LLP, (Firm Registration Number: 324982E/E300003), Chartered Accountants, confirming their willingness to become Statutory Auditor of the Company.

Accordingly, the Board recommends the appointment of M/s. S R B C & CO LLP, (Firm Registration Number: 324982E/E300003), Chartered Accountants as Statutory Auditors of the Company for approval of the members of the Company at the ensuing Annual General Meeting.

D. COST AUDITORS:

M/s. Manubhai & Associates, Cost Accountants have been re-appointed as the Cost Auditors of the Company for the financial year 2022-2023 for all applicable Product Groups. The Cost Audit report for the financial year 2021-2022 will be filed within the stipulated period of 180 days from the closure of financial year pursuant to provisions of Companies Act, 2013.

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 led by Chief Internal Auditor, assisted by outsourced audit resources. The internal audit function is independent of the Executive Management. The Chief Internal Auditor reports functionally to the Chairman of Assurance Review Committee of the Board and administratively to the Director & Chief Executive Officer of the Company. The key findings from the internal audit and progress on action taken by the Management are presented to the Management Committee and Assurance Review Committee. The audit plan and coverage are commensurate with the size and operation of the Company.

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 2021-22, is available on the Company's website at www.amns.in.

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 V** 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 31.03.2022 for redressal.

During the year under review, 3 meetings of Internal Complaints committee were held on 16.06.2021, 26.11.2021 and 09.03.2022 respectively, attended by the following members:

Shri Anil Matoo, Smt. Renuka Kulkarni, Smt. Srikanya Das and Shri Deepak Gupta.

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

i. Pursuant to order dated 27.09.2021 of NCLT, Ahmedabad, the Provisional Liquidator of AMNS Steel Logistics Limited (AMNSSLL) has taken over management and control of the affairs of AMNSSLL and an order directing winding up of AMNSSLL was passed by NCLT on 28.01.2022. Accordingly, the Company does not have control over AMNSSLL and it has ceased to be a subsidiary of the Company as per the applicable accounting standard. There were no companies which ceases to be Joint venture or associate companies.

ii. On September 24, 2021, the Supreme Court of Mauritius granted the Company's prayer for the winding up of Essar Steel Offshore Limited (ESOL) and appointed the liquidator of ESOL. The dissolution/liquidation process is to be completed by 31st October, 2022 as per the extension granted by Supreme Court of Mauritius by vide its order dated 4 February 2022.

e. **COMPLIANCE WITH SECRETARIAL STANDARD**

The Company has in place requisite 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 & Vice President (Technology)
DIN: 02285794	**DIN:** 09244627

Date: 22nd June, 2022
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					
1.	Name of the subsidiary	AMNS Middle East FZE	Essar Steel Trading FZE	AMNS Shared Services Limited	AMNS Steel Logistics Limited*	Essar Steel (UAE) Limited	PT AMNS Indonesia
2.	The date since when subsidiary was acquired	16.12.2009	12.06.2006	20.05.2011	23.05.2013	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	₹75.81/$	₹75.81/$	-	-	₹75.81/$	₹75.81/$
5.	Share capital	466.84	28.92	0.20	0.05	311.01	288.08
6.	Reserves & surplus	(2,593.42)	(91.49)	(12.45)	(7.97)	(60.76)	537.23
7.	Total assets excluding investment	102.46	0.14	1.56	0.17	-	947.02
8.	Total Liabilities	3,244.89	62.71	13.81	8.08	59.76	121.71
9.	Investments	1,015.85	-	-	-	310.02	-
10.	Turnover(including Other Income)	348.58	-	9.39	-	-	2,809.33
11.	Profit / (Loss) before taxation	(10.46)	(0.17)	0.27	(3.63)	(7.23)	120.02
12.	Provision for taxation	-	-	-	-	-	30.55
13.	Profit / (Loss) after taxation	(10.46)	(0.17)	0.27	(3.63)	(7.23)	89.47
14.	Proposed Dividend	-	-	-	-	-	-
15.	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%	99.74%

*Pursuant to order dated 27.09.2021 of NCLT, Ahmedabad, the Provisional Liquidator of AMNS Steel Logistics Limited (AMNSSLL) has taken over management and control of the affairs of AMNSSLL and an order directing winding up of AMNSSLL was passed by NCLT on 28.01.2022. Accordingly, the Company does not have control over AMNSSLL and it has ceased to be a subsidiary of the Company as per the applicable accounting standard.

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)

Sr. No.	Name of Associates/Joint Ventures	Essar Steel Processing FZCO
1	Latest audited Balance Sheet Date	31-03-2022
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. of shares	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	(26.31)
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 subsection (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 arm's length transaction under third proviso thereto

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

ANNEXURE – III

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

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

   AM/NS India is committed to the communities where we operate in and the society at large, hence our CSR is as strategic as our steel making. Our prosperity-driven CSR activities focus on six areas, among others – Health & Sanitation, Education, Livelihood (Skill Development and Women Empowerment), Sports and Culture, Community Infrastructure development, and Environment. Our need-based CSR interventions cover eight states and 11 districts of India and have impacted more than 1.3 million lives in nearly 200 villages. The interventions are in line with the Sustainable Development Goals and Schedule VII of the Companies Act, 2013. CSR Policy of the company 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	Shri Bradley Davey*	Director	1	1
2	Shri Prabh Das	Director	1	1
3	Shri Hideki Ogawa	Director	1	1
4	Shri Ichiro Sato	Director	1	1

*Shri Brian Aranha was replaced by Shri 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/

   The CSR Policy is available on the website of the Company at 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):**

   Impact assessment by an independent party was conducted. Towards this, SoulAce, Mumbai conducted impact assessment in December 2021 and submitted the report in March 2022.

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	2020-21	**Not Applicable**	**Not Applicable**
2	2019-20	**Not Applicable**	**Not Applicable**
3	2018-19	**Not Applicable**	**Not Applicable**
	TOTAL	**Not Applicable**	**Not Applicable**

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:**

   Company had in the preceding 3 (three) financial years average net profit was negative due to set off earlier losses and hence the Company was not mandatorily required to incur any expenditure towards CSR activities during FY 2021-22. However, as a good corporate citizen, an amount of ₹48.55 crores was spent in FY 2021-22 towards various CSR activities. These activities are in alignment with the focus initiatives of the AM/NS India that lays emphasis on six thrust areas Education, Health, Livelihood, Sports, Environment, and Infrastructure.

Total Amount Spent for the Financial Year. (₹ In Crores)	Amount Unspent (₹ In Crores)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
48.55	NIL	NA	NA	NIL	NA

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (₹ in Crores.)	Amount spent in the current financial Year (₹ in Crores.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crores.).	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Reg. No.
1	Project Arogya (Health Initiatives – MMU, Health Dispensary, Health Camps, Ambulance, Covid 19)	Item (i)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 Years	15.0	14.66	NA	Yes and with Govt. administration and Project Partners	HelpAge India Punaruthan	CSR00000901 CSR00000650
2	Project Padega Bharat (Education Initiatives- Learning and teaching materials, upgradation in nearby schools and Anganwadi centers) Support to Mo School	Item (ii)	yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Kendrapara Pune, Dhenkanal, Nayagarh, Puri	3 Years	25.0	20.26	NA	Yes & with Govt. administration		
3	Project SAFAL (Livelihood Initiatives - Lok Vikas Kendra, Income generation program	Item (iii)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 Years	3.0	2.05	NA	Yes		
4	Environment	Item (iv)	Yes	Chhattisgarh & Andhra Pradesh	Dantewada, Visakhapatnam	3 Years	0.50	0.04	NA	Yes		
5	Project UDAAN (Promotions of Sports)	Item (vii)		Gujrat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 years	1.50	1.01	NA	Yes		
6	Project Trupti & Ujjawla (Community Infrastructure & others initiative)	Item (x)	Yes	Gujrat, Odisha, Chhattisgarh, Andhra Pradesh & Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 years	9.0	8.19	NA	Yes		
	Total							**46.21**				

(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 of implementation of - Through implementing agency.	
				State	District			Name	CSR registration number
1	High School Transformation Project	Item (ii)	Yes	Odisha	Kendrapara	1.80	No	District Education Office	
	Total					**1.80**			

(d) Amount spent in Administrative Overheads: ₹ 0.30 Crores

(e) Amount spent on Impact Assessment, if applicable: ₹ 0.24 Crores

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): ₹ 48.55 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	48.55
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(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)]	Nil

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

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In Crores)	Amount spent in the Reporting Financial Year (₹ In Crores)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining tobe spent in succeeding financial years (₹ In Crores)
				Name of the Fund	Amount (in ₹)	Date of transfer	

(a) 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 allocate d 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.
Not Applicable								

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):

(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
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2022

[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)
(**CIN: U27100GJ1976FLC013787**)
"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 me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2022, 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 me and maintained by the Company for the financial year ended on March 31, 2022 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; which is not applicable to the Company during the Audit Period.

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

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

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

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

   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; *in so far as they are made applicable;*

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

   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.

d) Foreign Contribution Regulation Act, 2010 and the rules made there under.

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 Board of Directors of the Company is duly constituted and 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 Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of meetings at shorter notice, and the necessary consent have been sought at the meetings 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 as recorded in the minutes of the meetings.

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.

I further report that during the Audit Period, 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.

Sd/-

Place: Indore
Ashish Garg

Date: 22nd June, 2022
Practicing Company Secretary

FCS No: 5181
CP No: 4423
PR: 568/2018
UDIN: F005181D000520476

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
ARCELORMITTAL NIPPON STEEL INDIA LIMITED
(Formerly known as Essar Steel India Limited)
(**CIN: U27100GJ1976FLC013787**)
"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 secretarial records is 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 secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial 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.
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.

Sd/-
Ashish Garg
Practicing Company Secretary

Place: Indore
Date: 22nd June, 2022

FCS No: 5181
CP No: 4423
PR: 568/2018
UDIN: F005181D000520476

Annexure - V

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 2021-2022
1	BF - VVVFD Installatio for Combustion Air Supply Fan for Stoves - Energy Savings (Lakhs kWh) - 26.38 - Approx. Investment - 101 Lakhs
2	BF - VVVFD Installation in Cooling tower and FJ2 Conveyor - Energy Savings (Lakhs kWh) - 3.24 - Approx. Investment - 4 Lakhs
3	COREX - Replacing 250 W Sodium Vapor High bay Fittings with 150 W LED High bay Fittings - Energy Savings (Lakhs kWh) - 0.35 - Approx. Investment - 3 Lakhs
4	SMP-1 - Optimization of HOT DRI to redcue Power Consumption - Energy Savings (Lakhs kWh) - 11.04 - Approx. Investment - 50 Lakhs
5	HSM - Reduction in specific fuel consumption in RHF#1 - Energy Savings (Lakhs SM3) - 30.04 - Approx. Investment - Nil
6	CSP MILL - Recuperator Efficiency improvement - Phase I - Fuel Savings (Lakhs SM3) - 3.45 - Approx. Investment - 60 Lakhs
7	CSP MILL - Improving power factor of PMCC (MIC-2) - Energy Savings (Lakhs kWh) - 0.38 - Approx. Investment - Nil
8	PLATE MILL - Optimising compressed air consumption - Energy Savings (Lakhs kWh) - 49.2 - Approx. Investment - 1 Lakhs

Sr. No.	ENERGY CONSERVATION MEASURES 2021-2022
9	PIPE MILL - Installation of transparent sheets for daylight savings in Coating plant - Energy Savings (Lakhs kWh) - 0.23 - Approx. Investment - 4 Lakhs
10	PIPE MILL - Installation of VFD Drive for 132 kW Internal coating 1 Dust Collector Blower motor - Energy Savings (Lakhs kWh) - 1.69 - Approx. Investment - 4 Lakhs
11	LIME PLANT B - DOL to VVVF for Combustion Blower for Kiln - Energy Savings (Lakhs kWh) - 6.13 - Approx. Investment - 50 Lakhs
12	AUX - Replacement of Conventional lighting with LED - Energy Savings (Lakhs kWh) - 75.09 - Approx. Investment - 331 Lakhs
13	UTILITIES - Modification in Conarc IC4 cooling circuit, resulted to stop 2 pumps. - Energy Savings (Lakhs kWh) - 25.2 - Approx. Investment - 20 Lakhs
14	UTILITIES - Replacing existing compressors with high efficiency centrifugal compressor in HSM - Energy Savings (Lakhs kWh) - 23.4 - Approx. Investment - 87 Lakhs
15	UTILITIES - Modification of cooling tower line from warm to cold sump - Energy Savings (Lakhs kWh) - 102.96 - Approx. Investment - 3 Lakhs
16	UTILITIES - Modification in Tail Gas Injection point in Corex Gas Network - NG saving - Energy Savings (Lakhs SM3) - 33.26 - Approx. Investment - 64 Lakhs

Proposed Energy Saving Projects - 2022-23
SINTER - Improving Compressor Efficiency by Optimizing - Energy Savings (Lakhs kWh) - 11.14 - Approx. Investment - Nil
BF - Replacement of Compressor with High efficiency - Energy Savings (Lakhs kWh) - 17.67 - Approx. Investment - 150 Lakhs
BF - VVVFD to be installed in Cooling tower 3 and 4 - Energy Savings (Lakhs kWh) - 3.04 - Approx. Investment - 6 Lakhs
BF - Reduce the pressure drop across bag filter and damper in PCI fan and CH dedusting Fan - Energy Savings (Lakhs kWh) - 22.63 - Approx. Investment - 110 Lakhs
COREX - Replacement of low efficiency pumps with high efficiency pump - Energy Savings (Lakhs kWh) - 5.17 - Approx. Investment - 36 Lakhs
HBI - Drive Installation 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 SM3) - 9.79 - Approx. Investment - 70 Lakhs
HBI - To increase cooling gas scrubber cooling efficiency by 15 % - NG Saving (Lakhs SM3) - 32.64 and Power Saving (Lakhs kWh) - 81.6 - Approx. Investment - 60 Lakhs
HBI - KR Temp reduction by 5 degree in cooling tower. - Energy Savings (Lakhs SM3) - 21.46 - Approx. Investment - 1 Lakhs
HBI - Reduce pressure drop from Venturi outlet to DC fan inlet in Mod 1 - Energy Savings (Lakhs kWh) - 4.48 - Approx. Investment - 30 Lakhs
HBI - Install VFD in KR 6P4-51 Pump and avoid throttling in HBI - Energy Savings (Lakhs kWh) - 2.08 - Approx. Investment - 20 Lakhs
SMP-1 - Increasing HDRI vessel capacity and Maximization of HDRI usage - Energy Savings (Lakhs kWh) - 988.22 - Approx. Investment - 50 Lakhs
SMP-1 - Reduce the pressure drop across the damper & Bag filter in Furnace 1 to 4 ID fans - Energy Savings (Lakhs kWh) - 142.11 - Approx. Investment - 1100 Lakhs
SMP-2 - Power saving by providing individual outlet damper for HMPS Station A and B Booster fan - Energy Savings (Lakhs kWh) - 9.50 - Approx. Investment - 36 Lakhs
SMP-2 - Drive installation in LF 1.1 Booster fan and Primary Booster Fan - Energy Savings (Lakhs kWh) - 106.55 - Approx. Investment - 900 Lakhs
SMP-2 - Conversion of conventional lighting to LEDs - Energy Savings (Lakhs kWh) - 9.03 - Approx. Investment - 50 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 - Optimize the performance of ID Fan system - Energy Savings (Lakhs kWh) - 10.72 - Approx. Investment - 50 Lakhs
SMP-2 - Replace Existing Metal Blade to FRP Blade for Identified Fans and Fin Fan Coolers - Energy Savings (Lakhs kWh) - 10.88 - Approx. Investment - 50 Lakhs
HSM - Cooling tower Pump replacement with energy efficient pumps - 3 no - Energy Savings (Lakhs kWh) - 19.2 - Approx. Investment - 96 Lakhs
HSM - Recuperator Bundles replacement - Energy Savings (Lakhs SM3) - 12.47 - Approx. Investment - 1000 Lakhs

