ArcelorMittal Nippon Steel India

FORTY SEVENTH ANNUAL REPORT

2022 – 2023

SMARTER STEELS BRIGHTER FUTURES

BOARD OF DIRECTORS

Mr. Aditya Mittal	*Chairman*
Mr. Prabh Das	*Director*
Mr. Bradley Lloyd Davey	*Director*
Mr. Genuino Jose Magalhaes Christino	*Director*
Mr. Takahiro Mori	*Director*
Mr. Ichiro Sato	*Director*
Mr. Yoshiaki Kusuhara	*Director*
Mr. Hiroshi Ebina	*Director*
Mr. Dilip C. Oommen	*Director & CEO*
Mr. Tomomitsu Inada	*Director & Vice President Technology*
Mr. Kalyan Ghosh	*Alternate Director*
Mr. Keiji Kubota	*Alternate Director*

CHIEF FINANCIAL OFFICER
Mr. Amit Harlalka

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.
Credit Agricole Corporate & Investment Bank
HongKong & Shanghai Banking Corporation Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IDFC First Bank Ltd.
Indusind Bank Ltd.
Kotak Mahindra Bank Ltd.
Mitsubishi UFG Financial Group Bank Ltd.
Mizuho Bank Ltd.
Punjab National Bank
Standard Chartered Bank
State Bank of India
Sumitomo Mitsui Banking Corporation Bank
Union Bank of India
Yes Bank Ltd.

AUDITORS
SRBC & CO LLP
The Ruby, 12th Floor,
29 Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028

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 47TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 47th Annual General Meeting of the Members of ArcelorMittal Nippon Steel India Ltd. (CIN: U27100GJ1976FLC013787), will be held via V.C. at shorter notice deemed to be held at AMNS House, AMNS Township, 27th K.M. Surat Hazira Road, Dist Surat, Gujarat 394270 on Saturday, September 30, 2023, at 3.30 p.m. to transact, the following businesses:

ORDINARY BUSINESSES:

1. To receive, consider and adopt:
    a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Board of Directors and the Auditors thereon.
    b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

2. To appoint a director in place of Mr. Aditya Mittal (DIN: 00778947) who retires by rotation and being eligible, offers himself for re-appointment.

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

4. To appoint a director in place of Mr. Takahiro Mori (DIN: 09173335) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

5. To regularize the appointment of Mr. Hiroshi Ebina (DIN: 08224876) as a Director and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

    RESOLVED THAT pursuant to the provision of Section 161 and other applicable provisions of Companies Act, 2013, Mr. Hiroshi Ebina (DIN: 08224876), who was appointed by the Board of Directors as an Additional Director of the Company at the meeting of the Board of Directors held on April 4, 2023 and who holds office upto 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, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To regularize the appointment of Mr. Genuino Christino (DIN: 10165679), as a Director and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**.

    RESOLVED THAT pursuant to the provision of Section 161 and other applicable provisions of Companies Act, 2013, Mr. Genuino Christino (DIN: 10165679), who was appointed by the Board of Directors as an Additional Director of the Company by resolution by circulation passed on May 26, 2023 and who holds office upto 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, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

    RESOLVED THAT pursuant to the provision of Section 161 and other applicable provisions of Companies Act, 2013, Mr. Bradley Davey (DIN: 09179206), who was appointed by the Board of Directors as an Additional Director of the Company by resolution by circulation passed on May 26, 2023 and who holds office upto 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, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2024.
    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 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 upto ₹6,00,000/- (upto Rupees Six Lakh only) plus applicable Tax thereon and reimbursement of out of pocket expenses, if any, payable to M/s Smit Manubhai & Associates, Cost Accountants (Firm Registration M-2502), for conducting Audit of the Cost Accounting Records of the Company for the financial year from April 01, 2023, till March 31, 2024, in terms of the Companies Act, 2013 and Rules framed thereunder, be and is hereby ratified."

RESOLVED FURTHER THAT the Board 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: September 25, 2023

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. MEMBERS ARE HEREBY ADVISED TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCE.
2. MEMBERS ARE REQUESTED TO KINDLY NOTE THAT THEY ARE NOT ENTITLED TO APPOINT ANY PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AS PHYSICAL PRESENCE OF MEMBERS ARE NOT REQUIRED.
3. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS ANNEXED HERETO.
4. THE ANNUAL GENERAL MEETING IS CALLED AT A SHORTER NOTICE.
5. 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
6. IN COMPLIANCE WITH THE MCA CIRCULAR, THE NOTICE OF AGM IS BEING SENT ONLY THROUGH ELECTRONIC MODE TO THOSE MEMBERS WHOSE EMAIL ID ADDRESSES ARE REGISTERED WITH THE COMPANY.

ANNEXURE TO NOTICE

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

Item No. 5 : To regularize the appointment of Mr. Hiroshi Ebina (DIN: 08224876) Additional Director appointed at the meeting of the Board of Directors held on April 4, 2023:

Accordingly in terms of requirements of the provision of Companies Act, 2013, approval of the members of the Company is required for regularization of Mr. Hiroshi Ebina (DIN: 08224876) as Director of the Company and 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.

Mr. Hiroshi Ebina (DIN: 08224876) is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

The Board recommends the resolution in relation to appointment of Mr. Hiroshi Ebina (DIN: 08224876) for the approval by the shareholders of the Company.

A brief profile of each of the above-mentioned directors is annexed herewith as **Annexure 1**.

Except the concerned Directors in respect of the resolution appointing him/her, no other Directors of the Company or their relatives are concerned or interested, financially or otherwise.

Item No. 6: To regularize the appointment of Mr. Genuino Christino (DIN: 10165679) Additional Director appointed by resolution by circulation of the Board of Directors passed on May 26, 2023:

Accordingly in terms of requirements of the provision of Companies Act, 2013, approval of the members of the Company is required for regularization of Mr. Genuino Christino (DIN: 10165679) as Director of the Company and 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.

Mr. Genuino Christino (DIN: 10165679) is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013.

The Board recommends the resolution in relation to appointment of Mr. Genuino Christino (DIN: 10165679) for the approval by the shareholders of the Company.

A brief profile of each of the above-mentioned directors is annexed herewith as **Annexure 1**.

Except the concerned Directors in respect of the resolution appointing him/her, no other Directors of the Company or their relatives are concerned or interested, financially or otherwise.

Item No. 7: To regularize the appointment of Mr. Bradley Davey (DIN: 09179206) Additional Director appointed by resolution by circulation of the Board of Directors passed on May 26, 2023:

Accordingly in terms of requirements of the provision of Companies Act, 2013, approval of the members of the Company is required for regularization of Mr. Bradley Davey (DIN: 09179206) as Director of the Company and 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.

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

The Board recommends the resolution in relation to appointment of Mr. Bradley Davey (DIN: 09179206) for the approval by the shareholders of the Company.

A brief profile of each of the above-mentioned directors is annexed herewith as **Annexure 1**.

Except the concerned Directors in respect of the resolution appointing him/her, no other Directors of the Company or their relatives are concerned or interested, financially or otherwise.

Item No. 8:

M/s Smit Manubhai & Associates, Cost Accountants, have been reappointed as the Cost Auditors of the Company to carry out cost audit pertaining to Steel Business of the Company for the year ending March 31, 2024 at a remuneration of ₹6,00,000/- plus applicable tax and reimbursement of out of pocket expenses. 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.

Approval of the members is sought for passing an Ordinary Resolution at item no.8 for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

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: September 25, 2023

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

Annexure 1: Profile of Appointee Directors:

1. Mr. Aditya Mittal

Mr. Aditya Mittal is the President and Chief Financial Officer of ArcelorMittal. He is also the Chief Executive Officer of ArcelorMittal Europe. Following the formation of ArcelorMittal in 2006, Mr. Mittal held various senior leadership roles, including managerial oversight of the group's flat carbon steel businesses in the Americas and Europe, in addition to his role as CFO and membership of the ArcelorMittal Group Management Board.

Mr. Mittal joined Mittal Steel in January 1997, serving in various finance and management roles. In 1999, he was appointed Head of Mergers and Acquisitions. In this position, he led the company's acquisition strategy, resulting in Mittal Steel's expansion into Central Europe, Africa and the United States. Subsequently, he was also involved in post-merger integration, turnaround and improvement strategies of the acquired companies. Between 2004 and 2006, Mr. Mittal was the President and CFO of Mittal Steel. In 2006, he initiated and led Mittal Steel's offer for Arcelor, creating the world's first 100 million tonnes plus steel company.

In 2008, Mr. Mittal was named 'European Business Leader of the Future' by CNBC Europe and was ranked fourth in Fortune magazine's '40 under 40' list in 2011. He is an active philanthropist with a particular interest in child health. Together with his wife Megha, he is a significant supporter of the Great Ormond Street Children's Hospital in London, having funded the Mittal Children's Medical Centre, and in India, the couple work closely with UNICEF, having funded the first ever country-wide survey into child nutrition, the results of which will be used by the Government of India to inform relevant policy.

Mr. Mittal serves on the boards of Aperam, Iconiq Capital and Wharton School and is Chairman of India's second largest oil refinery, HPCL-Mittal Energy Limited (HMEL). He is also a trustee at Brookings Institute and an alumnus of the World Economic Forum Young Global Leader's Programme. Mr. Mittal holds a Bachelor's degree in Economics with concentrations in Strategic Management and Corporate Finance from the Wharton School in Pennsylvania, United States.

2. Mr. Prabh Das

Mr. Prabh Das brings with him over 38 years of diverse experience and insight which encapsulates a rich blend of leadership roles in the prestigious Indian Administrative Services (IAS) as well as in the Oil & Gas Industry encompassing Oil Diplomacy & Administration, Project Management & Financing, Refinery Operations, Marketing and Corporate Governance.

Prior to joining HMEL as its MD&CEO, during his 25-plus years' tenure in the IAS he served as the Chief Executive Commissioner of Calcutta Metropolitan Development Authority and has further held varied senior administrative positions in the Central Government.

During his tenure as Joint Secretary - Refineries Division in the Ministry of Petroleum and Natural Gas, Government of India he played a key role in the formulation and implementation of the Auto Fuel

Policy, Strategic Storage and New Initiatives in Oil Diplomacy. He was also on Board of Fortune 500 companies like Indian Oil Corporation Ltd., Hindustan Petroleum Corporation Ltd. and other oil majors such as Mangalore Refineries and Petrochemicals Ltd., Chennai Petroleum Corp. Ltd. and Engineers India Ltd.

Mr. Das is also a member of various prestigious Oil Industry Bodies and Institutions.

He was instrumental in implementing the first FDI project in the Oil & Gas sector, a joint venture of HPCL and Mittal Energy Investments Ltd. and has been part of HMEL's growth story since its inception in July, 2007. He has largely contributed in HMEL's growth from a green field 9 MMTPA Refinery to a 11.3 MMTPA Refinery which is built on the foundation of sound safety practices and robust processes leading to strengthening of HMEL's Refining capacity, improvement in Refining Operations and margins on a year on year basis. This is further being integrated to a 1.2 MMTPA petrochemical complex which is underway.

Mr. Das was felicitated with the 'Distinguished Contribution to Indian Petrochemical Industry' Award by FICCI in 2017. He was also conferred with 'Outstanding Achievement Oil & Gas Leadership & Excellence Award 2014' at the Oil & Gas World Expo, 2014. He is an alumnus of Indian Institute of Technology, Kharagpur (B. Tech Hons.), Southern Cross University, Australia (MBA) and a Certified Project Director by International Project Management Association.

3. **Mr. Takahiro Mori**

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

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

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

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

4. **Mr. Hiroshi Ebina**

Mr. Ebina is Managing Director of NIPPON STEEL INDIA PRIVATE LIMITED. Mr. Ebina joined NIPPON STEEL CORPORATION in April 1992. He started his career at Finance Division and then worked at General Administration and Human Resource Division in Muroran works.

Then he worked at automotive flat products marketing department from 1998 to 2008, (7 years for domestic market and 3 years for global oversea marketing.)

In 2008, he was sent to USIMINAS, which is a subsidiary of Nippon Steel Corporation in Brazil, worked as Marketing Advisor of the company for 4 years.

Then, he managed overseas joint ventures in Thailand, China, Mexico, India and Indonesia, as Head of Global Business Development Dept. in Japan from 2012 to 2015, then worked as Head of Automotive Flat Products Global Marketing Dept.

He was sent to NIPPON STEEL INDIA PRIVATE LIMITED as the Managing Director in 2018, and he supported for several joint venture companies in India.

He holds a Bachelor's degree in Economics from Kyoto University in Kyoto, Japan.

Disclosures with respect to appointment Mr. Hiroshi Ebina (DIN: 08224876) as the Director of the Company

Date of Birth	11.03.1970
Qualifications	Bachelor Degree in Economics
Experience	More than 30 years
Remuneration sought to be paid and the remuneration last drawn from the Company	Nil
Date of appointment (DOA) on the Board	04.04.2023
Directorship held in other Companies as on DOA	• ArcelorMittal Nippon Steel India Limited • AMNS Gandhidham Limited (06.05.2023) • ArcelorMittal India Private Limited (16.04.2023) • AM Mining India Private Limited(12.04.2023) • New Age Education and Skills Foundation • AMNS Khopoli Limited • Odisha Slurry Pipe Line Infrastructure Limited • Nippon Steel India Private Limited • Jamshedpur Continuous Annealing & Processing Co Private Limited • Hiruma Steel Services Private Limited
Shareholding in the Company (Equity)	Nil
Relationship with the other Directors/ Mangers/ Key Managerial Personnel	None

5. **Mr. Genuino Christino**

Mr. Genuino M. Christino is a member of the Group Management Committee since 2016 and Executive Vice President and Group Chief Financial Officer of ArcelorMittal since February 2021.

Prior to Mr. Christino's appointment as Group CFO, he was the Group Head of Finance since 2016. As Group CFO, Mr. Christino is responsible for all of the Company's financial functions, including treasury, corporate finance, accounting, performance management, insurance and investor relations. In addition, Mr. Christino oversees group M&A, Legal and IT activities and is a member of the Company's Investment Allocation Committee. Mr. Christino also heads the Company's Corporate Finance and Tax Committee where all key financial transactions of the group are reviewed and approved.

Prior to joining the ArcelorMittal Group in 2003, Mr. Christino had spent ten years at KPMG in Brazil and in the United Kingdom, as an auditor and a consultant. Mr. Christino holds a bachelor's degree in accounting and business administration from the Universidade Paulista in São Paolo, Brazil and has also completed an Executive MBA Program from the Dom Cabral Foundation in Belo Horizonte, Brazil. Mr. Christino is a citizen of Brazil.

Disclosures with respect to appointment Mr. Genuino Jose Magalhaes Christino (DIN: 10165679) as the Director of the Company

Date of Birth	27.01.1971
Qualifications	Bachelor's degree in accounting and business Administration
Experience	More than 30 years
Remuneration sought to be paid and the remuneration last drawn from the Company	Nil
Date of appointment (DOA) on the Board	26.05.2023

Directorship held in other Companies as on DOA	ArcelorMittal Nippon Steel India Limited
Shareholding in the Company (Equity)	Nil
Relationship with the other Directors/ Mangers/ Key Managerial Personnel	None

6. Mr. Bradley Lloyd Davey

In 2021, Mr. Bradley was appointed head of corporate business optimisation, with responsibility for CTO, R&D, CCM, capital goods, corporate communication and corporate responsibility and global automotive. He is also responsible for automotive joint ventures in China and India and ArcelorMittal Tailored Blanks Americas and is vice chairman of the Investment Allocation Committee (IAC).

Mr. Bradley joined ArcelorMittal Dofasco, Canada, in 1986 and over the next 15 years held several technology and manufacturing roles. From 2001, he held various senior commercial positions, including vice-president of ArcelorMittal Dofasco and chief marketing officer, North America Flat Rolled. In 2016 he became chief marketing officer, ArcelorMittal North America and head of global automotive. Prior to his current role, Brad was CEO of ArcelorMittal North America, a position he held since March 2018.

Mr. Bradley holds a Bachelor of Engineering degree from McMaster University.

Disclosures with respect to appointment Mr. Bradley Lloyd Davey (DIN: 09179206) as the Director of the Company in this

Date of Birth	07.03.1964
Qualifications	Mechanical Engineer
Experience	More than 30 years
Remuneration sought to be paid and the remuneration last drawn from the Company	Nil
Date of appointment (DOA) on the Board	26.05.2023
Directorship held in other Companies as on DOA	• ArcelorMittal Nippon Steel India Limited • ArcelorMittal Ventures India Private Limited • New Age Education and Skills Foundation (06.09.2023)
Shareholding in the Company (Equity)	Nil
Relationship with the other Directors/ Mangers/ Key Managerial Personnel	None

BOARD REPORT

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

We are pleased to present the 47th Annual Report of the Company for the financial year ended March 31, 2023. This report includes the Audited Statement of Standalone and Consolidated Accounts, providing an overview of our Company's performance during this period.

The financial year under review has marked a significant turning point for both our nation and our Company. As the world grappled with the unprecedented challenges posed by the Covid-19 pandemic, our country and economy have shown remarkable resilience and have nearly recovered from its deadly impact. We are pleased to report that the operations of the Company have been successfully resumed to normalcy, both at our plant locations and corporate offices, thanks to the dedicated efforts of the Government and commitment of our employees.

The steel industry, which is a critical driver of economic growth, is poised for a promising future. Numerous studies and media reports suggest that the steel industry's prospects for growth will be fueled by increased demand from key sectors such as construction, railways, and capital goods. With a strong emphasis on infrastructure development and sustained urban consumption, India's steel demand is estimated to witness an annual increase of 8-9 million tons in the upcoming two financial years. This growth trajectory presents a tremendous opportunity for our Company to contribute to the nation's development and prosperity.

One of the pivotal moments of the year was the Bhoomi Poojan ceremony held at Hazira in October 2022. This event was graced by the presence of Prime Minister Mr. Narendra Modi Ji, who emphasized the significance of our Company, AMNSI (ArcelorMittal Nippon Steel India), in the Make in India campaign. This expansion program reaffirms our commitment to encourage domestic manufacturing and furthering the government's vision of a self-reliant India. It is a testament to our dedication to innovation, excellence, and sustainable growth.

"Till now we were satisfied by exporting iron ore. But for economic development, we had to do value-addition of our mineral resources. In the global market, Indian steel is making its own positioning. It is not just about expansion at Hazira, they are also bringing new technology that will help in EVs, automobiles and other manufacturing sectors."

We are pleased to report that AMNSI (ArcelorMittal Nippon Steel India) has undertaken significant actions that position it for robust growth in the coming years. These initiatives reflect our commitment to continuous improvement, innovation, and sustainable development:

- In line with the government's goal to expand the country's steel capacity to 300 (MTPA) by the year 2030, AMNSI (ArcelorMittal Nippon Steel India) is embarking on a transformative journey to significantly increase our rolling capacity from the current 7.8 MTPA to an impressive 18 MTPA in the immediate near future. This strategic expansion is not just an aspiration; it is a commitment to seize the incredible opportunities that lie ahead. We are thrilled to highlight a crucial benefit of this strategic move is the ability to produce higher quality and great steel. This enhanced production capacity not only signifies growth in scale but also a significant leap in quality.

- In line with our commitment to growth and innovation, we have ensured that we have the necessary financial resources and credit facilities to fund our mega expansion plans. This strategic move is not just about expanding our capacity; it is about positioning ourselves to offer a wider range of value-added steel products to our customers, ultimately contributing to higher EBITDA. Our collaboration with ArcelorMittal S.A. and Nippon Steel Corporation, our esteemed parent entities, is a cornerstone of our strategy to drive growth and create sustainable steel solutions. Through this partnership, we have gained access to advanced technologies and cutting-edge innovations in steel production, which empower us to enhance operational efficiency, reduce environmental impact, and improve product quality. We are firmly committed to a future where we deliver sustainable steel solutions that not only meet the evolving needs of our customers but also minimize our ecological footprint and also support the nation building. To achieve this vision, we are utilizing the collective expertise and resources of our esteemed parent entities, ArcelorMittal S.A. and Nippon Steel Corporation.

- We are pleased to report that financial performance of the Company during the fiscal year 2022-23. AMNSI (ArcelorMittal Nippon Steel India) has maintained its credit ratings, reflecting the Company's financial stability and prudent management. A significant highlight of the fiscal year was our ability to raise unsecured non-fund-based credit lines, including those dedicated to capital expenditures, amounting to approximately Rs 15,312 crore. This achievement underscores the financial strength and confidence that Banks and Non-Banking Financial Companies (NBFCs) place on our company.

- We are pleased to announce a significant achievement for AMNS (ArcelorMittal Nippon Steel) during the fiscal year 2022-23. We have successfully completed the acquisition of certain critical ports and power assets, collectively referred to as "connected assets," either directly or through our subsidiary companies. These acquisitions mark a strategic milestone in our journey and have far-reaching implications for our operational capabilities and growth prospects.

1. **FINANCIAL STATEMENTS & RESULTS:**

During the fiscal year, our revenue from operations reached a notable milestone, standing at ₹ 53,399.10 Crores. This achievement is a testament to the robust demand for our steel products and the trust our customers place in our quality and service. Our EBITDA for the current financial year reached ₹ 8,503.99 Crores. The company's strong cash flows have played a pivotal role in deleveraging our balance sheet. This strategic move not only strengthens our financial position but also positions us for future sustainable growth and expansion. It reflects our commitment to prudent financial management.

As of March 31, 2023, the Company's net worth stood at ₹ 39,698.50 Crores, while it achieved a net profit of ₹ 2,186.95 Crores during the FY 22-23 year. These financial milestones are a testament to our dedication to enhancing both financial and operational performance. They indicate a robust trajectory of growth and progress for our company.

A) **FINANCIAL RESULTS**

(₹ in Crores)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Gross Income	**54,434.20**	56,324.23	**56,931.58**	59.098 48
Expenses	**45,930.21**	41,087.00	**47,667.15**	43,638.97
Profit before Finance Costs, Exchange Variation and Derivative Gain/Losses, Depreciation /Amortisation, Exceptional Items and Tax	**8,503.99**	15,237.23	**9,264.43**	15.414.51
Less: Finance Cost	**3,673.31**	2,717.59	**3,634.53**	2,737.81
Less: Depreciation / Amortization	**2,462.70**	2,468.90	**2,571.88**	2,525.33
Profit before Exceptional Items and Taxation	**2,367.98**	10,050.74	**3,058.02**	10,151.37
Exceptional items - Expenses /(Income)	**652.41**	1,591.43	**652.41**	1,591.43
Profit before Taxation	**1,715.57**	8,459.31	**2,405.61**	8,559.94
Tax Expense/ (Benefit)	**(471.38)**	1,234.52	**(295.25)**	1,265.46
Profit after taxation before Other Comprehensive Income(OCI)	**2,186.95**	**7,224.79**	**2,700.86**	**7,294.48**
Share of Profit / (loss) from Associates	**-**	-	**(0.27)**	-
Profit for the year	**2,186.95**	**7,224.79**	**2,700.59**	**7,294.48**
Other Comprehensive Income (OCI)	**(3,892.80)**	8,680.36	**(3,763.07)**	8,700.57
Total Comprehensive Income / (Loss)	**(1,705.85)**	**15,905.15**	**(1,062.48)**	**15,995.04**
Retained Earnings: Balance brought forward from the Previous year	**(8,558.80)**	**(15,775.51)**	**7,605.67**	**(14,891.46)**
Add: Profit for the year	**2,186.95**	7,224.79	**2,700.59**	7,294.48
Less: Non-Controlling Interets	**-**	-	**(2.55)**	(0.23)
Add: Other Comprehensive Income / (Loss) recognised in Retained Earnings	**(7.06)**	(8.08)	**(5.63)**	(8.46)
Add: Transfer to Retained Earnings from OCI (Derognition of Fair Value through OCI-Equity Instrument)	**6.20**	-	**69.16**	-
Transfer to Tonnege Tax Reserve	**-**	-	**(6.63)**	7605.67
Less: Loss on acquisition of Non Controlling Interest	**-**	-	**1.72)**	-
Retained Earnings: Balance to be carried forward	**(6,372.71)**	**(8,558.80)**	**(4,852.45)**	**7,605.67**

SIGNIFICANT EVENTS:

Hedging Position: ArcelorMittal Nippon Steel India Ltd. (AMNSI) has natural gas requirement towards steel making and other processes. To secure this gas requirement, AMNSI has entered into long term supply contracts with various suppliers. The price of the Gas in these contracts are linked to indices like JKM, Dated Brent, ICE Brent. For hedging of the floating price risk on the contracted natural gas, AMNSI has tied up with various overseas counterparties. Due to the global scenario of very steep increase in NG prices that prevailed during Aug. 2022 to Nov. 2022, the Company has unwound the Gas hedge based on business outlook and locked in the gains. A portion of the locked-in gain has been received from the counterparties and accounted in OCI.

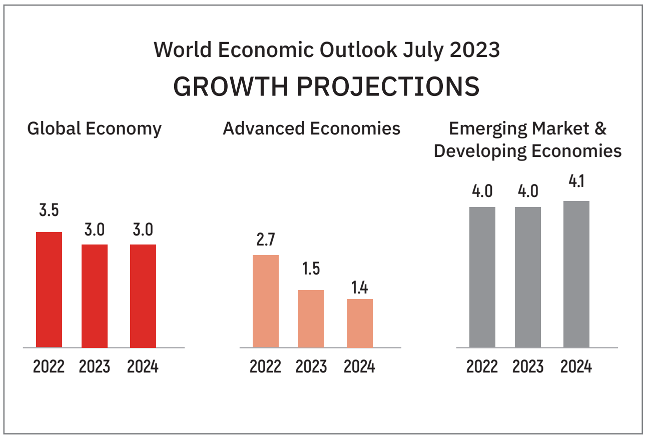
Acquisitions: AMNS Completed the acquisition of certain assets including critical ports and power assets (connected assets) during FY 22-23 directly or through its subsidiary companies. Further AMNS has also completed the assets acquisition of a 515 MW gas-based power plant, along with allied land which will aid AMNS India expansion plans at Hazira, Surat. 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 requirements and also ensure robust supply chain management. The company is actively observing viable and attractive investment opportunities in the steel sector for expansion through acquisitions.

Please Refer Note No. 56 of Consolidated Financial Statement for further details on acquisition and Goodwill. Please Refer Note no. 45 of Standalone Financial Statement for Various litigation matters and their development. Please refer Note No. 51 “Exceptional Items” of Standalone Financial Statement for Exceptional Items.

B. OUTLOOK

Global Outlook

The global economic landscape in recent years has been marked by a series of complex challenges and shifting dynamics. Following a resilient recovery from the pandemic, the world economy encountered disruptions such as the Russia-Ukraine conflict, persistent inflationary pressures, and supply chain constraints. Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024.



Looking ahead, the global economic outlook remains influenced by a delicate interplay of factors. Inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. The trajectory of interest rate hikes by central banks will be instrumental in managing inflation and sustaining growth. Amidst these dynamics, Asian economies, particularly India and China, are expected to lead the charge with projected GDP growth rates of 6.6 and 5.2% respectively in 2023.

India Outlook

The Indian economy has demonstrated remarkable resilience in the face of multiple challenges, including elevated inflation and global uncertainties. Despite these headwinds, the Indian economy registered robust growth of 7.2% in FY 2022-23, propelled by strong private consumption, manufacturing recovery, and effective management of the pandemic through widespread vaccination. Inflationary pressures were addressed through cautious monetary policy measures, with the central bank's rate hikes gradually curbing inflation. The rebound in private consumption, supported by successful vaccination efforts, has invigorated production activities across sectors, underpinning the growth momentum. The government's substantial infrastructure spending, amounting to ₹ 111 lakh crore under the National Infrastructure Plan (NIP) and the National Monetisation Pipeline (NMP), is set to fuel private investments and stimulate aggregate demand.

Global Steel Industry

The global steel industry experienced a mixed landscape in 2022, marked by fluctuating steel demand and supply dynamics. Global steel demand reached ~1,768 million metric tons (MT) in 2022. Supply side challenges contributed to a ~4% decline in total world crude steel production, with China, the largest steel producer, recording a ~1.6% year-on-year decline in steel production due to lower economic activities caused by COVID-19 variants. Volatility in raw material prices, particularly coking coal, further impacted the industry, exacerbated by supply chain disruptions and geopolitical tensions.

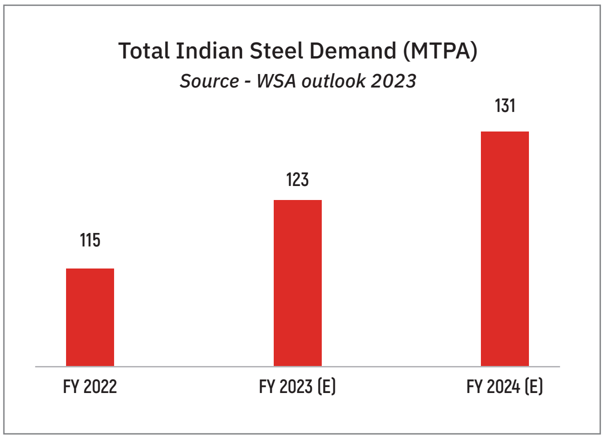
Looking ahead, the global steel industry is poised for a modest recovery in 2023. Encouraging developments, including China's economic reopening and improved supply chain conditions, are expected to drive a 2.1% year-on-year increase in global steel demand, reaching 1,822 million MT in CY23. As per the WSA's forecast as on April'23, China's steel demand is projected to grow by around 2%, driven by a rebound in the property market and the country's overall economic recovery. However, their consumption trends need to be closely monitored to see the actualities in the country. Conversely, European steel demand is anticipated to contract further due to inflationary pressures. The US is expected to witness moderate growth of around 1% in steel demand, supported by infrastructure investments. However, supply chain disruptions and geopolitical factors remain key risks, influencing prices and margins in the global steel market.

Meanwhile, coking coal and iron ore markets experienced notable volatility, affecting steel prices and margins. While uncertainties and geopolitical tensions continue to pose risks, factors such as China's recovery, diversification of supply chains, and Europe's resilience could drive a rebound in global steel demand. However, challenges like inflation, high energy prices, and potential trade disruptions warrant careful monitoring in the global steel industry.

Indian Steel Industry

The Indian steel industry showcased remarkable resilience and growth in FY 23. With a substantial ~13% year-on-year increase in steel demand, reaching ~120 million metric tons, India's strong domestic consumption and government-led infrastructure spending played pivotal roles in this growth. Alongside robust demand, domestic crude steel production also saw a 5% YoY rise, reaching ~126 million metric tons. However, this growth was accompanied by challenges in the trade sector. While finished steel exports witnessed a significant decline due to weak global demand and export duties imposed by the Indian government, finished steel imports surged by 29%, driven by strong domestic demand and competitive international prices. As India continues to invest in infrastructure and capitalize on its expanding automotive and energy sectors, the industry's outlook remains promising.