Proposed Energy Saving Projects - 2022-23
HSM - Pump replacement with energy efficient pumps - 7 Nos. - Energy Savings (Lakhs kWh) - 27.6 - Approx. Investment - 224 Lakhs
HSM - Reduce the pulley size/Suction pressure in ADVS fans - Energy Savings (Lakhs kWh) - 2.81 - Approx. Investment - 6 Lakhs
HSM - Optimize pressure drop across damper in RHF blower - Energy Savings (Lakhs kWh) - 9.92 - Approx. Investment - 120 Lakhs
CSP MILL - Recuperator Efficiency improvement - Phase II - Energy Savings (Lakhs SM3) - 5.17 - Approx. Investment - 100 Lakhs
CSP MILL - Replace identified low efficiency pumps with energy efficient pumps - Energy Savings (Lakhs kWh) - 22.64 - Approx. Investment - 118 Lakhs
PLATE MILL - Recuperator Bundle for RHF - Energy Savings (Lakhs SM3) - 4.9 - Approx. Investment - 350 Lakhs
PLATE MILL - Optimize CA FAN operation by installation of VFD in plate mill - Energy Savings (Lakhs kWh) - 12.54 - Approx. Investment - 70 Lakhs
PLATE MILL - Install VAM for recovering waste heat - Energy Savings (Lakhs kWh) - 9.73 - Approx. Investment - 90 Lakhs
PLATE MILL - Optimization in P-101 pump Operation - Energy Savings (Lakhs kWh) - 1.87 - Approx. Investment - 16 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 for CRM-1 roll coolant supply pump and APC Fryer Blower - Energy Savings (Lakhs kWh) - 5.04 - Approx. Investment - 15 Lakhs
CRM - Installation of Magnetic Resonators in Gal-2 - Energy Savings (Lakhs SM3) - 2.1 - Approx. Investment - Nil
CRM - Installing Condensing economizer in flue gas path - Energy Savings (Lakhs SM3) - 1.74 - Approx. Investment - 40 Lakhs
CPP-1 - Install VVFD in CEP of CPP-1 - Energy Savings (Lakhs kWh) - 0.88 - Approx. Investment - 3 Lakhs
AUX - Replacement of Conventional light with LED - Energy Savings (Lakhs kWh) - 24.45 - Approx. Investment - 109 Lakhs
UTILITIES - Energy saving by increasing utilization of Mist air compressor and merging with IA/CA grid. - Energy Savings (Lakhs kWh) - 0 - Approx. Investment - Nil
UTILITIES - Optimization in pump operation in common Utility-A section - Energy Savings (Lakhs kWh) - 8.8 - Approx. Investment - 62 Lakhs
UTILITIES - Avoid recirculation of feed water in BFP to deaerator - Energy Savings (Lakhs kWh) - 1.2 - Approx. Investment - 7 Lakhs
UTILITIES - Optimization in common Compressed Air System - Energy Savings (Lakhs kWh) - 18.56 - Approx. Investment - Nil
UTILITIES - Install level sensor based auto drain valves for compressors and receivers - Energy Savings (Lakhs kWh) - 1.86 - Approx. Investment - 12 Lakhs
UTILITIES - Replace belt driven AHU drives with direct drives - Energy Savings (Lakhs kWh) - 4.07 - Approx. Investment - 22 Lakhs
500MW CCPP - Optimize power consumption of Water treatment plant of 500MW CCPP - Energy Savings (Lakhs kWh) - 0.69 - Approx. Investment - 3 Lakhs
500MW CCPP - Install FRP blades for generator cooling fans and CT fans - Energy Savings (Lakhs kWh) - 16.64 - Approx. Investment - 67 Lakhs

ENERGY CONSERVATION MEASURES 2021-22 AT ODISHA

1. CONSERVATION OF ENERGY

- Energy Audit has been completed by CII, waiting for final report.
- Power factor has been improved from 0.97 in CY 20' to 0.99 level in CY21 by installation of capacitor banks.
- By using segregated green feed in PP2 Induration Furnace, resulted in 25% energy saving in process fans compared to PP1
- 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.

2. TECHNOLOGY ABSORPTION

- The Pellet Plant 2 was taken in operation from Sep'21.
- PP2 filtration technology and equipment supplied by M/s. METSO.
- PP2 Double Deck Roller Feeder (Segregation) supplied by METAL7

- PP2 Sliding track support strengthened like M/s LURGI technology
- PP2 Feed and Discharge curve support and rails strengthened like SAMARCO

3. RESEARCH AND DEVELOPMENT (R & D)

- **Introduction of inhouse developed Guar Gum in 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 External concentrate like Ukraine concentrate** to decrease the Al2O3 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.
- **Basket test done to check the pellets firing across the bed and CCS variation.**

ENERGY CONSERVATION MEASURES 2020-21 AT 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 4.12 Lacs.
2. Energy Saving on account of Chem. coater exhaust blower replaced from 37 KW to 11 KW in CCL-2. Annual savings of ₹5.93 Lacs
3. Energy Saving on account of Provision of VFD for Mill 3 Fume ex. Blower 200 kw. Annual savings of ₹12.31 Lacs
4. Energy Saving on account of Provision of VFD for Mill 3 coolant pump- 160Kw. Annual savings of ₹7.65 Lacs
5. Energy Saving on account of Provision of VFD for Mill 1 coolant pump- 55Kw. Annual savings of ₹3.96 Lacs
6. Energy Saving on account of Provision of VFD for Mill 1 DC motor ventilation blower 90kw. Annual savings of ₹4.27 Lacs
7. Energy Saving on account of Provision of VFD for hot well pump (75 KW) in CGL-2. Annual savings of ₹8.23 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 ₹4.73 Lacs
9. Energy Saving on account of Provision of VFD for incinerator exhaust fan CCL-1. Annual savings of ₹7.54 Lacs
10. Energy Saving on account of Provision of VFD for finish water quench pump of 75kw CCL-2. Annual savings of ₹7.69 Lacs
11. Energy Saving on account of Provision of VFD for RTF combustion blower of 15KW CGL-2. Annual savings of ₹3.67 Lacs
12. Energy Saving on account of Provision of VFD for F/O Z1 R/C fan CCL-1. Annual savings of ₹3.48 Lacs
13. Energy Saving on account of Provision of VFD for F/O Z2 R/C fan CCL-1. Annual savings of ₹3.37 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 ₹6.94 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. Annual savings of ₹6.23 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 ₹18.37 lacs.
    Total Saving – 108.49 Lacs

ArcelorMittal Nippon Steel India Ltd, Pellet Operations, Visakhapatnam

Conservation of Energy

Beneficiation Plant- Kirandul:

1. Energy saved through final phase LED lights implementation FY 21-22 is 4.8 lakh KWH, which amounts to INR 29 lakhs.

2. Energy saved through switching off HGMS circuit (process optimization) when Incoming Iron ore fines Fe is more than 65% is 1.1 million KWH which amounts to INR 65 Lakhs.

Pellet Plant - Vizag

1. Power cost optimization by power wheeling agreement with RAIN CII resulted in savings of ₹764 Lakhs
2. Use of catalyst in furnace oil resulted in oil savings of ₹554 Lakhs.
3. PP1 & 2 furnaces fuel oil preheaters upgraded with power electronic controlled electrical heaters resulted in cost savings of 80 Lakhs.
4. Energy optimisation in pressure filter system by modifying the pipelines of ZR-750 air drying compressor resulted in cost savings of ₹26 Lakhs.
5. VFD installation for Raw water pump to save 190 kWh per day resulted in cost savings of ₹12 Lakhs.

Captive Power Plant – Vizag

1. De-staging of boiler feed water Pump no-1 to reduce throttling losses at feed regulating station resulted in cost savings of ₹30 lakhs.

TECHNOLOGY ABSORPTION

Beneficiation Plant - Kirandul

1) Recovering Fe+ values from High Grade tails:
Test work on High Grade Tails from Padapur 2B Dam at TGMRC -Dr Biswal R&D centre is done for studies on recovery of Fe values with an objective of enrichment up to + 60 %. The samples after making into slurry form, are processed in two stage Magnetic Separation with varied magnetic background intensity. Test works have shown positive results in terms of recovery with low tail Fe% at a magnetic intensity of 24000 Gauss.

The mineralogical and Characterization studies are completed, equipment selection and identifying the prospective vendors is under progress.

2) Dry filtration studies and the possible installation of filters for the Tails filtration is envisaged This is an alternative way of storage of tails in the stacked form. This proposal is sent for management approval.

Pellet Plant – Vizag

1. Modification of high-speed couplings from gear to tyre to enhance coupling life of the G8002, G8004,2G8004, 2G8002 conveyors resulted in cost savings of ₹18 Lakhs.
2. Upgradation of MCC15 breakers with latest L&T Omega MTX Breakers to monitor temperature of buses resulted in cost savings of ₹15 lakhs.
3. Life enhancement of wind box recuperation fan no. 22 wear liners with composite wear plate Iron base hard facing superalloy (W, Cr, Mn, Nb, B, Fe, C) possessing excellent abrasion and erosion resistance at elevated temperatures such as 700°C with hardness 67 to 70 HRC.
4. New dry lintels and dry seal box installed in induration furnace of pellet plant-1 & 2 and replaced water cooled lintels. This has reduced the water consumption.
5. Product stacker rail track is locked on concrete sleepers with holding clamps and bolts. While replacing the rails, the concrete sleepers are restored by only replacing the rails locking bolts by doing Core cutting & GP 2 Grouting application in the sleepers. This resulted in a saving of ₹1.36 Cr by not going for new sleepers. This also has saved the execution time.

PROCESS OPTIMIZATION

Beneficiation Plant- Kirandul:

1) Plant Process Optimization Study involving Plant operations teams, R&D Global & Hazira and Dr Biswal-TGMRC is initiated at BP Plant Process. Process samples collected in all the streams in the presence of M/s TGMRC (Dr Biswal team) and sending these samples M/s TGMRC facility, Bhubaneswar. The objective of the study is to see the possible reduction the Tails Fe + and improving the yield.

Pellet Plant- Vizag

1. Pressure Filter no.1 sliding track replaced by in-house team and benefited cost savings of ₹80 Lakhs.
2. Pressure filter no.1,2,3 & 4 recirculation valve logic modification to extend valve life to 3 to 4 months resulted in cost savings of ₹26.25 Lakhs.
3. Pressure filter process water pumps (2B4020 & 21M01) speed controlling based on PID loop by pressure set point from DCS resulted in savings of ₹5 Lakhs.

R&D 2021-2022

ARCELORMITTAL NIPPON STEEL INDIA LIMITED- HAZIRA R&D 2021-2022

The objective of the R&D program is to make ArcelorMittal Nippon Steel India Ltd a leading and sustainable steel producer in India through focused applied research in the following areas:

a. New and innovative steel product development

b. Valorization of By-products of steel plant

c. Process improvements

d. Research on new and local raw materials

Title	Number of steel grades/Projects
New steel grades developed	12
Raw materials projects	3
Mathematical models	3
By Products valorization	3

Import Substitution through new steel grade development

	2018-19	2019-20	2020-21	2021-22
Number of new steel grades developed	9	7	15	12
Number of import substitute grades developed	2	3	5	2

Import substitute grades developed in FY2021-22:

1. EN 10028-2 16Mo3 grade with special quality acceptance norms: For steam generators of nuclear power plant.
2. ASTM A656 Gr 80: High Strength plates with YS: 550 MPa for suspension system of commercial vehicles.

Patents

Sr. No	Patent Name	Country	Year	Patent Number
1	Organic binder for pelletisation of ore minerals exhibiting high green ball plasticity and a process for preparation thereof	India	2021	Patent Application No.: 202121029965

New Products Developed

No of projects	Name	Key product attributes / Challenges	Plant trials	Commercial Production
Hot Rolled				
4	SCM435: High carbon low alloyed steel	Disc application for Passenger & commercial Vehicles -Brake disc, clutch disc. Good steel cleanliness and structure	✓	
	58CrV4: High carbon Cr-V low alloyed steel.	Disc application for Passenger & commercial Vehicles -Brake disc, clutch disc. Good steel cleanliness and structure	✓	
	FB590: High strength stretch flangeable steel	High strength (TS>590Mpa) with Hole Expansion Ratio (HER)>90%	✓	
	SPFH 590: High strength steel for wheel rim and disc	High strength (TS>590Mpa) with good formability for disc and wheels	✓	✓
Cold Rolled				
2	Boron Steels - 22MnB5 - 1mm to 1.85mm	Boron treated steel with good steel quality with respect to homogeneous microstructure without surface decarb.	✓	✓
	EN 10268 - 260LA	Cold forming steel for auto application	✓	✓
Galvanized				
1	EN10346 S450GD: High strength galvanised steel for construction application	Yield strength (YS) > 450 MPa in thickness 1.00-2.00mm	✓	✓

No of projects	Name	Key product attributes / Challenges	Plant trials	Commercial Production
Plates				
5	IS 2062 E 450 BR / IS 2062 E 450 B0 in Normalized Rolled Condition (up to 40mm)	High strength YS>450 MPa with impact toughness @-20°C in Normalised rolled condition	✓	✓
	ASTM A656 Gr 80: High strength steel for automotive applications	High strength (YS>550Mpa) with excellent cold formability	✓	✓
	ASTM 516 Gr 60 with HIC resistance.	Pressure vessel quality steel for Hydrofluoric Acid Alkylation Service. Stringent HIC criteria (CLR:5% and CSR:0.5%)	✓	✓
	Special low alloy steel 16Mo3 grade	Extreme steel cleanliness for steam generators for Nuclear Power Plant. High internal soundness steel plates with multiple simulation PWHT	✓	✓
	SA 537 Cl I with NACE quality	High strength pressure vessel steel. Steel quality for NACE / HIC requirements	✓	✓

Process modelling projects

Sr. No.	Projects	FY 20-21	FY 21-22
1	Development of mathematical model to predict pellet bed condition for straight grate induration furnaces in pelletizing plants	✓	✓
2	CFD simulation of SMP1 Caster tundish with different tundish furniture		✓
3	Blast furnace mass and energy balance model (Excel based)	✓	✓

Raw materials projects

Sr. No	Projects	FY 20-21	FY 21-22
1	Developed a chemically modified organic binder suitable for pelletizing high alumina iron ore from Odisha. The binder provides better pellet green ball characteristics which in turn leads to better pellet quality.	✓	✓
2	Characterization of tailings of Kirandul and finding solutions for clarification of the solid tailings		✓
3	Use of novel beneficiation techniques to reduce gangue contents in Odisha ore	✓	✓

By Product valorization projects

Sr. No	Projects	FY 20-21	FY 21-22
1	Development of slag-based blocks with alkaline activators and without cement	✓	✓
2	Development of drying technology for Corex coal briquetting system	✓	✓
3	Development of self-reducing composite briquettes for recycling back to ironmaking units		✓

Collaborations / Research Projects given to external R&D institutions

Sr. No	Year	Source	Details
1	2018-Current year	Central Road Research Institute – Delhi	Development of design guidelines and specifications of steel slag in road construction. AM/NS has constructed an experimental patch of 1.2 km all slag road at Hazira with guidance from Central Road Research Institute (CRRI). The performance of the road is now being evaluated by CRRI.
2	2021-22	National Council for cement and building materials	Study the suitability of use of Electric Arc Furnace (EAF)/Conarc slag as a replacement of natural aggregates in Reinforced concrete.