Looking ahead to FY 2023-24, the Indian steel industry is anticipated to sustain its growth trajectory. The government's ambitious infrastructure projects, coupled with robust GDP expansion and strong domestic consumption, are projected to drive a 7-9 % YoY increase in domestic steel demand. The steel sector's alignment with sustainable practices, such as the Steel Scrapping policy, reflects the country's commitment to reducing its environmental impact. Moreover, the implementation of the Production-Linked Incentive (PLI) Scheme for Speciality Steel is expected to further bolster domestic production, contributing to India's goal of becoming a global hub for green steel. As India emerges as a bright spot amid global economic uncertainties, the steel industry's focus on innovation, sustainability, and meeting the demands of key sectors like infrastructure, automotive, and energy remains pivotal to its continued success.



Sales & Marketing

Year 2022 can rightly be termed as the year of uncertainty. Global economy continued to maneuver through the turbulent times amid the continuing geopolitical tensions, fight against inflation, food supply crisis, the long tail of Covid-19 pandemic, threat of recession etc. Global growth is projected to fall from an estimated 3.5% in 2022 to 3% in 2023 & 2024.Global headline inflation is expected to fall from 8.7% in 2022 to 6.8% in 2023 and 5.2% in 2024. (Source: IMF – World Economic Outlook update – July 2023). Most economies will remain focused on ensuring the inflation is brought under control and to also ensure financial stability.

Indian economy remained resilience to external shocks and continued to remain robust. The growth was supported by strong investment activity bolstered by the governments capex push and rising private consumption. India's GDP growth for FY 2022-23 was at 7.2% and it remained one of the fastest growing economies of the world. While inflation remained a concern, the proactive steps taken by the central bank has yielded results in controlling it. According to IMF – July 23 (World economic outlook update) India is projected to grow by 6.1% in FY 2023-24 and 6.3% in FY 2024-25. However, according to RBI, India's growth momentum is likely to sustain in FY 2024 amid easing inflationary pressures. According to the monetary policy the government's thrust on capital expenditure, moderation in commodity prices and robust credit growth are expected to nurture investment activity. India will remain fastest growing major economy.

The global steel demand in CY 2022 as per the world steel association (Short Range Outlook-April 2023) contracted as the activity in the steel using sectors was hampered by prolonged lockdowns in China, the geopolitical crisis due to the invasion of Ukraine by Russia, high interest rates and inflation affecting the cost of living etc. The global steel demand in CY 2022 was at 1781.5 MnT, contracting by 3.2% YoY.

In China, the prolonged lockdown in the country which impacted the economy also had an effect on the steel demand. The steel demand in CY 2022 was at 921 Mnt, contraction by 3.5% YoY. Construction sector which remains the largest steel consuming sector was negatively impacted due to the turmoil in the real estate sector in China. While the performance of the manufacturing sector was weak, Automobile sector saw a growth of 3.4% in 2022, mainly driven by the Passenger vehicle segment which grew by 11.2%.

Steel demand in EU saw a contraction of 7.9% YoY and was at 152 Mnt. The energy crisis which developed post the geopolitical war had a deep impact impacting the industrial activities.

In Japan the steel demand in CY 2022 contracted by 4.2% amid weakness in the manufacturing sector. In 2022, the construction sector maintained positive momentum.

In South Korea too, the steel demand contracted significantly by 8.6% due to the declining construction activities and investments. Easing of supply chain constraints and strong exports helped the automobile production to recover in CY 2022.

In FY 2022-23, India's steel demand grew by 13% YoY to reach 120 MnT. *(Source: JPC)* Amid contraction of steel demand in many geographies, India remained a bright spot. A robust economy and the government thrust on infrastructure spending provided the much need impetus to the steel demand.

The world steel association in its Short-Range Outlook (SRO) – April 23 report forecasts the steel demand to rebound by 2.3% in CY 2023 to reach 1822 Mnt. While it expects the high interest rates to have an impact on the steel demand, the Manufacturing sector is expected to lead the recovery.

In China, the Steel demand in CY 2023 is expected to grow by 2% amid stimulus push from the government to revive the economy. Moderate recovery is expected in the Manufacturing and real estate sector.

EU in CY 2023 will witness the steel demand to contract slightly by 0.4% as it continues to navigate the supply chain issues risen out of the war and the monetary tightening measures.

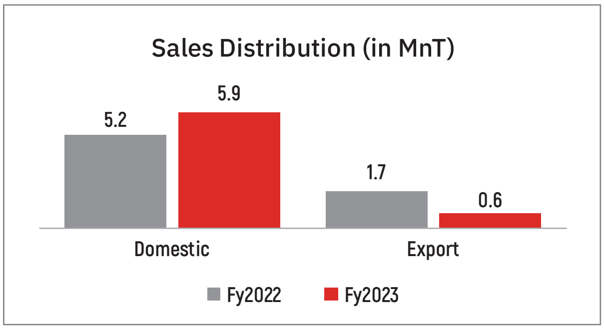
In Japan the steel demand is expected to increase by 4% in CY 2023 driven by the manufacturing and Automotive sectors.

South Korea will have a steel demand growth of 2.9% in CY 2023 amid recovery in the Ship Building and Automotive sectors. Construction sector is anticipated to remain sluggish.

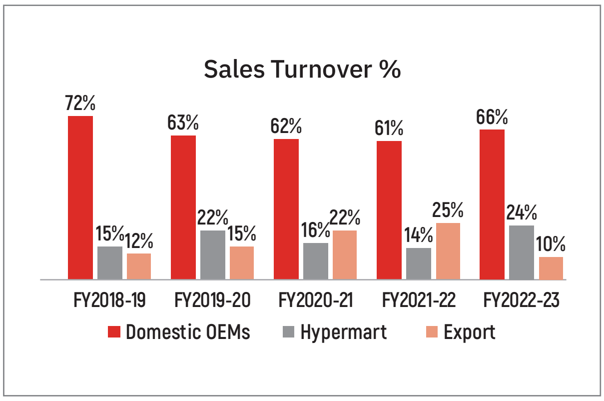
India will continue to benefit from the robust economy and as a result the steel demand in FY 2023-24 is anticipated to grow by around 7.5%. While the government will continue to drive the investment in Infrastructure, all the other steel consuming sector is also anticipated to provide the support on increasing the steel demand in the country.

Company Performance:

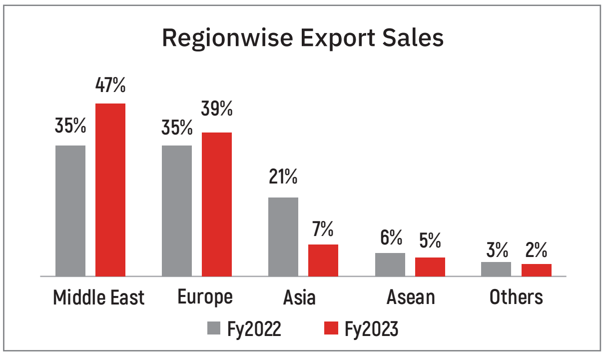
In FY 2022-23, AM/NS India achieved a total sale of 6.5 MnT. The Domestic market remains the prime focus of the company with 91% of the total sales in domestic market and balance 9% in Exports.



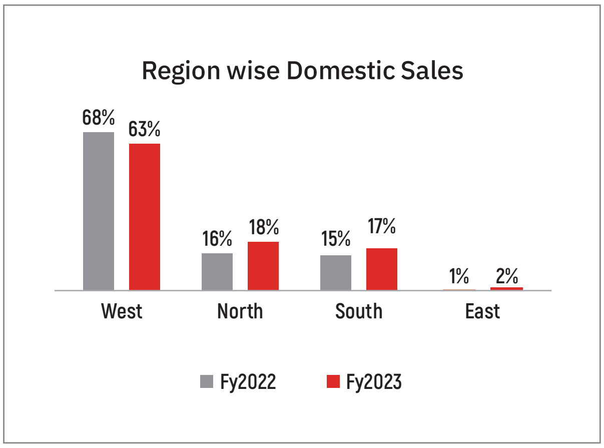
Sales volumes serviced in the Domestic market increased by 13% YoY while that of Exports decreased by 65% YoY primarily due to weak international market.



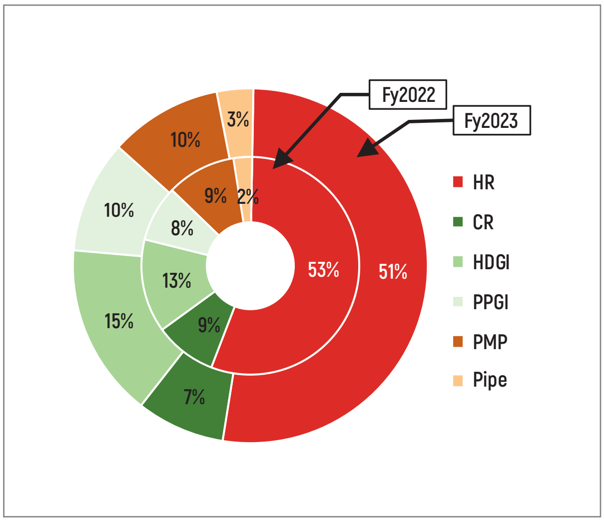
For exports, focus remained in ME and EU market which contributed to 86% of the total export.



In terms of regional distribution for Domestic market, the sales were spread across the country with the focus of revenue maximization.



AM/NS continues with its focus on selling value added grades resulting in higher realisation. Downstream products contributed to 32% of total sales volume.

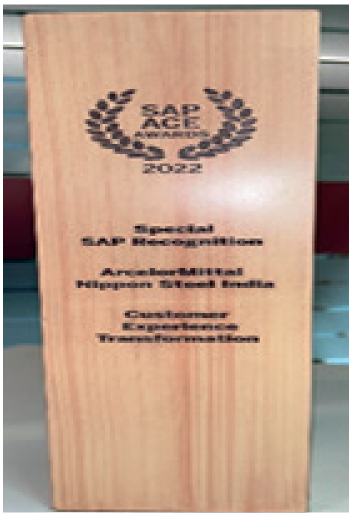


Customer remains the focal point for all our initiatives. The primary objective of any initiative being value addition for the customer and enhancing the ease of doing business.

The company continued with its Digitalization journey and took up initiatives for enhancing and providing value to each customer. The initiatives taken in FY 2022 was a success and appreciated by the customers & channel partners.

- The e - commerce platform developed in FY 2022 was recognized by SAP India and AM/NS was awarded with the **SAP special award in the Customer Transformation Initiatives category.**

The key initiatives in the Digitalization space taken up during FY 2022-23 are as below:



a. **Project "Track-n-Trace"** - GPS and SIM based tracking of vehicles ferrying of finished goods from Plant/Service centers to customers pan India. Our customers are able to track the shipments right up to their doorstep using a web-based interface on real time basis.

b. **Project Electronic Data Interchange (EDI)** - EDI involves ERP to ERP direct communication using an interface between AM/NS India and its customers relating to orders and shipments. The objective of this initiative was to significantly improve the operational efficiency.

AM/NS also undertook development of grades/ specifications to help customer achieve operational efficiency.

PRODUCT/GRADE DEVELOPMENT PLATES

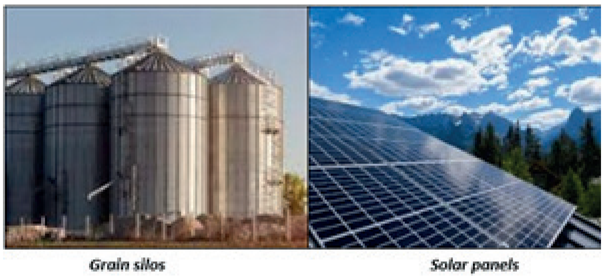
AM/NS India developed Q&T grades for Heat exchanger / boiler application as well as for penstock used in Hydro power plants.

AUTO

Developed customized grades/ products for specific Auto applications and for import substitution.

COATED

Developed specific grades/specifications for application in specific segments of Grain-Silos as well as SOLAR panels aimed at improving operational efficiency.



AWARDS & RECOGNITIONS:

- **Steel Users Federation of India (SUFI)** awarded AM/NS for its import substitution efforts to support **MAKE IN INDIA** initiative.

- **Mahindra & Mahindra** appreciated and awarded AM/NS for its "**consistency in supplies**."

- **"Supplier Performance Award"** from **L&T HED.**

- **"The Yellow Awards-2022"** from **Hyundai Constructions**

- **Volvo Eicher** recognized AM/NS as its valuable partner for **"Steel Sourcing & Development".**

In addition, AM/NS was recognized & awarded for its contribution on consistent supplies, support, and localization efforts.

a) TATA MOTORS - CVBU SUPPLIER CONFERENCE

b) MARUTI SUZUKI STEEL ALLOCATIONS

c) JCB STEEL ALLOCATIONS

AWARDS AND ACCOLADES

Your company received the following awards:

Sr. No.	Award Title	Category / Details	Awarded By	Year
1	Involve & Enable People to inculcate Safety Culture for making India Global leader"	Gold	Quality Circle Forum of India SURAT CHAPTER CONVENTION ON QUALITY CONCEPTS (SCCQC-22)	**2022**
2	Finishing Mill work roll change time reduction by 10 % in Compact Strip Production Mill" in AMNS India .	Gold	Quality Circle Forum of India SURAT CHAPTER CONVENTION ON QUALITY CONCEPTS (SCCQC-22)	**2022**
3	Productivity enhancement by reducing frequent jamming at EBT Steel making process	Gold	Quality Circle Forum of India SURAT CHAPTER CONVENTION ON QUALITY CONCEPTS (SCCQC-22)	**2022**
4	Equipment availability and safety Improvement of MH CDRI feeding system	Gold	Quality Circle Forum of India SURAT CHAPTER CONVENTION ON QUALITY CONCEPTS (SCCQC-22)	**2022**
5	Development of computerized system for Ports and Terminals to control the demurrage losses in port operation.	Gold	Quality Circle Forum of India SURAT CHAPTER CONVENTION ON QUALITY CONCEPTS (SCCQC-22)	**2022**
6	Implementation of vehicle safety management system for updating fitness status of the vehicles in Mines.	Runner Up - Winner	Aditya Birla group supported by Nasscom Centre of Excellence & Central Manufacturing Technology	**2023**
7	SGCCI Corporate Environment Responsibility (CER) Awards 2023'	Corporate Environment Responsibility	South Gujarat Chamber of Commerce & Industry (SGCCI)	**2023**
8	Green Gujarat Award 2023	Environmental Governance	News 18, Gujarat	**2023**

FINANCE

As per studies and media reports, the prospects for the steel industry for this growth is expected to be fueled by increased demand from the construction, railways, and capital goods sectors. With a strong focus on infrastructure development and sustained urban consumption, India's steel demand is estimated to increase by 8-9 million tons each year in the upcoming two financial years. In line with the Government of India's national steel policy to expand capacity to 300 MTPA by 2030, AMNSI also intends to take advantage of this and embark on an aggressive path to increase our rolling capacity from 7.8 MTPA to 18 MTPA by 2030.

Prime Minister Narendra Modi did the Bhoomi Poojan ceremony held at Hazira for AMNSI expansion program in Oct 2022 and emphasized the significance of AMNSI's role in the Make in India campaign:

"Till now we were satisfied by exporting iron ore. But for economic development, we had to do value-addition of our mineral resources. In the global market, Indian steel is making its own positioning. It is not just about expansion at Hazira, they are also bringing new technology that will help in EVs, automobiles and other manufacturing sectors."

As of March 31, 2023, the Company's net worth stood at ₹ 39,698.50 Crores, while it achieved a net profit of ₹ 2,186.95 Crores during the FY 22-23 year. The Company is successfully enhancing its financial and operational performance, indicating a robust trajectory of growth and progress.

AMNSI has executed important actions that will enable it to achieve stronger growth over the upcoming years:

1. The company has formulated an ambitious plan to boost its rolling capacity at the Hazira location from 7.8 million tons per annum (MTPA) to 18 MTPA. This strategic expansion not only aligns with the growing demand for steel but also presents an opportunity to significantly increase revenues. Additionally, the enhanced capacity will enable the production of higher-quality steel, positioning the company to command premium prices in the market and to further improve profitability.

2. The company successfully secured a USD 5 billion line of credit facility through its parent company to fund its capex expansion plan in April 2023. This arrangement ensures access to funds at competitive rates, resulting in substantial cost savings. The credit line will enable the company to meet its financial requirements efficiently while optimizing expenses and maximizing profitability.

3. In line with our aggressive growth plans, we are introducing new facilities to augment our value-added mix. This strategic move will contribute to higher EBITDA by allowing us to offer a wider range of value-added steel products to our customers. Additionally, the Company is actively searching for new avenues for expansion and market penetration. As part of our collaboration with Arcelor Mittal, our parent entity, we are leveraging their advanced technologies to drive growth and create sustainable steel. This partnership provides us with access to cutting-edge innovations in steel production, enabling us to enhance our operational efficiency, reduce environmental impact, and improve product quality. By leveraging Arcelor Mittal's expertise and resources, we are committed to delivering sustainable steel solutions that meet the evolving needs of our customers while minimizing our ecological footprint.

4. The successful implementation of a new Enterprise Resource Planning (ERP) system will result in reduced costs and automated repetitive tasks. This streamlined solution will optimize operations, eliminate manual processes and enhance efficiency. With the new ERP in place, the company can focus on more strategic initiatives, improve decision-making processes, and allocate resources effectively, leading to enhanced productivity and cost savings.

5. During the Financial year 2022-23 company maintained its credit ratings, During FY 22-23 the company was able to raise unsecured non-funds-based credit lines (including Capex) ~ ₹15,312 crore its working capital was required at very competitive rates. Banks and NBFCs are willing to provide additional lines as and when required by the Company.

6. AMNS Completed the acquisition of certain assets including critical ports and power assets (connected assets) during FY 22-23 and post FY 22-23, directly or through its subsidiary companies. 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 requirements and also ensure robust supply chain management. The company is actively observing viable and attractive investment opportunities in the steel sector for expansion through acquisitions.

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

The Company has prepared consolidated financial statements, 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, 2023, 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. However, A composite scheme of arrangement 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 ("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"), has been approved by the order of Hon'ble National Company Law Tribunal dated March 15, 2023. The effective date of the Scheme is August 3, 2023. Please refer Note 54 of Notes to Accounts.

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:

The particulars of loans, guarantees and investments have been disclosed in the notes to the financial statements of the Company for the financial year 2022-2023.

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, 2023 the Authorised Share Capital and the paid-up share capital of the Company were remained at ₹ 30,000 Crores and ₹ 11,952 Crores respectively.

In terms of the composite scheme of arrangement authorised share capital of the Company will be increased to ₹ 80,000 Crores on the amalgamation of ArcelorMittal India Private Limited (AMIPL) with the Company. As per said scheme, 2504,13,06,142 fully paid-up Equity shares of ₹ 10 each of the Company shall be issued and allotted to Oakey Holding B.V. (in its capacity as the shareholder of AMIPL) for settlement of consideration for the amalgamation of AMIPL with the Company. These shares have been allotted on September 25, 2023.

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.

During the year, Mr. Tomomitsu Inada (DIN: 09649119) was appointed as an additional director of the company with effect from November 15, 2022. The Board, in its meeting held on 12th December, 2022, also recommended and appointed Mr. Tomomitsu Inada (DIN: 09649119) as Whole Time Director of the Company designated as Director and Vice President – Technology with effect from 12th December, 2022 in place of Mr. Jun Hashimoto (DIN: 09244627). Mr. Inada (DIN: 09649119) was appointed as a Director in the Extra-ordinary General Meeting held on December 15, 2022. Further in the same EGM, Mr. Inada (DIN: 09649119) has also been appointed as a Wholetime Director of the Company pursuant to the provision of section 196 and other provisions of the Companies Act 2013.

Also, the Company noted and placed on record its deep gratitude for the services rendered and contribution made by Ms. Hilde Van Grembergen Magda Jacqueline, Mr. Jun Hashimoto, Mr. Hideki Ogawa, Mr. Hendrik Jacob Verster and Ms. Marina Guimaraes Soares during their respective tenures, as the Directors of the Company who resigned from the Company in the current Financial Year and post March 31, 2023.

Pursuant to the provisions of Section 161(1) appointment of Mr. Bradley Davey (DIN: 09179206), Mr. Genuino Christino (DIN: 10165679) and Mr. Hiroshi Ebina (DIN: 08224876) who were appointed as Additional Directors post March 31, 2023. The Additional Directors will be regularized and appointed as Directors at the ensuing Annual General Meeting to be held on September 30, 2023. The Board recommend the appointment of Mr. Bradley Davey (DIN: 09179206), Mr. Genuino Christino (DIN: 10165679) and Mr. Hiroshi Ebina (DIN: 08224876) as Directors of the Company at this 47th Annual General Meeting. The Board is of the opinion that the continuation of the aforesaid Directors is within the requirements of the Companies Act, 2013 and in the interest of the Company. Accordingly, the Board recommends the appointment of Mr. Bradley Davey (DIN: 09179206), Mr. Genuino Christino (DIN: 10165679) and Mr. Hiroshi Ebina (DIN: 08224876) as Directors of the Company.

As per the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Prabh Das (DIN 00164799), Mr. Yoshiaki Kusuhara (DIN: 09576452) and Mr. Takahiro Mori (DIN: 09173335) retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

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

Name	Designation
Mr. Dilip Oommen	Wholetime Director and Chief Executive Officer
Mr. Amit Harlalka	Chief Financial Officer

Mr. Tomomitsu Inada	Wholetime Director and Vice President Technology
Mr. Pankaj S. Chourasia	Company Secretary

During the year, Mr. Kalyan Ghosh (DIN: 06444120) was appointed as an alternate director to Mr. Hendrik Jacob Verster (DIN: 09701152) and later to Mr. Bradley Davey (DIN: 09179206). Mr. Hiroshi Ebina (DIN: 08224876) was appointed as Alternate Director to Mr. Yoshiaki Kusuhara (DIN: 09576452).

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 Eleven (11) times as under:

Name of the Director	22.06.2022	20.07.2022	24.08.2022	09.09.2022	12.10.2022	13.10.2022	19.10.2022	16.11.2022	12.12.2022	11.01.2023	22.03.2023
Mr. Aditya Mittal	N	Y	N	N	Y	N	N	N	Y	N	Y
Mr. Bradley Davey		Y									
Mr. Prabh Das	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y
Ms.Hilde Van Grembergen	Y	Y									
Mr. Takahiro Mori		Y	N	N	Y	N	N	N	Y	N	Y
Mr. Ichiro Sato	Y	Y	N	N	Y	N	N	N	Y	N	Y
Mr. Hideki Ogawa	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
Mr. Dilip Oommen	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Mr. Jun Hashimoto	N	Y	N	Y	Y	Y	N				
Mr. Yoichi Furuta											
Mr. Hiroyuki Nitta											
Mr. Kalyan Ghosh (Alternate Director)	Y							Y		Y	
Mr. Hiroshi Ebina (Alternate Director)			Y	Y		Y	Y	Y			
Mr. Hendrik Jacobus Verster			Y	Y	Y	Y	N	N	Y		Y
Mr. Yoshiaki Kusuhara	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Tomomitsu Inada								N		Y	Y
Ms.Marina Soares			N	Y	N	Y	N	N	Y	N	Y

* Attended by respective alternate directors. *Ceased to be Director

Appointed on 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, 2023, the Board of Directors hereby confirms that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2023, 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, 2023 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 is carried out by an in house qualified and experienced team led by Chief Internal Auditor. The in-house team is assisted by outsourced audit resources as per the requirements. 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 MD & CEO 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 is commensurate with the size and operation of the Company.

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

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company has formulated "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 whistle-blower 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 whistle-blowers at all times.

The Vigil Mechanism Policy of the Company is available on the website of the Company https://www.amns.in/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. & 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 inhouse internal audit team and the significant observations are reported to the Managing Committee and the Assurance Review 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 standalone financial statement of the Company. However, auditors have put Other Matter and drawn the attention to note 54 to the financial statements relating to the implementation of Composite Scheme of Arrangement among ArcelorMittal Nippon Steel India Ltd., ArcelorMittal India Private Limited and AM Associates India Private Limited.

ii. Consolidated Financial Statement:
There was no qualification by the auditors on the consolidated financial statement of the Company. However, auditors have put emphasis of matter paragraph and drawn attention to note 53 (f) to the financial stateement to consider the effects of merger of ArcelorMittal India Private Limited (AMIPL) with the company.

B. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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 2022-2023.

Secretarial Audit Report issued by Ashish Garg Secretaries LLP, Company Secretaries, in prescribed Form MR-3 for the financial year 2022-2023 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. S R B C & CO LLP, (Firm Registration Number: 324982E/E300003), Chartered Accountants, has been appointed in place of M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 302009E) as Auditors of the Company from FY 22-23 for a period of 5 years from the conclusion of 46th Annual General Meeting till the conclusion of 51st 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.

D. COST AUDITORS:

M/s. Smit Manubhai & Associates, Cost Accountants have been re-appointed as the Cost Auditors of the Company for the financial year 2023-2024 for all applicable Product Groups. The Cost Audit report for the financial year 2022-2023 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 2022-23, 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 31.03.2023 for redressal.

During the year under review, 2 meetings of Internal Complaints committee were held on 6.04.2022 and 16.09.2022 respectively, attended by the following members:

Smt. Srikanya Das and Mr. 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 has been completed pursuant to order of Hon'ble Supreme Court of Mauritius dated May 8, 2023.

iii. During the year, the Company has acquired substantial Ports and Power assets from Essar group as per the Share Purchase Agreements executed on August 26, 2022. The following Companies have become the Subsidiaries of the Company:

1. Ibrox Aviation and Trading Private Ltd.
2. AMNS Ports India Limited (formerly Hazira Cargo Terminals Limited)
3. AMNS Ports Hazira Limited (formerly Essar Bulk Terminal Limited)
4. AMNS Ports Paradip Limited (formerly Essar Bulk Terminal Paradip Limited)
5. AMNS Power Hazira Limited (formerly Essar Power Hazira Limited)
6. Snow White Agencies Private Limited
7. Bhagwat Steel Limited

iv. During the year, the Company has subscribed the Memorandum of Association and 5000 equity shares (50%) of a Section 8 Company namely New Age Education and Skills Foundation ("New Age") on January 17, 2023. Later, the Company has acquired remaining 5000 equity shares of New Age thereby making New Age its wholly owned subsidiary company on February 10, 2023.

v. During the year, the Company has subscribed 94,50,00,000 Class A compulsory convertible preference shares with a face value of ₹ 10 each and a premium of ₹ 20 of AM Mining India Private Limited.

vi. During the year, the Company has subscribed 56,00,00,000 Non-Convertible Redeemable Preference Shares of ₹ 10/- each of Ibrox Aviation and Trading Pvt. Ltd. for INR 560,00,00,000/-.

vii. During the year, the Company has subscribed 3,90,00,000 Equity Shares of ₹ 10/- each of AM Green Energy Private Limited for INR 39,00,00,000/- which consists of 26%.

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 Scheme has been approved by the order of Hon'ble Tribunal dated March 15, 2023. The effective date of the Scheme is August 3, 2023. Please refer Note 54 of Notes to Accounts.

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	**Tomomitsu Inada**
Director & CEO	Director & Vice
DIN: 02285794	President (Technology)
Date: 25th September, 2023	**DIN:** 09649119
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 Shipping and Logistics Private Limited	AMNS International Limited	PT AMNS Indonesia	AMNS Ports Hazira Limited
2.	The date since when subsidiary was acquired	16.12.2009	12.06.2006	20.05.2011	23.06.2022	19.09.2015	19.09.2015	15.11.2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	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	₹82.22/$	₹82.22/$	NA	NA	₹82.22/$	₹82.22/$	NA
5.	Share capital	506.31	31.37	0.20	331.01	337.31	312.44	7.55
6.	Reserves & surplus	(2,094.27)	-99.33	-6.77	32.88	(1.08)	619.89	1871.14
7.	Total assets excluding investment	101.00	0.14	1.61	369.05	-	1023.05	3472.11
8.	Total Liabilities	2790.70	68.10	8.18	10.18		90.72	2005.25
9.	Investments	1,101.75	-	0.00	5.02	336.23	-	411.83
10.	Turnover(including Other Income)	115.93	-	14.51	107.56	73.04	2265.92	1205.64
11.	Profit / (Loss) before taxation	59.63	-0.10	6.13	33.15	73.04	74.73	282.93
12.	Provision for taxation	-	-	-	0.27	-	31.33	167.47
13.	Profit / (Loss) after taxation	59.63	0.00	6.13	32.88	73.04	43.49	115.46
14.	Proposed Dividend	-	-	-	-	-	-	
15.	Extent of shareholding (in percentage)	100%	100%	100%	100%	100%	100%	97.76%

Sr. No.	Particulars	Details						
1.	Name of the subsidiary	AMNS Ports Paradip Limited	AMNS Ports India Limited	Ibrox Aviation and Trading Private Limited	AMNS Power Hazira Limited	Bhagwat Steel Limited	New Age Education and Skills Foundation	Snow White Agencies Private Limited
2.	The date since when subsidiary was acquired	15.11.2022	15.11.2022	15.11.2022	19.10.2022	19.10.2022	17.01.2023	19.10.2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	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	NA	NA	NA	NA	NA	NA	NA
5.	Share capital	0.05	64.24	0.01	10.00	12.20	0.01	1.19
6.	Reserves & surplus	546.62	2104.18	238.54	1062.90	-9.12	6.93	-4.44
7.	Total assets excluding investment	643.39	17.79	4.29	1615.32	3.16	7.09	9.55
8.	Total Liabilities	96.72	150.33	561.11	542.42	0.08	0.15	12.80
9.	Investments	-	2300.96	795.36	0.00	0.00	0.00	0.00
10.	Turnover(including Other Income)	250.40	19.66	143.08	389.61	0.14	7.00	0.03
11.	Profit / (Loss) before taxation	134.78	(5.88)	117.64	154.71	0.04	6.93	1.61

12.	Provision for taxation	32.58	3.36	31.59	38.42	0.01	0.00	-0.01
13.	Profit / (Loss) after taxation	102.21	(9.24)	86.04	116.29	0.03	6.93	1.62
14.	Proposed Dividend	-	-	-	-	-	-	
15.	Extent of shareholding (in percentage)	97.76%	97.75%	100%	100%	100%	100%	100%

Essar steel offshore limited & its subsidiaries (ceased to be related party w.e.f. 08.05.2023)

*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	AM Green Private Limited	Essar Steel Processing FZCO
1	Latest audited Balance Sheet Date	31.03.2023	31.03.2023
2	Date on which the Associate or Joint Venture was associated or acquired	22.08.2022	04.04.2010
3	Shares of Associate/Joint Ventures held by the company on the year end		
	No. of shares	3,90,00,000	2
	Amount of Investment in Associates/Joint Venture	39 Crore	0.448 Crore
	Extent of Holding (in percentage)	26%	40%
4	Description of how there is significant influence	Through percentage equity shareholding	Through percentage equity shareholding
5	Reason why the associate/joint venture is not consolidated	NA	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	99.22	-3.305
7	Profit/(Loss) for the year		
	i. Considered in Consolidation	0.27	NIL
	ii. Not Considered in Consolidation	Nil	- 4.60

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 covered more than 214 villages spread across eight states and in FY 2022-2023 impacted more than 6,56,541 lives.