New R&D equipment/ Software procured: Capital expenditure of approx. ₹2.0 Cr was incurred for procurement of the following R&D equipment/software

Sr. No	Description & use
1	Thermocalc software: A software for thermodynamic calculation of phases
2	PC for Thermocalc
3	Particle size analyser: To measure the particle size of extremely fine materials like ground iron ore, fly ash etc
5	FTIR: To measure the chemical bond structure of organic materials
6	UPS: Power supply to support sophisticated instruments
7	Micro hardness tester: For measuring the hardness of different phases withing steel
8	XRD: To understand the chemical, mineralogical characteristics of minerals, metals

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

AMNS India continues to remain focused in the international market with the objective of developing new growth markets and ensure revenue maximisation. In FY 2021-2022, export sales constituted 25% of the total sales. The total Export volumes for FY 2022 was at 1.74 Mnt.

Middle East (ME) remains one of the important markets for the company because of the dedicated service centre in Dubai and a dedicated sales team focused on developing relationships with all the key end user's customers in the Middle East regions. Being a freight friendly region also contributes to the overall realisation from this region. Volumes in FY 22 for Middle East region reached 600kt contributing 35% to the Total Export volumes.

In FY 2022, EU remained an important market in addition to ME market. EU volumes contributed to 35% of the total export volumes.

Apart from ME & EU, the rest of the volumes were spread into Asia & Asian regions.

Overall, in terms of product sold, Hot Rolled contributed 61% to the total exports and rest of the volumes was distributed among the Cold rolled, Coated & Heavy Plates.

In FY 2022, the company exported 400kt of coated products with 75% of the volumes in Galvanised and 25% in PPGI (Organic Coated products). For Coated products, 75% of the sales were into EU, followed by Middle East.

Total Foreign exchange used and earned			**(₹ in Crores)**
a)	**Total Foreign exchange earned**	**2021-22**	**2020-21**
	i) Foreign exchange directly earned through export(FOB Value)	14,748.51	6,006.87
	ii) Others	893.43	314.20
	Total foreign exchange earned	**15,641.94**	**6,321.07**
b)	**Total foreign exchange used**		
	i) For import of plant and machinery/technical know-how	258.61	203.85
	ii) Others including raw materials and interest	20,594.03	9,818.59
	Total foreign exchange used	**20,852.65**	**10,022.44**

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 March 31, 2022, 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 March 31, 2022, 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 45(2) to the standalone financial statements relating to the ongoing disputed matters with a vendor pending before arbitration tribunal and its assessment as 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 which we obtained prior to the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 to its directors 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 45 to the standalone 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.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 43 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 43 to the financial statement, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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 & Sells**
Chartered Accountants
(Firm Registration No.: 302009E)

Rupen K Bhatt
Partner
(Membership No.: 046930)
(UDIN: 22046930ALLKKH1839)

Place: Mumbai
Date: June 22, 2022

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, 2022 in conjunction with our audit of the standalone Ind AS 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 (the "ICAI"). 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, 2022, 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 & Sells**
Chartered Accountants
(Firm Registration No.: 302009E)

Rupen K Bhatt
Partner
(Membership No.: 046930)
(UDIN: 22046930ALLKKH1839)

Place: Mumbai
Date: June 22, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of ArcelorMittal Nippon Steel India Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) In respect of Company's Property, Plant and Equipment and intangible assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, capital work-in-progress and right-of-use assets so as to cover all the items once every 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 due for verification during the year and 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) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in the property, plant and equipment, according to the information and explanations given to 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 of such immovable properties of land and acquired buildings, are held in the name of the Company as at the balance sheet date, except the following:

Description of the Property	As at Balance Sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being in the name of Company
	Gross block *as at March 31, 2022 (₹ in crores)*	Net block *as at March 31, 2022 (₹ in crores)*				
Freehold land located at Hazira admeasuring 81.1707 hectares, 20.4569 hectares and 22.4905 hectares.	486.67	418.99	Government of Gujarat	No	Held since period that ranges from year 2005-2013	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)(3) to the Standalone financial statements.

Description of the Property	As at Balance Sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being in the name of Company
	Gross block *as at March 31, 2022 (₹ in crores)*	Net block *as at March 31, 2022 (₹ in crores)*				
Freehold land located at Hazira admeasuring 54.17 hectares	152.91	134.41	Erstwhile land owners	No	Held since period that ranges from year 2004-2020	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)(4) to the Standalone financial statements.
Freehold land located at Odisha admeasuring 4.51 hectares	4.32	4.32	Erstwhile land owner	No	Held since year 2021	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.

Land parcels admeasuring of 298.82 Hectare at Hazira are under process of reconciliation with Government document/other relevant documents. Refer note 5(a)(5) to the standalone financial statements.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories except for goods-in-transit were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year end or confirmations have been obtained from the parties. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable except for non-fund based limit, bank guarantee received against lien on bank deposits, for which no quarterly statements are required to be submitted.

(iii) The Company has made investments in mutual funds and granted loans to other parties, during the year, in respect of which:

(a) The Company has provided loans during the year and details of which are given below,.

Particulars	Loan (₹ in Crores)
Aggregate amount granted / provided during the year to employees	1.42
Balance outstanding as at balance sheet date in respect of above cases:	0.21

The Company has not provided any guarantee or security to other entity during the year.

(b) In our opinion, the investments made and the terms and conditions of the grant of all the above-mentioned loans during the year are, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantees or given any securities to any parties during the year.

(c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal and payment of interest are regular as per stipulation other than loan of ₹2,570.59 crore to related parties which were granted prior to NCLT order approving the Resolution Plan under IBC and have been fully provided for in earlier years – refer note 13 to the standalone financial statements.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date other than the loan fully provided for in earlier years referred above.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii) (f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

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

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) 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, 2022 on account of disputes, read with note 45 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 45 to the standalone financial statements.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

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

(xi) (a) To the best of our knowledge, no material fraud by the Company or on the Company 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.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.

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

(xiii) In our opinion, the Company is in compliance with Section 188 of the Companies Act, 2013 for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards. 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 to the Company.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.

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

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have more than one CIC as part of the group.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to contribute any amount towards Corporate Social Responsibility (CSR) considering the past losses and accordingly reporting under clause (xx) of the Order is not applicable for the year.

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

Rupen K Bhatt
Partner
(Membership No.: 046930)
(UDIN: 22046930ALLKKH1839)

Place: Mumbai
Date: June 22, 2022

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2022		As at 31st March, 2021	
Assets					
Non-Current Assets					
Property, Plant and Equipment	5(a)	31,449.46		32,019.08	
Capital Work-in-Progress	5(b)	1,577.14		1,765.39	
Intangible Assets	5(c)	195.33		18.38	
Intangible Assets under development	5(d)	21.63		175.18	
		33,243.56		33,978.03	
Right of Use Asset	48	2,617.68		2,946.91	
			35,861.24		36,924.94
Financial Assets					
Investments	6(a)	2,705.45		2,705.47	
Other Non-Current Financial Assets	7	5,467.16		798.02	
			8,172.61		3,503.49
Other Non-Current Assets	8		416.67		233.62
Non-Current Tax Assets (net)			77.77		56.53
Current Assets					
Inventories	9		10,295.64		6,570.44
Financial Asset					
Current investments	6(b)	4,347.16		1,569.69	
Trade Receivables	10	1,370.14		2,112.56	
Cash and Bank Balances	11	929.21		986.69	
Other Bank Balances	12	13,231.88		6,889.95	
Current Loans	13	0.45		1.49	
Other Current Financial Assets	14	7,183.02		754.67	
			27,061.86		12,315.05
Other Current Asset	15		2,631.63		1,032.65
Current Tax Assets (Net)	16		25.69		21.91
TOTAL			**84,543.11**		**60,658.63**
Equity and Liabilities					
Equity					
Equity Share Capital	17	9,222.00		9,222.00	
Other Equity	18	16,644.60		(2,612.04)	
			25,866.60		6,609.96
Non Current Liabilities					
Financial Liabilities					
Non-Current Borrowings	19	43,328.58		43,970.53	
Lease Liability		2,138.57		2,511.26	
			45,467.15		46,481.79
Other Non-Current Liabilities	20		137.14		154.84
Non-Current Provisions	21		40.01		22.27
Deferred Tax Liability	22		3,992.49		-
Current Liabilities					
Financial Liabilities					
Current Borrowings	23	1,162.18		1,372.39	
Trade Payables					
A) Total outstanding dues of micro and small enterprises	24	203.64		188.46	
B) Total outstanding dues (others)	24	3,757.07		2,179.62	
Lease Liability		459.67		436.02	
Other Current Financial Liabilities	25	2,588.20		2,548.19	
			8,170.76		6,724.68
Other Current Liabilities	26		867.02		663.15
Current Provisions	27		1.94		1.94
TOTAL			**84,543.11**		**60,658.63**

Notes to Financial Statements form an integral part of the Balance Sheet.

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: June 22, 2022

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director and Vice President Technology
DIN: 09244627

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: June 22, 2022
Place: Mumbai

Pankaj Chourasia
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

Particulars	Note No.	For Year ended 31st March, 2022		For Year ended 31st March, 2021	
Income					
Revenue from Operations	28		55,634.19		32,027.36
Other Income	29		649.86		564.78
Expenses			56,284.05		32,592.14
Cost of Materials Consumed	30	30,278.48		18,440.64	
Purchase of Traded Goods		177.73		82.07	
(Increase)/Decrease in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	(854.00)		(229.51)	
Energy Cost	32	5,626.14		3,546.52	
Employee Benefits Expense	33	564.60		493.47	
Other Expenses	34	5,146.91		3,176.52	
			40,939.86		25,509.71
Profit before Finance Costs, Exchange Variation and Derivative Gains/Losses, Depreciation/Amortisation, Exceptional items and Tax			15,344.19		7,082.43
Finance Costs	35		3,813.41		3,758.47
Exchange Variation and Derivative (net)	36		55.76		(152.29)
Depreciation / Amortization Expense			2,458.28		2,423.84
Profit / (Loss) before Exceptional items and Tax			9,016.74		1,052.41
Exceptional Items - (Income)	51		-		(536.51)
Profit / (Loss) before Tax			9,016.74		1,588.92
Tax Expense / (Benefit)					
Deferred Tax Charge / (Credit)	37		1,073.05		(279.78)
Profit after Tax for the year			7,943.69		1,868.70
Other Comprehensive Income	38				
A (i) Items that will not be reclassified to profit or loss			(10.84)		(3.23)
(ii) Income tax relating to items that will not be reclassified to profit or loss			2.73		-
B (i) Items that will be reclassified to profit or loss			11,610.64		1,111.64
(ii) Income tax relating to items that will be reclassified to profit or loss			(2,922.17)		(279.78)
Total other comprehensive income			8,680.36		828.63
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)			16,624.05		2,697.33
Earning per Share (in Rupees)	49				
Basic [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			8.61		2.03
Diluted [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			8.61		2.03

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

Rupen K. Bhatt
Partner
Membership No.: 46930
Date: June 22, 2022

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director and Vice President Technology
DIN: 09244627

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: June 22, 2022
Place: Mumbai

Pankaj Chourasia
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

Particulars	Equity Share Capital	Other Equity								Total
		Reserve & Surplus						Items of Other Comprehensive Income/ (Loss) (OCI)		
		Capital Reserve	Retained Earnings	Capital Redemption Reserve	Securities Premium Account	Capital Contribution	General Reserve	Effective portion of cash flow hedges	Fair Value through Other Comprehensive Income- Equity Instrument	
Balance as on 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 18(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**
Profit for the year	-	-	7,943.69	-	-	-	-	-	-	7,943.69
Other Comprehensive Income (Loss) for the year	-	-	(8.08)	-	-	-	-	8,688.47	(0.03)	8,680.36
Total Comprehensive Income for the year	**-**	**-**	**7,935.61**	**-**	**-**	**-**	**-**	**8,688.47**	**(0.03)**	**16,624.05**
Capital Contribution during the year [Refer Note 18(f)]	-	-	-	-	-	2,632.59	-	-	-	2,632.59
Balance as on 31st March, 2022	**9,222.00**	**2,356.29**	**(10,470.54)**	**202.92**	**7,814.61**	**7,166.17**	**77.51**	**9,519.84**	**(22.20)**	**25,866.60**

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

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director and Vice President Technology
DIN: 09244627

Rupen K. Bhatt
Partner
Membership No.: 46930
Date: June 22, 2022

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: June 22, 2022
Place: Mumbai