   The CSR Policy of the company provides guidance in achieving its social commitment in adherence to the Schedule VII of the Companies Act, 2013. Our CSR interventions also contribute towards the achievement of Sustainable Development Goals. With a priority to our peripheral areas, we work in active partnership with multiple stakeholders including government, communities, and non-governmental organizations to deliver long term sustainable project benefits to the vulnerable and deprived people. The Board CSR Committee provides strategic direction for CSR and approves the plans, budgets, and reviews the process and progress to foster sustainable growth of the company and communities.

2. **Composition of CSR Committee As on March 31st, 2023:**

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

   * Mr. Hideki Ogawa has resigned on March 31, 2023.

3. **Composition of CSR Committee as on the date of the Board report:**

Sr. No.	Name of Director	Designation o/Nature of Directorship
1	Mr. Prabh Das	Director
2	Mr. Bradley Lloyd Davey	Director
3	Mr. Ichiro Sato	Director
4	Mr. Yoshiaki Kusuhara	Director

4. **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:**

   Composition of the CSR Committee, CSR Policy and CSR Projects are uploaded on the company website- AM/NS India (amns.in)

5. **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):**

   The company voluntarily conducted impact assessment through an independent agency, SoulAce Consulting Private Limited in December 2021 and submitted the report in March 2022. The executive summary of the impact assessment is attached with the report. The impact assessment study for FY 2022-2023 will be carried out.

6. 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	2022 - 23	102.90	NIL
2	2021 - 22	48.55	NIL
3	2020 - 21	64.11	NIL
	TOTAL	215.56	Not Applicable

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

8. (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

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

The Company does not have any CSR liability as per Section 135(5) of the companies act, 2013 since company did not make any profits. However, the company spent an amount of ₹ 102.90 crores voluntarily towards various CSR activities on six thrust areas including Health & Sanitation, Education, Livelihood (Skill Development and Women Empowerment), Sports and Culture, Community Infrastructure Development, and Environment.

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
102.90	NIL	NA	NA	NIL	NA

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (₹ in Crores.)	(8) Amount spent in the current financial Year (₹ in Crores.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crores.).	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Reg. No.
1	Project Arogya (Health Initiative – Health Dispensary, Health Camps, Ambulance, Support to Health Centers, COVID-19)	Item (i)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh, Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 Years	5.84	3.27	0	Yes	Direct	
2	Project Arogya (Health Initiative – Mobile Medical Unit)	Item (i)	Yes	Odisha, Gujarat	Paradeep, Sundargarh, Surat	3 years	0.74	0.53	0	No	HelpAge India	CSR00000901
3	Project Arogya (Health Initiatives – Health Dispensary)	Item (i)	Yes	Odisha	Sundargarh	3 years	1.00	0.22	0	No	Punaruthan Voluntary Organisation	CSR00000650
4	Project PadhegaBharat (Education Initiatives- Learning and teaching materials, upgradation in nearby schools and Anganwadi centers)	Item (ii)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh, Maharashtra, Madhya Pradesh, Haryana	Surat, Keonjhar, Sundargarh, Malkangiri, Jagatsinghpur, Keonjhar, Dantewada, Sukma, Visakhapatnam Pune, Dhar, Jhajjhar	3 years	1.33	3.84	0	Yes	Direct	
5	Project PadhegaBharat (Education Initiatives - Support to Mo School)	Item (ii)	Yes	Odisha	Malkangiri, Jagatsinghpur, Kendrapara	3 years	50.00	50.00	0	No	Mo School Abhiyan Parichalana Sangathan	CSR00009574
6	Project PadhegaBharat (Education Initiatives- Nutrition support to educational institute)	Item (ii)	Yes	Odisha	Keonjhar	3 years	0.08	0.10	0	No	Ramadevi Village Development Organization	
7	Project Digital Pathashala	Item (ii)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh, Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 years	1.00	0.83	0	No	Build A Class Initiative	CSR00032133

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (₹ in Crores.)	(8) Amount spent in the current financial Year (₹ in Crores.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Crores.).	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Reg. No.
8	Project Beti Padhao Scholarship	Item (ii)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh, Maharashtra	Surat, Keonjhar, Sundargarh, Jagatsinghpur, Kendrapara, Dantewada, Visakhapatnam, Pune	3 years	1.20	1.13	0	No	Siksha Seva Foundation	CSR00002256
9	Project SAFAL (Livelihood Initiatives - Lok Vikas Kendra, Income generation program)	Item (iii)	Yes	Gujarat, Odisha, Chhattisgarh	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma	3 years	2.84	1.40	0	Yes	Direct	
10	Project SAFAL (Livelihood Initiatives - Lok Vikas Kendra, Income generation program)	Item (iii)	Yes	Odisha	Jagatsinghpur	3 years	0.18	0.13	0	No	Ramadevi Village Development Organization	
11	Project Daksh	Item (iii)	Yes	Gujarat, Odisha, Chhattisgarh, Maharashtra	Surat, Jagatsinghpur, Raipur, Pune	3 years	2.00	1.67	0	No	National Skill Development Corporation	CSR00005903
12	NAMTECH (Skill Institute)	Item (iii)	Yes	Gujarat	Gandhinagar	4 years	30.00	29.25	0	Yes	Direct	
13	Project Green (Environment)	Item (iv)	Yes	Odisha, Chhattisgarh, Andhra Pradesh, Maharashtra	Jagatsinghpur, Dantewada, Visakhapatnam, Pune	3 years	0.07	0.09	0	Yes	Direct	
14	Project Udaan (Promotions of Sports and Culture)	Item (vii)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh	Surat, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur	3 years	2.02	2.19	0	Yes	Direct	
15	Project Nirman, Trupti & Ujjawla (Community Infrastructure & other initiatives)	Item (x)	Yes	Gujarat, Odisha, Chhattisgarh, Andhra Pradesh, Maharashtra	Surat, Keonjhar, Sundargarh, Malkangiri, Dantewada, Sukma, Visakhapatnam, Jagatsinghpur, Pune	3 years	6.49	6.73	0	Yes	Direct	
	Total						**104.77**	**101.37**				

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

<table>
<tr><th>(1)
Sr. No.</th><th>(2)
Name of the Project</th><th>(3)
Item from the list of activities in schedule VII to the Act.</th><th>(4)
Local area (Yes / No).</th><th colspan="2">(5)
Location of the project.</th><th>(6)
Amount spent For the Project (₹ In Crores)</th><th>(7)
Mode of implementation Direct (Yes / No).</th><th colspan="2">(8)
Mode of implementation of - Through implementing agency.</th></tr>
<tr><th></th><th></th><th></th><th></th><th>State</th><th>District</th><th></th><th></th><th>Name</th><th>CSR registration number</th></tr>
<tr><td>1</td><td>High School Transformation Project</td><td>Item (ii)</td><td>Yes</td><td>Odisha</td><td>Kendrapara</td><td>0.90</td><td>No</td><td>District Education Office</td><td></td></tr>
<tr><td></td><td>Total</td><td></td><td></td><td></td><td></td><td>0.90</td><td></td><td></td><td></td></tr>
</table>

(d) Amount spent in Administrative Overheads: ₹ 0.48 Crores

(e) Amount spent on Impact Assessment, if applicable: ₹ 0.15 Crores

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): ₹ 102.90 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	102.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	102.90
(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)]	102.90

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

11. 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**

12. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)

The Company does not have CSR liability as per Section 135(5) of the companies act, 2013 since the company is bringing forward losses which are set off against profits hence there is no net profit under section 198 for CSR liability.

ANNEXURE IV
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2023

[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
(**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, 2023, 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, 2023 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, 2018; which is not applicable to the Company during the Audit Period.

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; 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 2018; 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, the necessary consents 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.

I further report that

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.

Sd/-

Place: Indore

Date: 25th September, 2023

Ashish Garg

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
(**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 and have given this report based on the Unaudited Financial Statement.
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/-
Place: Indore
Date: 25th September, 2023

Ashish Garg
Practicing Company Secretary

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 2022-23
1	500MW CCPP - Optimize power consumption of Water treatment plant - Energy Savings (Lakhs kWh) - 7, Investment - 3 Lakhs
2	500MW CCPP - Phase I: Install FRP blades for Turbine/generator radiator fans and IDCT fans - Energy Savings (Lakhs kWh) - 23.5, Investment - 84 Lakhs
3	SINTER - Improving Compressor Efficiency by Optimizing operation - Energy Savings (Lakhs kWh) - 4.4, No Investment
4	BF - VVVFD to be installed in Cooling tower 3 & 4 for power savings - Energy Savings (Lakhs kWh) - 3.05, Investment - 5.4 Lakhs
5	BF - Impeller Trimming of venturi-II cold sump pump - Energy Savings (Lakhs kWh) - 14.02, No Investment
6	COREX - Efficiency improvement in water System pumps with improved maintenance - Energy Savings (Lakhs kWh) - 2.81, No Investment
7	HBI - To increase cooling gas scrubber cooling efficiency by 15 % in Mod 6 - NG Saving - Energy Savings (Lakhs SM3) - 47.03, Investment - 30 Lakhs
8	HBI - To increase cooling gas scrubber cooling efficiency by 15 % in Mod 6 - POWER Saving - Energy Savings (Lakhs kWh) - 12, Investment - 30 Lakhs

Sr. No.	ENERGY CONSERVATION MEASURES 2022-23
9	HBI - Increasing feed gas temp through recuperators to reduce fuel consumption in Mod-1 - Energy Savings (Lakhs SM3) - 14.53, Investment - 93 Lakhs
10	SMP-1 - Maximize HDRI usage to save energy - Energy Savings (Lakhs kWh) - 1472.1, Investment - 4683 Lakhs
11	SMP-2 - Power saving by providing individual outlet damper for HMPS Station A and B Booster fan - Energy Savings (Lakhs kWh) - 6.79, Investment - 39 Lakhs
12	SMP-2 - VVVFD installation in LF and Primary Booster fan (2 nos) - Energy Savings (Lakhs kWh) - 21.4, Investment - 200 Lakhs
13	HSM - Replacement with Energy efficient pumps - Cooling tower, Laminar, Pressure Filter (10 nos), Energy Savings (Lakhs kWh) - 48.3, Investment - 99 Lakhs
14	CSP MILL - Reduction of Fuel Consumption by 15-20% in Tunnel Furnace Line C. - Energy Savings (Lakhs SM3) - 3.8, No Investment
15	CRM - VVVF Drive to be installed for APC Dryer Blower -6(WQT) motor (75KW) - Energy Savings (Lakhs kWh) - 3.61, Investment - 7 Lakhs
16	PIPE MILL - Replace Screw Compressors with Centrifugal compressor - Energy Savings (Lakhs kWh) - 8.41, Investment - 120 Lakhs
17	UTILITIES - Optimization of air compressor, interconnection with grid and automation - Energy Savings (Lakhs kWh) - 123, Investment - 54 Lakhs
18	UTILITIES - Optimization of Caster water cooling pumps and air compressor power consumption. - Energy Savings (Lakhs kWh) - 13.95, No Investment
19	Others - Replacing conventional light fittings with LED fittings - Energy Savings (Lakhs kWh) - 26, Investment - 121 Lakhs
20	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 - 2023-24
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 VVVFD in water system Pump - Energy Savings (Lakhs kWh) - 2.08 - Approx. Investment - 20 Lakhs
BF - Replacement of old second compressor with Energy efficient - Energy Savings (Lakhs kWh) - 10.64 - Approx. Investment - 120 Lakhs
BF - VVVFD to be installed in SSPH Pump - Energy Savings (Lakhs kWh) - 3.07 - Approx. Investment - 6 Lakhs
BF - Optimization of pump in Stave cooling water circuit & reducing heat load through improving furnace input raw material quality. - Energy Savings (Lakhs kWh) - 6.39 - Approx. Investment - Nil
BF - Reduce the pressure drop across bag filter and damper in PCI fan - Energy Savings (Lakhs kWh) - 16.7 - Approx. Investment - 50 Lakhs
BF - Reduce the pressure drop across damper in Cast House Dedusting Fan - Energy Savings (Lakhs kWh) - 16.56 - Approx. Investment - Nil
BF - Revamping of Evaporative coolers (32 nos) at main Pump House - Energy Savings (Lakhs kWh) - 7.57 - Approx. Investment - 261 Lakhs
COREX - Reduction in Power Consumption of Cooling Gas Compressor. - Energy Savings (Lakhs kWh) - 24.64 - Approx. Investment - Nil
COREX - Optimization in Coal Drying Plant ID fan-8 & 9 - Energy Savings (Lakhs kWh) - 1.96 - Approx. Investment - Nil
HBI - Drive Installation (Internal shifting) in Mod-6 Main Air Fan- Energy Savings (Lakhs kWh) - 49.63 - Approx. Investment - Nil
HBI - Increasing feed gas temp through recuperators to reduce fuel consumption in Mod-2 - Energy Savings (Lakhs SM3) - 9.41 - Approx. Investment - 130 Lakhs
HBI - Modification of mod 4 reformer tube from 8" to 9" to improve productivity - NG Saving. - Energy Savings (Lakhs SM3) - 141.48 - Approx. Investment - 65 Lakhs
HBI - Modification of mod 4 reformer tube from 8" to 9" to improve productivity - Power saving. - Energy Savings (Lakhs kWh) - 59.4 - Approx. Investment - 65 Lakhs
SMP-1 - Reduce the pressure drop across the damper & Bag filter in ID fans - Energy Savings (Lakhs kWh) - 142, Approx. Investment - 1100 Lakhs
SMP-2 - Drive installation in LF and Primary Booster fan (5 nos), - Energy Savings (Lakhs kWh) - 44 - Approx. Investment - 520 Lakhs
SMP-2 - Reduction of pressure drop across bag filer in ID fan System - Energy Savings (Lakhs kWh) - 10.72 - Approx. Investment - 50 Lakhs

Proposed Energy Saving Projects - 2023-24
SMP-2 Utility - Replace Existing Metal Blade to FRP Blade for Fans and Fin Fan Coolers - Energy Savings (Lakhs kWh) - 5.4 - Approx. Investment - 17 Lakhs
HSM - Recuperator Bundles replacement (4 - hot, 4 - cold) in RHF-2 - Energy Savings (Lakhs SM3) - 12.47 - Approx. Investment - 1000 Lakhs
CSP MILL - Recuperator Efficiency improvement - Energy Savings (Lakhs SM3) - 5.17 - Approx. Investment - 100 Lakhs
CSP MILL- Utility - Replacement of low efficiency pumps with energy efficient pumps - Energy Savings (Lakhs kWh) - 22.64 - Approx. Investment - 118 Lakhs
CSP MILL - Reduce heat loss through waste Gases by 10% in Tunnel Furnace line A & B - Energy Savings (Lakhs SM3) - 0.54 - Approx. Investment - Nil
PLATE MILL - Recuperator Bundle for RHF - Energy Savings (Lakhs SM3) - 204.29 - Approx. Investment - 350 Lakhs
PLATE MILL, Utility - Plate Mill - Install VFD for Cooling water Pumps - Energy Savings (Lakhs kWh) - 1.87 - Approx. Investment - 13 Lakhs
CRM - VVVF drive to be installed in CRM-1 roll coolant supply pump. (132KW) - Energy Savings (Lakhs kWh) - 4.31 - Approx. Investment - 9 Lakhs
CRM Utility - Installing Condensing economizer in flue gas path in CRM-1 Boiler - Energy Savings (Lakhs SM3) - 1.74 - Approx. Investment - 18 Lakhs
CRM Utility - Replace PRV with microturbine in CRM boiler - Energy Savings (Lakhs kWh) - 13.36 - Approx. Investment - 75 Lakhs
UTILITIES - Avoid recirculation of feed water in BFP to deaerator. RHD Boiler - Energy Savings (Lakhs kWh) - 1.2 - Approx. Investment - 7 Lakhs
UTILITIES - Replace belt driven AHU drives with direct drives - Energy Savings (Lakhs kWh) - 4.07 - Approx. Investment - 22 Lakhs
Vizag - Optimization of Power Consumption by installing Variable frequency drive. - Energy Savings (Lakhs kWh) - 2.07 - Approx. Investment - 3 Lakhs
Vizag - REDUCING THE SUCTION HEAD OF 7325 PUMP - Energy Savings (Lakhs kWh) - 0.36 - Approx. Investment - Nil
500MW CCPP - Install FRP blades for Turbine/generator radiator fans and IDCT fans - Energy Savings (Lakhs kWh) - 13.75 - Approx. Investment - 65 Lakhs
500MW CCPP - Replacement of GT hall REF`s with Turbo-ventilator fans. - Energy Savings (Lakhs kWh) - 4.34 - Approx. Investment - 2 Lakhs
270 MW - Energy conservation in Bottom Ash Handling System - Energy Savings (Lakhs kWh) - 2.49 - Approx. Investment - 4 Lakhs

ENERGY CONSERVATION MEASURES 2022-23 AT ODISHA

1. CONSERVATION OF ENERGY

- KVX System (Oil saving) system implemented in both the plants with this we are able to save 1.5 Ltr/Mt for both the plants.

- Dry fog system implanted in all junction houses to reduce moisture in pellets.

- Saving in power cost of **₹4.43 cr** has been achieved during Mar 23 (previous month – ₹3.38 cr) due to use of Grid Power & one power plant in Pellet Plant operations (Cumulative saving achieved **₹ 24.44 cr** since Sept 22).

- With ship loading conveyor specific power consumption is less than 2KW/T and total loading time of panamax is around 24hrs.

2. TECHNOLOGY ABSORPTION

- PP1 Double Deck Roller Feeder (Segregation) supplied by METAL7 has been received. The installation is in progress.

3. RESEARCH AND DEVELOPMENT (R & D)

- Linder test Apparatus and RI and RDI system equipment's installed in Lab.

- Ultrasonic pretreatment before magnetic separation improves the separation efficiency by affirming the surface scrubbing of ultra fine particles which otherwise is not possible with traditional techniques.

Conservation Of Energy & Technology Absorption for FY 2022-23 - Pune

A. Energy Conservation:

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

blower. Annual saving of 4.03 Lacs.

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

   Annual savings of ₹ 5.32 Lacs

3. Energy Saving on account of Provision of VFD for Mill 3 Fume ex. Blower 200 kw.

   Annual savings of ₹ 11.57 Lacs

4. Energy Saving on account of Provision of VFD for Mill 3 coolant pump- 160Kw.

   Annual savings of ₹ 7.19 Lacs

5. Energy Saving on account of Provision of VFD for Mill 1 coolant pump- 55Kw.

   Annual savings of ₹ 3.48 Lacs

6. Energy Saving on account of Provision of VFD for Mill 1 DC motor ventilation blower 90kw.

   Annual savings of ₹ 3.92 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 ₹ 4.25 Lacs

9. Energy Saving on account of Provision of VFD for incinerator exhaust fan CCL-1 .

   Annual savings of ₹ 7.12 Lacs

10. Energy Saving on account of Provision of VFD for finish water quench pump of 75kw CCL-2 .

    Annual savings of ₹ 7.26 Lacs

11. Energy Saving on account of Provision of VFD for RTF combustion blower of 15KW CGL-2 .

    Annual savings of ₹ 3.38 Lacs

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

    Annual savings of ₹3.21 Lacs

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

    Annual savings of ₹3.04 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 ₹6.29 lacs

15. 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 ₹ 17.56 lacs.

16. Energy saving on account of installation of reactive power factor control system.

    Total Annual savings of ₹ 550 lacs.

17. Energy Saving on account of Provision of 200KW VFD for cold well pumps of CGL/CCL water complex.

    Annual savings of ₹ 35.25 Lacs

18. Propane Saving on account of Provision of KVX module in boiler.

    Annual savings of ₹ 75 Lacs

19. Propane Saving on account replacement of I/P modules with electrical actuators in CCL1 ovens.

    Annual savings of ₹ 130 Lacs

    Total Savings - ₹ 886.10 Lacs

B. Technology Absorption:

1. Energy saving on account of installation of reactive power factor control system.
2. Propane Saving on account of Provision of KVX module in boiler.
3. Propane Saving on account replacement of I/P modules with electrical actuators in CCL1 ovens.
4. 10-year warranty color coated product to a customer from Belgium to be used in a poultry farm
5. 4 coat wrinkle finish product to customer from Romania to be used for fence.

ArcelorMittal Nippon Steel India Ltd, Pellet Operations, Visakhapatnam

Conservation of Energy

PS1 – Kirandul:

1. Energy saved through final phase LED lights implementation & Transparent Sheet installation in FY 22-23 is 0.47 lakh KWH, which amounts to INR 2.47 lakhs/year.

PS2 – Chitrakonda:

1. Energy saved through installation of 5.5 Ton AC system for HVAC system flexible operation based on seasonal ambience temperature changes leading to energy savings of **39071** units for FY 22-23, amounting to cost savings of **2.24 Lakhs**.

Pellet Plant - Vizag

1. Use of catalyst in furnace oil benefited oil savings of ₹190 Lakhs due to continuous monitoring and control of oil viscosity to attain the desired oil temperature.

2. Replacement of PP2 oil Preheater with 450 kW Electrical Heater with state-of-the-art Thyristor control Module amounting to total recurring cost of ₹ 107 Lakhs per year.

3. Oil savings of ₹ 19 Lakhs per annum by elimination of clinker formation (inside the Burner Ports due to deviation / malfunctioning of HP Burner air control valves) by implementing a new tripping interlock of HP burners on air fuel ratios and deviations in burner compressed air pressure.

4. Energy savings by installation of the following electrical equipment which has provided savings of ₹ 38 Lakhs per annum.

   a) Installation of IE3 Motors in place of IE2 motors provided savings of ₹ 8.5 Lakhs.

   b) Installation of LEDs in place of conventional lighting provided savings of ₹ 8.39 Lakhs.

   c) Installation of Ultra Low Harmonic Drives in place of conventional drives provided savings of ₹ 6 Lakhs.

   d) Energy savings by optimum utilization of single motor in place of dual motors for Raw Material Loading Conveyors which provided a cost savings of ₹ 9 Lakhs per annum.

   e) Installation of High Mast towers (in place of conventional towers) to reduce the power consumption and effective illumination with cost savings of ₹4 Lakhs per annum.

   f) Installation of VFD to reduce motor capacity of pump no. B5052 from 90 kW to 75 kW which resulted energy savings of ₹ 2 Lakhs per annum.

Captive Power Plant – Vizag

1. Energy saving achieved through trimming of Centrifugal pump Impeller for Auxiliary Cooling water Pump, resulted in cost savings of ₹9.0 Lakhs.

TECHNOLOGY ABSORPTION

SPL

1) Test Work on Iron Ore Slurry:

Test work on iron ore slurry is done to provide the optimum mineralogical, rheological, chemical, and physical characteristics of slurry for attaining the design throughput of SPL & to study out the instantaneous and long-term impacts on the pipeline due to the variations in these parameters.

The mineralogical and Characterization studies are under progress.

Pellet Plant – Vizag

1. New Superior quality deck chain is introduced in DDRF which has increased the plant availability by 3 hrs and saving of ₹200 Lakhs.

2. Fibre reinforced polymer coating is applied to swivel plate of Pressure filter to protect from corrosion which provided saving of ₹173 Lakhs.

3. New weld clad wear plates are installed in WBR (Fan-22) which has increased the plant availability by 48 hrs per year and savings of ₹633 lakhs

4. Dry Baffle Wall installed in PP2 in place of Water-Cooled Baffle Lintel which is benefited in elimination of water consumption and issues due to water line damages/ leakages. Also, reduced installation/ replacement time.

5. Infrared camera (Thermal Imager) for online condition monitoring of Induration Furnace refractory to eliminate process disturbances and plant stoppages caused by sudden refractory failures.

6. Conveyor-105 drive pulley stub shaft design is modified with solid single shaft to take additional loads.

7. Forced Lubrication is installed in all four ball mill motors to enhance the life of the motor bearings and improved availability.

Captive Power Plant – Vizag

1. Improvement of Boiler furnace water walls and Super heater coils heat transfer efficiency in flue gas path by cleaning of Fly ash soot deposits with Dry ice cleaning technology which gives more effective and efficient cleaning process compared to conventional air cleaning, resulted in improvement in Boiler efficiency and cost savings achieved ₹73.0 Lakhs.

PROCESS OPTIMIZATION

PS1 – Kirandul:

1) Slurry Charge Pump outlet standby valve Installation done and benefited cost savings of ₹14 Lakhs.

2. 7 KM pipeline replacement was done starting from PS-2 in April CY 22. This has enhanced the hourly throughputs by achieving incremental hourly flow rates. The average incremental day tonnage for the period from May to Dec 2022 is **666 Tons** per Day. The average operating days per month in slurry mode for this duration being 26.

PS2 – Chitrakonada

3. Replacement of Diaphragm housings in 3G4 GEHO pump at end of CY 21, enabling increased pump availability. The availability increased by **10 % in CY 22 i.e. from 87 % to 97 %.**

4. Replacement of Diaphragm housings in 3G5 GEHO pump at beginning of CY 22, enabling increased pump availability. The availability increased by **11 % in CY 22 i.e. from 87 % to 98 %.**

Pellet Plant- Vizag

1. PP1 & PP2 wind box recuperation fan no.M06 auto start provision to avoid down time, production loss and manual intervention which benefited cost saving of ₹50 Lakhs per annum.

2. Optimization of fuel consumption through proper technical audit and rectification of Induration furnace leakages and false air entries. This is resulted in operational benefits (i.e. increase in opening of Fan-32 damper by 15-20% (17 m3/sec additional volume of heat to the green pellet bed) and cost saving of ₹30 lakhs per annum towards energy saving.

3. Extension of PP2 conveyor-40 chute towards PP1 conveyor-41D with a diversion gate to facilitate operational flexibility and elimination of production loss which provides savings of ₹18 lakhs per annum.

4. Provision of gate diversion from product conveyor no. 1 to 1A to eliminate production loss, pellets overflow, movement cost of the same and dust emissions during overflow. This will provide a cost benefit of ₹10 lakhs per annum.

5. Elimination of nitrogen usage for sample piston movement in Carbon-Sulphur analysis by installation of oil free air compressor. This is resulted in a marginal savings of ₹0.24 lakhs per annum.

6. Reclaimer Bucket wheel gear box capacity is upgraded from 160 kW to 200 kW to reclaim both fines & pellets and minimised the demurrage charges.

7. Process fans impeller diameter of Fan-22, Fan -32 in PP2 is increased by 3% to meet the process requirements.

FORM B – R&D

ARCELORMITTAL NIPPON STEEL INDIA LIMITED-HAZIRA

R&D 2022-2023

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	18
Raw materials projects	3
Mathematical models	1
By Products valorisation	2

Import Substitution through new steel grade development

	2019-20	2020-21	2021-22	2022-23
Number of new steel grades developed	7	15	12	18
Number of import substitute grades developed	3	5	2	5

Import substitute grades developed in FY2022-23:

1. High strength thicker plates for rotor arm of wind mill application through TMCP route as per EN10025-4_ S460ML

2. NACE quality plus HIC resistant low alloy Cr-Mo steel plates for pressure vessel application (SA387 Grade 22 Class 2)

3. High strength quenched and tempered plate as per A537 Class 2 with restricted carbon equivalent for improved weldability

4. High strength and ultra-tough steel plates for structural application upto 100mm thickness [TMCP upto 60mm & Q&T upto 100mm] as per DNVGL VLF36 grade

5. Development of high strength quenched and tempered steel plates as per EN10025-6 S890QL in 80mm thick plate for modular bridges

New Products Developed

No of projects	Name	Key product attributes / Challenges	Plant trials	Commercial Production
Hot Rolled				
4	Dual phase (F+M) hot rolled steel for automotive wheel disc application	High tensile strength (>590MPa), high strain hardening coefficient, low YS/UTS ratio 0.70 max, good bendability (1.5t), control of microstructure, Good fatigue performance	✓	
	High strength Tuffmax 700 in thickness >10-12mm with toughness for automotive application	High strength (YS>700Mpa) with CVN impact at -20 deg C	✓	✓
	High strength steel in thickness >10mm for flow forming automotive wheel Disc application	High strength (YS>500Mpa), good material flow characteristic	✓	
	API X-70 with HTP concept rolling for alloy cost optimization through Hot strip mill for HSAW pipes (upto thickness 12mm)	High strength (TS>570Mpa) with DWTT at -10 deg C at 45°C to rolling direction	✓	✓

No of projects	Name	Key product attributes / Challenges	Plant trials	Commercial Production
Cold Rolled				
2	High strength low alloy HSLA 340 with vanadium microalloying. CRCA steel for automotive application	High strength (YS>340 MPa) with restricted chemistry	✓	✓
	Low carbon re-phosphorised CRCA high strength steel with improved percentage elongation for automotive application	High strength (TS>440Mpa), Elongation (>30%)	✓	✓
Galvanized				
2	High strength GI for construction application as per ASTM A653 SS60	High strength (YS> 410MPa) in thickness 2.50mm, non-microalloyed steel	✓	
	High strength GI for solar panel application as per ASTM A653 HSLAF80	High strength (YS> 550MPa) with elongation 12% minimum in thickness 2.50mm	✓	
Plates				
10	High strength thicker plates for rotor motor lock of wind mill application through TMCP route as per EN10025-4_S460ML **(Import substitute)**	High strength YS>450 MPa with impact toughness @-50°C with through thickness properties	✓	✓
	High strength quenched & tempered low alloy steel plates as per A517 Grade F with restricted carbon equivalent (CE=0.50 max) for penstock application	High strength (YS>690Mpa) with impact toughness at -20 deg C. Restricted CE for improved weldability	✓	✓
	NACE quality plus HIC resistant low alloy Cr-Mo steel plates for pressure vessel application (SA387 Grade 22 Class 2) **(Import substitute)**	2.25Cr-1Mo Low alloy steel with restricted S and P. Resistant to temper embrittlement with controlled X & J-factor of 15 max & 100 max respectively. Response to extended SPWHT cycle of 24 hours at 690deg C and HIC resistant.	✓	✓
	High strength quenched and tempered plate as per A537 Class 2 with restricted carbon equivalent for improved weldability **(Import substitute)**	High strength Q&T plates with restricted CE and extended simulation PWHT with CVN toughness at -70°C.	✓	✓
	Special NACE quality plus HIC resistant steel plates for hydrofluoric acid alkylation services.	High strength with extended SPWHT and CVN toughness at minus 29°C plus HIC resistant	✓	✓
	High strength and ultra-tough steel plates for structural application upto 100mm thickness [TMCP upto 60mm & Q&T upto 100mm] as per DNVGL VLF36 grade **(Import substitute)**	High strength YS>355 MPa with impact toughness @-80°C in TMCP and Q&T condition	✓	
	Development of high strength quenched and tempered steel plates as per EN10025-6 S890QL in 80mm thick plate for modular bridges **(Import substitute)**	High strength (YS>830 MPa) with low temperature toughness at -40°C.	✓	✓

No of projects	Name	Key product attributes / Challenges	Plant trials	Commercial Production
	Abrasion resistance steel plates Rockstar 400 with improved toughness at -20degC	High hardness (~400BHN) with impact toughness at -20 C	✓	✓
	High strength TMCP rolled S420M wider width >4000mm plates for offshore structural application	Restricted carbon equivalent, high strength (YS>420MPa), optimizing rolling pass schedule and sub-zero CVN toughness	✓	✓
	API X-56 PSL-2 plates for LSAW pipes with wall thickness upto 37mm	High strength impact toughness CVN and DWTT at 0 deg C	✓	✓

Process modelling projects

Sr. No.	Projects	FY 22-23
1	Development of Digital Twin Model for continuous caster at SMP I for process simulation and visualization	✓

Raw materials projects

Sr. No	Projects	FY 21-22	FY 22-23
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. (full scale implementation)	✓	✓
2	Development of tailing recycling circuit for Kirandul high grade tailing utilization – padapar	✓	✓
3	Use of novel beneficiation techniques to reduce gangue contents in Odisha ore	✓	✓

By Product valorization projects

Sr. No	Projects	FY 21-22	FY 22-23
1	Development of slag-based concrete blocks with alkali activators without cement	✓	✓
2	Study on pot grate experiments for sinter expansion project – determination of SOx and NOx.		✓

Collaborations / Research Projects given to external R&D institutions

Sr. No	Year	External Institution	Project Name
1	2022-23	CBMM	Development of API X-70 hot rolled coil/cut to length plates for HSAW/LSAW pipes with drop weight tear test (DWTT) at -10°C based on high temperature processing (HTP) concept steel design for ease of rolling at hot strip mill.
2	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. Terra-surfacing of the road done in Dec 22 - Feb 23 to further improve the life of the road.
3	2021-23	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. Phase II of durability study completed in Nov-22
4	2022-23	Indian Institute of Technology Gandhinagar	Prediction of Transverse cracks in continuous slab caster using Machine Learning and Artificial Intelligence.