Pankaj Chourasia
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

Particulars	For the Year ended 31st March, 2022		For the Year ended 31st March, 2021	
A. Cash Flow from Operating Activities				
Net Profit before Taxation		9,016.74		1,588.92
Adjustments for -				
Depreciation/Amortisation	2,458.28		2,423.84	
Loss on sale/disposal/write off	42.58		74.36	
Gain Due to Termination of lease	-		(17.15)	
Liabilities written back	(34.51)		(88.17)	
Exceptional Items (Income)	-		(536.51)	
Finance Costs	3,813.41		3,758.47	
Exchange Variation & Derivatives (Net)	55.76		(152.29)	
Interest on Deposit with Banks and Others	(425.54)		(323.52)	
Amortisation of Deferred Gain	(17.70)		(17.70)	
Allowance for Doubtfull Debt/Trade Advances	29.86		16.29	
Profit on Sale of Current Investment (Mutual Fund)	(69.23)		(46.89)	
Gain On Fair Valuation Of Investments (Mutual Fund)	(78.35)		(47.51)	
		5,774.56		5,043.22
Operating Profit before movements in Operating Assets and Liabilities:		14,791.30		6,632.14
Movements in Operating Assets and Liabilities:				
Increase / (Decrease)in Trade Payables	1,588.15		889.91	
Increase / (Decrease) in Other Financial Current Liabilities	(0.11)		(3.28)	
Increase / (Decrease) in Other Current Liabilities	207.93		406.55	
Increase / (Decrease) in Long Term Provisions	6.93		(0.68)	
Increase / (Decrease) in Short Term Provisions	-		(0.25)	
(Increase) / Decrease in Inventories	(3,725.20)		(1,148.43)	
(Increase) / Decrease in Trade Receivables	759.86		(1,346.48)	
(Increase) / Decrease in Current Loans	1.04		0.47	
(Increase) / Decrease in Other Current Assets	(1,619.09)		(303.17)	
(Increase) / Decrease in other Financial Assets	347.00		76.69	
		(2,433.49)		(1,428.67)
Cash Generated from Operations		12,357.81		5,203.47
Direct Taxes (Paid)/Refunded (net)		(25.02)		(13.14)
Net Cash Generated from Operating Activities		12,332.79		5,190.33
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment, Intangible assets, Right of Use (Including under Development)	(1,526.76)		(1,189.83)	
Purchase of Non Current Investment	-		(2,370.00)	
Proceeds from Non Current Investment	-		489.24	
Purchase of Current Investments (Mutual fund) (Net)	(2,629.90)		(28.04)	
Interest Income	322.55		316.47	
(Increase)/Decrease in Deposit with Banks/(Net)	(6,148.08)		(366.81)	
Net Cash used in Investing Activities		(9,982.20)		(3,148.97)
C. Cash Flow from Financing Activities				
Repayment of Borrowings	(992.06)		-	
Net change in Short term Borrowing	(596.59)		621.59	
Payment towards Lease liabilities	(606.70)		(608.04)	
Finance Cost paid	(212.74)		(1,353.39)	
Net Cash Generated from / (used in) Financing Activities		(2,408.09)		(1,339.84)
Net Increase / (Decrease) in Cash and Cash Equivalents		**(57.50)**		**701.52**
Cash and Cash Equivalents at the beginning of the year		986.69		285.17
Cash and Cash Equivalents at the end of the year		929.19		986.69
Net Increase / (Decrease) in Cash and Cash Equivalents		**(57.50)**		**701.52**

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 Crores)**

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Borrowing as at beginning	45,342.92	47,006.15
Borrowing taken	1.57	-
Repayment of Borrowings	(992.06)	-
Net change in Short term Borrowing	(596.59)	621.59
Capital Contribution	(2,632.59)	(4,449.02)
Interest accrued	3,348.59	3,496.41
Interest Paid	(141.81)	(1,177.58)
Exchange Variation	160.73	(154.63)
Borrowing as at closing	**44,490.76**	**45,342.92**

4 Non-cash transactions of Investing and Financing activities includes Capital contribution [Refer Note- 18(f)]

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

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and Cash Equivalents (Refer Note 11)	929.21	986.69
Less: Exchange Variation Gain / (Loss)	0.02	-
Cash and Cash Equivalents at the end of the year	**929.19**	**986.69**

In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

Rupen K. Bhatt
Partner
Membership No.: 46930
Date: June 22, 2022

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

Dilip Oommen
Director & CEO
DIN: 02285794

Jun Hashimoto
Director and Vice President Technology
DIN: 09244627

Takahiro Nagayoshi
Chief Financial Officer
DIN: 08378120
Date: June 22, 2022
Place: Mumbai

Pankaj Chourasia
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 AMNS House, 27th Km, Surat Hazira Road, Hazira, Dist.- Surat, Gujarat - 394 270. 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 2022.

   c) The Standalone Financial Statements were authorized for issuance on 22nd June, 2022 by the Company's Board of Directors.

2. **Basis of Preparation**

   These standalone financial statements which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2022, 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 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where Leasehold land is acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized. Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each reporting period and adjusted prospectively.

Intangible Assets

Costs relating to softwares, which are acquired, are capitalised and amortised on straight-line method over estimated useful life of 3 to 6 years.

(v) Impairment of non-financial Assets

The carrying amounts of non-financial assets (tangible and intangible) are reviewed at each reporting date, based on internal/external factors, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest 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)]

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

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.

Derecognition of financial assets

A financial asset is derecognised only when:

(a) The Company has transferred the rights to receive cash flows from the financial asset or

(b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where transfer of an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the substantial risks and rewards of ownership of the financial asset has not transferred, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income (OCI) is reclassified from the equity to the statement of profit and loss (P&L).

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments measured at fair value through other comprehensive income and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company determines change in the business model as a result of external or internal changes which are significant to the company's operations.

(x) Financial Liabilities

Initial recognition & subsequent mesurement

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, where time value of money is significant.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss. For non-held for trading liabilities that are designated at Fair value through profit and loss, the amount of change in the fair value of financial liabilty that is attributable to the changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value that are attributable to financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to the statement of profit and loss.

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).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

(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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

On the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

(xix) Mining, Exploration and Development Expenditure

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less amortisation and impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company measures its exploration and evaluation assets at cost and classifies as Property, Plant and Equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

Acquisition costs – The cost of Mining Assets capitalised includes costs associated with acquisition of licenses and rights to explore, stamp duty, registration fees and other such costs.

General exploration costs – costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defense clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.

Mining assets are amortised using unit of production (UOP) method over the entire lease term.

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised. The provision for decommissioning assets is based on the current estimates of the costs for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalized asset is charged to profit and loss over the life of the asset through amortisation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

(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

(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 A. 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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%) and Essar Power Hazira 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. (Refer note 22)

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 47)

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 45)

f) **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.

g) **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)]

h) **Fair Valuation of Financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility, forward curve etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

B. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 103 – Reference to Conceptual Framework-The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use- The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract -The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)- The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of derecognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

5(a) **Property, Plant & Equipment**

(₹ in Crores)

Particulars	Freehold Land	Buildings	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 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**
Additions	66.11	62.84	1,243.54	1.07	11.69	11.45	48.20	-	0.43	-	1,445.33
Disposals	-	-	5.42	-	-	11.58	2.78	13.93	0.69	-	34.40
At 31st March 2022	**3,792.83**	**4,773.29**	**39,998.06**	**25.45**	**24.28**	**48.71**	**124.90**	**-**	**65.78**	**4.58**	**48,857.88**
Accumulated depreciation											
At 1st April 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**
Charge for the year	-	154.76	1,822.03	1.47	0.87	7.04	10.83	0.53	2.64	0.38	2,000.55
Disposals	-	-	2.32	-	-	10.23	2.03	5.42	-	-	20.00
At 31st March 2022	**482.83**	**1,113.28**	**15,737.18**	**15.33**	**10.66**	**15.36**	**16.50**	**-**	**14.62**	**2.66**	**17,408.42**
Net book value											
At 31st March 2022	**3,310.00**	**3,660.01**	**24,260.88**	**10.12**	**13.62**	**33.35**	**108.40**	**-**	**51.16**	**1.92**	**31,449.46**
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**
Expected Useful Life of the assets (years)	NA	9-63	2-55	10	5	3-6	4-20	24-28	15-25	20	
Method of depreciation	NA	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	SLM	

Notes:

1 Railway Sidings and Wagons includes the railway wagons of ₹0.69 Crore (Previous year ₹0.69 Crore) (Net book value) given on operating lease to Railway Authorities under 'Own your Wagon' scheme. Tenure of Lease agreement with Railway Authorities has been expired and it is pending for renewal from Railway Authorities.

2 Certain property, plant and equipment are pledged against borrowings. The details relating to the same have been described in Note 54.

3 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:

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 ₹108.49 Crore. 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. These land parcel are held since year 2007.

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 on provisional valuation basis. These land parcels are held since 2013.

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. 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. These land parcels are held since period that ranges from year 2005 to 2007.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

4 54.17 hectare of land was purchased from land owner by paying consideration of ₹53.70 Crore which are in possession of the company and right of records (i.e. Village Form 7/12) are pending for regularisation. These land parcels are held since period that ranges from year 2004 to 2020.

5 On 31st March 22, certain land parcels (298.82 Hectare) at Hazira, owned/possessed by the Company, are in process of mapping with Government records/other relevant records.

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 Note45(1) for details].

7 The Company had 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) for a consideration of ₹335 crores, excluding stamp duty/registration charges, during the previous year ended 31st March, 2021. A land parcel (admeasuring 4.51 hectare) which is possessed by the Company is in process of regularization/transfer in the name of Company. These land parcels are held since 2021.

8 None of the title deeds of land parcels as mentioned in above note no. 3, 4 and 7 are held by promoter, director or relative of promoter, director or employee of promoter, director.

9 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 Crores)

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
FOR THE YEAR ENDED 31ST MARCH, 2022

5(b) Capital Work-in-Progress (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cost		
Opening	1,765.39	1,155.26
Additions	1,224.16	789.84
Impairment	(28.42)	-
Capitalisation	(1,383.99)	(179.71)
Closing	**1,577.14**	**1,765.39**

Capital work in progress (CWIP) Ageing Schedule (₹ in Crores)

Particulars	As at 31st March, 2022 Rs. In Crores					As at 31st March, 2021 Rs. In Crores				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	1,021.85	8.48	35.53	346.88	1,412.74	723.24	36.96	22.62	932.08	1,714.90
Projects temporarily suspended	-	25.68	0.02	138.70	164.40	-	-	-	50.49	50.49
Total	**1,021.85**	**34.16**	**35.55**	**485.58**	**1,577.14**	**723.24**	**36.96**	**22.62**	**982.57**	**1,765.39**

Projects are in progress, whose completion is overdue or exceeded its cost compared to its original plan: (₹ in Crores)

Project Code	To be completed in									
	As at 31st March, 2022					As at 31st March, 2021				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
6000008172	112.46	-	-	-	112.46	1.68	5.22	-	-	6.90
6000008244	102.92	-	-	-	102.92	27.39	3.86	-	-	31.26
6000008061	81.28	6.69	-	-	87.97	7.74	0.91	-	-	8.65
6000008336	4.54	67.64	-	-	72.18	-	-	64.03	-	64.03
6000008864	62.17	-	-	-	62.17	39.81	21.61	-	-	61.41
6000008801	39.34	-	1.06	-	40.40	0.65	30.83	-	-	31.48
6000008404	48.61	-	-	-	48.61	-	7.59	-	-	7.59
6000007103	43.92	-	-	-	43.92	-	42.96	-	-	42.96
6000008701	43.53	-	-	-	43.53	10.93	4.96	-	-	15.89
6000009332	42.42	1.38	-	-	43.79	0.46	1.03	-	-	1.49
6000007363	39.57	-	-	-	39.57	-	28.61	-	-	28.61
6000008373	39.86	1.67	-	-	41.54	1.06	6.17	-	-	7.23
6000003520	33.49	-	-	-	33.49	-	27.86	-	-	27.86
6000008697	31.20	1.02	-	-	32.22	-	-	-	-	-
6000008551	33.11	-	-	-	33.11	-	2.54	-	-	2.54
6000008185	28.61	-	-	-	28.61	20.24	17.36	-	-	37.61
6000008054	21.66	-	-	-	21.66	1.90	26.65	-	-	28.55
6000007520	15.50	-	-	-	15.50	0.61	12.62	-	-	13.22
6000009323	14.41	-	-	-	14.41	925.87	-	-	-	925.87
6000008495	25.26	-	-	-	25.26	-	-	-	-	-
6000005521	-	-	-	-	-	-	-	136.14	-	136.14
6000006803	-	-	-	-	-	-	29.19	-	-	29.19
6000008771	11.85	-	-	-	11.85	-	-	-	-	-
6000008996	12.69	-	-	-	12.69	-	-	-	-	-
6000007562	-	-	-	-	-	23.50	-	-	-	23.50
Other Projects	132.61	7.65	4.11	-	144.37	15.97	33.81	-	-	49.78
Total	**1,021.02**	**86.05**	**5.17**	**-**	**1,112.24**	**1,077.82**	**303.78**	**200.17**	**-**	**1,581.77**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Projects temporarily suspended: (₹ in Crores)

Project Code	As at 31st March, 2022 To be completed in					As at 31st March, 2021 To be completed in				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
6000005521	-	136.12	-	-	136.12	-	-	-	-	-
6000006803	2.60	-	-	-	2.60	-	-	-	-	-
6000006122	-	-	-	-	-	-	50.49	-	-	50.49
6000008558	-	25.68	-	-	25.68	-	-	-	-	-
Total	2.60	161.80	-	-	164.40	-	50.49	-	-	50.49

5(c) Intangible Assets

(₹ in Crores)

Particulars	Mining Assets	Software	Total
Cost/Deemed Cost			
At 1st April 2020	-	28.54	28.54
Additions	-	18.89	18.89
At 31st March 2021	**-**	**47.43**	**47.43**
Additions	183.89	3.36	187.25
Deletions	-	3.83	3.83
At 31st March 2022	**183.89**	**46.97**	**230.86**
Accumulated Amortisation			
At 1st April 2020	-	28.30	28.3
Charge for the year	-	0.75	0.75
At 31st March 2021	**-**	**29.05**	**29.05**
Charge for the year	6.45	3.28	9.73
Disposals	-	3.25	3.25
At 31st March 2022	**6.45**	**29.08**	**35.53**
Net book value			
At 31st March 2022	**177.44**	**17.89**	**195.33**
At 31st March 2021	**-**	**18.38**	**18.38**
Expected Useful Life of the assets (years)	13 years	3 to 6 years	
Method of depreciation	UOP	SLM	

The Company has availed deemed cost approach in relation to the intangible assets on the date of transition to IND-AS i.e. 1st April 2015, hence the net block carrying amount has been considered as the gross block carrying amount on that date as shown below.

Particulars	(₹ in Crores) Software
Gross block:	
As at 1st April 2015	84.20
Accumulated depreciation:	
As at 1st April 2015	59.89
Net block treated as deemed cost upon transition to IND-AS:	
As at 1st April 2015	24.31

5(d) Intangible under development

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cost		
Opening	175.18	26.89
Additions	25.52	148.29
Capitalisation	(179.07)	-
Closing	**21.63**	**175.18**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Intangible under development Ageing Schedule **(₹ in Crores)**

Particulars	As at 31st March, 2022					As at 31st March, 2021				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress	21.63	-	-	-	21.63	148.29	25.12	0.84	0.93	175.18
Total	**21.63**	**-**	**-**	**-**	**21.63**	**148.29**	**25.12**	**0.84**	**0.93**	**175.18**

Projects are in progress, whose completion is overdue or exceeded its cost compared to its original plan: **(₹ in Crores)**

Project Code	To be completed in As at 31st March, 2022					To be completed in As at 31st March, 2021				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
6000007062	-	-	-	-	-	175.18	-	-	-	175.18
6000008419	15.93	-	-	-	15.93	-	-	-	-	-
Other Projects	4.70	-	-	-	4.70	-	-	-	-	-
Total	**20.63**	**-**	**-**	**-**	**20.63**	**175.18**	**-**	**-**	**-**	**175.18**

5(e) **Details of Depreciation and Amortisation are as follows:** (₹ in Crores)

Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Depreciation and amortisation for the year as above	2,010.28	1,943.09
Amortisation on Right of Use Asset (Refer Note 48)	448.00	480.75
Depreciation and amortisation as per statement of profit and loss	2,458.28	2,423.84

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

Unquoted Equity Instrument **(₹ in Crores)**

	Particulars	As at 31st March, 2022		As at 31st March, 2021	
(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 (Fka Essar Steel Middle East FZE)		322.75		322.75
	Essar Steel Offshore Limited - Deemed Investment[2]	60.09		60.09	
	Provision for Impairment	(60.09)		(60.09)	
			-		-
	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)	
			-		-
	50,000 (PY 50,000) fully paid Equity Shares of ₹10 (PY ₹10) of AMNS Steel Logistics Limited (Fka Essar Steel Logistics Limited)[5]	-		0.05	
	Provision for Impairment	-		(0.05)	
			-		-
	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)	
			-		-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

Unquoted Equity Instrument **(₹ in Crores)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
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 Crores)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
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]		-		-
Nil (PY 68,900,000) fully paid Equity Shares of ₹10 each of Essar Power MP Limited [Cost- ₹68.90 Crores] [1&4]		-		-
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
50,000 (PY 50,000) fully paid Equity Shares of ₹10 (PY ₹10) of AMNS Steel Logistics Limited (Fka Essar Steel Logistics Limited) [5]	0.05	-	-	
Provision for Impairment	(0.05)	-	-	-
2,600,000 (PY 2,600,000) fully paid Equity shares of ₹10 each of Essar Power Orissa Limited [Cost- ₹2.60 Crores] [1]		-		-
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]		-		-
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		0.97		0.99
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)		-		-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

(C) Non-Current Investment - Others (Contd..) **(₹ in Crores)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
Compulsorily Convertible Preference Shares (Carried at FVTPL)		
790,000,000 (PY 790,000,000) Compulsory Convertible Preference Shares of ₹10 each with premium of ₹20 of AM Mining India Private Limited. [3]	2,370.00	2,370.00
Non-Current Investment - Others (Total) (C)	**2,382.70**	**2,382.72**
Non-Current Investment (A)+(B)+(C)	**2,705.45**	**2,705.47**
Aggregate amount of Unquoted Investments	3,520.70	3,520.75
Aggregate amount of Impairment	(816.22)	(816.27)
	2,704.48	**2,704.48**
Aggregate amount of Quoted Investments	**0.97**	**0.99**
	0.97	**0.99**

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.

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. The dissolution/liquidation process to be completed by 31st October, 2022 as per the extension granted by Supreme Court of Mauritius by vide its order dated 4 February 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, if any. In response to Mr. Anjeev Hurry's request for details on outstanding liabilities of ESOL, Standard Chartered Bank (Mauritius) Limited has confirmed via email dated 26th January 2022 that there are no amounts owed by ESOL (under the SCB Facility or otherwise). Thus there is no obligation or liability on ESOL, EML and EMCUA related to SCB facility. Accordingly, the SCB Facility (and its resolution) will not impact any settlement between AMNS Luxembourg and AMNSI.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 revised terms of the instrument, the CCPS are convertible into fix number of equity shares of AM Mining at any time after 5 Years from the date of their allotment but before the end of the Term of 10 years, subject to approval of ArcelorMittal India Private Limited (AMIPL).

To assess control over AM Mining, the Company has evaluated the feasibility of exercising the conversion option under the revised terms of CCPS instrument and concluded that the conversion rights are not substantive as on March 31, 2022 in accordance with IND AS 110 and accordingly, the investment in CCPS has been recognised at Fair value through Profit and Loss.

4 Investment in Essar Power MP Ltd. extinguished, subsequent to approval of resolution plan submitted by M/s Adani Power Limited in the corporate insolvency process resolution process (CIRP) of Essar Power MP Ltd. vide order dated 1st November 2021 passed by the NCLT.

5 During the year winding up order has been passed by the court for AMNS Steel Logistics Ltd. Liquidator has taken control of the company and hence AMNSI ceased to control the entity.

6 (b) Current Investments (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investments in Mutual Fund (Unquoted) (Carried at FVTPL)	4,347.16	1,569.69
Current Investments (Total)	**4,347.16**	**1,569.69**
Aggregate amount of Unquoted Investments	4,347.16	1,569.69
Aggregate amount of Quoted Investments	-	-
	4,347.16	**1,569.69**

7 Other Non-Current Financial Assets
(Unsecured unless otherwise stated) (₹ in Crores)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Security Deposit	74.01		91.26	
Less: Allowance for Expected credit loss (ECL)*	8.82		22.08	
		65.19		69.18
Deposits with Banks with maturity period more than 12 months (Refer note 12)		45.60		136.34
Derivative Financial Assets		5,356.37		592.50
		5,467.16		**798.02**
*Additional Information: Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		22.08		63.86
Less: Reversal during the year		13.26		41.78
Provision for ECL at the end of the year		**8.82**		**22.08**

8 Other Non-Current Assets (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	416.67	233.62
	416.67	**233.62**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

9 Inventories[1]

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw Materials and components	3,356.86	1,610.55
Goods-in transit	862.53	439.47
Stores and Spares	821.13	782.47
Goods-in transit	8.04	16.57
Production Consumable	706.50	397.85
Goods-in transit	51.02	18.30
Fuel	437.07	137.13
Goods-in transit	129.99	99.60
Work-in-Progress	2,905.38	2,306.19
Finished Goods	1,017.12	762.31
	10,295.64	**6,570.44**

10 Trade Receivables[1#]

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good	1,384.02	2,138.72
Trade Receivables - credit impaired	884.60	871.51
	2,268.62	3,010.23
Allowance for ECL:		
Unsecured, considered good	(13.88)	(26.16)
Trade Receivables - credit impaired	(884.60)	(871.51)
	1,370.14	**2,112.56**
*Additional Information: Movement in Allowance for ECL		
Provision for ECL at the beginning of the year	897.67	909.56
Add: Additional provision during the year (Including Exchange Variation)	18.51	7.75
Less: Reversal during the year (Including Exchange Variation)	17.70	19.64
Provision for ECL at the end of the year	**898.48**	**897.67**

#The Carrying amounts of the trade receivables include receivables amounting to ₹39.39 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.

Receivable Ageing as on 31st March 2022: (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,195.51	174.63	8.82	3.84	0.95	0.27	1,384.02
Undisputed Trade receivable - credit impaired	-	-	-	-	5.95	878.65	884.60

Receivable Ageing as on 31st March 2021: (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	2,038.71	73.85	5.42	13.49	0.16	7.09	2,138.72
Undisputed Trade receivable - credit impaired	-	-	-	6.45	29.69	835.37	871.51

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

11 Cash and Cash Equivalents[1] (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	0.01	0.01
Cheques on hand	3.54	11.67
Balances with banks in Current Accounts	624.80	693.60
Deposits with original maturity of less than 3 months	300.86	281.41
	929.21	**986.69**

12 Other Bank Balances[1] (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits with original maturity for more than 3 months but less than 12 months	361.44	800.27
Deposits with original maturity for more than 12 months	7,490.40	2,960.83
Margin Money	5,380.04	3,128.85
	13,231.88	**6,889.95**

Margin Money ₹5,425.64 Crores (Previous year ₹3,212.32 Crores) (including Margin money on long term deposits in Other Non-Current financial Assets ₹45.60 Crores 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 54 pertaining to borrowings.

13 Current Loans

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Inter Corporate Deposits (ICD) - Related Parties				
Considered Good	-		-	
Credit Impaired	2,570.59		2,492.52	
Less : Allowance for Expected credit loss (ECL)*	2,570.59		2,492.52	
		-		-
Loans and Advances to Staff				
Considered Good	0.45		1.49	
Credit Impaired	0.02		0.25	
Less : Allowance for Expected credit loss (ECL)*	0.02		0.25	
		0.45		1.49
		0.45		**1.49**
*Additional Information: Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		2,492.77		2,556.56
Add: Additional provision during the year (Including Exchange Variation)		78.07		-
Less: Reversal during the year (Including Exchange Variation)		0.23		63.79
Provision for ECL at the end of the year		**2,570.61**		**2,492.77**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Additional Information related to loan given:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Amount of loan or advance in the nature of loan outstanding ₹ in Crore	Percentage to the total loans and advances in the nature of loans %	Amount of loan or advance in the nature of loan outstanding ₹ in Crore	Percentage to the total loans and advances in the nature of loans %
Related Party - Repayable on demand	2,570.59	99.98%	2,492.52	99.93%

14 Other Current Financial Assets

(Unsecured and Considered good unless otherwise stated) **(₹ in Crores)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Security Deposits	137.95		228.27	
Less : Allowance for Expected credit loss (ECL)*	102.90		111.07	
		35.05		117.20
Export Benefit	56.59		103.13	
Less : Allowance for Expected credit loss (ECL)*	32.58		30.51	
		24.01		72.62
Interest Accrued on ICDs, Loans & Deposits		1.55		1.67
Derivative Financial Assets		7,122.29		551.01
Other Receivables	12.02		12.17	
Less: Allowance for Expected credit loss (ECL)*	11.90		-	
		0.12		12.17
		7,183.02		**754.67**
*Additional Information: Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		141.58		130.54
Add: Additional provision during the year		15.97		11.04
Less: Reversal during the year		10.17		-
Provision for ECL at the end of the year		**147.38**		**141.58**

15 Other Current Assets

(Unsecured and Considered good unless otherwise stated) **(₹ in Crores)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Balances with Government Authorities	727.65		439.05	
Less: Provision for Impairment	132.36		127.09	
		595.29		311.96
Loans and Advances to Suppliers - Related Parties	1,343.85		19.83	
Less: Provision for Impairment	7.77		11.17	
		1,336.08		8.66
Loans and Advances to Suppliers	764.72		823.78	
Less: Provision for Impairment	150.32		157.82	
		614.40		665.96
Claims Receivables	889.62		922.20	
Less: Provision for Impairment	853.95		915.50	
		35.67		6.70
Prepaid Expenses		50.19		39.37
		2,631.63		**1,032.65**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

16 Current Tax Assets (Net)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income Tax	25.69	21.91
	25.69	**21.91**

17 Equity Share Capital

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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, 2022		As at 31st March, 2021	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year	9,222,000,000	9,222.00	9,222,000,000	9,222.00
Issued during the year	-	-	-	-
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, 2022		31st March, 2021	
	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

e) Disclosure of shareholding of promoters is as follows

	31st March, 2022		31st March, 2021	
	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

There is no change in the Promoters Shareholding during the FY 2021-22 and FY 2020-21

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

18 Other Equity (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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	7,166.17	4,533.58
General Reserve	77.51	77.51
Retained Earnings	(10,470.54)	(18,406.15)
Other Comprehensive Income	9,497.64	809.20
	16,644.60	**(2,612.04)**

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) ₹2806.09 Crore (Previous Year ₹2,957.88 Crore) net of depreciation. Depreciation charge (net of Deferred Taxes) for the year includes ₹151.79 Crore (Previous Year ₹155.70 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**

Certain borrowing facilities of the Company were assigned to AMIPL as a part of settlement of financial creditors under CIRP during FY 2019-20. There has been extension in the moratorium period of interest in the debt agreement of the Company, accordingly during the year, interest expense ₹2,632.59 Crores (PY ₹2,256.47 Crore interest expense and ₹527.39 Crores Principal) has been recognised as capital contribution.

During FY 2020-21, certain modifications were made in the existing debt agreement, in view of the said modifications, net interest expense of ₹246.26 Crores were recognised as capital contribution. Further company received waiver of borrowings from AMNS Luxembourg amounting to ₹1,418.89 Crores and this was also recognised as capital contribution. During the year FY 2019-20 (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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

19 Non-Current Borrowings (Refer Note 54)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Non-Convertible Debentures of ₹10,00,000 each	-	337.32
Term Loans		
From Related Party (Refer Note 44)	43,178.40	43,485.15
From Financial Institutions*	6.66	6.49
Unsecured		
Term Loan from Related Party	143.52	141.57
	43,328.58	**43,970.53**

*Borrowing from financial institution is used for the specific propose for which it was taken.

20 Other Non-Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred Gain*	137.14	154.84
	137.14	**154.84**

*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.

21 Non Current Provisions

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits (Refer Note 47)		
Gratuity	21.95	7.75
Compensated Absences	13.13	14.52
Provision for Asset Retirement Obligation	4.93	-
	40.01	**22.27**

22 Deferred Tax Assets (net)
Deferred Tax Asset/(Liability) movement for FY 2021-22

(₹ in Crores)

Particulars	As at 1st April 2021	Recognised / (reversed) through Profit and Loss	Recognised / (reversed) through Other Comprehensive Income	Recognised in / reclassified from Equity	As at 31st March 2022
Property, plant and equipment, Intangible Assets and Right of Use Assets (ROU)	(4,682.11)	(47.42)	-	-	(4,729.53)
Carried forward Unabsorbed depreciation	2,764.93	(1,461.46)	-	-	1,303.47
Derivative Assets	(279.78)	-	(2,919.44)	-	(3,199.22)
Lease Liability	739.03	(84.56)	-	-	654.47
Deferred Gain on Lease	43.43	(4.45)	-	-	38.98
Provision for doubtful Assets	-	411.05	-	-	411.05
Unrealised gain on Investment	(13.69)	(19.72)	-	-	(33.41)
Expenses allowable for tax purposes on payment basis	1,428.19	133.51	-	-	1,561.70
Net Deferred Tax	**-**	**(1,073.05)**	**(2,919.44)**	**-**	**(3,992.49)**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Deferred Tax Asset/(Liability) Movement for FY 2020-21 (₹ in Crores)

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 ROU assets	(4,678.50)	(3.61)	-	-	(4682.11)
Carried forward Unabsorbed depreciation	4,098.28	(1,333.35)	-	-	2764.93
Derivatice Assets	-	-	(279.78)	-	(279.78)
Lease Liability	417.56	321.47	-	-	739.03
Deferred Gain on Finance Lease	47.88	(4.45)	-	-	43.43
Unrealised gain on Investment	(1.73)	(11.96)	-	-	(13.69)
Expenses allowable for tax purposes on payment basis	116.51	1,311.68	-	-	1,428.19
Net Deferred Tax	**-**	**279.78**	**(279.78)**	**-**	**-**

23 Current Borrowings (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured (Refer Note 54)		
Current maturities of long-term debt (Refer Note 54)	1,122.79	736.41
Acceptance for Capital Expenditures	-	4.46
Acceptances for Goods and Expenses	-	216.39
Liability for Bills Discounting*	39.39	371.98
Unsecured		
Acceptances for Goods and Expenses	-	42.55
Acceptance for Capital Expenditures	-	0.60
	1,162.18	**1,372.39**

*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.