New R&D equipment procured:

Sr. No	Description & use
1	Intensive mixer: An equipment to mix different type of raw materials
2	Swelling apparatus: Measurement of pellet swelling after reduction
3	Miscellaneous small equipment: Gas Analyzers, Tumbling setup.
4	Metallography sample preparation machines: Cutting and automatic polishing machine

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

AM/NS remain focussed on serving its customers in the international market. In FY 2022-23 Export sales constituted 9% of the total sales. The start of year (May 2022) saw the Union government imposing a 15% duty on steel exports and this had a big impact on the overall geography mix.

Middle East (ME) continues to remain a strategic geographic location for the company. It continues to develop its capabilities for servicing the customers in the region through a dedicated service centre and dedicated sales team focussed primarily on developing relationships with all the key end user customers in Middle East regions. The company has also opened its first international Hypermart in Middle East. Volumes in FY 2022-23 for ME region contributed to 47% of the total export volumes.

For FY 2022-23, EU remained the other geography where the company remained focussed. 39% of the total export volumes were sold in EU.

86% of the export sales volumes were in ME & EU. Rest of the volumes were spread in Asia & Asean countries.

In terms of product mix, Hot Rolled products was at 53%, whereas Coated & Plates was at 32% in the overall mix for total export sales.

Total Foreign exchange used and earned (₹ in Crores)

a)	**Total Foreign exchange earned**	**2022-23**	**2021-22**
	i) Foreign exchange directly earned through export(FOB Value)	6660.33	14,748.51
	ii) Others	520.90	893.43
	Total foreign exchange earned	**7181.22**	**15,641.94**
b)	**Total foreign exchange used**		
	i) For import of plant and machinery/technical know-how	621.39	258.61
	ii) Others including raw materials and interest on borrowings	26,739.85	20,594.03
	Total foreign exchange used	**27,361.24**	**20,852.65**

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 2023, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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.

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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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.

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.

Other Matter

(a) The financial statements of the Company for the year ended March 31, 2022, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion with emphasis of matter para on those financial statements on June 22, 2022.

(b) As described in note 54 of the Standalone financial statements, effect of the merger of ArcelorMittal India Private Limited with the Company has been accounted retrospectively with effect from December 16, 2019 on the basis of order of the National Company Law Tribunal (the 'NCLT') dated March 15, 2023 on Composite Scheme of Arrangement filed by the Company with NCLT. Standalone financial statements of ArcelorMittal India Private Limited, considered for the purpose of the merger, for the year ended March

31, 2022, were audited by the predecessor auditor of ArcelorMittal India Private Limited who had expressed an unmodified opinion on those standalone financial statements on September 8, 2022. We have audited merger related adjustments and eliminations for year ended March 31, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   g) In our opinion and according to the explanations given to us, no managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 its knowledge and belief, other than as disclosed in the note 43 (iv) to the standalone 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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; and

(c) Based on such 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 (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
(ICAI Firm Registration Number: 324982E/E300003)

Pritesh Maheshwari
Partner
(Membership No.: 118746)
(UDIN: 23118746BGYNVN8828)

Place: Mumbai
Date: September 25, 2023

ANNEXURE "1"

Referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: ArcelorMittal Nippon Steel India Limited ("the Company")

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) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(b) All Property, Plant and Equipments were physically verified by the management in accordance with a planned programme of verifying over the period of three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 5 (a) to the standalone financial statements are held in the name of the Company except certain immovable properties as indicated below:

Description of Property	Gross Carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold land Located at Hazira admeasuring 81.1707 hectares, 20.4569 hectares, and 22.4905 hectares	491.76	Government of Gujarat	No	2005-2013	The title deeds are in the name of the State Government. The land parcels are in possession of the Company. Refer Note 5(a) 2 to the standalone financial statement.
Freehold land Located at Hazira admeasuring 100.71 hectares	399.46	Erstwhile land owners	No	1990-2020	The title deeds are in the name of the erstwhile land owners and these land parcels are in the possession of the Company. Refer Note 5(a)2 to the standalone financial statement.

Description of Property	Gross Carrying value (₹ in crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Freehold Land Located at Odisha admeasuring 4.51 hectares	4.32	Erstwhile land owners	No	2021	The Company has acquired certain land parcel 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. Refer Note 5(a)2 to the standalone financial statement.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(b) As disclosed in note 43 (x) to the standalone financial statements, the Company has not been sanctioned any working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company except for facilities which are lien on bank deposits for which no quarterly statements are required to be submitted. The Company do not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

(iii) (a) During the year, the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

Particulars	Loan (₹ in Crores)
Aggregate amount granted/ provided during the year	
- Others	20
Balance outstanding as at balance sheet date in respect of above cases	
- Others	20

(b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and investments to companies and other parties are not prejudicial to the Company's interest. The Company has not provided any guarantees or given any security to any other 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 ₹2,787.95 crores to related parties which were granted prior to NCLT order approving the Resolution Plan of the Company under the Insolvency and Bankruptcy Code, 2016 and have been fully provided for in earlier years - refer note 14 to the standalone financial statements. As mentioned in note 55 to the standalone financial statements, in respect of loan granted in earlier years and outstanding from one of the related party (w.e.f. November 10, 2022), the Company has recovered partial amounts as part of claim settlement under the resolution plan approved by committee of creditors and has accounted provision in relation to the balance amount, not recovered in the claim settlement process, in the Statement of profit and loss for the year ended March 31, 2023.

(d) There are no amounts of loans and advances in the nature of loans granted to companies or any other parties which are overdue for more than ninety days other than the loans fully provided for in earlier years and loans outstanding from one of the related party which is received during the current year basis resolution plan approved by committee of creditors of the related party as referred in clause 3(iii)(c) of the Order.

(e) There were no loans or advance in the nature of loan granted to companies or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) During the year, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, customs duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates. The Company does not have any joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associates. The Company does not have any joint ventures. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company and hence not commented upon.

(x) (a) The Company has not raised any money during the year by way of initial public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company and hence not commented upon.

(b) The Company has complied with provisions of sections 42 of the Companies Act, 2013 in respect of the preferential allotment of shares to holding company of the Company against conversion of debt on October 13, 2022. The Company has not made any private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. However, as explained in note 54 to the standalone financial statements, shares earlier issued by the Company were cancelled and new shares were issued, subsequent to balance sheet date, in compliance with the merger order.

(xi) (a) To the best of our knowledge, no fraud by the Company or no fraud on the Company has been noticed or reported during the year. Further, there are certain open whistle blower complaints in relation to which management investigation is in process. To the extent of such ongoing complaints and related investigations, we are unable to comment whether any fraud by the Company or on the Company has been noticed or reported.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Further, as represented to us by the management, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor / cost auditor in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures, except as mentioned in paragraph (xi)(a) of Annexure 1 of audit report, in case of pending completion of investigation in certain whistle blower complaints, to that extent, we are unable to comment on the impact, if any, on the standalone financial statements for the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards. As fully described in note 43 (xiii) of the standalone financial statements, the provisions of section 177 of Companies Act, 2013 were not applicable to the Company for the financial year ended March 31, 2023.

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

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the

Order is not applicable to the Company and hence not commented upon.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company and hence not commented upon.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company and hence not commented upon.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company and hence not commented upon.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year. Hence requirement to report on clause 3(xvii) of the Order is not applicable to the Company and hence not commented upon.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns, if any, raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 52 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 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 considering the past losses and accordingly reporting under clause (xx) of the Order is not applicable for the year.

For **S R B C & CO LLP**
Chartered Accountants
(ICAI Firm Registration Number: 324982E/E300003)

Pritesh Maheshwari
Partner
(Membership No.: 118746)
(UDIN: 23118746BGYNVN8828)

Place: Mumbai
Date: September 25, 2023

ANNEXURE "2" to the Independent Auditor's Report of even date on the Standalone Financial Statements of ArcelorMittal Nippon Steel India Limited

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

We have audited the internal financial controls with reference to standalone financial statements of ArcelorMittal Nippon Steel India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 the 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 with reference to these standalone financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
(ICAI Firm Registration Number: 324982E/E300003)

Pritesh Maheshwari
Partner
(Membership No.: 118746)
(UDIN: 23118746BGYNVN8828)

Place: Mumbai
Date: September 25, 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2023		As at 31st March, 2022	
Assets					
Non-Current Assets					
Property, Plant and Equipment	5(a)	32,014.59		31,451.34	
Capital Work-in-Progress	5(b)	4,118.85		1,577.12	
Intangible Assets	5(c)	438.92		345.48	
Intangible Assets under development	5(d)	52.38		21.63	
			36,624.74		33,395.57
Right of Use Asset	48		2,197.29		2,617.68
Financial Assets					
i. Investments	6(a)	26,726.00		2,705.45	
ii. Loans	7	181.36		3,150.09	
iii. Other Financial Assets	8	2,271.77		5,467.16	
			29,179.13		11,322.70
Income Tax Assets (Net)			347.92		246.29
Other Non-Current Assets	9		3,732.83		416.67
Total Non Current Assets			**72,081.91**		**47,998.91**
Current Assets					
Inventories	10		9,676.13		10,837.08
Financial Asset					
i. Investments	6(b)	779.28		4,347.16	
ii. Trade Receivables	11	1,467.40		1,367.38	
iii. Cash and Cash Equivalent	12	1,079.90		1,069.29	
iv. Bank Balances other than (iii) above	13	4,069.17		13,333.13	
v. Loans	14	1.28		0.45	
vi. Other Financial Assets	15	4,198.13		7,190.28	
			11,595.16		27,307.69
Other Current Asset	16		1,979.93		1,936.74
Total Current Assets			**23,251.22**		**40,081.51**
Total Assets			**95,333.13**		**88,080.42**
Equity and Liabilities					
Equity					
Share Capital	17	25,041.31		25,041.31	
Other Equity	18	14,657.19		16,363.04	
Total Equity			39,698.50		41,404.35
Non Current Liabilities					
Financial Liabilities					
i. Borrowings	19	29,991.86		31,389.74	
ii. Lease Liabilities	48	1,822.97		2,138.57	
iii. Other Financial Liabilities	20	1,563.06		-	
			33,377.89		33,528.31
Provisions	21		183.94		40.26
Deferred Tax Liabilities (net)	22		2,373.34		4,153.97
Other Non-Current Liabilities	23		119.45		137.14
Total Non Current Liabilities			**36,054.62**		**37,859.68**
Current Liabilities					
Financial Liabilities					
i. Borrowings	24	6,169.79		595.68	
ii. Buyers' credit		2,353.83		-	
iii. Trade Payable					
Total outstanding dues of micro and small enterprises	25	175.50		203.64	
Total outstanding dues of creditors other than micro and small enterprises	25	6,145.79		3,888.74	
iv. Lease Liabilities	48	423.37		459.67	
v. Other Financial Liabilities	26	3,297.71		2,588.20	
			18,565.99		7,735.93
Provisions	27		134.64		132.65
Other Current Liabilities	28		879.38		947.81
Total Current Liabilities			**19,580.01**		**8,816.39**
Total Liabilities			**55,634.63**		**46,676.07**
Total Equity and Liabilities			**95,333.13**		**88,080.42**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	Note No.	For Year ended 31st March, 2023		For Year ended 31st March, 2022	
Income					
Revenue from Operations	29		53,399.10		55,668.12
Other Income	30		1,035.10		656.11
Total Income			54,434.20		56,324.23
Expenses					
Cost of Materials Consumed	31	32,457.12		31,015.47	
Purchases of Stock in Trade		20.87		177.73	
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	32	(215.87)		(1,798.30)	
Power and Fuel	33	7,004.98		5,437.38	
Employee Benefits Expense	34	687.63		567.16	
Other Expenses	35	5,975.48		5,687.56	
			45,930.21		41,087.00
Profit before Finance Costs, Depreciation and Amortisation, Exceptional Items and Tax			8,503.99		15,237.23
Financial Asset	36		3,673.31		2,717.59
Depreciation / Amortization Expense	5(e)		2,462.70		2,468.90
Profit / (Loss) before Exceptional items and Tax			2,367.98		10,050.74
Exceptional Items - Expense (Net)	51		652.41		1,591.43
Profit before Tax			1,715.57		8,459.31
Tax Expense	37				
Deferred Tax Charge / (Credit)/Charge			(471.38)		1,234.52
Profit for the year			2,186.95		7,224.79
Other Comprehensive Income (OCI)	38				
A (i) Items that will not be reclassified to profit or loss					
Remeasurement gain/ (loss) on defined benefit plans			(9.43)		(10.80)
Fair Value of Equity Instruments through OCI			0.06		(0.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss					
Remeasurement gain/ (loss) on defined benefit plans			2.37		2.72
Fair Value of Equity Instruments through OCI			(0.02)		-
B (i) Items that will be reclassified to profit or loss					
Cash flow hedges			(5,192.67)		11,610.64
(ii) Income tax relating to items that will be reclassified to profit or loss					
Cash flow hedges			1,306.89		(2,922.17)
Total other comprehensive income/ (loss) (Net of Tax)			(3,892.80)		8,680.36
Total Comprehensive Income/(Loss) for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)			(1,705.85)		15,905.15
Earning per Share (in Rupees)	49				
Basic [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			0.87		2.89
Diluted [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			0.87		2.89
The accompanying notes are an integral part of the Standalone Financial Statements.					
As per our report of even date	2				

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	Share Capital (Refer Note 54)	Other Equity							Total
		Reserve & Surplus					Items of Other Comprehensive Income/ (Loss) (OCI)		
		Capital Reserve	Retained Earnings	Securities Premium Account	Capital Contribution	General Reserve	Cash flow hedges	Fair Value of Equity Instruments	
Balance as on 31st March, 2021	**25,041.31**	**5,534.37**	**(15,775.51)**	**7,814.61**	**1,813.08**	**77.51**	**831.37**	**(22.17)**	**25,314.57**
Profit for the year	-	-	7,224.79	-	-	-	-	-	7,224.79
Other Comprehensive Income (Loss) for the year (net of tax)	-	-	(8.08)	-	-	-	8,688.47	(0.03)	8,680.36
Total Comprehensive Income for the year (net of tax)	**-**	**-**	**7,216.71**	**-**	**-**	**-**	**8,688.47**	**(0.03)**	**15,905.15**
Capital Contribution during the year [Refer Note 18(f)]	-	-	-	-	184.63	-	-	-	184.63
Balance as on 31st March, 2022	**25,041.31**	**5,534.37**	**(8,558.80)**	**7,814.61**	**1,997.71**	**77.51**	**9,519.84**	**(22.20)**	**41,404.35**
Profit for the year	-	-	2,186.95	-	-	-	-	-	2,186.95
Other Comprehensive Income (Loss) for the year (net of tax)	-	-	(7.06)	-	-	-	(3,885.78)	0.04	(3,892.80)
Transfer to Retained Earnings (De-recognition of Fair Value through OCI- Equity Instrument)	-	-	6.20	-	-	-	-	(6.20)	-
Total Comprehensive Income for the year (net of tax)	**-**	**-**	**2,186.09**	**-**	**-**	**-**	**(3,885.78)**	**(6.16)**	**(1,705.85)**
Balance as on 31st March, 2023	**25,041.31**	**5,534.37**	**(6,372.71)**	**7,814.61**	**1,997.71**	**77.51**	**5,634.06**	**(28.36)**	**39,698.50**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	For the Year ended 31st March, 2023		For the Year ended 31st March, 2022	
A. Cash Flow from Operating Activities				
Profit before Tax		1,715.57		8,459.31
Adjustments for -				
Depreciation and amortization expense	2,462.70		2,468.90	
Loss on sale/write off of Property, Plant and Equipment/ CWIP	14.03		42.58	
Liabilities/Provision no longer required written back	(133.09)		(34.51)	
Provision for Impairment of Investment	6.20		-	
Exceptional Items (Net) (Refer Note 51)	652.41		1,591.43	
Finance Costs	3,673.31		2,724.58	
Exchange Difference (Net)	(115.37)		55.76	
Interest Income on Deposit with Banks and Others	(488.49)		(431.76)	
Amortisation of Deferred Gain	(17.70)		(17.70)	
Allowance/ writeoff for Doubtful Debt/Trade Advances	1.76		29.86	
(Gain)/Loss On Fair Valuation Of Investments	128.53		(78.35)	
(Gain)/ Loss on sale of Investments	(388.44)		(69.23)	-
		5,795.85		6,281.56
Operating Profit before working capital changes:		7,511.42		14,740.87
Changes in working capital:				
Increase in Trade Payables	1,807.63		1,430.47	
Increase in Buyers' credit	2,353.83		-	
Increase in Other Current / Non Current Financial Liabilities	4.69		7.22	
Increase/(Decrease) in Other Current Liabilities	(68.44)		156.84	
Increase in Long Term Provisions	16.98		6.93	
Increase in Short Term Provisions	2.14		130.80	
(Increase)/Decrease in Inventories	1,160.95		(4,105.19)	
(Increase)/Decrease in Trade Receivables	(102.31)		762.62	
(Increase) / Decrease in Current Loans	(0.83)		1.04	
(Increase) in Other Current Assets	(43.18)		(804.58)	
Decrease in Other Curent / Non Current Financial Assets	970.55		347.00	
		6,102.01		(2,066.85)
Cash Generated from Operations		13,613.43		12,674.02
Income Taxes Paid		(101.63)		(43.50)
Net Cash Generated from Operating Activities (A)		**13,511.80**		**12,630.52**
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment,intangible assets, Capital Work in Progress (including under development and Capital Advances)	(7,781.41)		(275.46)	
Proceeds from Sale of Property, Plant and Equipment/CWIP	302.51		(1,252.33)	
Purchase of Current Investments (Net)	3,827.79		(2,629.90)	
Investment in Subsidiaries, Associates and others	(22,338.77)		-	
Proceeds from Other Financial receivable	2,411.80		-	
Interest Received	554.34		322.55	
Inter Corporate Deposit Given	(20.00)		(148.32)	
(Increase)/Decrease in Deposit with Banks (Net)	9,172.29		(6,239.33)	
Net Cash used in Investing Activities (B)		**(13,871.45)**		**(10,222.79)**
C. Cash Flow from Financing Activities				
Repayment of Non current Borrowings	(329.27)		(992.06)	
Net change in Short term Borrowing	2,545.63		(635.98)	
Payment towards Interest portion of Lease liabilities	(221.70)		(204.24)	
Payment towards Principal portion of Lease liabilities	(363.13)		(402.46)	
Finance Cost paid	(1,261.25)		(338.75)	
Net Cash Generated from / (used in) Financing Activities (C)		**370.28**		**(2,573.49)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**10.63**		**(165.76)**
Cash and Cash Equivalents at the beginning of the year		1,069.27		1,235.03
Cash and Cash Equivalents at the end of the year		1,079.90		1,069.27
Net Increase / (Decrease) in Cash and Cash Equivalents		**10.63**		**(165.76)**

Summary of significant accounting policies (Note No. 2)

STANDALONE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2023

Notes:

1 The above Standalone Statement of cash flows has been prepared using the "indirect method" set out in IND AS 7 - Statement of Cash Flows.

2 **Reconcilliation of borrowings during the year** **(₹ in Crores)**

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Borrowing as at beginning	31,985.42	31,643.68
Borrowing taken	1.91	1.57
Repayment of Borrowings	(329.27)	(992.06)
Net change in Short term Borrowing	2,545.63	(635.98)
Capital Contribution	-	(184.32)
Interest accrued	2,525.88	2,259.29
Interest Paid	(932.12)	(267.82)
Exchange Variation	364.20	161.06
Borrowing as at closing	**36,161.65**	**31,985.42**

3 Non-cash transactions of Investing and Financing activities : **(₹ in Crores)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Net gain / (loss) arising on financial assets measured at FVTPL	(128.53)	78.35
Addition to Right of use assets	415.06	118.77

4 Cash and Cash Equivalents included in the Cash Flow Statement comprise the following Balance Sheet amounts : **(₹ in Crores)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and Cash Equivalents (Refer Note 12)	1,079.90	1,069.29
Less: Exchange Variation Gain / (Loss)	-	0.02
Cash and Cash Equivalents at the end of the year	**1,079.90**	**1,069.27**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

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

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

1. Nature of Operations/ Corporate Information

a) ArcelorMittal Nippon Steel India Limited (the "Company", "AMNSI", "AMNS India") (CIN-U27100GJ1976FLC013787) is a public limited Company incorporated in India with its registered office at 27th Km, Surat Hazira Road, Hazira, Dist.- Surat. The Company owns and operates an integrated steel manufacturing facility comprising the unit for manufacturing of flat rolled products at Hazira, a Precoated facility at Pune, Beneficiation facilities at Kirandul and Dabuna, Slurry Pipelines, Pelletisation facilities at Vizag & Paradeep and Mining of iron ore at Keonjhar and Sundargarh. The Company also operates Processing and Distribution centers and Hypermarts at various locations across India.

b) The Standalone Financial Statements were approved for issuance on 25th September, 2023 by the Company's Board of Directors.

2. Significant Accounting Policies

Basis of Preparation

These standalone financial statements which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as “Standalone Financial Statements”) have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the “Act”) as amended from time to time. The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Standalone Financial Statements have been followed. The Standalone Financial Statements are presented in Indian Rupees ('INR') which is functional currency of the Company and and all values are rounded to the nearest crore, except otherwise indicated.

(i) Investment in Subsidiaries and Associates

Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the company 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 5 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 derecognised.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised as of 1st April, 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 derecognised 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 (CWIP)/ Intangible Assets under development

CWIP / Intangible Assets under development is settled at cost, net of impairment losses, if any. 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	15
Railway Sidings and Wagons	15	25

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where Leasehold land is acquired by the Company, with an option in the lease deed, entitling the Company to purchase on outright basis after a certain period at no additional cost is not amortized. Major overhaul costs

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 benefits.

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. Mining assets are amortised using Unit of Production (UOP) method over the expected extraction period.

(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.

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 (EIR) 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 or recoverable from 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 statements. 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 3(b)]

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 assets 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 assets 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 assets 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 impairment allowances. 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(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 liability that is attributable to the changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value that are attributable to financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to the statement of profit and loss.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

(xi) Foreign Currency Transactions

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is also the company's functional currency.

Initial Recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are generally recognised in the Statement of Profit and Loss. They are recorded in OCI if they relate to qualifying cash flow hedges.

Measurement of Foreign Currency Monetary Items at Balance Sheet Date

Foreign currency monetary items are reported using the closing exchange rates. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(xii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present legal or constructive obligation in respect of which a reliable estimate can be made as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. 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, which are subject to an insignificant risk of changes in value.

(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.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the

Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

When hedge accounting is applied:
For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is ultimately recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss is recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when forecast transaction is recognised in statement of profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Mark to market gains and losses on forward contracts outstanding at the balance sheet date are recognised in the statement of profit and loss.

(xvi) Employee Benefits

Short term employee benefits

Liabilities for wages and salaries, including any non-monetary benefits that are expected to be settled within the next 12 months from the end of the reporting period in which the employees render the related service are recognised as employees cost up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits – Compensated Absences

Provision for compensated absences is determined based on actuarial valuation. Liabilities recognised in respect of compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

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 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 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. The Company assesses whether a contract contains a lease, at inception of a contract.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

On the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) 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 on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Particulars	Years
Leasehold land	3 to 99 years
Leasehold building	2 to 60 years
Leasehold plant & machinery	2.5 to 15 years

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 Company 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.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Where the Company is the Lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating lease are included in property, plant and equipment. Lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss. Contingent rents are recognised as revenue in the period in which they are earned.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance lease when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance lease are recorded as receivables at the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(xix) Mining, Exploration and Development Expenditure

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, defence 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 expected extraction period.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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. Management estimates are based on local legislation and / or other agreements are reviewed periodically. 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, 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 characteristics of asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(xxiii) Contract Balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the terms of the contract. Contract assets are subject to impairment assessment.

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(xxiv) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. Refer Note 41 for segment information presented.

(xxv) Buyer's Credit

The Company enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled between twelve months (for raw materials) to thirty-six months (for project materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as buyers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to buyer's credit by the Company is treated as an operating cash outflow reflecting the substance of the payment.

(xxvi) Government Grant

Government grants are recognised if there is reasonable assurance that the Company will comply with the conditions attaching to them

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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.

3 List of critical estimates and judgments:

The preparation of Financial Statements in conformity with Ind AS which requires management to make estimates, assumptions and exercise judgment in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities and contingent assets at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

a) Assessment of significant influence

An entity is said to be an associate of an investor entity when the latter has significant influence over the former. There is a rebuttable presumption that significant influence exist if an investor holds 20% or more voting rights in the investee entity and vice versa. However demonstration of significant influence over an entity is a matter of judgment and is not always evident from the percentage of voting rights.

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(a)(2)]

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 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.

4 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March, 2023 to amend the following Ind AS which are effective from 1st April, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1st April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1st April, 2023. Consequential amendments have been made in Ind AS 107. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1st April, 2023.

The Company is currently assessing the impact of the amendments.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

5(a) Property, Plant & Equipment (₹ in Crores)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Ships and Vessels	Railway Sidings and Wagons	Aircraft	Total
Cost / Deemed Cost											
At 1st April 2021	3,726.72	4,710.69	38,759.94	24.69	13.08	49.32	79.48	13.93	66.04	4.58	47,448.47
Additions	66.11	62.84	1,243.54	1.07	12.00	12.00	48.20	-	0.43	-	1,446.19
Disposals	-	-	5.42	-	0.01	11.58	2.78	13.93	0.69	-	34.41
At 31st March 2022	**3,792.83**	**4,773.53**	**39,998.06**	**25.76**	**25.07**	**49.74**	**124.90**	**-**	**65.78**	**4.58**	**48,860.25**
Additions	327.46	60.03	1,640.81	3.60	8.89	16.52	18.09	298.74	4.40	-	2,378.54
Disposals	-	2.14	49.03	1.19	2.61	1.05	1.09	298.74	-	-	355.85
At 31st March 2023	**4,120.29**	**4,831.42**	**41,589.84**	**28.17**	**31.35**	**65.21**	**141.90**	**-**	**70.18**	**4.58**	**50,882.94**
Accumulated Depreciation/Impairment											
At 1st April 2021	482.83	958.54	13,917.47	13.91	9.85	18.58	7.70	4.89	11.98	2.28	15,428.03
Charge for the year	-	154.84	1,822.03	1.50	0.95	7.19	10.83	0.53	2.64	0.38	2,000.89
Disposals	-	-	2.32	-	0.01	10.23	2.03	5.42	-	-	20.01
At 31st March 2022	**482.83**	**1,113.38**	**15,737.18**	**15.41**	**10.79**	**15.54**	**16.50**	**-**	**14.62**	**2.66**	**17,408.91**
Charge for the year	-	159.55	1,790.23	1.50	3.45	12.27	13.32	3.31	2.76	0.38	1,986.77
Reversal of Impairment (refer note 51 (2))	482.83	-	-	-	-	-	-	-	-	-	482.83
Disposals	-	0.72	35.60	1.02	2.40	0.55	0.90	3.31	-	-	44.50
At 31st March 2023	**-**	**1,272.21**	**17,491.81**	**15.89**	**11.84**	**27.26**	**28.92**	**-**	**17.38**	**3.04**	**18,868.35**
Net book value											
At 31st March 2023	**4,120.29**	**3,559.21**	**24,098.03**	**12.28**	**19.51**	**37.95**	**112.98**	**-**	**52.80**	**1.54**	**32,014.59**
At 31st March 2022	**3,310.00**	**3,660.15**	**24,260.88**	**10.35**	**14.28**	**34.20**	**108.40**	**-**	**51.16**	**1.92**	**31,451.34**

Notes:

1 Certain property, plant and equipment are pledged against borrowings. The details relating to the same have been described in Note 56.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

2 Title deeds not held in name of Company:

			As at 31st March 2023	As at 31st March 2022				
Relevant line item in Financial Statement	Description of item of property	Description of Property	Gross bock value (₹ in crores)	Gross book value (₹ in crores)	Held in the name of	Whether title deed holder is promoter, director or their relative or employee	Period held since	Reason for not being in the name of the company
Property Plant & Equipment	Freehold Land	Freehold land Located at Hazira ad-measuring 81.1707 hectares, 20.4569 hectares, and 22.4905 hectare (previous year: 81.1707 hectares, 20.4569 hectares, and 22.4905 hectare)	491.76	486.67	Government of Gujarat	No	2005-2013	The title deeds are in the name of the state government. The Company acquired these land parcels by paying provisional considerations in earlier years and the land parcels are in possession of the Company.
Property Plant & Equipment	Freehold Land	Freehold land Located at Hazira ad-measuring 100.71 Hectare (previous year: 54.17 hectare)	399.46	152.91	Erstwhile land owners	No	1990-2020	The title deeds are in the name of the land owners from whom Company acquired these land parcels by paying the agreed consideration in earlier years and the land parcels are in the possession of the Company. These are pending to be registered in the name of the Company.
Property Plant & Equipment	Freehold Land	Freehold Land Located at Odisha ad-measuring 4.51 hectares (previous year: 4.51 hectare)	4.32	4.32	Erstwhile land owners	No	2021	The Company had acquired certain land parcel alongwith 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 the name of the Company.