24 Trade Payables (₹ in Crores)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Outstanding dues of micro,small and medium enterprises (Refer note 50)		203.64		188.46
Outstanding dues - other than MSME (Including Accrued Liability)				
Acceptances	111.23		-	
Others	3,645.84		2,179.62	
		3,757.07		2,179.62
		3,960.71		**2,368.08**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Payable Ageing as on 31st March 2022: (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	153.97	49.28	0.38	-	0.01	203.64
(ii) Others	875.43	2,498.82	370.68	1.34	6.09	4.72	3,757.07
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

Payable Ageing as on 31st March 2021: (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	138.94	49.26	0.01	0.25	-	188.46
(ii) Others	505.54	1,345.01	310.92	11.63	3.52	3.01	2,179.62
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-	-

25 Other Current Financial Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Creditors for Capital Expenditures	116.56	78.06
Derivative Liability for Forward Contracts	3.83	2.21
Security Deposits Received	1.98	2.85
Other Liabilities (Refer Note 45(1))	2,465.83	2,465.07
	2,588.20	**2,548.19**

26 Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from Customers	501.19	329.74
Deferred gain (Refer Note 20)	17.70	17.70
Statutory Liabilities	348.13	315.71
	867.02	**663.15**

27 Current Provisions

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Employee benefits-Compensated Absences (Refer Note 47)	1.94	1.94
	1.94	**1.94**

28 Revenue from Operations

(₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Sale of products	55,071.59	31,593.66
Sale of services	6.74	6.05
Other operating revenues	555.86	427.65
	55,634.19	**32,027.36**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 10 – Trade Receivables to the financial statements for the amount of contracts assets outstanding as at 31st March, 2022, 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, 2022.

Information about Products and Services:

Products	Unit	For the Year 31st March, 2022		For the Year 31st March, 2021	
		Quantity	₹ in Crore	Quantity	₹ in Crore
Pellets	MT	1,551,088	2,080.27	897,338	696.54
Hot Briquette Iron Fines	MT	41,736	58.45	22,161	20.77
Hot/Cold Rolled Coils, Sheets & Plates	MT	6,792,557	49,417.75	6,336,705	29,021.44
Pipes	MT	166,046	1,403.20	165,855	1,123.52
Natural Gas			1,009.84		162.79
Others			1,102.07		568.60
Total Products Sales			**55,071.59**		**31,593.66**
Sale of services			6.74		6.05
Other operating revenues			555.86		427.65
Revenue from Operations			**55,634.19**		**32,027.36**

29 Other Income

(₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Interest Income on Financial Assets measured at amortised cost		
Bank Deposits	419.81	313.38
Others	5.73	10.14
Rent	9.76	16.83
Gain on sale of Investments	69.23	46.89
Gain On Fair Valuation Of Investments	78.35	47.51
Dividend Income - Trade Long Term Investments	-	3.08
Gain Due to Termination of lease	-	17.15
Amortisation of Deferred Gain (Refer Note 20)	17.70	17.70
Liabilities/ Provision no longer required written back	34.51	88.17
Miscellaneous Income	14.77	3.93
	649.86	**564.78**

30 Cost of Materials Consumed

(₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Raw Materials	25,409.24	15,575.90
Production Consumables	3,160.41	1,959.53
Interplant Freight for input materials	1,708.83	905.21
	30,278.48	**18,440.64**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

Particulars	For the Year 31st March, 2022		For the Year 31st March, 2021	
Opening Stock				
Finished Goods	762.31		1,126.78	
Work-in-Progress	2,306.19		1,712.21	
		3,068.50		2,838.99
Closing Stock				
Finished Goods	1,017.12		762.31	
Work-in-Progress	2,905.38		2,306.19	
		3,922.50		3,068.50
		(854.00)		**(229.51)**

32 **Energy Cost** (₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Petroleum Products - Fuel*	3,477.41	2,199.32
Power and Water charges	2,148.73	1,347.20
	5,626.14	**3,546.52**

*Includes Cost of Gases sold ₹533.17 Crores. (Previous year ₹204.41 Crores) (Refer Note 28)

33 **Employee Benefits expense** (₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Salaries and wages	454.31	373.47
Contribution to Provident and Other Funds (Refer Note 47)	35.03	30.59
Staff Welfare expenses	75.26	89.41
	564.60	**493.47**

34 **Other Expenses** (₹ in Crores)

Particulars	For the Year 31st March, 2022		For the Year 31st March, 2021	
Manufacturing & Asset Maintenance				
Repairs, Maintenance and Equipment Hire charges	640.34		549.03	
Stores and Spares	930.94		751.83	
Labour and Sub Contracting charges	449.39		350.08	
Plant Insurance	72.29		40.59	
		2,092.96		1,691.53
Administrative Expenses				
Traveling, Conveyance and Vehicle Hire & Maintenance charges	22.57		14.68	
Printing, Stationery, Postage and Telephone	6.59		6.10	
Professional Fees	186.98		168.55	
Operating Lease Rent	19.66		18.68	
Repairs, Maintenance - other than Plant	28.33		16.10	
Insurance - other than Plant	7.72		8.82	
Rates and Taxes	74.95		25.13	
Auditor's Remuneration*	4.96		4.36	
Loss on sale/disposal/write off of PPEs/CWIP (net)	42.58		74.36	
Allowance/ writeoff for Doubtful Debt/Trade Advances	29.86		16.29	
Donations and Charities	52.50		-	
Miscellaneous Expenses	89.87		39.23	
		566.57		392.30

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

34 Other Expenses (Contd..) **(₹ in Crores)**

Particulars	For the Year 31st March, 2022		For the Year 31st March, 2021	
Selling & Distribution Expenses				
Sales Commission	7.97		3.94	
Freight Outward (net), Intercarting and Packing charges	2,460.79		1,083.65	
Other Selling expenses	18.62		5.10	
		2,487.38		1,092.69
		5,146.91		**3,176.52**
*Auditor's Remuneration				
Audit Fees		3.95		3.95
Other Services		1.01		0.41
		4.96		4.36

35 Finance Costs **(₹ in Crores)**

Particulars	For the Year 31st March, 2022		For the Year 31st March, 2021	
Interest				
on Term Loans	3,316.47		3,470.94	
on Debentures	31.42		25.47	
on Lease Liability	204.24		241.54	
to Banks and Others	6.40		15.97	
		3,558.53		3,753.92
Guarantee and other Bank charges		94.14		51.21
Exchange differences regarded as an adjustment to borrowing costs		160.74		(46.66)
		3,813.41		**3,758.47**

Above cost includes accrual of interest accounted as per effective rate of interest on the borrowing [refer note 3(x) & 54].

36 Exchange Variation & Derivative Loss / (Gain) (net) **(₹ in Crores)**

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Exchange Variation on Borrowings (Incl Working Capital & Interest Accrued)	(6.99)	(110.47)
Exchange Variation (net)	(6.45)	22.45
Loss / (Gain) on cancellation / settlement of Derivative and Forward Exchange Contracts (Net of premium paid / Amortised)	(6.09)	2.64
Mark to Market on derivative contract	75.29	(66.91)
	55.76	**(152.29)**

37 Income Tax expense **(₹ in Crores)**

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Deferred Tax		
Deferred Tax Charge / (Credit)	1,073.05	(279.78)
	1,073.05	**(279.78)**
(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit / (Loss) before Tax (PBT) as per Books	9,016.74	1,588.92
Tax expenses/(credit) on above PBT @ 25.17%	2,269.33	399.90
Utilisation of losses unrecognised in prior years (net)	(1,940.92)	(1,452.93)
Tax effect of amount which are not deductible in calculating taxable Income	744.64	773.25
Income Tax Expenses - Charge / (Credit)	**1,073.05**	**(279.78)**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

38 Other Comprehensive Income (₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
A. Items that will not be reclassified to profit or loss		
Fair Value Changes on Financial Assets	(0.03)	0.31
Actuarial (Loss)/Gain on defiend benefit obligation (DBO)	(10.81)	(3.54)
	(10.84)	**(3.23)**
B. Items that will be reclassified to profit or loss		
(i) Items that will not be reclassified to profit or loss		
Cash flow hedges	11,610.64	1,111.64
	11,610.64	**1,111.64**
(ii) Income tax relating to items that will be reclassified to profit or loss		
Cash flow hedges	(2,922.17)	(279.78)
	(2,922.17)	**(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 Crores)

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Assets (Current & Non-Current):						
Investment in Equity Shares, Preference Shares, MF,ULIP, and Debentures	12.70	6,717.16	-	12.72	3,939.69	-
Trade Receivable	-	-	1,370.14	-	-	2,112.56
Cash and Bank balances	-	-	14,161.09	-	-	7,876.64
Other Financial Assets	12,475.88	2.78	171.52	1,143.45	0.06	409.18
Current Loans	-	-	0.45	-	-	1.49
Total Financial Assets	**12,488.58**	**6,719.94**	**15,703.20**	**1,156.17**	**3,939.76**	**10,399.87**
Financial Liabilities (Current & Non-Current):						
Borrowings	-	-	44,490.76	-	-	45,342.92
Lease Liability	-	-	2,598.24	-	-	2,947.28
Trade and other Payables	-	-	3,960.71	-	-	2,368.08
Other Financial Liabilities	-	3.83	2,584.37	-	2.21	2,545.98
Total Financial Liability	**-**	**3.83**	**53,634.08**	**-**	**2.21**	**53,204.26**

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, 2022

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

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in Equity Shares, Preference Shares, MF & ULIP	4,348.13	-	2,381.73	1,570.68	-	2,381.73
Derivative Financial Assets	-	12,478.66	-	-	1,143.51	-
	4,348.13	**12,478.66**	**2,381.73**	**1,570.68**	**1,143.51**	**2,381.73**
Financial Liabilities						
Derivative Financial Liability	-	3.83	-	-	2.21	-
	-	**3.83**	**-**	**-**	**2.21**	**-**

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 and 31st March, 2022 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, 2021 and 31st March, 2022
		Projected Free Cash Flows	-	5% increase would result in increase in fair value by ₹0.96 Crore as of 31st March,2021 and 31st March, 2022

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 Crores)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets				
Other Non-Current Financial Assets	104.84	110.79	195.77	205.52
	104.84	**110.79**	**195.77**	**205.52**
Financial Liabilities				
Lease Liability	2,606.74	2,598.24	2,900.28	2,947.28
	2,606.74	**2,598.24**	**2,900.28**	**2,947.28**

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 financial risk management is carried out by the Treasury & Risk Department under policies approved by the Board of Directors.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

- 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 on 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 Crores)

Particulars	As at 31st March, 2022		
	Gross Carrying Amount	Allowance for expected credit loss	Net carrying amount (net of expected credit loss)
Amounts not yet due	1,195.51	-	1,195.51
Up to six months overdue	174.63	-	174.63
Greater than six months overdue	898.48	898.48	-
	2,268.62	**898.48**	**1,370.14**

(₹ in Crores)

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	73.85	-	73.85
Greater than six months overdue	897.67	897.67	-
	3,010.23	**897.67**	**2,112.56**

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.

The Investment portfolio (Fixed Deposits & Debt Mutual Fund Schemes) also faces credit risk to a certain extent. The Company manages the credit risk by investment in top-rated Banks / HFCs / SFBs / Debt MF Schemes and by tracking the credit rating & credit profile from time to time.

- Liquidity risk

Liquidity risk is that the company might be unable to meet its obligations. Liquidity risk arises from mismatch in maturity profile of receipts and payments, funds locked in excess inventories and where no additional funds are obtained.

The liquidity risks are dynamically managed through efficient scheduling of receipts and payments. Liquidity risks arising from excess inventory are managed through a mix of efficient supply chain management and just-in-time production schedules.

The Investment portfolio (Fixed Deposits & Debt Mutual Fund Schemes) also faces liquidity risk to a certain extent. The Company manages the liquidity risk by maintaining a judicious mix of investment in low to medium duration.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

(₹ in Crores)

Particulars	As at 31st March, 2022				
	< 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	402.14	1.04	38,925.24	4,402.13	43,730.55
Interest Payout	1,221.08	4,293.76	8,751.09	514.12	14,780.05
Trade and Other Payables	3,960.71	-	-	-	3,960.71
Lease Liability	639.02	601.40	1,459.11	653.50	3,353.03
Other Financial Liabilities	2,588.20	-	-	-	2,588.20
Total	**8,811.15**	**4,896.20**	**49,135.44**	**5,569.75**	**68,412.54**

(₹ in Crores)

Particulars	As at 31st March, 2021				
	< 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	636.73	362.61	38925.43	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**

- 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 Crores) is as follows:

(₹ in Crores)

Particulars	As at 31st March, 2022				As at 31st March, 2021			
	USD	EUR	Others	Total	USD	EUR	Others	Total
Trade Receivables	398.60	21.43	-	420.03	488.12	177.46	-	665.58
Cash and Bank balances	0.46	-	-	0.46	0.44	-	-	0.44
Other Financial Assets	-	-	-	-	-	-	-	-
Financial Assets	399.06	21.43	-	420.49	488.56	177.46	-	666.02
Net Exposure to Foreign Currency risk on Financial Assets	399.06	21.43	-	420.49	488.56	177.46	-	666.02
Borrowings	4,407.02	-	-	4,407.02	5,310.34	0.07	-	5,310.41
Trade and Other Payables	1,353.04	13.14	0.53	1,366.71	151.27	6.95	0.12	158.34
Financial Liabilities	5,760.06	13.14	0.53	5,773.73	5,461.61	7.02	0.12	5,468.75
Covered by Derivative Contracts	668.62	-	-	668.62	36.75	-	-	36.75
Net Exposure to Foreign Currency risk on Financial Liabilities	5,091.44	13.14	0.53	5,105.11	5,424.86	7.02	0.12	5,432.00

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

(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 Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
USD sensitivity		
Increase by 5%	(234.62)	(246.82)
Decrease by 5%	234.62	246.82
EUR sensitivity		
Increase by 5%	0.41	8.52
Decrease by 5%	(0.41)	(8.52)
Others sensitivity		
Increase by 5%	(0.03)	-
Decrease by 5%	0.03	-

- 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 2021-22, 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 Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Variable Rate Borrowing	4,402.14	5,234.33
Total Exposure	**4,402.14**	**5,234.33**

(b) Sensitivity (₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Impact on Company's Profit/ Loss, if interest rates had been 50 basis points higher/lower and all other variables were held constant.	22.01	26.17

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.