3 Property, plant and equipment includes assets (Building and Plant & Machinery) having net book value ₹940.99 crores (Previous year : net book value ₹979.91 crores) costing ₹1,200.15 crores 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. [Refer Note 45(2) for details].

4 The Company has entered into lease arrangements, for renting the following land parcels:

			Gross carrying value (₹ in crores)	
Category of assets	Area (Hectares)	Period (years)	As at 31st March 2023	As at 31st March 2022
Land at Hazira	21.02	25 to 40 years	139.36	139.36
Building at Hazira	8.10	40	7.82	7.82

5 State Tax Department and Irrigation department of Govt. have placed lien on certain land parcels owned by the Company at Hazira location on account of outstanding dues of approx. ₹93.07 crores for the period of 1994-95 to 2013-14 according to the powers of recovery vested to the authorities under the relevant law. The underlying liabilities stand extinguished in terms of IBC and SC Order dated 15th November, 2019 and the Company is in process of getting these charges released.

6 The land used by Vizag division is taken on lease from Vizag Port Trust for which the lease agreement has expired. The Company is in the process of getting the lease agreement renewed.

7 Property, Plant and Equipment includes Land ₹260.75 crores, Building ₹32.29 crores, Plant & Machineries ₹ 838.76 crores and others ₹0.03 crore related to a Gas based Combine Cycle Power Plant (CCPP) at Hazira, Gujarat ("Specified Tangible Fixed Assets"), purchased from Essar Power Limited ('EPOL') as per the Sale and Purchase Agreement dated 6th March 2023 between EPOL and the Company.

8 Certain land parcels which are owned by the Company are still in the name of Essar Steel India Limited and process of name change is in progress.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

5(b) Capital Work-in-Progress

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening	1,577.12	1,765.39
Additions	3,427.87	1,224.14
CWIP written-off	-	(28.42)
Disposal	(5.21)	-
Capitalisation	(880.93)	(1,383.99)
Closing	**4,118.85**	**1,577.12**

Note:

1. During the year the Company has capitalised interest cost of ₹21.99 crores (Previous year : Nil) in Capital Work-in-Progress.

Capital work in progress (CWIP) Ageing Schedule

(₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	< 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	3,303.70	390.25	88.55	170.55	3,953.05	1,021.86	8.48	35.53	346.85	1,412.72
Projects temporarily suspended	1.40	-	25.68	138.72	165.80	-	25.68	0.02	138.70	164.40
Total	**3,305.10**	**390.25**	**114.23**	**309.27**	**4,118.85**	**1,021.86**	**34.16**	**35.55**	**485.55**	**1,577.12**

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

(₹ in Crores)

Project Name	To be completed in									
	As at 31st March, 2023					As at 31st March, 2022				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
SMP 1 & 2 Projects at Hazira	253.14	-	-	-	253.14	165.10	-	-	-	165.10
HSM, Pickling Line, Utilities & WTP Projects at Hazira	188.15	39.67	-	-	227.82	63.30	67.64	-	-	130.94
Other Projects	1,233.31	210.81	10.57	19.08	1,473.77	792.62	18.41	5.17	-	816.20
Total	**1,674.60**	**250.48**	**10.57**	**19.08**	**1,954.73**	**1,021.02**	**86.05**	**5.17**	**-**	**1,112.24**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Projects temporarily suspended: (₹ in Crores)

Project Name	As at 31st March, 2023 To be completed in					As at 31st March, 2022 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
Coke Oven project	136.12	-	-	-	136.12	-	136.12	-	-	136.12
Power Plant at Odisha	25.68	-	-	-	25.68	-	25.68	-	-	25.68
Other Projects	4.00	-	-	-	4.00	2.60	-	-	-	2.60
Total	**165.80**	**-**	**-**	**-**	**165.80**	**2.60**	**161.80**	**-**	**-**	**164.40**

5(c) Intangible Assets (₹ in Crores)

Particulars	Mining Assets	Software	Total
Cost/Deemed Cost			
At 1st April 2021	166.59	47.44	214.03
Additions	183.89	3.53	187.42
Deletions	-	3.83	3.83
At 31st March 2022	**350.48**	**47.14**	**397.62**
Additions	117.12	4.22	121.34
Deletions	-		-
At 31st March 2023	**467.60**	**51.36**	**518.96**
Accumulated Amortisation			
At 1st April 2021	6.32	29.06	35.38
Charge for the year	16.73	3.28	20.01
Disposals	-	3.25	3.25
At 31st March 2022	**23.05**	**29.09**	**52.14**
Charge for the year	23.93	3.97	27.90
Disposals	-	-	-
At 31st March 2023	**46.98**	**33.06**	**80.04**
Net book value			
At 31st March 2023	**420.62**	**18.30**	**438.92**
At 31st March 2022	**327.43**	**18.05**	**345.48**

5(d) Intangible under development (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening	21.63	175.18
Additions	34.97	25.52
Capitalisation	(4.22)	(179.07)
Closing	**52.38**	**21.63**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Intangible under development Ageing Schedule (₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	< 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	30.46	12.56	9.36	-	52.38	21.63	-	-	-	21.63
Total	**30.46**	**12.56**	**9.36**	**-**	**52.38**	**21.63**	**-**	**-**	**-**	**21.63**

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, 2023					To be completed in As at 31st March, 2022				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
SAP Upgradation project (S4 Hana)	26.95	-	-	-	26.95	15.93	-	-	-	15.93
Other Projects	9.99	-	-	-	9.99	4.70	-	-	-	4.70
Total	**36.94**	**-**	**-**	**-**	**36.94**	**20.63**	**-**	**-**	**-**	**20.63**

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

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation on Property, Plant and Equipments	1,986.77	2,000.89
Amortisation on Intangible Assets	27.90	20.01
Depreciation on Right of Use Asset (Refer Note 48)	448.03	448.00
Depreciation and amortisation as per statement of profit and loss	2,462.70	2,468.90

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

6 (a) Non-Current Investments (₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
(A) Investment in Subsidiaries (At Cost / Deemed Cost less impairment)				
Unquoted Equity Instrument				
226 (Previous Year : 226) fully paid Equity Shares of AED 1 million (Previous Year : AED 1 million) of AMNS Middle East FZE		322.75		322.75
Essar Steel Offshore Limited - Deemed Investment[1]	60.09		60.09	
Impairment in value of Investment	(60.09)		(60.09)	
		-		-
130,357,881 (Previous Year : 130,357,881) fully paid ordinary Shares of USD 1 million (Previous Year : USD 1 million) of Essar Steel Offshore Limited	738.07		738.07	
Impairment in value of Investment	(738.07)		(738.07)	
		-		-
200,000 (PY 200,000) fully paid Equity Shares of ₹10 (PY ₹10) of AMNS Shared Services Limited	0.20		0.20	
Impairment in value of Investment	(0.20)		(0.20)	
		-		-
14 (Previous Year: 14) fully paid Equity Shares of AED 1 million (Previous Year : AED 1 million) of Essar Steel Trading FZE Dubai	17.61		17.61	
Impairment in value of Investment	(17.61)		(17.61)	
		-		-
331,010,000 (Previous Year: Nil) fully paid Equity Share of ₹10 (Previous Year : ₹Nil) of AMNS Shipping & Logistics Private Limited		331.01		-
10,000,000 (Previous Year: 2,600,000/Other Investment) fully paid Equity shares of ₹10 each of AMNS Power Hazira Limited (fka Essar Power Hazira Limited)		32.36		-
12,203,219 (Previous Year: 5,781,944/Other Investment) fully paid Equity Share of ₹10 each of Bhagwat Steel Limited (FKA Essar Steel Chattishgarh Limited)	7.58		-	
Impairment in value of Investment	(4.16)		-	
		3.42		-
100 (Previous Year : Nil) fully paid Equity Share of PT AM/NS Indonesia		3.60		-
1,187,200 (Previous Year : Nil) fully paid Equity Share of ₹10 each of Snow White Agencies Pvt. Ltd.		1.20		-
3,850,000 (Previous Year: 1,300,000/Other Investments) fully Paid Equity Shares of ₹10 each of AMNS Ports Hazira Limited (fka Essar Bulk Terminal Limited)		124.46		-
39,254,662 (Previous Year: Nil) fully paid Equity Share of ₹10 each of AMNS Ports India Limited (fka Hazira Cargo Terminal Limited)		9,913.40		-
10,000 (Previous Year: Nil) fully paid Equity Share of ₹10 each of Ibrox Aviation and Trading Private Limited		0.15		-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

6 (a) Non-Current Investments (₹ in Crores)

	Particulars		As at 31st March, 2023		As at 31st March, 2022
	2,000 (Previous Year: 2,000/ Other Investment) fully Paid Equity Shares of ₹10 each of AMNS Port Paradip Limited (fka Essar Bulk terminal Paradip Limited) (*** ₹20,000)		***		-
	10,000 (Previous Year: Nil) fully paid Equity Share of ₹10 each of New Age Education and Skills Foundation		0.01		-
	Non-Convertible Redeemable Preference Shares				
	560,000,000 (Previous Year : Nil) Non-Convertible Redeemable Preference Shares of ₹10 each of Ibrox Aviation and Trading Private Limited		560.00		-
	Compulsorily Convertible Cummulative Preference Shares				
	641,173,900 (Previous Year : Nil) Compulsorily Convertible Cummulative Preference Shares of ₹10 each of AMNS Power Hazira Limited. (fka Essar Power Hazira Limited)		2,578.77		-
	Compulsorily Convertible Debentures				
	1,845,766 (Previous Year : Nil) Compulsorily Convertible Debentures of ₹10 each of AMNS Ports India Limited (fka Hazira Cargo Terminal Limited)		355.17		-
	28,900,328 (Previous Year : Nil) Compulsorily Convertible Debentures of ₹100 each of Ibrox Aviation and Trading Private Limited		4,205.50		-
	Compulsorily Convertible Preference Shares				
	182,418 (Previous Year : Nil) Compulsorily Convertible Preference shares of ₹100,000 each of AMNS Ports Hazira Limited (fka Essar Bulk Terminal Limited)		1,824.18		-
	Investment in Subsidiaries (Total) (A)		**20,255.98**		**322.75**
(B)	**Investment in Associates (At Cost less impairment)**				
	Unquoted Equity Instrument				
	2 (Previous Year : 2) fully paid Equity Shares of AED 0.1 million (Previous Year : 0.1) of Essar Steel Processing FZCO Dubai	0.25		0.25	
	Impairment in value of Investment	(0.25)		(0.25)	
			-		-
	39,000,000 (Previous Year : Nil) fully paid Equity shares of ₹10 each of AM Green Energy Private Limited		39.00		-
	Investment in Associates (Total) (B)		**39.00**		-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(C) Investment - Others

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity Instruments - Unquoted (Carried at FVOCI)		
Nil (Previous Year: 96,905,000) fully paid Equity Shares of ₹10 each of Bhander Power Limited [Cost- ₹104.77 crores]	-	-
Nil (Previous Year: 1,300,000) fully Paid Equity Shares of ₹10 each of AMNS Ports Hazira Limited (fka Essar Bulk Terminal Limited) [Cost- ₹1.30 crores]	-	9.05
Nil (Previous Year: 2,600,000) fully paid Equity shares of ₹10 each of AMNS Power Hazira Limited (fka Essar Power Hazira Limited)[Cost- ₹2.60 crores]	-	2.68
Nil (Previous Year: 5,781,944) fully paid Equity Share of ₹10 each of Bhagwat Steel Limited (FKA Essar Steel Chattishgarh Limited) [Cost- ₹5.78 crores]	-	-
50,000 (Previous Year: 50,000) fully paid Equity Shares of ₹10 (Previous Year: ₹10) of AMNS Steel Logistics Limited[3] (fka Essar Steel Logistics Limited)[Cost- ₹0.05 crore]	-	-
Nil (Previous Year: 2,600,000) fully paid Equity shares of ₹10 each of Essar Power Orissa Limited	-	-
Nil (Previous Year: 2,000) fully Paid Equity Shares of ₹10 each of AMNS Port Paradip Limited (fka Essar Bulk Terminal Paradip Limited)(*** ₹20,000)	-	***
250,000 (Previous Year: 250,000) fully paid Equity Shares of ₹10 each of Frontline Roll Forms Private Limited [Cost- ₹0.25 crore]	-	-
20 (Previous Year: 20) fully paid Equity Shares of ₹10 each of Essar Commvision Limited (# ₹200)	#	#
Equity Instrument- Quoted (Carried at FVOCI)		
1,273,611 (Previous Year: 1,273,611) fully paid Equity Shares of ₹10 each of Essar Shipping Limited	1.02	0.97
Convertible Debentures (Carried at FVTPL)		
1,065,585 (Previous Year: 1,065,585) fully paid Compulsory Convertible Cumulative Debenture of ₹1000 each of AMW Auto Component Limited (Cost-₹106.56 crores)	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(C) **Investment - Others** **(₹ in Crores)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Compulsorily Convertible Preference Shares (Carried at FVTPL)		
2,143,333,400(Previous Year: 790,000,000) Compulsory Convertible Preference Shares of ₹10 each with premium of ₹20 of AM Mining India Private Limited[2]	6,430.00	2,370.00
Investment - Others (Total) (C)	**6,431.02**	**2,382.70**
Investment (A)+(B)+(C)	**26,726.00**	**2,705.45**
Aggregate amount of Unquoted Investments	27,545.36	3,520.70
Aggregate amount of Impairment	(820.38)	(816.22)
	26,724.98	**2,704.48**
Aggregate amount of quoted investments and market value	**1.02**	**0.97**
	1.02	**0.97**

1. The Company initiated winding-up proceedings in respect of ESOL and its subsidiaries on 24th June, 2020. On 24th September, 2021, the Supreme Court of Mauritius granted the Company's prayer for the winding up of ESOL and on 8th May, 2023, ordered dissolution/liquidation of ESOL with effect from the order date.

2 On 6th July, 2020, the Company subscribed compulsorily convertible preference shares (CCPS) issued by AM Mining India Private Limited (AM Mining) for an aggregate consideration of ₹2,370 crores. Further, on 1st November, 2022, AMNSI invested ₹4,060 crores in AM Mining in CCPS.

   To assess control over AM Mining, the Company has evaluated that AMNSI has invested in AM Mining in the capacity of an agent of parent companies in accordance with IND AS 110 and accordingly, the investment in CCPS has been recognised at Fair value through Profit and Loss.

3 During the previous year, final order directing winding up of the Company has been passed by NCLT and Company 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, 2023	As at 31st March, 2022
Investments in Mutual Fund (Unquoted) (Carried at FVTPL)	779.28	4,347.16
Current Investments (Total)	**779.28**	**4,347.16**
Aggregate amount of Unquoted Investments	779.28	4,347.16
	779.28	**4,347.16**

7 **Non-current Loans**

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Loan to Related Party (Refer Note 44)	181.36		149.89	
Loan to Others (Refer Note 55)	-		5,284.93	
Less : Allowance for Expected credit loss (ECL)	-		2,284.73	
		181.36		3,150.09
		181.36		**3,150.09**
Movement in Allowance for ECL:				
Provision for ECL at the beginning of the year		2,284.73		693.30
Add: Additional provision during the year (Refer Note 51)		588.40		1,591.43
Less: Write off during the year		(2,873.13)		-
Provision for ECL at the end of the year		**-**		**2,284.73**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

8 Other Non-Current Financial Assets

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Security Deposit	1,369.52		74.01	
Less: Allowance for Expected credit loss (ECL)	3.30		8.82	
		1,366.22		65.19
Banks Deposits with maturity period more than 12 months (Refer Note 13)		25.95		45.60
Derivative Financial Assets		879.60		5,356.37
		2,271.77		**5,467.16**
Movement in Allowance for ECL:				
Provision for ECL at the beginning of the year		8.82		22.08
Less: Writeoff during the year		5.31		-
Less: Reversal during the year		0.21		13.26
Provision for ECL at the end of the year		**3.30**		**8.82**

9 Other Non-Current Assets

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advances	3,732.83	416.67
	3,732.83	**416.67**

10 Inventories

(Valued at lower of cost and net realizable value)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and components	1,736.51	2,792.55
Goods-in transit	992.33	862.53
Work-in-Progress	3,986.54	4,011.13
Finished Goods	1,257.58	1,017.12
Stores and Spares	867.51	821.13
Goods-in transit	36.55	8.04
Production Consumable	592.98	706.50
Goods-in transit	55.71	51.02
Fuel	150.42	437.07
Goods-in transit	-	129.99
	9,676.13	**10,837.08**

No provision for write-down on value of inventory recognised in statement of Profit and Loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

11 Trade Receivables

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables- considered good- Unsecured	1,482.92	1,381.26
Trade Receivables - credit impaired	267.62	884.60
	1,750.54	2,265.86
Allowance for ECL:		
Trade Receivables- considered good- Unsecured	(15.52)	(13.88)
Trade Receivables - credit impaired	(267.62)	(884.60)
	1,467.40	**1,367.38**
Movement in Allowance for ECL:		
Provision for ECL at the beginning of the year	898.48	897.67
Add: Additional provision during the year (Including Exchange Variation)	-	18.51
Less: Writeoff during the year (Including Exchange Variation)	615.22	-
Less: Reversal during the year	0.12	17.70
Provision for ECL at the end of the year	**283.14**	**898.48**

i. Trade receivables does not include any receivables from directors and officers of the Company.

ii. Trade receivables from related parties - Refer Note 44.

iii. The credit period on sale of goods ranges from 7 to 90 days with or without security. The Company charges interest on receivables beyond credit period in case of certain customers.

Receivable Ageing as on 31st March 2023: (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	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	1,299.10	168.29	2.87	8.54	2.22	1.90	1,482.92
Undisputed Trade receivable - credit impaired	-	-	-	-	-	267.62	267.62
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivable - credit impaired	-	-	-	-	-	-	-

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

Particulars	Outstanding for following periods from due date of payment						
	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	1,156.12	211.26	8.82	3.84	0.95	0.27	1,381.26
Undisputed Trade receivable - credit impaired	-	-	-	-	5.95	878.65	884.60
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivable - credit impaired	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

12 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
In Current Accounts	221.88	640.30
Deposits with original maturity of less than 3 months	854.47	425.44
Cheques on hand	3.54	3.54
Cash on hand	0.01	0.01
	1,079.90	**1,069.29**

13 Bank Balances other than Cash & Cash Equivalent

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with original maturity for more than 3 months but less than 12 months	1,153.84	361.44
Deposits with remaining maturity less than 12 months	363.62	7,490.40
Margin Money	2,551.71	5,481.29
	4,069.17	**13,333.13**

Margin Money ₹2,577.66 crores (Previous Year: ₹5,526.89 crores) (including Margin money on Non current term deposits in Other Non-Current financial Assets ₹25.95 crores (Previous Year: ₹45.60 crores) with balance maturity period of more than 12 months - Refer Note 8) have been pledged with banks as a security for opening Letters of Credit, Short Term Borrowings and against Bank Guarantees.

14 Current Loans

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Inter Corporate Deposits (ICD) - Related Parties (Refer note 44)				
Considered Good	-		-	
Credit Impaired	2,787.95		2,570.59	
Less : Allowance for Expected credit loss (ECL)	2,787.95		2,570.59	
		-		-
Loans and Advances to Staff				
Considered Good	1.28		0.45	
Credit Impaired	-		0.02	
Less : Allowance for Expected credit loss (ECL)	-		0.02	
		1.28		0.45
		1.28		**0.45**
Movement in Allowance for ECL:				
Provision for ECL at the beginning of the year		2,570.61		2,492.77
Add: Additional provision during the year		217.36		78.07
Less: Reversal during the year		0.02		0.23
Provision for ECL at the end of the year		**2,787.95**		**2,570.61**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Additional Information related to loan given:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
	₹ in crores	%	₹in crores	%
Related Party - Repayable on demand*	2,787.95	99.95%	2,570.59	99.98%
* Entire amount is covered under Allowance for Expected credit loss (ECL).				

15 Other Current Financial Assets

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Security Deposits	555.98		145.22	
Less : Allowance for Expected credit loss (ECL)	4.81		102.90	
		551.17		42.32
Export Benefits	19.48		56.59	
Less : Allowance for Expected credit loss (ECL)	-		32.58	
		19.48		24.01
Interest Accrued on ICDs, Loans & Deposits		1.89		1.54
Derivative Financial Assets		3,465.46		7,122.29
Other Receivables	160.13		12.02	
Less: Allowance for Expected credit loss (ECL)	-		11.90	
		160.13		0.12
		4,198.13		**7,190.28**
Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		147.38		141.58
Add: Additional provision during the year		-		15.97
Less: Writeoff during the year		138.43		-
Less: Reversal during the year		4.14		10.17
Provision for ECL at the end of the year		**4.81**		**147.38**

16 Other Current Assets

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Advances to Suppliers-Related Parties (Refer Note 44)	44.55		10.39	
Less: Impairment Allowance	7.77		7.77	
		36.78		2.62
Advances to Suppliers	422.60		764.98	
Less: Impairment Allowance	131.39		150.53	
		291.21		614.45
Balances with Government Authorities	1,533.15		1,320.90	
Less: Impairment Allowance	132.36		132.36	
		1,400.79		1,188.54
Claims Receivables	1,196.41		952.06	
Less: Impairment Allowance	993.69		871.12	
		202.72		80.94
Prepaid Expenses		48.43		50.19
		1,979.93		**1,936.74**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

17 Share Capital (₹ in Crores)

Particulars		As at 31st March, 2023		As at 31st March, 2022
Authorised				
79,90,00,00,000 (Previous Year : 79,90,00,00,000) Equity Shares of ₹10 each		79,900.00		79,900.00
100,000,000 (Previous Year : 100,000,000) 10% Cumulative Redeemable Preference Shares of Rs 10 each		100.00		100.00
		80,000.00		**80,000.00**
Movement in Authorised Share Capital due to Composite Scheme of Arrangement (scheme) (Refer note 54):	**Number**	**₹ in crores**	**Number**	**₹ in crores**
Before considering impact of scheme	30,000,000,000	30,000.00	30,000,000,000	30,000.00
Increase pursuant to scheme	50,000,000,000	50,000.00	50,000,000,000	50,000.00
After considering impact of scheme	**80,000,000,000**	**80,000.00**	**80,000,000,000**	**80,000.00**
Issued, Subscribed and Paid-up				
25,041,306,142 (Previous Year : 25,041,306,142) Equity Shares of ₹10 each to be issued [Refer point (c) below]		25,041.31		25,041.31
		25,041.31		**25,041.31**

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

Equity Shares	As at 31st March, 2023		As at 31st March, 2022	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year (Refer Note ii)	25,041,306,142	25,041.31	25,041,306,142	25,041.31
Issued during the year	-	-	-	-
Outstanding at the end of the year	**25,041,306,142**	**25,041.31**	**25,041,306,142**	**25,041.31**

ii. Movement in Shareholding due to Composite Scheme of Arrangement (scheme)(Refer note 54):

Equity Shares	Number	₹ in Crore	Number	₹ in Crore
Before considering impact of scheme	9,222,000,000	9,222.00	9,222,000,000	9,222.00
Cancelled and extinguished as per the scheme	(9,222,000,000)	(9,222.00)	(9,222,000,000)	(9,222.00)
Shares to be issued pursuant to scheme [Refer (c) below]	25,041,306,142	25,041.31	25,041,306,142	25,041.31
Outstanding at the end of the year	**25,041,306,142**	**25,041.31**	**25,041,306,142**	**25,041.31**

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 Parent Company

In terms of the composite scheme of arrangement authorised share capital of the Company has been increased to ₹80,000 crores on the amalgamation of ArcelorMittal India Private Limited (AMIPL) with the Company. On 25th September 2023, the Board of Directors has approved the allotment of 25,04,13,06,142 fully paid-up Equity shares of ₹10 each of the Company to Oakey Holding B.V. (in its capacity as the shareholder of AMIPL) for settlement of consideration for the amalgamation of AMIPL with the Company as per said scheme.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

	31st March, 2023		31st March, 2022	
	Number	% of Holding	Number	% of Holding
Equity Shares				
Oakey Holding B.V. [Refer point (c) above]	25,041,306,142	100.00	25,041,306,142	100.00
	25,041,306,142	100.00	25,041,306,142	100.00

e) Disclosure of shareholding of promoters is as follows

	31st March, 2023		31st March, 2022	
	Number	% of Holding	Number	% of Holding
Equity Shares				
Oakey Holding B.V. [Refer point (c) above]	25,041,306,142	100.00	25,041,306,142	100.00
	25,041,306,142	100.00	25,041,306,142	100.00

There is no change in the Promoters Shareholding during the FY 2022-23 and FY 2021-22

18 Other Equity **(₹ in Crores)**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Capital Reserves on Business Combination		5,534.37		5,534.37
Securities Premium Account		7,814.61		7,814.61
Capital Contribution		1,997.71		1,997.71
General Reserve		77.51		77.51
Retained Earnings		(6,372.71)		(8,558.80)
Other Comprehensive Income (OCI)				
i. Fair Value through OCI- Equity Instrument	(28.36)		(22.20)	
ii. Effective portion of cash flow hedges [Refer point (h) below]	5,634.06		9,519.84	
		5,605.70		9,497.64
		14,657.19		**16,363.04**

a) **Capital Reserves on Business Combination**

This reserve is created as per composite scheme of arrangement. (Refer Note 54)

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) **Effective portion of cash flow hedges**

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges and settled hedging instruments, which shall be reclassified to profit and loss only when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

e) **Fair Value through OCI- Equity Instrument**

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

f) Capital Contribution

During FY 2020-21, the company and its ultimate parents (AMNS Luxembourg) have made certain modifications 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, 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 ₹60.09 crores was recognised as capital contribution. Capital contribution amounting to ₹87.83 crores was acquired as per the composite scheme of arrangement. Furthermore, during the year FY 2021-22 the company and its parent company (Oakey Holding B.V.) have made certain modification in the existing bond agreement. In view of the said modification the net interest expenses of ₹184.63 crores had been transferred to capital contribution.

g) Retained Earning

Retained earnings comprise balances of accumulated (undistributed) profit and loss (net of taxes) at each year end, less any transfers to general reserve. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Retained earnings includes Revaluation Reserve (net of Deferred Taxes) ₹2,312.90 crores (Previous Year: ₹2,806.09 crores) net of depreciation. Depreciation charge (net of Deferred Taxes) for the year includes ₹143.78 crores (Previous Year : ₹151.79 crores) 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. 1st April, 2015.

h) Other Comprehensive Income (OCI)- Effective portion of cash flow hedges (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	**9,519.84**	**831.37**
Add: Net Gain/ (Loss) on cash Flow hedges recognised during the year	1,441.89	9,100.75
Less: Net Gain/ (Loss) on cash Flow hedges recycled to P & L	5,327.67	412.28
Closing Balance	**5,634.06**	**9,519.84**

19 Non-Current Financial Borrowings (Refer Note 56) (₹ in Crores)

Particulars	As at 31st March, 2023 Non Current	As at 31st March, 2023 Current Maturity	As at 31st March, 2022 Non Current	As at 31st March, 2022 Current Maturity
Secured				
Term Loan				
From Financial Institutions	7.08	1.25	6.66	0.81
From Related Party (Refer Note 44)	4,436.47	9.57	4,402.14	4.87
Unsecured				
Bonds From Related Party (Refer Note 44)	25,548.31	3613.34	26,980.94	590.00
Less: Amount shown under Current Borrowing (Refer Note 24)	-	(3,624.16)	-	(595.68)
	29,991.86	**-**	**31,389.74**	**-**

20 Other Non-Current Financial Liabilities (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Others*	1,563.06	-
	1,563.06	**-**

* Represents payment towards restriction on Brand usage and current portion of ₹178.23 Crores accounted under Other Liabilities (Refer Note 26)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

21 Non Current Provisions (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Gratuity (Refer Note 47)	28.93	22.03
Compensated Absences	21.99	13.30
Provision for Asset Retirement Obligation	133.02	4.93
	183.94	**40.26**
Movement of Asset Retirement Obligation		
Opening Balance	4.93	-
Addition during the year	117.12	4.82
Interest Accrued	10.97	0.11
Closing Balance	**133.02**	**4.93**

22 Deferred Tax Assets (net)

Deferred Tax Liabilities movement for the year ended on 31st March,2023 (₹ in Crores)

Particulars	As at 1st April 2022	Recognised / (reversed) through Profit and Loss	Recognised/ (reversed) through OCI	As at 31st March 2023
Property, plant and equipment and Intangible Assets	(4,083.32)	58.33	-	(4,024.99)
Right of Use Assets (ROU)	(646.21)	93.20	-	(553.01)
Assets retirement obligation	-	33.48	-	33.48
Carried forward Unabsorbed depreciation	1,303.47	(63.01)	-	1,240.46
Derivative Assets	(3,199.23)	1,255.49	1,309.25	(634.49)
Lease Liability	654.47	(92.11)	-	562.36
Deferred Gain on Lease	38.98	(4.45)	-	34.53
Provision for doubtful Assets	411.05	275.03	-	686.08
Unrealised gain on Investment	(33.41)	11.42	-	(21.99)
Expenses allowable for tax purposes on payment basis and others	1,400.23	(1,096.00)	-	304.23
Net Deferred Tax	**(4,153.97)**	**471.38**	**1,309.25**	**(2,373.34)**

Deferred Tax Liabilities movement for the year ended on 31st March,2022 (₹ in Crores)

Particulars	As at 1st April 2021	Recognised / (reversed) through Profit and Loss	Recognised/ (reversed) through OCI	As at 31st March 2022
Property, plant and equipment and Intangible Assets	(3,959.03)	(124.29)	-	(4083.32)
ROU assets	(723.08)	76.87	-	(646.21)
Carried forward Unabsorbed depreciation	2,764.93	(1,461.46)	-	1,303.47
Derivative Assets	(279.78)	-	(2,919.45)	(3,199.23)
Lease Liability	739.03	(84.56)	-	654.47
Deferred Gain on Finance Lease	43.43	(4.45)	-	38.98
Unrealised gain on Investment	(13.69)	(19.72)	-	(33.41)
Provision for doubtful Assets	-	411.05	-	411.05
Expenses allowable for tax purposes on payment basis and others	1,428.19	(27.96)	-	1,400.23
Net Deferred Tax	**-**	**(1,234.52)**	**(2,919.45)**	**(4,153.97)**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

23 Other Non-Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred gain*	119.45	137.14
	119.45	**137.14**

* 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.

24 Current Borrowings (Refer Note 56)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Current maturities of long-term Borrowings	10.83	5.68
Loans From Banks	1,574.21	-
Unsecured		
Current maturities of long-term Borrowings	3,613.33	590.00
Commercial Paper	971.42	-
	6,169.79	**595.68**

25 Trade Payables

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Total outstanding dues of micro and small enterprises (Refer Note 50)		175.50		203.64
Total outstanding dues of creditors other than micro and small enterprises				
Acceptances	2,037.28		111.23	
Others	4,108.51		3,777.51	
		6,145.79		3,888.74
		6,321.29		**4,092.38**

1. Trade Payables are majority non-interest bearing and other than Acceptances are normally settled within 30 to 120 days.
2. Trade payable to related parties have been described in Note 44.