The Investment portfolio (Debt Mutual Fund Schemes) also faces interest rate risk to a certain extent. The Company manages the interest rate risk through investment in low to medium duration to minimize the interest rate risk, while also managing the liquidity risk.

- Price risk

Commodity price risk

The Company has exposure to Commodity Price Risk on its raw materials such as iron ore pellets, zinc, etc.; energy resources like Natural Gas, Coal & Coke 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 Natural Gas hedging deals in the various linked pricing benchmarks like Dated Brent, JKM, ICE Brent, against contracted commercial exposure of the period from calendar year 2021 to 2026 (Highly probable exposure).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

Sr. No.	Particulars	As at 31st March, 2022		As at 31st March, 2021	
		Assets	Liabilities	Assets	Liabilities
1.	Foreign Currency forward contracts	2.78	3.83	0.06	2.21
2.	Commodity Derivative Contracts	12,475.88	-	1,143.45	-

(B) Notional value of outstanding Forward / Derivatives held **(₹ in Crores)**

Sr. No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
		Assets	Assets
1.	Foreign Currency forward contracts	1,382.18	278.50
2.	Commodity Derivative Contracts	9,170.84	6,119.58

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 maximizing the return to stakeholders through optimizing the level of debt and equity. Also, the Company has taken over strategic assets in sectors as power, pipeline, mines etc., as 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 information: **(₹ in Crores)**

Particulars	As at 31st March, 2022		As at 31st March, 2021	
Borrowings		44,490.76		45,342.92
Lease Liability		2,598.24		2,947.28
Total Borrowings		**47,089.00**		**48,290.20**
Less: Cash and Bank Balances (Including non current deposits with Bank)	14,206.69		8,012.98	
Current Investments	4,347.16		1,569.69	
		18,553.85		9,582.67
Net Debt (A)		**28,535.15**		**38,707.53**
Total Equity (B)		**25,866.60**		**6,609.96**
Gearing Ratio = (A/B)		**1.10**		**5.86**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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 Crores)**

Geographical Information	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Domestic	Export	Total	Domestic	Export	Total
Revenues (Income from operation)	**39,768.55**	**15,865.64**	**55,634.19**	**25,869.63**	**6,157.73**	**32,027.36**

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

42 Derivative Instruments

Sr. No.	Type of Transaction	Amount 31st March 2022	Amount 31st March 2021	Currency	Purpose
1	Forward purchase contracts (USD / INR)	108,200,000	35,800,000	USD	To hedge the exchange risk on opex import
	Forward purchase contracts (USD / INR)	61,719,239	-	USD	To hedge the exchange risk on export
2	Forward purchase contracts (EUR / USD)	9,950,000	-	EUR	To hedge the exchange risk on capex 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	1,209,759,488	832,543,116	USD	To hedge the Price Risk under Gas Purchase contract

43 Other Statutory Information:

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii. The Company does not have any transactions with companies struck off.

iii. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iv. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

v. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

vii. The Company have not been declared as wilful defaulter by any bank, financial institutions or other lender.

viii. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey) or any other relevant provisions of the Income Tax Act, 1961.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

44 **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
2 AMNS Shared Services Limited
3 AMNS Steel Logistics Limited (AMNSSLL)*
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 [Refer Note 6(a)2]

*Pursuant to order dated 27.09.2021 of NCLT, Ahmedabad, the Provisional Liquidator of AMNSSLL has taken over management and control of the affairs of AMNSSLL and an order directing winding up of AMNSSLL was passed by NCLT on 28.01.2022. Accordingly, the Company does not have control over AMNSSLL and it has ceased to be a subsidiary of the Company as per the applicable accounting standard.

**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 Private Limited
2 Odisha Slurry Pipeline Infrastructure Limited

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

1 Essar Steel Processing FZCO

(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 ArcelorMittal Exports Dmcc
12 ArcelorMittal Europe SA
13 ArcelorMittal Projects India
14 ArcelorMittal Rzk Celik Servis Merk
15 Gestamp Automotive India Private Limited
16 Global Chartering Limited
17 Ice Steel 1 Private Limited
18 IFGL Refractories Limited
19 Nippon Steel India Private Limited
20 Nippon Steel Pipe India Private Limited
21 Nippon Steel Trading Corporation
22 TRL Krosaki Refractories Limited
23 Umang Shipping Limited

(f) Key Management Personnel (with whom transactions have taken place)

1 Mr. Pankaj S Chourasia, Company Secretary

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 6M LIBOR + 2.5% p.a. to 10% p.a. (subject to benchmarking study)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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	Other Related Party	Key Management Personnel
		₹ in Crore				
(a)	Sales (Net)	-	331.56	-	1,415.52	-
		-	-	-	(575.80)	-
(b)	Purchase of Goods	4,013.33	-	-	382.05	-
		(1,381.71)	-	-	(174.54)	-
(c)	Purchase of Services	-	8.71	-	666.40	-
		-	(5.04)	-	(72.01)	-
(d)	Interest Expenses	3,347.89	-	-	-	-
		(3,496.41)	-	-	-	-
(e)	Miscellaneous Income	-	-	-	0.23	-
		-	-	-	(0.20)	-
(f)	Remuneration & perks	-	-	-	-	0.61
		-	-	-	-	(0.58)
(g)	Purchase of Capital Goods	-	-	-	9.10	-
		-	-	-	-	-
(h)	Investment in Preference Shares	-	-	-	-	-
		-	-	(2,370.00)	-	-
(i)	Capital contribution	2,632.59	-	-	-	-
		(4,449.02)	-	-	-	-
(j)	Redemption of Investment in Debentures	-	-	-	-	-
		-	-	(489.23)	-	-
(k)	External Commercial Borrowings Repaid	990.72	-	-	-	-
		-	-	-	-	-

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)	(2,370.00)	(0.25)	-
(b)	Trade Receivable	-	663.55	-	-	218.85
		-	(591.66)	-	-	(323.19)
(c)	Other Advance/Receivable	1,333.41	239.44	-	-	2.62
		-	(235.81)	-	-	(8.67)
(d)	Trade Payable	-	-	-	-	124.70
		(516.17)	-	-	-	(13.48)
(e)	Advance From Customer	-	2.09	-	-	0.55
		-	(2.09)	-	-	(1.67)
(f)	Inter Corporate Deposits Given/ Invocation of SBLC	-	2,338.96	-	-	-
		-	(2,267.93)	-	-	-
(g)	Non-convertible debentures	368.32	-	-	-	-
		(345.83)	-	-	-	-
(h)	Term Loan Taken	39,667.13	-	-	-	-
		(39,118.76)	-	-	-	-
(i)	External Commercial Borrowings Taken	4,408.44	-	-	-	-
		(5,235.11)	-	-	-	-
(j)	Capital contribution	7,166.16	-	-	-	-
		(4,533.57)	-	-	-	-
(k)	Provision for doubtful debt / impairment/fair valuation	-	3,941.97	-	0.25	-
		-	(3,849.24)	-	(0.25)	-

Note: Figures mentioned in bracket are previous year figure

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

45 Contingent Liabilities - (Not Provided for) (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Cross Subsidy	546.84	218.66

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 from Paradip to Dabuna 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 Pipeline back to it from OSPIL, in the vent 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 30th March, 2015 wherein OSPIL allowed the Company to use the allocated capacity of the Slurry Pipeline in consideration of payment of usage charges. The RTUA was further amended by the addendum dated 31st August, 2015, wherein it was inter alia agreed that the usage charges will be proportionate to 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 Pipeline) 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), one of the lenders of OSPIL, 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 BTA and 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 approved by the NCLT. Pursuant to implementation of Resolution Plan, the investment of the Company in Equity Shares of OSPIL, was cancelled and extinguished. The Company had received ₹489.24 Crore against the principal amount of investment in Debenture of OSPIL ₹501.01 Crore. Accordingly, in the previous year, the Company had written back interest accrued amounting to ₹536.51 Crores on the liability taken over from OSPIL consequent to entering into Cancellation Deed and the same was disclosed as exceptional Item.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

SREI Infrastructure Finance Limited and SREI Multiple Asset Investment Trust filed appeals before the National Company Law Appellate Tribunal (NCLAT), for seeking to set aside the NCLT Cuttack order dated 2nd March 2020 approving the resolution plan of AMIPL for OSPIL. The matter has been heard by NCLAT and the appeals filed by SREI Infrastructure Finance Limited and SREI Multiple Asset Investment Trust have been dismissed by NCLAT vide orders dated 18th January 2022.

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 against the Company u/s 33(4) of the Insolvency & Bankruptcy Code, 2016 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 in both the appeals on 4th December 2020 and 8th December 2020 respectively. 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 "the 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 on 31st March 2022, Essar Bulk Terminal Limited ("EBTL") (vendor) has raised various claims against the Company aggregating to approx. ₹1,094 Crore [excluding interest as mentioned in para (F) below] which have been disputed by the Company. The aforesaid disputed claims (Including claims aggregating ₹204.53 Crore relating to CIRP period i.e. from 2nd August 2017 until the date of takeover by AMIPL i.e. 16th December 2019) 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 ₹882.26 crore as on 31st March,2022 (₹170.09 Crore up to 16th December, 2019 and ₹712.17 Crores from 16th December, 2019 to 31st March, 2022) (As at 31st March, 2021 – ₹518.82 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. 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 CHA 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 CHA 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

In its letter to EBTL on 1st 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 / AMNSI refused the increased charges, on account of lack of satisfactory evidence. EBTL has made a total claim of ₹107.47 Crore as on 31st March, 2022 – (₹29.32 crores up to 16th December 2019 and ₹78.15 crores post 16th December 2019 to 31st March, 2022) (As at 31st March, 2021 – ₹106.21 crore).

C. Rental charges of ₹6.90 Crore (₹5.52 Crores up to 16th December 2019 and ₹1.38 Crore post 16th December 2019 to 31st March, 2022), which are disputed by AMNSI as there is no contractual agreement for such charges to be levied on AMNSI (As at 31st March, 2021 – ₹6.90 crore).

D. 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 and on account of rate difference on MGT quantities till March 22 amounting to ₹69.81 Crore as at 31st March, 2022 (As at 31st March, 2021 – ₹38.76 crore).

E. 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 31st December 2020, it is entitled to claim the dollarised rates from 1st January 2021 as per Third and Fourth Amendment Agreements. 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 differential dollarisation charges amount to ₹27.29 crores as on 31st March 2022. (As at 31st March, 2021 - ₹54.46 crore).

F. EBTL has also claimed interest on delayed payment in respect of aforesaid disputed claims (₹78.35 crore till 31st March, 2021) which 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.

All the above mentioned claims by EBTL have been disputed by AMNSI. As per Article 15 of the CHA, all disputes arising out of the CHA are to be settled in accordance with the Arbitration and Conciliation Act ("Act"). Accordingly, when disputes arose, AMNSI commenced arbitration proceedings against EBTL vide its Notice of Arbitration dated 22nd November 2020.

Both, the Company and EBTL filed separate applications with the H'ble District Court, Surat for interim relief. On 20th 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 30th December 2020 (the date on which EBTL availed the External Commercial Borrowing). These charges are to be paid from January 2021 onwards. (AMNS has started paying these charges from January 2021 onwards to EBTL in compliance with the Order and without prejudice to its rights in the arbitration.

c. AMNSI shall pay Minimum Guaranteed Tonnage as per the CHA from January 2021 onwards. AMNS has started paying these charges from January 2021 onwards to EBTL in compliance with the Order and without prejudice to its rights in the arbitration.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

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

The Section 9 Order, awarding aforesaid interim reliefs, were 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 clarified that the Services rendered by EBTL, and payments made by AMNSI under CHA shall be subject to final outcome of the pending arbitration proceedings.

Both EBTL and AMNSI challenged the Section 9 Order under Section 37 of the Act. The Gujarat High Court, on 13th December 2021 extended the operation of the Section 9 Order till the appeals under Section 37 of the Act are decided. The Gujarat High Court set aside the portion of the Section 9 Order which directed EBTL to maintain a channel depth of 10 meters at all times, and dismissed the appeals filed by AMNSIL and EBTL pertaining to dollarized cargo charges.

The rest of the Section 9 Order and in particular, the portion in relation to dollarization was not interfered with by the Gujarat High Court.

On 4th April 2022, EBTL challenged the Section 37 Order of the Surat District court, to the extent it confirmed the Section 9 Order on payment of USD denominated tariff, in a Special Leave Petition before the Supreme Court of India. The said petition is pending for hearing.

AMNSI simultaneously filed its Statement of Claim before the arbitral tribunal on 8th October 2021, seeking various reliefs and counterclaims aggregating to ₹712.97 Crore against EBTL.

Due to ongoing litigation with EBTL on above claims, AMNSI has not recognized the claim in the Statement of Profit and Loss.

In the ongoing arbitration proceeding between AMNSI and EBTL, Statement of Defense and Counter Claim have been made by EBTL on 29th November 2021 aggregating ₹8,759.22 Crore on various accounts as mentioned above including interest on these claims of ₹218.61 Crore.

This claim also included ₹7,271 Crore on account of loss suffered by EBTL due to AMNSIL's interference in the ownership of the license of the Deep-Water Jetties pertaining to the period from January 2020 to FY 2042, which is regarded as remote.

On 31st December 2021, EBTL further filed its Additional Counterclaim and sought certain non-monetary reliefs. AMNS has filed its Defence to these counter-claims.

AMNSI disputes all the counter-claims raised by EBTL on the following grounds:

(i) The Third Amendment Agreement and the Fourth Amendment Agreement, which introduced the dollarisation provisions in the CHA, are not enforceable. Accordingly, AMNSI has no obligation to make payment of dollarised tariff to EBTL.

(ii) AMNSI is not required to pay the MGT charges for the force majeure period and the period starting from January 2021 because it was entitled to invoke force majeure in 2020; and the shortfall quantities since January 2021 were only caused by EBTL's incessant disruptions in AMNSI's operations, and the sudden declaration of the terminal draft at 10 meters. AMNSI has made payments towards MGT charges in compliance with the Section 9 order, without prejudice to its position in the arbitration that these charges are not payable.

(iii) AMNSI is not required to pay deepening charges because EBTL has not been able to provide evidence of this increased depth or provide requisite benefit of such increased depth/higher draft to AMNSI. Despite changing the available draft frequently and never providing a draft corresponding to a depth of 12 meters below CD, EBTL started claiming additional amounts for increasing the depth of the channel from the time when AMNSIL was under the administration of the Monitoring Committee.