Payable Ageing as on 31st March 2023:

(₹ 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) Undisputed dues - MSME	-	152.79	22.58	0.08	0.04	0.01	175.50
(ii) Undisputed dues - Others	2,250.73	3,566.41	326.46	0.57	1.07	0.55	6,145.79
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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) Undisputed dues - MSME	-	153.97	49.28	0.38	-	0.01	203.64
(ii) Undisputed dues - Others	930.95	2,498.83	446.73	1.44	6.09	4.72	3,888.75
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

26 Other Current Financial Liabilities (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payable for Capital Expenditures	630.07	116.56
Derivative Liability for Forward Contracts	16.90	3.83
Security Deposits Received	9.17	1.98
Other Liabilities [Refer Note 45(2) and 20]	2,641.57	2,465.83
	3,297.71	**2,588.20**

27 Current Provisions (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee benefits-Compensated Absences	3.93	1.94
Provision for Mining Duties*	130.71	130.71
	134.64	**132.65**

*During the previous year, the Company received a demand letter from Office of the Joint Director of Mines, Joda on shortfall in the minimum dispatch required under Mine Development Production Agreement for an amount of ₹130.71 crores. The Company paid ₹35.30 crores under protest against the demand of ₹130.71 crores on 5th October, 2021. Later on, the Company filed a writ petition at High Court of Orissa and stay has been granted after additional deposit of ₹10 crores. The Company has created a provision of ₹130.71 crores on prudent basis.

28 Other Current Liabilities (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from Customers	416.62	529.41
Deferred gain (Refer Note 23)	17.70	17.70
Statutory Liabilities	445.06	400.70
	879.38	**947.81**

29 Revenue from Operations (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Sale of products	52,696.17	55,105.52
Sale of services	70.40	6.74
Other operating revenues	632.53	555.86
	53,399.10	**55,668.12**

Whether the customer has obtained control over the goods depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Company's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers. This is the point in time when the Company has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to. Refer to Note 11 – Trade Receivables for the amount of contracts assets outstanding as at 31st March, 2023, and refer to details of Advances from customers in Note 28 – Other current liabilities for the amount of contract liabilities outstanding as at 31st March, 2023.

For disaggregation of revenue refer Note 41-Segment Information.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Information about Products and Services:

Products	Unit	For the Year 31st March, 2023		For the Year 31st March, 2022	
		Quantity	₹ in Crore	Quantity	₹ in Crore
Hot/Cold Rolled Coils, Sheets & Plates	MT	6,378,884	43,327.04	6,792,557	49,417.75
Pellets	MT	2,129,049	2,380.40	1,551,088	2,080.27
Pipes	MT	191,245	1,796.60	166,046	1,403.20
Natural Gas			3,417.47		1,009.84
Others			1,774.66		1,194.46
Total Products Sales			**52,696.17**		**55,105.52**
Sale of services			70.40		6.74
Other operating revenues					
Scrap Sales		542.62		336.27	
Export Benefit		89.91	632.53	219.59	555.86
Revenue from Operations			**53,399.10**		**55,668.12**

The Company does not have any significant adjustments between the contracted price and revenue recognised in the statement of profit and loss.

30 Other Income (₹ in Crores)

Particulars	For the Year 31st March, 2023		For the Year 31st March, 2022	
Interest Income on Financial Assets measured at amortised cost				
Bank Deposits		411.82		424.28
Inter Corporate Deposits		12.75		1.75
Others		63.92		5.73
Rent		6.27		9.76
Gain on sale of Investments	388.44		69.23	
Gain on fair valuation of Investments (FVTPL)	(128.53)		78.35	
		259.91		147.58
Amortisation of Deferred Gain (Refer Note 23)		17.70		17.70
Liabilities/ Provision no longer required written back		133.09		34.51
Exchange Difference (Net)		115.37		-
Miscellaneous Income		14.27		14.80
		1,035.10		**656.11**

31 Cost of Materials Consumed (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Raw Materials	27,165.37	26,146.23
Production Consumables	3,472.14	3,160.41
Interplant Freight for input materials	1,819.61	1,708.83
	32,457.12	**31,015.47**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

Particulars	For the Year 31st March, 2023		For the Year 31st March, 2022	
Opening Stock				
Finished Goods	1,017.12		762.31	
Work-in-Progress	4,011.13		2,467.64	
		5,028.25		3,229.95
Closing Stock				
Finished Goods	1,257.58		1,017.12	
Work-in-Progress	3,986.54		4,011.13	
		5,244.12		5,028.25
		(215.87)		**(1,798.30)**

33 Power and Fuel (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Petroleum Products - Fuel	3,219.55	3,477.41
Power Charges	3,785.43	1,959.97
	7,004.98	**5,437.38**

34 Employee Benefits expense (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Salaries, wages and Bonus	544.01	456.87
Contribution to Provident and Other Funds (Refer Note 47)	45.63	35.03
Staff Welfare expenses	97.99	75.26
	687.63	**567.16**

35 Other Expenses (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Manufacturing & Asset Maintenance		
Repairs, Maintenance and Equipment Hire charges	796.87	617.19
Stores and Spares	957.26	930.94
Labour and Sub Contracting charges	636.97	571.32
Plant Insurance	73.29	72.29
Water Charges	192.69	188.76
Administrative Expenses		
Travelling, Conveyance and Vehicle Hire & Maintenance charges	45.78	24.02
Printing, Stationery, Postage and Telephone	7.53	6.59
Legal and Professional Fees	308.14	197.01
Operating Lease Rent	62.02	44.82
Repairs, Maintenance - other than Plant	33.52	28.46
Insurance - other than Plant	25.70	7.94
Rates and Taxes	49.51	74.95
Auditor's Remuneration*	4.63	5.30
Provision for demand against mining duties and others	-	148.08
Loss on sale/write off of Property, Plant & Equipment/ CWIP	14.03	42.58
Allowance/write-off for Doubtful Debt/Trade Advances	1.76	29.86
Donations and Charities	50.01	52.50

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

35 **Other Expenses** (Contd..)

(₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Corporate Social Responsibility (CSR) expenditure	102.90	50.90
Miscellaneous Expenses	88.89	43.92
Exchange Difference (Net)	-	62.75
Selling & Distribution Expenses		
Sales Commission	23.53	7.97
Freight Outward (net), Intercarting and Packing charges	2,423.87	2,460.79
Other Selling expenses	76.58	18.62
	5,975.48	**5,687.56**
*Auditor's Remuneration (excluding taxes)		
Audit Fees	4.20	3.95
Other Services	0.33	1.07
Out of pocket expenses	0.10	0.28
	4.63	5.30

36 **Finance Costs**

(₹ in Crores)

Particulars	For the Year 31st March, 2023		For the Year 31st March, 2022	
Interest				
on Bond*	2,281.35		2,123.08	
on Term Loans*	243.84		135.51	
on Lease Liabilities	221.70		204.24	
Others	278.33		6.43	
		3,025.22		2,469.26
Exchange differences on borrowings		461.55		153.75
Other Finance costs		186.54		94.58
		3,673.31		**2,717.59**

*Above cost includes accrual of interest accounted as per effective rate of interest on the borrowing [refer note 2(x) & 56]

37 **Income Tax expense**

(₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Deferred Tax		
Deferred Tax Charge / (Credit)	(471.38)	1,234.52
	(471.38)	**1,234.52**
(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit / (Loss) before Tax (PBT) as per Books	1,715.57	8,459.31
Applicable tax Rate	25.17%	25.17%
Expected Tax expenses on above PBT at applicable tax rate	431.77	2,129.04
Impact on account of composite scheme of arrangement	(900.57)	-
Utilisation of losses unrecognised in prior years (net)	-	(1,927.09)
Tax effect of amount which are not deductible in calculating taxable Income	187.79	1,016.83
Reversal of Impairment on Land	(104.82)	-
Others	(85.55)	15.74
Income Tax Expenses - Charge / (Credit)	**(471.38)**	**1,234.52**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

38 Other Comprehensive Income

(₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
A. Items that will not be reclassified to profit or loss		
Fair Value of Equity Instruments through OCI	0.06	(0.03)
Remeasurement gain/ (loss) on defined benefit plans	(9.43)	(10.80)
	(9.37)	**(10.83)**
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Fair Value of Equity Instruments through OCI	(0.02)	-
Remeasurement gain/ (loss) on defined benefit plans	2.37	2.72
	2.35	**2.72**
B. Items that will be reclassified to profit or loss		
(i) Items that will not be reclassified to profit or loss		
Cash flow hedges	(5,192.67)	11,610.64
	(5,192.67)	**11,610.64**
(ii) Income tax relating to items that will be reclassified to profit or loss		
Cash flow hedges	1,306.89	(2,922.17)
	1,306.89	**(2,922.17)**

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, 2023			As at 31st March, 2022		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Assets (Current & Non-Current):						
Investments*	1.02	7,209.28	-	12.70	6,717.16	-
Trade Receivables	-	-	1,467.40	-	-	1,367.38
Cash and Cash Equivalents	-	-	1,079.90	-	-	1,069.29
Other Bank Balances	-	-	4,069.17	-	-	13,333.13
Other Financial Assets	4,334.72	10.34	2,124.84	12,475.88	2.78	178.78
Loans	-	-	182.64	-	3,000.20	150.34
Total Financial Assets	**4,335.74**	**7,219.62**	**8,923.95**	**12,488.58**	**9,720.14**	**16,098.92**
Financial Liabilities (Current & Non-Current):						
Borrowings	-	-	36,161.65	-	-	31,985.42
Lease Liability	-	-	2,246.34	-	-	2,598.24
Trade Payables	-	-	6,321.29	-	-	4,092.38
Buyers' credit	-	-	2,353.83	-	-	-
Other Financial Liabilities	-	-	4,843.87	-	-	2,584.37
Derivative Financial Liability	-	16.90	-	-	3.83	-
Total Financial Liability	**-**	**16.90**	**51,926.98**	**-**	**3.83**	**41,260.41**

* The above investments does not include Equity investment in subsidiaries and Associates which are carried at cost.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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.

Level 3: The instrument is included in level 3 if one or more of the significant inputs is not based on observable market data. This includes investment in unquoted equity shares.

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	780.30	-	6,430.00	4,348.13	-	2,381.73
Derivative Financial Assets	-	4,345.06	-	-	12,478.66	-
Non-current Loans	-	-	-	-	-	3,000.20
	780.30	**4,345.06**	**6,430.00**	**4,348.13**	**12,478.66**	**5,381.93**
Financial Liabilities						
Derivative Financial Liability	-	16.90	-	-	3.83	-
	-	**16.90**	**-**	**-**	**3.83**	**-**

There have been no transfers between Level 1 and Level 2 during the year.

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, 2023.

Particulars	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Compulsory Convertible Preference Shares	DCF Method	Weighted Average Cost of Capital	13.25%	0.1% Increase/Decrease would result in Increase /Decrease in fair value by approx. ₹40 crores as of 31st March,2023.

Reconciliation of Level 3 measurement: **(₹ in Crores)**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Opening Balance		**5,381.93**		**6,973.36**
Addition		4,060.00		-
Reclassification		(11.73)		-
Provision/write-off during the year		(588.40)		(1,591.43)
Realisation		(2,411.80)		-
Closing Balance		**6,430.00**		**5,381.93**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Fair Value of Financial Assets and Liabilities measured at Amortised Cost for which Fair Values are disclosed -

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets				
Other Non-Current Financial Assets and Loans	1,566.57	1,573.53	253.16	259.11
	1,566.57	**1,573.53**	**253.16**	**259.11**
Financial Liabilities				
Lease Liability	2,194.10	2,246.34	2,606.74	2,598.24
	2,194.10	**2,246.34**	**2,606.74**	**2,598.24**

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.

- 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 into 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, 2023		
	Gross Carrying Amount	Allowance for expected credit loss	Net carrying amount (net of expected credit loss)
Amounts not yet due	1,299.10	-	1,299.10
Up to six months overdue	168.30	-	168.30
Greater than six months overdue	283.14	283.14	-
	1,750.54	**283.14**	**1,467.40**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ 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	1,156.12	-	1,156.12
Up to six months overdue	211.26	-	211.26
Greater than six months overdue	898.48	898.48	-
	2,265.86	**898.48**	**1,367.38**

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.

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

(₹ in Crores)

Particulars	As at 31st March, 2023				
	< 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	1.25	2,004.88	6,002.17	20,436.47	28,444.77
Interest Payout	3,950.84	3,366.42	7,549.93	5,392.62	20,259.81
Trade Payables	6,321.29	-	-	-	6,321.29
Buyers' credit	2,353.83	-	-	-	2,353.83
Lease Liability	582.44	1,064.96	462.67	917.90	3,027.97
Other Financial Liabilities	3,417.75	252.14	756.42	1,197.66	5,623.97
Derivative Financial Liability	16.90	-	-	-	16.90
Total	**16,644.30**	**6,688.40**	**14,771.19**	**27,944.65**	**66,048.54**

(₹ in Crores)

Particulars	As at 31st March, 2022				
	< 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	0.96	1.04	6005.46	22,402.13	28,409.59
Interest Payout	761.80	3,785.52	8,107.34	7,212.18	19,866.84
Trade Payables	4,092.38	-	-	-	4,092.38
Lease Liability	639.02	601.40	1,459.11	653.50	3,353.03
Other Financial Liabilities	2,588.20	-	-	-	2,588.20
Derivative Financial Liabilities	3.83	-	-	-	3.83
Total	**8,086.19**	**4,387.96**	**15,571.91**	**30,267.81**	**58,313.87**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

- Market risk
The Company is exposed to Financial Market risks in its operations on account of:
- Foreign currency risk
- Interest rate risk
- Price Risk- Commodity and others

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 currency 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 currency 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:

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	USD	EUR	Others	Total	USD	EUR	Others	Total
Trade Receivables	382.10	35.16	-	417.26	398.60	21.43	-	420.03
Cash and Bank balances	-	-	-	-	0.46	-	-	0.46
Other Financial Assets	0.17	0.68	0.10	0.95	-	-	-	-
Financial Assets	382.27	35.84	0.10	418.21	399.06	21.43	-	420.49
Net Exposure to Foreign Currency risk on Financial Assets	382.27	35.84	0.10	418.21	399.06	21.43	-	420.49
Borrowings	4,446.04	-	-	4,446.04	4,407.02	-	-	4,407.02
Trade Payables	1,153.88	4.70	0.19	1,158.77	1,343.87	6.65	0.07	1,350.59
Buyer's Credit	2,353.83	-	-	2,353.83	-	-	-	-
Creditors for Capital Expenditures	19.94	40.77	2.04	62.75	9.17	6.48	0.46	16.11
Financial Liabilities	7,973.69	45.47	2.23	8,021.39	5,760.06	13.13	0.53	5,773.72
Covered by Derivative Contracts	1,830.47	-	-	1,830.47	668.62	-	-	668.62
Net Exposure to Foreign Currency risk on Financial Liabilities	6,143.22	45.47	2.23	6,190.92	5,091.44	13.13	0.53	5,105.10

(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, 2023		As at 31st March, 2022	
	On Profit	On Equity	On Profit	On Equity
USD sensitivity				
Increase by 5%	(288.05)	(215.55)	(234.62)	(175.57)
Decrease by 5%	288.05	215.55	234.62	175.57
EUR sensitivity				
Increase by 5%	(0.48)	(0.36)	0.41	0.31
Decrease by 5%	0.48	0.36	(0.41)	(0.31)
Others sensitivity				
Increase by 5%	(0.11)	(0.08)	(0.03)	(0.02)
Decrease by 5%	0.11	0.08	0.03	0.02

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

- 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 2022-23, 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, 2023	As at 31st March, 2022
Variable Rate Borrowing	4,436.47	4,402.14
Total Exposure	**4,436.47**	**4,402.14**

(b) Sensitivity (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Impact on Company's Profit/ (Loss), if interest rates had been 50 basis points higher/lower and all other variables were held constant.	22.18 (22.18)	22.01 (22.01)

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 up to a tenor of calendar year 2030 (Highly probable exposure).

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

Sr. No.	Particulars	As at 31st March, 2023		As at 31st March, 2022	
		Assets	Liabilities	Assets	Liabilities
1.	Foreign Currency forward contracts	10.34	16.90	2.78	3.83
2.	Commodity Derivative Contracts	4,334.72	-	12,475.88	-

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

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
		Assets	Assets
1.	Foreign Currency forward contracts	3,897.84	1,382.18
2.	Commodity Derivative Contracts	13,369.45	9,170.84

Other price risks

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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

40 Capital Management

The 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 on establishing a capital structure that would maximize the return to stakeholders. The Company will be able to continue as a going concern and also maximize the return to stakeholders through an optimal debt-equity mix. The Company has taken over strategic assets in sectors such as power, ports, pipelines, mines etc., as opportunity arises through internal accruals and equity infused.

The principal source of funding for its expansion programs is the cash generated from operations supplemented by the Equity infusion and other loans from the holding company. The Company is not subject to any externally imposed capital requirements. The Company continuously monitors its capital structure using gearing ratio which is net debt divided by total equity. Net debt includes interest-bearing loans and borrowings less Cash and cash Equivalents, Other Bank Balances and current investments. No changes were made in the objectives, policies, or processes for managing capital during the year.

Gearing ratio information: **(₹ in Crores)**

Particulars		As at 31st March, 2023		As at 31st March, 2022
Borrowings (Refer Note 19 and 24)		36,161.65		31,985.42
Lease Liability (Refer Note 48)		2,246.34		2,598.24
Total Borrowings		**38,407.99**		**34,583.66**
Less: Cash & Cash Equivalents, Other Bank Balances (Including non current deposits with Bank)	5,175.02		14,448.02	
Current Investments [Refer 6(b)]	779.28		4,347.16	
		5,954.30		18,795.18
Net Debt (A)		**32,453.69**		**15,788.48**
Total Equity (B)		**39,698.50**		**41,404.35**
Gearing Ratio = (A/B)		**0.82**		**0.38**

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 management committee for assessment of the Company's performance and resource allocation. The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from Operations (Refer Note 29) **(₹ in Crores)**

Geographical Information	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Domestic	Export	Total	Domestic	Export	Total
Revenues (Income from operation)	**46,332.15**	**7,066.95**	**53,399.10**	**39,802.48**	**15,865.64**	**55,668.12**

Revenue from none of the customer exceeds 10% of total revenue of the company.
(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 2023	Amount 31st March 2022	Currency	Purpose
1	Forward purchase contracts (USD / INR)	425,215,521	108,200,000	USD	To hedge the exchange risk on opex import
2	Forward purchase contracts (USD / INR)	-	61,719,239	USD	To hedge the exchange risk on Export.
3	Forward purchase contracts (EUR / USD)	-	9,950,000	EUR	To hedge the exchange risk on capex import
4	Forward purchase contracts (EUR / USD)	44,845,195	-	EUR	To hedge the exchange risk on capex import
5	Commodity price contracts - Buy	1,267,274,860	1,209,759,488	USD	To hedge the Price Risk under Gas Purchase contract
6	Commodity price contracts - Sell	358,844,828	-	USD	To hedge the Price Risk under Gas Purchase contract

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

43 Other 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 material transactions/balances with companies struck off under section under section 248 of Companies Act, 2013.

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

iv. On 1st November 2022, the Company has invested ₹4,020 crores in AM Mining India Private Limited (CIN U13209DL2019PTC356902) (fellow subsidiary of the Company). The Company has complied with the requisite provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 in relation to such investments and the said transaction is not in violation of provisions of the Prevention of Money-Laundering Act, 2002 (15 of 2003). It has been further invested by AM Mining India Private Limited in AMNS Khopoli Limited (formerly known as Uttam Galva Steel Limited) (CIN L27104MH1985PLC035806) (fellow subsidiary of the Company and subsidiary of AM Mining India Private Limited) on 10th November, 2022.

Registered office of AM Mining India Private Limited is A-74 Nizamuddin East, New Delhi, South Delhi DL 110013 and registered office of AMNS Khopoli Limited is Admin Block, Survey No. 71-75, Village Donvat, Khopoli-Pen Road, Khalapur Raigarh, Maharashtra 410203.

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.

ix. The Company is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, i.e. 5th August, 2022 onwards.

x. The Company has not been sanctioned any working capital limits from banks during the year on the basis of security of current assets of the Company except for facilities which are lien on bank deposits for which no quarterly statements (DP statement, Stock statement) are required to be submitted.

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

xii. There is no Core Investment Company as a part of the Group.

xiii. The Company being an unlisted public company and wholly owned subsidiary of a private limited company till 15th March, 2023 (i.e. the date of Merger order of holding company of the Company with the Company retrospectively with effect from 16th December, 2019), the provisions of section 177 of Companies Act, 2013 were not applicable to the Company. Further, the merger order dated 15th March, 2023 was subject to RBI approval which was subsequently received on 10th May, 2023. Upon completion of the merger, the company will be converted into a private limited company consequently, provision of section 177 concerning audit committee will not be applicable.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

44 Related Party disclosures:

List of related parties and relationships

(a) Parent Companies

1 AMNS Luxembourg Holding S.A – Ultimate Holding Company
2 Oakey Holding B.V - Holding Company (Refer note 54)

(b) Subsidiaries

1 AMNS International Limited (fka Essar Steel UAE Limited)*
2 AMNS Middle East FZE
3 AMNS Ports Hazira Limited* (fka Essar Bulk Terminal Limited) (*w.e.f* 15.11.2022)
4 AMNS Ports Paradip Limited* (fka Essar Bulk Terminal Paradip Limited) (w.e.f 15.11.2022)
5 AMNS Power Hazira Limited (fka Essar Power Hazira Limited) (*w.e.f* 19.10.2022)
6 AMNS Shared Services Limited
7 AMNS Shipping and Logistics Private Limited (*w.e.f.* 23.06.2022)
8 Bhagwat Steel Limited (*w.e.f* 19.10.2022)
9 Essar Steel Trading FZE
10 AMNS Ports India Limited (fka Hazira Cargo Terminal Limited) (*w.e.f* 15.11.2022)
11 Ibrox Aviations and Trading Private Limited (*w.e.f* 15.11.2022)
12 PT AM/NS Indonesia*
13 Snow White Agencies Private Limited (*w.e.f* 19.10.2022)
14 New Age Education and Skills Foundation (*w.e.f.* 17.01.2023)
15 Essar Steel Offshore Limited**
16 Essar Minerals Limited***
17 Essar Mineral Cooperatief U.A. ***
18 Essar Minerals Canada Limited ***
19 Essar Minerals INC ***
20 New Trinity Holding LLC ***
21 Banner Coal Terminal LLC ***
22 Bear Fork Resources LLC ***
23 Deep Water Resources LLC ***
24 Falcon Resources LLC ***
25 Frasure Creek Mining LLC ***
26 Hughes Creek terminal LLC ***
27 Levisa Fork Resources LLC ***
28 Little Elk Mining Company LLC ***
29 New Resources Inc. (NRI)***
30 New Trinity Coal Inc. (NTCI)***
31 North Springs Resources LLC ***
32 Prater Branch Resources LLC ***
33 RMG INC ***
34 Trinity Coal Corporation ***
35 Trinity Coal Marketing LLC (EMA) ***
36 Trinity Coal Partners LLC ***
37 Trinity Parent Corporation ***
38 Trinity RMG Holding LLC ***

* These are step down subsidiaries of direct subsidiaries of the Company.
** ceased to be related party w.e.f. 08.05.2023
*** These are step down subsidiaries of direct subsidiaries of the Company and ceased to be related party w.e.f. 08.05.2023

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

1 AM Mining India Private Limited
2 AMNS Khopoli Limited (*w.e.f.* 10.11.2022)

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

1 Essar Steel Processing FZCO
2 AM Green Energy Private Limited (*w.e.f* 22.08.2022)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(e) Other related parties (with whom transactions have taken place)

1 AFS Sedan
2 ArcelorMittal Design and Engineering Centre Pvt Ltd
3 ArcelorMittal DSTC FZCO
4 Arcelormittal Espana, S.A.
5 ArcelorMittal Europe SA
6 ArcelorMittal Exports Dmcc
7 Arcelormittal France
8 ArcelorMittal International Luxembourg SA
9 ArcelorMittal Neel Tailored Blanks Private Ltd.
10 ArcelorMittal Projects India
11 ArcelorMittal Rzk Celik Servis Merk
12 Arcelormittal SA
13 ArcelorMittal Shipping Limited
14 ArcelorMittal Singapore Private Limited
15 ArcelorMittal Sourcing SCA
16 ArcelorMittal Ventures India Private Limited
17 Gestamp Automotive India Private Limited
18 Global Chartering Limited
19 Ice Steel 1 Private Limited
20 IFGL Refractories Limited (ceased to be related party *w.e.f.* 01.07.2022)
21 Nippon Steel India Private Limited
22 Nippon Steel Pipe India Private Limited
23 Nippon Steel Rolls Corporation
24 Nippon Steel Trading Corporation
25 Texturing Technology Private Limited
26 TRL Krosaki Refractories Limited
27 Umang Shipping Limited
28 Nippon Steel Engineering India Private Limited
29 Nippon Steel Engineering Co. Ltd.

(f) Key Management Personnel

1 Mr. Dilip Oommen, Director and CEO#
2 Mr. Tomomitsu Inada, Director & Vice President Technology#
3 Mr. Amit Harlalka, Chief Financial Officer#
4 Mr. Pankaj S Chourasia, Company Secretary

No transaction were entered with these related parties during the current and previous year.

Terms and conditions

Sales / Purchases:

The related party transactions are undertaken at arm's length pricing.

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 certain loans from related parties. The foreign currency loans (External Commercial Borrowings) carry an interest rate of 6M SOFR + 2.80% per annum (Previous year: 6M LIBOR + 2.5%) , and the INR-denominated loans carry an interest rate of 10.00% per annum as of the date of the financial statement. The interest rates are subject to a benchmarking study as per the underlying agreement and applicable regulations (Refer Note 56).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

During the year, following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Particulars	Holding Companies	Subsidiaries	Fellow Subsidiaries	Other Related Parties	Associate	Key Management Personnel
		₹ in Crore					
(a)	Sales (Net)	-	83.90	581.98	708.85	20.36	-
		-	(331.56)	-	(1,415.52)	-	-
(b)	Purchase of Goods	-	-	0.04	1,245.42	-	-
		-	-	-	(442.39)	-	-
(c)	Purchase of Services	-	708.21	251.10	564.43	-	-
		-	(8.71)	-	(666.89)	-	-
(d)	Interest Expenses	2,525.19	-	-	-	-	-
		(2,258.59)	-	-	-	-	-
(e)	Miscellaneous Income	-	17.15	13.42	0.14	-	-
		-	-	(1.75)	(0.23)	-	-
(f)	Remuneration & perks	-	-	-	-	-	0.73
		-	-	-	-	-	(0.61)
(g)	Purchase of Capital Goods	-	-	-	40.74	-	-
		-	-	-	(9.10)	-	-
(h)	Miscellaneous Expenses	-	20.00	0.00	0.13	-	-
		-	-	-	-	-	-
(i)	Bad Debts Written Off	-	609.38	-	-	-	-
		-	-	-	-	-	-
(j)	Reversal of provision for doubtful debts	-	609.38	-	-	-	-
		-	-	-	-	-	-
(k)	Investments made	-	891.01	4,060.00	-	39.00	-
		-	-	-	-	-	
(l)	Capital contribution	-	-	-	-	-	-
		(184.63)	-	-	-	-	-
(m)	Sales of Assets	-	300.77	0.90	-	-	-
		-	-	-	-	-	-
(n)	Security Deposits given	-	200.00	-	-	-	-
		-	-	-	-	-	-
(o)	Security Deposits repaid	-	2,268.50	-	-	-	-
		-	-	-	-	-	-
(p)	Inter Corporate Deposits given	-	-	20.00	-	-	-
		-	-	(148.32)	-	-	-
(q)	External Commercial Borrowings repaid	328.25	-	-	-	-	-
		(990.72)	-	-	-	-	-
(r)	Grant given	-	7.10	-	-	-	-
		-	-	-	-	-	-
(s)	Reimbursement of Expenses	-	-	-	3.09	-	-
		-	-	-	-	-	-
(t)	Recovery of Expenses	-	3.74	-	0.27	-	-
		-	-	-	(0.01)	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Balance outstanding at year end

Sr. No.	Particulars	Holding Companies	Subsidiaries	Fellow Subsidiaries	Associates	Other Related Parties
		₹ in Crore				
(a)	Investments	-	21,015.87	6,430.00	39.25	-
		-	(1,078.63)	(2,370.00)	(0.25)	-
(b)	Trade Receivables	-	64.62	484.18	0.32	48.24
		-	(663.55)	-	-	(218.85)
(c)	Other Advance/Receivables	-	682.46	13.05	-	44.28
		-	(239.44)	(1.57)	-	(2.62)
(d)	Trade and other payables	-	100.10	15.51	-	46.87
		-	-	-	-	(124.70)
(e)	Advance From Customers	-	2.09	-	-	0.79
		-	(2.09)	-	-	(0.55)
(f)	Inter Corporate Deposits Given/ Invocation of SBLC	-	2,536.73	168.31	-	-
		-	(2,338.96)	(148.32)	-	-
(g)	Bonds (Incl. Interest)	29,161.64	-	-	-	-
		(27,570.94)	-	-	-	-
(h)	External Commercial Borrowings	4,446.04	-	-	-	-
		(4,408.44)	-	-	-	-
(i)	Capital contribution	1,997.71	-	-	-	-
		(1,997.71)	-	-	-	-
(j)	Lease liability	-	808.42	-	-	-
		-	-	-	-	-
(k)	Provision for doubtful debt/ impairment/ fair valuation	-	3,555.75	-	0.25	-
		-	(3,941.92)	-	(0.25)	-

Note:

1 Figures mentioned in bracket are previous year figure

2 Financial Support to Subsidiaries (Refer Note 46 (b) & (c)).

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

45 Claims against the Company not acknowledged as liabilities/ Contingent Liabilities - (Not provided for)

Consequent to implementation of 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 16th December, 2019 stand extinguished.

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
1 Cross Subsidy	196.87	546.84

The Company was a consumer of Dakshin Gujarat Vij Company Ltd. ("DGVCL") and it was continued to obtain power till year 2012. In year 2013, the Company was connected to the Central Transmission Utility ("CTU") after disconnecting from the State Transmission Utility ("STU") and the power supply agreement with DGVCL was terminated. However, DGVCL has continued to raise demands for Cross Subsidy Surcharge (CSS) upon the Company for its power consumption including on the power procured from its captive power plants. In 2014, the Company filed a Petition before Gujarat Electricity Regulatory Commission (GERC) seeking a declaration that CSS was not payable on power being procured from captive generating plants. Thereafter, in year 2016, the Company filed Petition before the GERC contending that no CSS would be payable to DGVCL, since the Company had disconnected itself from the STU network and was an independent regional entity as approved by the 2013 CERC Order.

In August 2017, CIRP of the Company commenced and AMIPL's Resolution Plan was approved by the Supreme Court (SC) vide its judgment dated 15th November, 2019 and claim of DGVCL got extinguished due to pendency of disputes with regard to these claims. DGVCL had filed a review petition before the SC which was rejected both on delay and merits.