(iv) EBTL's claim for damages is barred as per the limitation of liability clause contained in Article 17 of the CHA.

Basis above contentions, and the independent legal opinions obtained by the Management, the claims relating to aforesaid disputed matters pending before arbitration tribunal are regarded as possible obligations under Ind AS 37 – Provisions, contingent liabilities and contingent assets' and accordingly classified and disclosed as contingent liability and not acknowledged as debt.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

46 Commitments

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	4,156.69	730.49
(b) Export obligation under EPCG scheme*	-	9,461.00

*Export obligation, is worked out after discharging the export commitment for a value of ₹9,451.93 Crores (USD 1,253.81 million) against an authorisation for which the Company has requested extension from DGFT on 28th April, 2021, followed by an online application dated 8th June, 2021 & further submission on 30th March, 2022. Although formal extension in export obligation period is not granted by DGFT, export allocation is made against the said license. 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 2022. 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.

47 Employee Benefits

(i) Defined Contribution Plan

The Company has a defined contribution plan whereby contribution are made to provident fund in India for employees at a percentage of Payroll cost as per regulations. Contributions are made to registered provident fund administered by Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. Company's contribution to Provident Fund aggregating to ₹22.75 Crore (Previous year ₹18.94 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 Crores)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Current Service Cost	7.13	6.23
Past Service Cost	-	-
Net Interest/(Income) on net defined benefit liability/(asset)	0.38	0.16
Immediate recognition of (gains)/losses - other long term employee benefit plans	-	-
Expenses Recognised in the statement of profit and loss	**7.50**	**6.39**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

Other Comprehensive Income (₹ in Crores)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Actuarial (gain)/loss recognised in the year due to liability experience changes	5.80	3.65
Actuarial (gain) / loss recognised in the year due to liability assumption changes	5.09	(0.21)
Actuarial (gain)/loss arising on the liability during the period	**10.88**	**3.44**
Add: Return on Plan Assets (greater)/less than discount rate	(0.07)	0.10
Actuarial Loss/(Gain) recognised in OCI	10.81	3.54
Defined Benefit Cost		
Service Cost	7.13	6.23
Net interest/(income) on net defined benefit liability/(asset)	0.38	0.16
Actuarial (gain)/loss arising recognised in OCI	10.81	3.54
Defined Benefit Cost	**18.32**	**9.93**

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance Sheet		
Details of provision		
Defined Benefit Obligation	(122.10)	(103.77)
Fair value of Plan Assets	100.15	96.02
Funded Status [Surplus/(Deficit)]	(21.95)	(7.75)
Net Defined Benefit Asset/(Liability)	**(21.95)**	**(7.75)**
Reconciliation of Net Balance Sheet position		
Net defined benefit asset/(liability) at the end of prior period	(7.75)	(6.93)
Service cost	(7.13)	(6.23)
Net interest on net defined benefit (liability)/asset	(0.38)	(0.16)
Gain/(Loss) recognised in OCI	(10.81)	(3.54)
Employer Contribution	4.12	9.10
Net Defined Benefit (Liability)/Asset at the end of reporting period	**(21.95)**	**(7.75)**

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Changes in the present value of the defined benefit obligation are as follows:		
Projected Benefit Obligations (PBO) at the beginning of the year	103.77	92.14
Service Cost	7.13	6.23
Interest Cost	6.64	5.95
Actuarial (gain)/loss - experience	5.80	3.65
Actuarial (gain)/loss - demographic assumptions	0.17	-
Actuarial (gain)/loss - financial assumptions	4.91	(0.21)
Benefits paid	(6.32)	(3.99)
PBO at the end of the year	**122.10**	**103.77**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Changes in the fair value of plan assets are as follows:		
Fair Value of plan assets at the beginning of the year	96.02	85.21
Interest income on plan assets	6.26	5.79
Contributions/Transfers	4.12	9.10
Benefits paid	(6.32)	(3.99)
Return on plan assets greater/(less) than discount rate	0.07	(0.09)
Fair Value of plan assets at the end of the year	**100.15**	**96.02**
The Company expects to contribute ₹14.68 Crores (previous years ₹9.06 Crores) to its gratuity plan for the next year.		
Expected benefits payment for the year ending		
Less than 1 year	11.32	9.06
Between 2 to 5 years	53.38	42.34
Over 5 years	81.03	64.60
Weighted Average duration of the defined benefit obligation	8 years	9 years
Investment details of plan assets		
Plan assets comprise of Schemes of Insurance - Conventional products		

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.5% movement)	(4.48)	4.78	(4.07)	4.36
Salary Escalation Rate (0.5% movement)	3.35	(3.34)	3.33	(3.24)
Withdrawal Rate (3% movement)	(0.36)	0.34	0.24	(0.44)

Defined Benefit Cost (₹ in Crores)

Particulars	Year Ended 31st March, 2022	Year Ended 31st March, 2021
Assumptions		
Discount rate	6.80%	6.60%
Rate of Return on Plan Assets	7.00%	7.50%
Salary escalation rate	8.50%	7.50%
Withdrawal rate	8.50%	7.50%
Mortality	Indian Assured Lives Mortality (2006 - 08) Ult. Modified	

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Current	Non Current	Current	Non Current
Gratuity	-	(21.95)	-	(7.75)
Compensated Absences	(1.94)	(13.13)	(1.94)	(14.52)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

48 Leases

a) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(₹ in Crores)

Particulars	Land	Buildings	Plant & Machinery	Total
Right of use assets as on 1st April 2021	317.56	3.33	2,626.02	2,946.91
Additions (including remeasurement)	65.35	53.42	-	118.77
Deletions	-	-	-	-
Depreciation	(7.82)	(4.75)	(435.43)	(448.00)
Closing Balance as on 31st March 2022	**375.09**	**52.00**	**2,190.59**	**2,617.68**

(₹ in Crores)

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	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**

b) The following is the movement in lease liabilities during the year ended March 31, 2022: (₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Lease Liability as on 1st April	2,947.28	1,691.10
Additions	53.42	2,045.19
Finance cost accrued during the period	204.24	241.54
Deletions	-	(383.51)
Payment(including write back) of lease liabilities	(606.70)	(647.04)
Closing Balance as on 31st March	**2,598.24**	**2,947.28**

c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis: (₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	639.02	636.26
One to five years	2,060.51	2,326.38
More than five years	653.50	935.21
Total	**3,353.03**	**3,897.86**

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

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Short term Leases and Low Value Leases	19.66	18.68
Total	**19.66**	**18.68**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

49 Earning Per Share (₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
Net Profit/(Loss) as per statement of Profit & Loss	7,943.69	1,868.70
Weighted average number of shares for the purpose of calculating basic and diluted earning per share (in nos.)	9,222,000,000	9,222,000,000
Basic and diluted earning/(loss) per Equity share of ₹10 each (in Rupees)	8.61	2.03

50 Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

(₹ in Crores)

Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
(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	203.64	188.46
Interest due	0.71	0.40
(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	0.71	0.40
(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	0.22	0.30

51 Exceptional Items (₹ in Crores)

Sr. No.	Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
1	Liability/ Provision written back [Refer Note 45(ii)(1)]	-	(536.51)
		-	**(536.51)**

52 Ratio Analysis and its elements

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021	Variance	Reason for Variance
1	Current ratio (Times)	Current Assets	Current Liabilities	4.43	2.70	64.05%	Refer note A below
2	Debt to Equity Ratio (Times)	Total Debt	Shareholder's Equity	1.82	7.31	-75.08%	Refer note B below
3	Debt Service Coverage ratio (Times)	Earnings for debt service = Net Profit after taxes + Non-cash operating expenses (depreciation)+ Finance Cost + Loss on sale / disposal / write off of PPEs (net)	Debt service = Interest & Lease Payments + Principal Repayments	2.37	1.74	36.52%	Refer note C below
4	Return on Average Equity (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	48.92%	61.54%	-20.50%	

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

52 Ratio Analysis and its elements (Contd..)

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2022	2021	Variance	Reason for Variance
5	Inventory Turnover ratio (Days)	Average Inventory	Revenue from Operations	55.33	68.34	-19.04%	
6	Receivable Turnover Ratio (Days)	Average Trade Receivables	Revenue from Operations	11.42	16.49	-30.72%	Refer note D below
7	Payable Turnover Ratio (Days)	Average Trade Payables	Purchase of services and other expenses	26.19	27.07	-3.24%	
8	Capital Turnover Ratio (Times)	Revenue from Operations	Average Working capital = Current assets - Current liabilities	2.56	2.94	-13.07%	
9	Net Profit ratio (%)	Net Profit	Revenue from Operations	14.28%	5.83%	144.72%	Refer note E below
10	Return on Capital Employed (%)	Earnings before interest and taxes	Average Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	19.46%	9.34%	108.46%	Refer note E below
11	Return on Investment i.e Mutual Funds (%)	Profit generated on sale of investment	Cost of Investment	3.58%	4.37%	-18.01%	

A Current ratio has improved due to growth in Revenue along with increase in production and improved operating efficiency in the business which has resulted in increase in cash balance, receivables, investments, inventory and derivative financial assets balances.

B Debt to Equity Ratio has improved due to improved operating efficiency resulting in increase in shareholder's equity.

C Debt Service Coverage ratio has improved due to improved operating efficiency resulting in increase in earnings for debt service.

D Receivable Turnover Ratio has improved due to efficient receivable management during the year which has led to faster receivable churning.

E Ratios have improved due to growth in Revenue along with increase in production and improved operating efficiency in the business.

53 Corporate Social Responsibility (CSR) Expenditure: **(₹ in Crores)**

Sr. No.	Particulars	For the Year 31st March, 2022	For the Year 31st March, 2021
1	Amount required to be spent by the company during the year	-	-
2	Amount of expenditure incurred	48.55	64.11
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reason for shortfall	-	-
6	Nature of CSR activities	Health, Education, Livelihood, Sports & Culture, Infrastructure, Environment, Admin etc.	
7	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

54 Borrowings Note **(₹ in Crores)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
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, 2023 @@	370.64	345.82
	370.64	**345.82**
(2) Term Loans		
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. @@, &&	5,604.51	5,527.01
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 $$	-	227.34
Secured by pari passu first charge on fixed assets (except assets forming part of Nandniketan Township, Service Centers and 19 MW waste heat recovery power plant) and pari passu second charge on current assets of the Company. Loans carrying interest @ 10%. Principal is repayable on 31st March,2026 @@, &&	36.54	36.03
First pari passu charge on all present and future fixed assets of the Borrower including all land available with the borrower (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), second pari passu charge on the current assets of the Company. Loans carrying interest 10.00 % p.a. Principal is repayable on 31st March 2026. @@, &&	540.01	532.54
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Principal is repayable on 31st March,2026. Loan carries interest of 10% @@, &&	822.71	811.34
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land) and second pari passu charge on the current assets of the Company. Loans carrying interest @6M Libor plus 2.50 % p.a. The principal is repayable on March 20,2030 $$	2,789.15	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. Loans carrying interest @6M Libor plus 2.50 % p.a. The principal is repayable on March 20,2030 $$	868.90	797.63

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

54 **Borrowings Note** (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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% @@,&&	1,733.60	1,709.63
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. **, @@, &&	3,463.73	3,415.84
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 **, @@, &&	6,664.48	6,572.33
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 **, @@, &&	160.75	158.53
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 **, @@, &&	61.33	60.48
Secured by pari passu first charge on movable fixed assets and mortgage of immovable properties of the Company (except leasehold rights on the Visakhapatnam Port Trust land and Orissa ISP land), 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. **, @@, &&	629.72	621.01
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 $$	748.96	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. @@, &&	187.74	185.15

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

54 **Borrowings Note** (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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. **, @@, &&	10,395.53	10,251.79
Loan carries interest @ 10.00 % p.a. Secured by subservient charge on all fixed assets of the company. Principal is repayable on 31st March, 2026 @@, &&	125.18	123.45
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. @@, &&	8,366.45	8,251.63
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. @@, &&	332.74	328.14
Secured by pari passu first charge on all present and future fixed assets of the Company including all the land of Company (except leasehold rights on the Vishakhapatnam Port Trust land and Orissa ISP land) also secured by second pari passu charge on the present and future current assets of the Company. Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@, &&	157.54	155.36
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. @@, &&	173.81	171.40
Secured by residual charge over the entire current assets (both present and future) over all moveable fixed assets (both present and future) of the company. Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@, &&	55.34	54.57
Secured by hypothecation and charge on Vehicles. Principal is repayable on December 2024. Loans carrying interest rangin from 7.81% p.a. to 7.90% p.a	2.98	3.43
Secured by hypothecation on Vehicles. Principal is repayable ranges from December 2024 to October 2025. Loans carrying interest ranges from 8.10% p.a. to 8.75% p.a.	4.48	3.80
Unsecured Borrowings		
Unsecured Facility Loan carries interest @ 10.00 % p.a. Principal is repayable on 31st March, 2026. @@, &&	154.55	153.36
	44,080.73	**44,361.12**
Current Borrowings		
Acceptance for Goods and Expenses- Secured		
Secured by margin deposits with the banks	-	216.41

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

54 **Borrowings Note** (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Acceptance for Goods and Expenses- Unsecured		
Acceptance for Goods and Expenses- Unsecured	-	42.55
	-	**258.96**
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	39.39	371.98
	39.39	**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 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.

&& On 31st December 2021, following conditions were added in the Secured and Unsecured Loan facilities arrangement with AMIPL:

(i) On and from 1st January 2023, the Interest rate will be subject to an appropriate arm's length analysis to be undertaken by an independent transfer pricing consultant.

(ii) No interest shall accrue and be payable for the period between and included 1st January 2022 to 31st December 2022.

(iii) The interest for the period 1st January 2022 to 31st December 2022 will be recouped and paid to AMIPL during the balance tenure of the loan starting from 1st January 2023.

The Company has considered the interest rate based on an independent benchmarking study which is at 7.50% plus recoupment of interest of the period of January 2022 to December 2022, and accordingly the secured and unsecured borrowings (provided by AMIPL) are carried at amortized cost considering such derived effective interest rate.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2022

$$ 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 Luxembourg 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.

All the loans (Domestic and Foreign) to external lenders were settled along with the CIRP process in Dec 2019. The No Dues Certificates (NDC) from all the Financial Creditors were received. Based on the same, the charge satisfaction process with ROC Ahmedabad was undertaken & has been completed except for a couple of banks/ FI's (NDC received) where the completion is still underway due to administrative processes.

55 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.

56 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 and Vice President Technology **DIN:** 09244627
Takahiro Nagayoshi Chief Financial Officer **DIN:** 08378120	**Pankaj Chourasia** Company Secretary
Date: 22nd June, 2022	**Place:** Mumbai

/ SMARTER STEELS BRIGHTER FUTURES

AMNS House, AMNS Township, 27 km, Surat – Hazira Road, Hazira, Gujarat – 394 270, India