DGVCL filed Petition no. 186/MP/2021 at CERC in relation to the outstanding CSS amounts for the period post December 2019, alleging continued violation of the 2013 CERC Order by non-payment of cross subsidy surcharge. DGVCL sought recall of the 2013 order granting connectivity to the CTU network and regional entity status

GERC in its order dated 10th July, 2023 held that, the Company is liable to pay CSS for the period post December 2019. For the period prior to 16th December, 2019, the liability towards CSS would be as per the SC Judgement in ESIL CIRP dated 15th November, 2019, the Gujarat High Court judgment dated 24th February, 2023 and the order passed in that proceedings. Further, the Company is at liberty to get a certificate regarding its captive status from the Chief Electrical Inspector, State of Gujarat.

In parallel, the CERC vide its order dated 21st August, 2023, has directed to the Company for filing its affidavit indicating the payment plan to liquidate its CSS arrear for the period post 16th December, 2019 and undertaking to the effect that the Company would continue to pay the current CSS dues. DGVCL vide its letter dated 25th August, 2023, raised demand of ₹5,285.90 crores as total amount pending CSS as on 10th July, 2023 which includes CSS along with DPC up to December 2019 ₹3,724.02 crores and ₹1,562.88 crores from January 20 to June 23.

As per the legal opinion from a senior counsel, GERC has not taken note of the fact that the Company would not fall within the scope of Section 42(2) for the purposes of imposition of CSS by DGVCL. The Company has an arguable case to appeal against, and/or, for seeking review and recall of the 10th July, 2023 Judgements. Accordingly, the Company has filed a review and recall petition before the GERC as there are apparent errors which necessitate review including violation of natural justice.

Accordingly, the Company has assessed the liability approx. ₹1,090 crores (including ₹546.84 crores being charged until March 22 accounted as exceptional Item) towards CSS as probable and ₹196.87 crores towards DPC as possible for the period of January 2020 to March 2023.

2 Right to Use Charges - OSPIL:

ArcelorMittal Nippon Steel India Ltd. formerly known as Essar Steel India Ltd. ("AMNSI/ESIL") and Odisha Slurry Pipeline Infrastructure Ltd. ("OSPIL) entered into a Business Transfer Agreement ("BTA") dated 27th February, 2015 pursuant to which a 253 km slurry pipeline from Dabuna to Paradip ("Slurry Pipeline") was agreed to be transferred from ESIL to OSPIL for a total consideration of ₹4,000 crores. ESIL and OSPIL also entered into a

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Right to Use Agreement ("RTUA") dated 30th March, 2015 granting ESIL the right to use the allocated capacity of the Slurry Pipeline in consideration of usage charges.

Pursuant to a certain clarification from RBI to the banks in January, 2016, ESIL and OSPIL mutually entered into a cancellation deed dated 24th June, 2016 to unwind the transaction in relation to the Slurry Pipeline ("Cancellation Deed"), which came into effect on 30th June, 2016 and consequently recorded back the Pipeline as part of property, plant and equipment of ESIL.

SREI Infrastructure Finance Limited ("SIFL"), being a creditor of OSPIL, challenged the Cancellation Deed and prayed for its annulment by filing a civil suit before the Civil Judge (Senior Division) at Sealdah ("Sealdah Court"). Since, SIFL's application for interim reliefs was rejected by the Sealdah Court, SIFL filed an appeal in Calcutta High Court, inter alia, seeking an injunction upon the effect of Cancellation Deed. The Calcutta High Court on 22nd December, 2016 passed an ex-parte order for status-quo to be maintained with regard to alienation and transfer of the Slurry Pipeline. The said order was extended from time to time. On 9th January, 2023, the civil suit at Sealdah Court was dismissed. SIFL has filed an application seeking restoration of the suit before the Sealdah Court, which application is currently pending consideration.

Meanwhile, ESIL was admitted into a corporate insolvency resolution process (CIRP) by the National Company Law Tribunal ("NCLT") vide an order dated 2nd August, 2017 ("ESIL CIRP"). The Resolution Plan for ESIL CIRP was approved finally by the Supreme Court on 15th November, 2019 ("ESIL SC Judgment") and pursuant to its implementation, ESIL was acquired and renamed as ArcelorMittal Nippon Steel India Limited viz. AMNSI.

On 5th March, 2020, SIFL, acting as a financial creditor of OSPIL, filed an application before NCLT, Ahmedabad, seeking payment of usage charges of approximately ₹1,300 crores for usage of the Slurry Pipeline to OSPIL during ESIL CIRP period. In the alternative, SIFL sought directions for liquidation of AMNSI (previously ESIL). By an Order of 10th November, 2020, NCLT held usage charges to be payable by ArcelorMittal India Private Limited (AMIPL)/AMNSI as CIRP costs (NCLT Order). Being aggrieved, both, AMIPL (the Resolution Applicant of ESIL and OSPIL) and AMNSI (as erstwhile Corporate Debtor), preferred separate appeals before NCLAT, inter alia, on ground that RTU Charges were not accepted by the Resolution Professional (RP) erstwhile ESIL and the same cannot form part of the CIRP costs. The NCLAT admitted both the appeals vide order dated 4th December, 2020 and 8th December, 2020, respectively while granting a stay upon the NCLT Order. Any claim arising out of these proceedings, is accordingly, subject to the outcome of said appeals filed by AMIPL and AMNSI and of any subsequent appeals in the matter or settlement, if any. In view of the management, supported by a legal opinion, likelihood of any potential liability of the Company in relation to these usage charges in the pending appeals is remote and there is high probability of success for the Company in the above matter.

3 Essar Bulk Terminal Limited ("EBTL") (vendor) had raised various claims (₹1,094 crores till 31st March 2022) against the Company which were disputed by the Company. On 17th November 2022, the Company and EBTL entered into an agreement pursuant to which, all these claims against the Company stand withdrawn and/or dismissed.

46 Commitments (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	22,868.95	4,156.69

(b) AMNS Middle East FZE (AMNSME) (the wholly owned subsidiary of the company) has deficit in its equity as on 31st March 2023. The Company has its present intention that it will provide financial support for at least twelve months from the date of authorisation of financial Statement to AMNSME if required, to continue its operations and to meet its liability towards Company's Loan and Trade Payables.

(c) Current liabilities of AMNS Power Hazira Limited (AMNSPHL) (the wholly owned subsidiary of the company) has exceeded its current assets as on 31st March, 2023. The Company will provide financial support for at least twelve months from the date of authorisation of financial Statement to AMNSPHL to continue its operations and to meet their liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 ₹29.99 crores (Previous Year : ₹22.80 crores) 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, 2023	Year Ended 31st March, 2022
Current Service Cost	8.71	7.17
Net Interest/(Income) on net defined benefit liability/(asset)	1.07	0.38
Expenses Recognised in the statement of profit and loss	**9.78**	**7.55**

(₹ in Crores)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Other Comprehensive Income		
Actuarial (gain)/loss recognised in the year due to liability experience changes	7.44	5.80
Actuarial (gain)/loss recognised in the year due to liability assumption changes	1.60	5.10
Actuarial (gain)/loss arising on the liability during the period	**9.04**	**10.90**
Add: Return on Plan Assets (greater)/less than discount rate	0.39	(0.07)
Actuarial Loss/(Gain) recognised in OCI	**9.43**	**10.83**
Defined Benefit Cost		
Service Cost	8.71	7.17
Net interest/(income) on net defined benefit liability/(asset)	1.07	0.38
Actuarial (gain)/loss arising recognised in OCI	9.43	10.83
Defined Benefit Cost	**19.21**	**18.38**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance Sheet		
Details of provision		
Defined Benefit Obligation	(143.57)	(122.18)
Fair value of Plan Assets	114.64	100.15
Funded Status [Surplus/(Deficit)]	**(28.93)**	**(22.03)**
Net Defined Benefit Asset/(Liability)	**(28.93)**	**(22.03)**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Reconciliation of Net Balance Sheet position		
Net defined benefit asset/(liability) at the end of prior period	(22.03)	(7.79)
Service cost	(8.71)	(7.17)
Net interest on net defined benefit (liability)/asset	(1.07)	(0.39)
Gain/(Loss) recognised in OCI	(9.43)	(10.80)
Employer Contribution	12.55	4.12
Acquisition credit/(cost)	(0.24)	-
Net Defined Benefit (Liability)/Asset at the end of reporting period	**(28.93)**	**(22.03)**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Changes in the present value of the defined benefit obligation are as follows:		
Projected Benefit Obligations (PBO) at the beginning of the year	122.18	103.81
Service Cost	8.71	7.17
Interest Cost	8.15	6.65
Actuarial (gain)/loss - experience	7.44	5.79
Actuarial (gain)/loss - demographic assumptions	(0.03)	0.17
Actuarial (gain)/loss - financial assumptions	1.63	4.91
Benefits paid	(4.74)	(6.32)
PBO at the end of the year	**143.34**	**122.18**
Changes in the fair value of plan assets are as follows:		
Fair Value of plan assets at the beginning of the year	100.15	96.02
Interest income on plan assets	7.08	6.26
Contributions/Transfers	12.55	4.12
Benefits paid	(4.74)	(6.32)
Return on plan assets greater/(less) than discount rate	(0.40)	0.07
Fair Value of plan assets at the end of the year	**114.64**	**100.15**

The Company expects to contribute ₹15.24 crores (Previous Year: ₹9.06 crores) to its gratuity plan for the next year.

(₹ in Crores)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Expected benefits payment for the year ending		
Less than 1 year	15.24	11.32
Between 2 to 5 years	69.09	53.39
Over 5 years	104.09	81.16
Weighted Average duration of the defined benefit obligation	8 years	8 years
Investment details of plan assets		
Plan assets comprise of Schemes of Insurance - Conventional products		

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

Particulars	Year Ended 31st March 2023		Year Ended 31st March 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.5% movement)	(4.82)	5.13	(4.49)	4.79
Salary Escalation Rate (0.5% movement)	3.21	(3.20)	3.36	(3.34)
Withdrawal Rate (3% movement)	(0.18)	(0.09)	(0.36)	0.34

Defined Benefit Cost (₹ in Crores)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Assumptions		
Discount rate	7.30%	6.80%
Rate of Return on Plan Assets	7.01%	7.00%
Salary escalation rate	9.50%	8.50%
Withdrawal rate	9.50%	8.50%
Mortality	Indian Assured Lives Mortality (2006 - 08) Ult. Modified	

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Current	Non Current	Current	Non Current
Gratuity	(0.00)	(28.93)	(0.00)	(22.03)
Compensated Absences	(3.94)	(21.99)	(1.94)	(13.30)

There are no other post retirement benefits provided by the company.

The Company is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

48 Leases

a) Following are the changes in the carrying value of right of use assets for the year ended 31st March, 2023:

(₹ in Crores)

Particulars	Land	Buildings	Plant & Machinery	Total
Opening Balance as on 1st April 2022	375.09	52.00	2,190.59	2,617.68
Additions (including remeasurement)	9.42	15.28	390.36	415.06
Deletions	-	-	(387.42)	(387.42)
Depreciation	(4.76)	(14.73)	(428.54)	(448.03)
Closing Balance as on 31st March 2023	**379.75**	**52.55**	**1,764.99**	**2,197.29**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	Land	Buildings	Plant & Machinery	Total
Opening Balance as on 1st April 2021	317.56	3.33	2,626.02	2,946.91
Additions	65.35	53.42	-	118.77
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**

b) The following is the movement in lease liabilities during the year ended 31st March, 2023: (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Opening Balance	2,598.24	2,947.28
Additions	405.64	53.42
Finance cost accrued during the period	221.70	204.24
Deletions	(387.42)	-
Principal Payment of lease liabilities	(370.12)	(402.46)
Interest Payment of lease liabilities	(221.70)	(204.24)
Closing Balance	**2,246.34**	**2,598.24**
Lease Liability - Current	423.37	459.67
Lease Liability - Non Current	1822.97	2138.57
Closing Balance	**2,246.34**	**2,598.24**

c) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2023 on an undiscounted basis: (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	582.44	639.02
One to five years	1,527.63	2,060.51
More than five years	917.90	653.50
Total	**3,027.97**	**3,353.03**

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

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Short term Leases and Low Value Leases	62.02	19.66
Total	**62.02**	**19.66**

49 Earnings Per Share (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Profit attributable to Equity Shareholders	2,186.95	7,224.79
Weighted average number of shares for the purpose of calculating basic and diluted earning per share (in nos.) (Refer Note 18 for No. of shares)	25,041,306,142	25,041,306,142
Basic and diluted earnings per Equity share of ₹10 each (in Rupees)	0.87	2.89

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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, 2023	For the Year 31st March, 2022
(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	175.50	203.64
Interest due to Micro and Small enterprises	0.38	0.71
(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	0.38	0.71
(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	0.14	0.22

51 **Exceptional Items**

(₹ in Crores)

Sr. No.	Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
1	Write off of Loan receivables (Refer Note 55)	588.40	1,591.43
2	Provision for Disputed Claims[1]	546.84	-
3	Reversal of Impairment on assets[2]	(482.83)	-
		652.41	**1,591.43**

1 During the year, read with Note 45(1), the Company has made provision in relation to disputed claims taking into consideration the subsequent order issued by the authorities, which were disclosed as contingent liability in the previous year. These provision have been made without prejudice on the basis of legal opinion obtained and the Company believes it has reasonable grounds to continue to defend its position with authorities.

2 Considering the change in internal and external indicators, the Company has reassessed the impairment of land, accounted in past years, with assistance of independent valuation expert and acceptable market valuation principles. This has resulted in reversal of impairment loss in the current year of ₹482.83 crores. The Company believes such reversals are not in the regular course of operations and thus has been accounted and disclosed as exceptional item in Statement of Profit and Loss.

52 **Ratio Analysis and its elements**

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2023	2022	Variance	Reason for Variance
1	Current ratio (Times)	Current Assets	Current Liabilities	1.19	4.55	-73.88%	Refer note A below
2	Debt to Equity Ratio (Times)	Total Debt	Shareholder's Equity	0.97	0.84	15.83%	
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	1.97	3.25	-39.55%	Refer note B below

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

52 Ratio Analysis and its elements (Contd..)

Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2023	As at 31st March 2022	Variance	Reason for Variance
4	Return on Average Equity (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	5.39%	21.66%	-75.10%	Refer note C below
5	Inventory Turnover ratio (Days)	Average Inventory	Revenue from Operations	70.11	57.60	21.72%	
6	Receivable Turnover Ratio (Days)	Average Trade Receivables	Revenue from Operations	9.69	11.41	-15.08%	
7	Payable Turnover Ratio (Days)	Average Trade Payables	Purchase of services and other expenses	43.11	27.56	56.43%	Refer note D below
8	Capital Turnover Ratio (Times)	Revenue from Operations	Average Working capital = Current assets - Current liabilities	3.06	2.59	17.83%	Refer note A below
9	Net Profit ratio (%)	Net Profit	Revenue from Operations	4.10%	12.98%	-68.44%	Refer note C below
10	Return on Capital Employed (%)	Earnings before interest and taxes	Average Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liabilities	7.52%	18.23%	-58.75%	Refer note C below
11	Return on Investment i.e Mutual Funds (%)	Profit generated on sale of investment	Cost of Investment	5.00%	3.58%	39.59%	Refer note E below

A Current ratio has decreased due to increase in Current borrowings and Trade Payables and decrease in cash and bank balance.

B Debt Service Coverage ratio has reduced due to decrease in profitability during the current year, thereby reducing the earnings available for debt service coverage as compared to previous year.

C Ratio has reduced due to decrease in profitability during the current year.

D Payable Turnover Ratio has increased due to increase in acceptances during the current year.

E Ratios have improved due to increase in realised gain on sale of mutual funds.

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

Sr. No.	Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
1	Amount required to be spent by the company during the year	-	-
2	Amount of expenditure incurred	102.90	50.90
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 (Refer Note 44)	7.10	-
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, 2023

54 Pursuant to the Composite Scheme of Arrangement among ArcelorMittal India Private Limited (Transferor Company/ Amalgamating company/AMIPL) and AM Associates India Private Limited (Transferee Company/AMAIPL) and ArcelorMittal Nippon Steel India Limited (Amalgamated Company/AMNSIL) under Sections 230-232 and other applicable provisions of the Companies Act, 2013 which was approved by the Hon'ble National Company Law Tribunal Ahmedabad bench, (NCLT) vide order dated 15th March, 2023, which provides for the transfer and vesting of the transferred undertaking (as defined in the said Scheme) of AMIPL to AMAIPL, reduction of equity share capital of AMIPL and upon the aforesaid steps having been undertaken, the amalgamation of AMIPL (comprising of residual business undertaking as defined under Schedule - A of the said Scheme) into AMNSIL. The Scheme is deemed to be operative from Appointed date viz 16th December, 2019. The Reserve Bank of India (RBI) approval on the said scheme was received by the Company on 10th May, 2023. The scheme has become effective with effect from 3rd August, 2023 on last filling of order with registrar of companies by AM Associates.

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

The Accounting Effect of this Scheme in the financial statements has been given as under:-

a) In terms of the said scheme, authorised share capital of AMNSIL has been increased to ₹80,000 crores (divided into 7990,00,00,000 equity shares of ₹10 each and 10,00,00,000 10% cumulative redeemable preference shares of ₹10 each), for which the Company is taking necessary steps under the Companies Act, 2013 to give effect in this regard.

b) The paid up equity share capital of AMNSIL comprising of 922,20,00,000 equity shares of ₹10 each, aggregating to ₹9,222 crores as held by the Amalgamating company (AMIPL) shall be automatically cancelled and extinguished. Further, during the year Company (before merger) had issued equity shares of ₹2,730 crores on conversion of secured Loans, the same is also cancelled and extinguished.

c) The paid up equity share capital of the Amalgamating company comprising of 2689,79,72,105 equity shares of ₹10 each, aggregating to ₹26,897.97 crores as held by the shareholders of the Amalgamating company (AMIPL) shall be automatically cancelled and extinguished.

d) In terms of the said Scheme, 2504,13,06,142 (Two Thousand Five Hundred Four crores Thirteen Lakhs Six Thousand One hundred Forty-Two) fully paid-up Equity shares of ₹10 each of the Company has been issued and allotted at par to the Shareholders of the AMIPL for 2689,79,72,105 (Two Thousand Six Hundred Eighty Nine crores Seventy-Nine Lakhs Seventy-Two Thousand One Hundred Five) Equity shares of ₹10 each held by them in AMIPL. These equity shares rank pari passu in all respect (including dividend) with the existing equity shares of the Company.

e) The amount lying as balance in the Balance Sheet of AMNSIL (as accumulated losses) under the head 'Retained Earnings' forming part of 'Other Equity' as on the Appointed date, shall be, in the books of the AMNSIL, adjusted/ reduced as follows in accordance with provisions of Section 230 to 232, Section 66 and Section 55 of the Companies Act. 2013 and any other applicable provisions of the law:

   i) Firstly, Reduction of Capital Reserve Account of AMNSIL amounting to ₹2,356.29 crores and secondly reduction of Capital Redemption Reserve Account of AMNSIL amounting to ₹202.92 crores.

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

f) The Company has accounted the scheme as a business combination under common control and as required by Appendix C to Ind AS 103, has restated the financial information in respect of prior periods in the financial statements as if the business combination had occurred from the beginning of the preceding period in the financial statements in the following manner:

   i) AMNSIL has recorded the assets and liabilities of the Amalgamating Company (AMIPL) vested in it pursuant to the Scheme at the respective carrying amounts appearing in the books of accounts of the Amalgamating Company;

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

iii) The identity of the reserves has been preserved and are appearing in the financial statements of AMNSIL in the same form in which they appeared in the financial statements of the Amalgamating Company.

The difference, if any, between the carrying amounts of the net assets (including reserves) acquired, and the face value of the equity share capital of AMNSIL to be issued to the shareholders of the Amalgamating Company upon cancellation of the reduced share capital of Amalgamating Company, including difference resulting from elimination of intercompany balances, has been recognised as Capital Reserves on Business Combination.

g) The Company has recorded all assets and liabilities of AMIPL (Residual Business undertaking, after transfer of "transferred undertakings" to AMAIPL) at their respective book values due to common control transaction as appearing in the books of accounts of the AMIPL immediately before the appointed date and audited by auditor of AMIPL.

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

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

j) Tax impact on account of composite scheme of arrangement for the years ended on 31st March 2020 to 31st March, 2022 has been considered in current year.

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

l) The Composite Scheme of Arrangement has been given effect from appointed date i.e. 16th December, 2019 which is acquisition date for the purpose of IND AS 103 "Business Combination" as per clarification issued by the Ministry of Corporate Affairs (MCA), Government of India vide Circular No 09/2019 issued on 21st August, 2019.

m) Upon the Scheme coming into effect, AMNSI to be converted from a “public limited company” to a “private limited company” as an integral part of the Scheme. The Board of Directors approved the same on 25th September 2023 and, the Company is taking necessary steps under the Companies Act, 2013 to give effect in this regard.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e. 16th December, 2019) is as follows:

(₹ in Crores)

Particulars	
ASSETS	
Non-current assets	
Property, plant and equipment	0.43
Loans	5,169.83
Income tax assets (net)	2.75
Other non-current assets	18.28
Total non-current assets	**5,191.29**
Current Financial assets	38,867.68
Total current assets	**38,867.68**
Total Assets (A)	**44,058.97**
LIABILITIES	
Borrowings	24,000.00
Total non-current liabilities	**24,000.00**
Trade payables	1.32
Other current liabilities	1.23
	2.55
Total Liabilities (B)	**24,002.55**
Capital contribution	87.83
Retained earnings	(947.39)
Total Other Equity (C)	**(859.56)**
"Assets (net off liabilities) and other equity acquired as at appointed date (D)=(A)-(B)-(C)"	**20,915.98**
Investment made in AMNSI after appointment date, considered for calculating Swap Ratio as per the said Scheme (E)	**5,982.00**
F) Consideration	
2504,13,06,142 equity shares of ₹10 each to be issued on appointed date (F)	**25,041.31**
G) Capital Reserves on issue of new shares (D)+(E)-(F)	**1,856.67**
H) Difference on account of elimination of intercompany balances	**3,677.70**
I) Total Capital Reserves on Business Combination	**5,534.37**

55 Pursuant to Supreme Court Order, Arcelormittal Nippon Steel India Limited (erstwhile ArcelorMittal India Private Limited ("AMIPL") has acquired loans from consortium of lenders of AMNS Khopoli Limited (formerly Uttam Galva Steels Limited "AMNSK") for consideration of ₹4,922.30 crores on an "as is where is", "as is what is" and without recourse basis vide assignment agreement dated 17th October, 2018

AMIPL had initially recognized financial asset receivables from AMNSK at a fair value of ₹5,284.93 crores (including inter-corporate deposits of ₹362.63 crores to AMNSK) and had subsequently recorded impairment of ₹693.30 crores upto 31st March, 2021.

As on 31st March, 2022 amount of ₹3,000.20 crores receivable from AMNSK was determined based on the resolution plan for AMNSK and approved by committee of creditors of AMNSK ("AMNSK Resolution Plan"). This resulted in additional impairment of ₹1,591.43 crores which was treated as an exceptional item in profit and loss account for the year ended 31st March, 2022. Further ₹588.40 crores has been finally impaired on the basis of actual amount received amounting to ₹2,411.80 crores as per AMNSK Resolution Plan. Same is disclosed as an exceptional item in profit and loss account for the year ended 31st March, 2023.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

56 Borrowings Note (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Long Term Borrowings Note		
(1) 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. Loans carrying interest @6M SOFR plus 2.80 % p.a. The principal is repayable on 20th March, 2030 (Refer Note 1)	3,028.16	2,789.15
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. Loans carrying interest @6M SOFR plus 2.80 % p.a. The principal is repayable on 20th March, 2030 (Refer Note 1)	604.74	868.90
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 SOFR plus 2.80% p.a. The principal is repayable on 20th March, 2030 (Refer Note 1)	813.14	748.96
Secured by hypothecation and charge on Vehicles. Principal is repayable ranges from December 2024 to February 2027. Loans carrying interest ranging from 7.81% p.a. to 9.74% p.a	3.93	2.98
Secured by hypothecation on Vehicles. Principal is repayable ranges from December 2024 to January 2027. Loans carrying interest ranges from 8.10% p.a. to 10.75% p.a.	4.41	4.48
Unsecured Borrowings		
Unsecured INR denominated Bonds (INR ECB Loan) carry interest @ 10% p.a. Bonds Redemption schedule is, half yearly repayment of ₹1,000 crores starting from September 2024 and bullet repayment of balance ₹13,000 crores in March 2030. (Refer Note 2)	29,161.64	27,570.94
	33,616.02	**31,985.42**
Current Borrowings		
Bridge Loan		
Overdraft facility was secured with 100% non-callable fixed deposits for short term period of six months carrying interest rate ranging from 7.50% to 7.80%. The company fully settled this facility in June 2023. Subsequently, the underlying fixed deposits were released, and no dues certificate was issued by the respective bank.	1,574.21	-
Commercial Paper - Unsecured		
Commercial Paper raised by the Company are unsecured and short-term in nature ranging between four to six months and carry interest @ 8.10% p.a.	971.42	-
	2,545.63	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Note:

1. The Company and AMNS Luxembourg Holdings S.A. (AMNSL & Lender) amended certain terms and conditions of the ECB facility through an agreement dated 30th March, 2021 (the A&R agreement). The applicable interest rate was changed from 6-month Libor + 2.50% to 6 month SOFR + 2.80% through agreement dated 2nd August, 2022. The amended interest rate became effective from 21st September, 2022, onwards, with interest accrual starting on that date. Following the NCTL order dated 15th March, 2023, the ECB facility was converted into an unsecured facility. All charges were satisfied in June 2023, subsequent to balance sheet date; based on the NOC issued by the Lender.

2. The Company signed an agreement on 1st March, 2019 with its parent company for the issuance of unsecured INR-denominated Bonds worth ₹24,000 crores (INR ECB). Due to the advent of the COVID-19 pandemic, it was agreed that no interest would be charged, accrued, or payable on the Bonds from 1st April, 2020, until 31st March, 2021. Furthermore, the Company and its parent company entered into an updated agreement dated 30th March, 2021, extending the redemption period in installments, extending interest payments, and granting a conversion right to equity, subject to ECB guidelines. Moreover, during the previous year, the Company and its parent Company entered into an updated agreement dated 14th January, 2022, amending the interest repayment schedule of the bonds. Consequently, a difference in the financial liability of ₹184.63 crores has been transferred to capital contribution . The effective interest rate is 7.89%. The interest rate of 10.00%, as per the bond agreement, is subject to the overall ceiling as provided in the ECB Guidelines, which may be amended from time to time.

3. 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. Furthermore, according to the approved Resolution Plan and the Supreme Court order dated 15th November, 2019, the Corporate and Personal Guarantees provided by the former Essar promoters and Essar group companies are not binding on ArcelorMittal Nippon Steel India Limited (the Company).

4. To fund the company's capex expansion plans at Hazira Location, AMNS Luxembourg provided a $5 billion line of credit to AMNSI in April 2023, subsequent to balance sheet date. This funding will be used for the Upstream project.

57 AMNS India reached a definitive agreement on 26th August, 2022 to acquire port, power plants and other logistics and infrastructure assets in India from the Essar Group for a total value of approximately ₹20,000 crores. On 19th October, 2022, AMNS India completed the acquisition of Essar Power Hazira Limited, corresponding to a 270 MW multi-fuel power plant at Hazira which has a long-term power purchase agreement with AMNS India. On 15th November, 2022, AMNS India completed the acquisition of Essar Bulk Terminal Limited through Hazira Cargo Terminal Limited and Ibrox Aviation and Trading Private Limited (including payment towards restriction on Brand usage), corresponding to a 25 million-tonne per annum jetty at the all-weather, deep draft bulk port terminal at Hazira, Gujarat, captive and adjacent to AMNS India’s flagship steel plant and Essar Bulk Terminal Paradeep Limited, corresponding to a 12 million-tonne per annum deep-water jetty at Paradeep, Odisha along with a dedicated conveyor that handles 100% of pellet shipments from AMNS India’s Paradeep pellet plant. AMNS India also completed the assets acquisition of a 515 MW gas-based power plant, along with allied land which will aid AMNS India expansion plans at Hazira, Surat.

AMNS India expects to complete the acquisition of certain remaining assets subject to receipt of regulatory approvals. Such assets include:

– a 16 million-tonne per annum all-weather, deep draft terminal at Visakhapatnam, Andhra Pradesh along with an integrated conveyor connected to AMNS India’s 8 million-tonne per annum iron ore pellet plant in the port city.

– approximately 100 kilometer Gandhar - Hazira transmission line, connecting AMNS India’s steelmaking complex with the central electricity grid.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

58 Except stated elsewhere in these Standalone Financial Statements, there are no other subsequent adjusting event that may have impact as at Balance Sheet date.

59 The figures of the previous year has been regrouped/reclassified where necessary to conform to current year's classification.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

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

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To The Members of ArcelorMittal Nippon Steel India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of ArcelorMittal Nippon Steel India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

For the reasons more fully discussed in note 53 (f) to the Consolidated Financial Statement, the comparative financial information in respect of the year ended March 31, 2022 included in the Consolidated Financial Statements for the year ended March 31, 2023, have considered the effect of merger of ArcelorMittal India Private Limited with the Company during the year ended March 31, 2023, in accordance with the requirements of Ind AS 103, Business Combinations. Our opinion is not modified in respect of this matter.

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

The Holding 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and

events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose financial statements and other financial information include total assets of ₹4,492.08 crores as at March 31, 2023, and total revenues of ₹2,224.82 crores and net cash inflows of ₹96.72 crores for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹0.27 crores for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) For the reasons more fully explained in note 53 (f) to the Consolidated Financial Statements, the comparative consolidated financial information of the Company for the year ended March 31, 2022 included in these consolidated financial statements have been approved by the Holding Company's Board of Directors and have not been subjected to audit.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

   a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except that with respect to 1 subsidiary as disclosed in note 45 (ix) to the consolidated financial statements, the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above.

   g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate company incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   h) In our opinion and according to the explanations given to us, no managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its 3 subsidiaries, audited by us, to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. The provisions of section 197 read with Schedule V to the Act are not applicable to 2 subsidiaries, audited by us, which are incorporated in India. Based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, no managerial remuneration has been paid / provided by 3 of its subsidiaries incorporated in India to their respective directors during the year in accordance with the provisions of section 197 of the Act read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of the subsidiaries and associate incorporated in India, the provisions of section 197 read with Schedule V to the Act are not applicable to 2 subsidiaries and 1 associate incorporated in India;

   i. 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the

Group and its associates in its consolidated financial statements – Refer Note 47 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, 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 Holding Company, its subsidiaries and associate incorporated in India during the year ended March 31, 2023;

iv. **(a)** The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, other than as disclosed in the note 45 (iv) to the consolidated 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 Holding Company or any of such subsidiaries and associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate shall, whether, 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; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and associate company, incorporated in India.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and associate company incorporated in India, hence reporting under this clause is not applicable.

For **S R B C & CO LLP**
Chartered Accountants
(ICAI Firm Registration Number: 324982E/E300003)

Pritesh Maheshwari
Partner
(Membership No.: 118746)
(UDIN: 23118746BGYNVO1656)

Place: Mumbai
Date: September 25, 2023

ANNEXURE 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date of ArcelorMittal Nippon Steel India Limited

In terms of the information and explanations sought by us and given by the Holding 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 and based on the consideration of report of respective auditors of the subsidiary companies and associate incorporated in India, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the order is not applicable to the Holding Company.

For **S R B C & CO LLP**
Chartered Accountants
(ICAI Firm Registration Number: 324982E/E300003)

Pritesh Maheshwari
Partner
(Membership No.: 118746)
(UDIN: 23118746BGYNVO1656)

Place: Mumbai
Date: September 25, 2023

ANNEXURE 2 to the Independent Auditor's Report of even date on the consolidated financial statements of ArcelorMittal Nippon Steel India Limited

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

In conjunction with our audit of the consolidated financial statements of ArcelorMittal Nippon Steel India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 ("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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements 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, the Group and its associate, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 5 subsidiaries and 1 associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
(ICAI Firm Registration Number: 324982E/E300003)

Pritesh Maheshwari
Partner
(Membership No.: 118746)
(UDIN: 23118746BGYNVO1656)

Place: Mumbai
Date: September 25, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in Crores)

Particulars	Note No.	As at 31st March, 2023		As at 31st March, 2022	
Assets					
Non-Current Assets					
Property, Plant and Equipment	7(a)	37,478.74		31,785.10	
Capital Work-in-Progress	7(b)	4,174.25		1,591.28	
Intangible Assets	7(c)	11,320.30		345.48	
Intangible Assets under development	7(d)	52.38		21.63	
			53,025.67		33,743.49
Goodwill	7(f)		6,448.58		-
Right of Use Asset	50(a)		1,683.07		2,622.55
Investment in Associates	8(a)(i)		38.73		-
Financial Assets					
i. Investments	8(a)(ii)	6,431.02		2,382.70	
ii. Loans	9	181.36		3,150.09	
iii. Other Financial Assets	10	1,907.15		5,468.94	
			8,519.53		11,001.73
Current Tax Assets (Net)			375.91		246.99
Other Non-Current Assets	11		3,720.56		504.77
Deferred Tax Assets (net)	24		0.04		0.09
Total Non Current Assets			**73,812.09**		**48,119.62**
Current Assets					
Inventories	12		10,080.79		11,071.73
Financial Asset					
i. Investments	8(b)	1,199.17		4,347.16	
ii. Trade Receivables	13	1,551.72		1,521.21	
iii. Cash and Cash Equivalent	14	1,969.83		1,207.15	
iv. Bank Balances other than (iii) above	15	4,196.53		13,333.13	
v. Loans	16	2.31		0.82	
vi. Other Financial Assets	17	4,208.01		7,190.47	
			13,127.57		27,599.94
Other Current Asset	18		2,114.25		1,961.40
Total Current Assets			**25,322.61**		**40,633.07**
Total Assets			**99,134.70**		**88,752.69**
Equity and Liabilities					
Equity					
Share Capital	19	25,041.31		25,041.31	
Other Equity	20	15,709.54		16,776.29	
Equity attributable to owners of the Company			**40,750.85**		**41,817.60**
Non-Controlling Interest (NCI)	56		225.27		1.83
Total Equity			**40,976.12**		**41,819.43**
Non Current Liabilities					
Financial Liabilities					
i. Borrowings	21	29,991.86		31,389.74	
ii. Lease Liabilities	50(b)	1,388.73		2,142.05	
iii. Other Financial Liabilities	22	1,563.06		-	
			32,943.65		33,531.79
Provisions	23		216.94		68.35
Deferred Tax Liabilities (net)	24		5,510.02		4,162.25
Other Non-Current Liabilities	25		119.51		137.14
Total Non Current Liabilities			**38,790.12**		**37,899.53**
Current Liabilities					
Financial Liabilities					
i. Borrowings	26	6,169.79		661.16	
ii. Buyers' credit		2,353.83		-	
iii. Trade Payable					
Total outstanding dues of micro and small enterprises	27	178.34		203.64	
Total outstanding dues of creditors other than micro and small enterprises	27	6,139.96		4,009.61	
iv. Lease Liabilities	50(b)	156.21		461.48	
v. Other Financial Liabilities	28	3,299.23		2,588.29	
			18,297.36		7,924.18
Provisions	29		134.93		132.65
Current Tax Liabilities (Net)			36.02		4.81
Other Current Liabilities	30		900.15		972.09
Total Current Liabilities			**19,368.46**		**9,033.73**
Total Liabilities			**58,158.58**		**46,933.26**
Total Equity and Liabilities			**99,134.70**		**88,752.69**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	Note No.	For Year ended 31st March, 2023		For Year ended 31st March, 2022	
Income					
Revenue from Operations	31		55,639.36		58,440.33
Other Income	32		1,292.22		658.15
Total Income			56,931.58		59,098.48
Expenses					
Cost of Materials Consumed	33	33,864.25		33,353.81	
Purchases of Stock in Trade		20.87		177.73	
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	34	(322.53)		(1,824.23)	
Power and Fuel	35	7,108.14		5,483.89	
Employee Benefits Expense	36	778.99		634.91	
Other Expenses	37	6,217.43		5,857.86	
Total Expenses			47,667.15		43,683.97
Profit before Finance Costs, Depreciation and Amortisation, Exceptional Items and Tax			9,264.43		15,414.51
Finance Costs	38		3,634.53		2,737.81
Depreciation and Amortization Expenses	7(e)		2,571.88		2,525.33
Profit before share of loss from Associates, Exceptional Items and Tax			3,058.02		10,151.37
Share of Profit / (Loss) from Associates	55		(0.27)		-
Profit before Exceptional Items and tax			3,057.75		10,151.37
Exceptional Items - Expense (Net)	52		652.41		1,591.43
Profit before Tax			2,405.34		8,559.94
Tax Expense					
Current Tax	39		100.40		37.47
Deferred Tax Charge/(Credit)	39		(395.65)		1,227.99
Profit for the year			2,700.59		7,294.48
Other Comprehensive Income (OCI)	40				
A (i) Items that will not be reclassified to profit or loss					
Remeasurement gain/ (loss) on defined benefit plans			(7.87)		(11.42)
Fair Value of Equity Instruments through OCI			62.98		(0.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss					
Remeasurement gain/ (loss) on defined benefit plans			2.24		2.96
Fair Value of Equity Instruments through OCI			(0.02)		-
B (i) Items that will be reclassified to profit or loss					
Cash flow hedges			(5,192.67)		11,610.64
Foreign Currency Translation Reserve			65.38		20.59
(ii) Income tax relating to items that will be reclassified to profit or loss					
Cash flow hedges			1,306.89		(2,922.17)
Total other comprehensive income/ (loss) (Net of Tax)			(3,763.07)		8,700.57
Total Comprehensive Income/(Loss) for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the year)			(1,062.48)		15,995.05
Profit for the year attributable to:					
a) Owners of the Company			2,698.04		7,294.25
b) Non-Controlling Interest			2.55		0.23
			2,700.59		7,294.48
Other Comprehensive Income attributable to:					
a) Owners of the Company			(3,763.07)		8,700.57
b) Non-Controlling Interest			-		-
			(3,763.07)		8,700.57
Total Comprehensive Income/(Loss) attributable to:					
a) Owners of the Company			(1,065.03)		15,994.82
b) Non Controlling Interest			2.55		0.23
			(1,062.48)		15,995.05
Earning per Share (in Rupees)	51				
Basic [Nominal value of Shares ₹ 10 each (Previous Year ₹10 each)]			1.08		2.91
Diluted [Nominal value of Shares ₹10 each (Previous Year ₹10 each)]			1.08		2.91
Summary of significant accounting policies	2				

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	Share Capital (Refer Note 53)	Other Equity: Reserve & Surplus: Capital Reserves on Business Combination	Other Equity: Reserve & Surplus: Retained Earnings	Other Equity: Reserve & Surplus: Securities Premium Account	Other Equity: Reserve & Surplus: Capital Contribution	Other Equity: Reserve & Surplus: General Reserve	Other Equity: Reserve & Surplus: Tonnage Tax Reserve	Other Equity: Reserve & Surplus: Capital Reserve on Consolidation	Other Equity: Items of Other Comprehensive Income/(Loss) (OCI): Foreign Currency Monetary Item Translation Difference	Other Equity: Items of OCI: Cash flow hedges	Other Equity: Items of OCI: Fair Value of Equity Instruments	Attributable to Owners of the Parent	Non-Controlling Interest	Total
Balance as on 31st March, 2021	**25,041.31**	**5,534.37**	**(14,891.46)**	**7,814.61**	**1,813.08**	**77.51**	**-**	**(623.00)**	**62.53**	**831.37**	**(22.17)**	**25,638.15**	**1.60**	**25,639.75**
Profit for the year	-	-	7,294.25	-	-	-	-	-	-	-	-	7,294.25	0.23	7,294.48
Other Comprehensive Income (Loss) for the year (Net of tax)	-	-	(8.46)	-	-	-	-	-	20.59	8,688.47	(0.03)	8,700.57	-	8,700.57
Total Comprehensive Income for the year (Net of tax)	**-**	**-**	**7,285.79**	**-**	**-**	**-**	**-**	**-**	**20.59**	**8,688.47**	**(0.03)**	**15,994.82**	**0.23**	**15,995.05**
Capital Contribution [Refer Note 20]	-	-	-	-	184.63	-	-	-	-	-	-	184.63	-	184.63
Balance as on 31st March, 2022	**25,041.31**	**5,534.37**	**(7,605.67)**	**7,814.61**	**1,997.71**	**77.51**	**-**	**(623.00)**	**83.12**	**9,519.84**	**(22.20)**	**41,817.60**	**1.83**	**41,819.43**
Profit for the year	-	-	2,698.04	-	-	-	-	-	-	-	-	2,698.04	2.55	2,700.59
Other Comprehensive Income (Loss) for the year (net of tax)	-	-	(5.63)	-	-	-	-	-	65.38	(3,885.78)	62.96	(3,763.07)	-	(3,763.07)
Transfer to Retained Earnings (De-recognition of Fair Value through OCI- Equity Instrument)	-	-	69.16	-	-	-	-	-	-	-	(69.16)	-	-	-
Transfer to Retained Earnings	-	-	(6.63)	-	-	-	6.63	-	-	-	-	-	-	-
Total Comprehensive Income for the year (Net of tax)	**-**	**-**	**2,754.94**	**-**	**-**	**-**	**6.63**	**-**	**65.38**	**(3,885.78)**	**(6.20)**	**(1,065.03)**	**2.55**	**(1,062.48)**
Loss on acquisition of Non Controlling Interest	-	-	(1.72)	-	-	-	-	-	-	-	-	(1.72)	(1.89)	(3.61)
Non controlling interest on new acquisition	-	-	-	-	-	-	-	-	-	-	-	-	222.78	222.78
Balance as on 31st March, 2023	**25,041.31**	**5,534.37**	**(4,852.45)**	**7,814.61**	**1,997.71**	**77.51**	**6.63**	**(623.00)**	**148.50**	**5,634.06**	**(28.40)**	**40,750.85**	**225.27**	**40,976.12**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

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

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	For the Year ended 31st March, 2023		For the Year ended 31st March, 2022	
A. Cash Flow from Operating Activities				
Profit before Taxation		2,405.34		8,559.94
Adjustments for -				
Depreciation and Amortisation Expenses	2,571.88		2,525.33	
Loss on sale/write off of Property, Plant and Equipment/ CWIP	14.03		42.58	
Gain Due to Termination of lease	(125.85)		-	
Liabilities/Provision no longer required written back	(268.66)		(35.44)	
Exceptional Items (Net) (Refer Note 52)	652.41		1,591.43	
Finance Costs	3,634.53		2,737.81	
Exchange Difference (Incl. FCTR) (Net)	(111.09)		60.84	
Interest Income on Deposit with Banks and Others	(481.80)		(432.99)	
Amortisation of Deferred Gain	(17.70)		(17.70)	
Allowance/ writeoff for Doubtful Debt/Trade Advances	1.76		30.25	
(Gain)/ Loss on sale of Investments	(389.13)		(69.23)	
(Gain)/Loss On Fair Valuation Of Investments	121.29		(78.35)	
		5,601.67		6,354.53
Operating Profit before working capital changes:		**8,007.01**		**14,914.47**
Changes in working capital:				
Increase in Trade Payables	1,695.63		1,490.17	
Increase in Buyers' credit	2,353.83		-	
Increase/ (Decrease) in Other Current / Non Current Financial Liabilities	(188.84)		7.22	
Increase/ (Decrease) in Other Current Liabilities	(120.78)		164.22	
Increase in Long Term Provisions	13.90		9.74	
Increase in Short Term Provisions	2.14		130.80	
(Increase)/Decrease in Inventories	1,073.48		(4,182.30)	
(Increase)/Decrease in Trade Receivables	(35.25)		706.60	
(Increase) / Decrease in Current Loans	(1.41)		0.77	
Increase in Other Current Assets	(60.59)		(804.98)	
Decrease in Other Current / Non Current Financial Assets	713.99		256.09	
		5,446.10		(2,221.67)
Cash Generated from Operations		**13,453.11**		**12,692.80**
Income Taxes Paid		(222.96)		(83.31)
Net Cash Generated from Operating Activities (A)		**13,230.15**		**12,609.49**
B. Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment,intangible assets, Capital Work in Progress (including under development and Capital Advances)	(7,840.77)		(1,537.76)	
Proceeds from Sale of Property, Plant and Equipment/CWIP	7.08		0.24	
Consideration towards acquisition of subsidiaries, associate and Others	(21,324.61)		-	
Purchase/sale of Current Investments (Net)	3,415.83		(2,629.90)	
Proceeds from other financial receivables	2,411.80		-	
Interest Received	569.41		323.66	
Inter Corporate Deposit Given	(20.00)		(148.32)	
(Increase)/Decrease in Deposit with Banks (Net)	9,043.15		(6,239.33)	
Net Cash used in Investing Activities (B)		**(13,738.11)**		**(10,231.41)**
C. Cash Flow from Financing Activities				
Net change in Short term Borrowing	2,545.63		(635.98)	
Repayment of Non current Borrowings	(490.23)		(992.06)	
Payment towards Interest portion of Lease liabilities	(171.11)		(204.69)	
Payment towards Principal Lease liabilities	(384.38)		(403.97)	
Finance Cost paid	(1,270.86)		(345.67)	
Net Cash Generated from / (used in) Financing Activities (C)		**229.05**		**(2,582.37)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**(278.91)**		**(204.29)**
Cash and Cash Equivalents at the beginning of the year		1,201.96		1,406.25
Cash acquired on business combination (Refer Note 57)		1,028.33		-
Cash and Cash Equivalents at the end of the year		1,951.38		1,201.96
Net Increase/(Decrease) in Cash and Cash Equivalents		**(278.91)**		**(204.29)**

Summary of significant accounting policies (Note No. 2)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2023

Notes:

1 The above Cash Flow Statement has been prepared using the “indirect method” set out in IND AS 7 - Statement of Cash Flows.

2 Reconcilliation of borrowings during the year

(₹ in Crores)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Borrowing as at beginning	32,050.90	31,700.34
Borrowing taken	1.91	1.57
Borrowing taken on Business Combination	159.92	-
Repayment of Borrowings	(490.23)	(992.06)
Net change in Short term Borrowing	2,545.63	(635.98)
Interest Paid	(932.12)	(267.82)
Capital Contribution	-	(184.63)
Interest accrued	2,525.88	2,266.40
Written Back	(65.48)	-
Exchange Variation	365.24	163.08
Borrowing as at closing	**36,161.65**	**32,050.90**

3 Non-cash transactions of Investing and Financing activities :

(₹ in Crores)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Net gain arising on financial assets measured at FVTPL	(121.29)	78.35
Addition to Right of use assets	520.73	118.78

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

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and Cash Equivalents (Refer Note 14)	1,969.83	1,207.15
Less: Exchange Variation Gain	18.45	5.19
Cash and Cash Equivalents at the end of the year	**1,951.38**	**1,201.96**

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date

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

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

1. **Nature of Operations/ Corporate Information**

a) ArcelorMittal Nippon Steel India Limited (the "Company", "AMNSI","AMNS India") (CIN-U27100GJ1976FLC013787) is a public limited Company incorporated in India with its registered office at AMNS House, 27th Km, Surat Hazira Road, Hazira, Dist.- Surat. The Company owns and operates an integrated steel manufacturing facility comprising the unit for manufacturing of flat rolled products at Hazira, a Precoated facility at Pune, Beneficiation facilities at Kirandul and Dabuna, Slurry Pipelines, Pelletisation facilities at Vizag & Paradeep and Mining of iron ore at Keonjhar and Sundargarh. The Company also operates Processing and Distribution centers and Hypermarts at various locations across India.

AMNS Middle East FZE (A subsidiary of the Company) is engaged in activity of trading and processing of steel and construction material in Dubai, UAE and PT AMNS Indonesia (A step-down subsidiary of the Company) is engaged in manufacturing and trading of Cold Rolled-steel Coils, Galvanized coils and sheets in Indonesia. AMNS Port Hazira Limited (A subsidiary of Company w.e.f 15th November, 2022) owns an all-weather deep draft bulk terminal at Hazira, Gujarat. Terminal handles dry bulk cargo like iron ore, coal, limestone as well as export cargo such as steel coils, plates, pipes and project cargo for the company. AMNS Port Paradip Limited (A step-down subsidiary of Company w.e.f 15th November, 2022) operates dry bulk handling system with a capacity of 16 MMTPA at Paradip as per concession agreement with Paradip Port Trust (PPT). AMNS Power Hazira Limited (A subsidiary of Company w.e.f 19th October, 2022) is in operation of corex gas, corex fines and imported coal based power plant of 270 MW plus 30 MW debottlenecked. The company along with all its subsidiaries and associates are together referred as "Group".

b) The Consolidated Financial Statements were approved for issuance on 25th September, 2023 by the Company's Board of Directors.

2. **Significant Accounting Policies**

(i) Basis of Preparation

The consolidated financial statements of the Group which comprise of Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind 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 consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period as explained in accounting policy below. As explained in detail in note 53(f) of the consolidated financials statements, regarding preparation of consolidated financial statement at AMNSI level, the accounting policies adopted for preparation and presentation of consolidated financial statement have been consistent with the previous year. Presentation requirement of Division II of Schedule III to the Companies Act 2013, as applicable to the consolidated financial statements have been followed. The consolidated financial statements are presented in INR and all values are rounded to the nearest crores, except when otherwise indicated.

(ii) Basis of Consolidation

Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the company 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.

The Company combines the financial statements of its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Company transactions, balances and unrealised gains on transactions between entities within the Company are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

Investment in 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 associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any. When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

(iii) 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 Group 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 derecognised.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised as of 1st April, 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 derecognised 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 (CWIP)/ Intangible Assets under development

CWIP / Intangible Assets under development is settled at cost, net of impairment losses, if any. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(iv) **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.

The Group recognises Port License/ Concessionaire Agreement under Intangible Assets. The same is initially recognised by the Group at fair value on acquisition of ports entities.

(v) **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. Capitalised expenditures on dry-dock are depreciated until the next planned dry-docking and derecognised on recognition of new dry dock asset. During current year ships had undergone dry dock and next dry dock is planned in 5 years. Hence dry dock cost will be amortised over a period of 5 years.

Particulars	Useful life as per Companies Act, 2013 (Years)	Average useful life as per Technical Evaluation (Years)
Plant and Machinery	5-40	5-30
Sinter, Rolling Mill and Blast Furnace	20	25
Power Generation Plant	40	37
Buildings	3 to 60	34
Ships and Vessels	20	15-25
Railway Sidings and Wagons	15	25
Furniture & Fixture	15	10
Office Equipments	5	3-6
Tugs & Dredgers	14	14-15
Berth & Jetty	25	40

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group 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 Group, with an option in the lease deed, entitling the Group 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 benefits.

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. Mining assets are amortised using Unit of Production (UOP) method over the expected extraction period. Port License/Concessionaire Agreement is amortised on straight line over the balance period of license agreement of port authorities. The period of Port License/ Concessionaire Agreement ranges from 3 to 40 years which includes option to renew the License /Concessionaire Agreement.

(vi) 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 Group 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.

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 Group expects to be entitled in exchange for those products or services. The Group 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 Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Freight

The Group generates revenue from shipping activities. Revenues from vessels are mainly derived from a combination of time charters and voyage charters. Revenue from voyage charters is recognised as income, by reference to the voyage progress on load-to-discharge basis, which has been assessed by management to be an appropriate measure of progress towards complete satisfaction of the performance obligations over time under Ind AS 115. Judgement is involved in estimating days to reach the load port and discharge port destinations impacting the calculation of income to be accrued for incomplete voyage. Management uses its judgement in estimating the total number of days of a voyage based on historical trends, the operating capability of the vessel (speed and fuel consumption) and the distance of the trade route.

Charter-hire

Revenue from a time charter is recognised on a straight-line basis over the period of the charter.

Demurrage revenue

Freight contracts contain conditions regarding the amount of time available for loading and discharging of the vessel. If these conditions are breached, the Group is compensated for the additional time incurred in the form of demurrage revenue. Demurrage revenue is recognised upon delivery of services in accordance with the terms and conditions of the contract. Upon completion of the voyage, the Company assesses the time spent in port, and a demurrage claim based on the relevant contractual conditions is submitted to the charterers.

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 Group 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 Group and the amount of income can be measured reliably).

(viii) 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 Group 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.

The Tonnage tax regime is applicable on the shipping activities, resulting in a lower income tax payable in the future, the amount of deferred tax to be recognised is limited.

Considering the tonnage tax regime applicable to shipping activities, difference between taxable and book values of assets and liabilities are generally of permanent nature. This is due to the fact that the taxable result for tonnage tax eligible activities has no correlation with either carrying value or the generally applicable tax value of assets and liabilities. As a consequence, temporary differences are limited to those arising from other activities which are subject to normal Income tax provisions.

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 3(b)]

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 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.

(ix) Inventories

Raw Materials, Production Consumables, Stores & Spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold above cost. Cost is determined on a Weighted Average basis. Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. By-products are valued at net realisable value. Cost includes direct material, labour and a proportion of manufacturing 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. In case of shipping activity, stores and spares delivered on board the vessels are charged to Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(x) **Financial Instruments**

Financial assets and Financial liabilities are recognised when the Group 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 value through profit or loss are recognised immediately in the statement of profit and loss.

Financial Assets:

The Group 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 Group 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 Group reclassifies debt investments only when its business model for managing those assets changes.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 Group subsequently measures all equity investments (except Investment in Associates) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

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 Group 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 Group 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 Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The Group 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 Group 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 Group 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 Group 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 Group determines change in the business model as a result of external or internal changes which are significant to the Group's operations.

(xi) Financial Liabilities

Initial recognition & subsequent mesurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another 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 Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged or cancelled. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

(xii) Foreign Currency Transactions

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates (‘the functional currency’). The consolidated financial statements are presented in Indian rupee (INR), which is also the Group’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.

For the purposes of presenting these financials, the assets and liabilities of the Group's foreign operations are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

(xiii) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(xiv) 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 exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. 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 Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(xv) **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, which are subject to an insignificant risk of changes in value.

(xvi) **Derivative Instruments**

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to price risk in raw material, finished products and balance sheet exposure. Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Group designates certain hedging instruments, as either fair value hedges, cash flow hedges or hedges of net investments in foreign currencies. Hedges of commodity price risk are accounted for as cash flow hedge. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item, transaction and nature of the risk being hedged. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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.

(xvii) **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. Liabilities recognised in respect of compensated absences are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

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.

(xix) Leases

Where the Company is the Lessee

Effective April 01, 2019, the Group 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 Group 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 Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

On the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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 Group 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 on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Particulars	Years
Leasehold land	3 to 99 years
Leasehold building	2 to 60 years
Leasehold plant & machinery	2.5 to 15 years

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 Group 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.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Where the Company is the Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating lease are included in property, plant 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 Group to the lessee. Amounts due from lessees under finance lease are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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

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, defence 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.

(xxi) Measurement of EBIDTA

The Group 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 Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(xxii) 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.

(xxiii) Fair value measurement

The Group 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 Group takes into account the characteristics of asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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

  For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(xxiv) Contract Balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

The amount recognised as contract assets is reclassified to trade receivables once the amounts are billed to the customer as per the terms of the contract. Contract assets are subject to impairment assessment

Trade receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(xxv) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Group. Refer Note 43 for segment information presented.

(xxvi) Buyer's Credit

The Group enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital timing benefits. These are normally settled between twelve months (for raw materials) to thirty-six months (for project materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as buyers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to buyer's credit by the Group is treated as an operating cash outflow reflecting the substance of the payment.

(xxvii) Government Grant

Government grants are recognised if there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received. Government grants relating to income are determined and 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.

(xxviii) Business Combination:

Acquisition of business has been accounted for using the acquisition method. The consideration transferred in business combination is measured at the aggregate of the acquisition date fair values of assets taken over, liabilities incurred by the Group to the former owners of the acquiree and consideration paid by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the statement of profit and loss.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

(xxix) Goodwill:

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3 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 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.

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 24).

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 49).

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 Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

e) **Contingent liabilities**

Contingent liabilities may arise in the ordinary course of business in relation to the claims against the Group. 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 Group exercises judgements basis evaluation of the judicial pronouncements and/or legal opinions from an independent expert. (Refer Note 47).

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

The Group 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 Group 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 8(a)(1)].

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 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.

i) **Allocation of purchase consideration over the fair value of assets and liabilities acquired in a business combination:**

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as on the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by an independent expert appointed by the Group. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities are recorded at values which are expected to be realised or settled respectively. Excess of purchase consideration over fair value of net assets acquired is accounted for as goodwill and excess of fair value of net assets acquired over purchase consideration is termed as Capital reserve.

j) **Impairment of Goodwill:**

Determining whether the goodwill acquired

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

in business combinations are impaired, requires an estimate of recoverable amount of the Group's cash generating unit (or groups of cash generating units). 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, 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 cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any Impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss.

4 Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March, 2023 to amend the following Ind AS which are effective from 1st April, 2023.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1st April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1st April, 2023. Consequential amendments have been made in Ind AS 107. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1st April, 2023.

The Group is currently assessing the impact of the amendments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

5. List of Direct and Indirect Subsidiaries of AMNSI is as under:

Sr. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest (%)*		Principal Activities
			As at 31st March 2023	As at 31st March 2022	
1	AMNS Middle East FZE (Refer note B below)	UAE	100	100	Trading and processing of steel and construction material
2	AMNS International Limited (fka Essar Steel UAE Ltd.)	UAE	100	100	
3	PT AM/NS Indonesia (fka PT Essar Indonesia)	Indonesia	100	99.74	Manufacturing and trading of Cold Rolled-steel Coils, Galvanized coils and sheets
4	Essar Steel Trading FZE	UAE	100	100	
5	AMNS Shared Services Limited	India	100	100	Business of supply of manpower services
6	AMNS Ports India Limited (w.e.f 15.11.2022) (fka Hazira Cargo Terminal Limited)	India	97.75	-	Intermediate holding company/ Port Business
7	Ibrox Aviations and Trading Private Limited (w.e.f 15.11.2022)	India	100	-	Intermediate holding company/ Port Business
8	AMNS Ports Hazira Limited (w.e.f 15.11.2022) (fka Essar Bulk Terminal Limited)	India	97.76	-	Owns an all-weather deep draft bulk terminal at Hazira
9	AMNS Ports Paradip Limited (w.e.f 15.11.2022) (fka Essar Bulk Terminal Paradeep Limited)	India	97.76	-	Operates dry bulk handling system with a capacity of 16 MMTPA at Paradip
10	AMNS Power Hazira Limited (w.e.f 19.10.2022) (fka Essar Power Hazira Limited)	India	100	-	Operates corex gas, corex fines and imported coal based power plant
11	AMNS Shipping and Logistics Private Limited (w.e.f. 23.06.2022)	India	100	-	Business of logistics
12	Bhagwat Steel Limited (w.e.f 19.10.2022)	India	100	-	
13	Snow White Agencies Private Limited (w.e.f 19.10.2022)	India	100	-	
14	New Age Education and Skills Foundation (w.e.f. 17.01.2023)	India	100	-	Undertaking CSR activities

*Ownership interest considered for the purpose of consolidation include potential voting right in respect of compulsory convertible instruments

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

a. The Company initiated winding-up proceedings in respect of a subsidiary, Essar Steel Offshore Limited (ESOL) and its subsidiaries on 24th June, 2020. On 24th September, 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 and accordingly AMNSI ceased to control the entity. Further, on 8th May, 2023, Supreme Court of Mauritius ordered dissolution/liquidation of ESOL with effect from the order date. Accordingly, ESOL is not considered for consolidation.

b. A Subsidiary, AMNS Middle East FZE ("AMNSME") had invested in step down subsidiary AMNS International Limited ("AMNS Int") (formerly Essar Steel UAE Limited) for 100% share capital. AMNS Int owns 99.74% shares in PT AM/NS Indonesia (formerly PT Essar Indonesia), Jakarta, Indonesia.

   The consideration was paid as an advance for investment to Seller in year 2015 under a Share Sale and Purchase Agreement. AMNSME had issued legal notice to the Seller on 10th April 2019 to cause the transfer of legal title of shares of AMNS Int in favour of AMNSME, failing which the AMNSME would initiate legal action against the Seller. On 28th April 2021, Dubai Court of First Instance in its judgement ordered that "Share Sale Agreement" and sale of shares of AMNS Int to AMNSME is right and valid and the shares should be transferred to AMNSME.

   In July 2021, the AMNSME began taking steps to enforce the judgement of the Dubai Court of First Instance. In January 2022, an execution judge of the Dubai Court issued a letter to the RAK International Corporate Centre (RAK ICC) directing it to cause transfer of title to the shares to the AMNSME. Consequently, in June 2022, the RAK ICC permitted the transfer of title, and has registered the shares of AMNS Int in the name of the AMNSME with effect from 13th June 2022.

List of Associates considered for consolidation is as under :

Sr. No.	Name of the Company	Proportion of Ownership Interest (%)		Principal Activities
		As at 31 March, 2023	As at 31 March, 2022	
1	Essar Steel Processing FZCO	40.00	40.00	
2	AM Green Energy Private Limited (w.e.f 22.08.2022)	26.00	-	Development of Renewable energy

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

6. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act 2013:

	Name of entities in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As at 31st March, 2023		For the year ended on 31st March, 2023					
		As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of Other Comprehensive Income	Amount (₹ in Crores)	As % of Total Comprehensive Income	Amount (₹ in Crores)
Parent	ArcelorMittal Nippon Steel India Limited	96.79%	39,659.76	79.48%	2,146.46	103.45%	(3,892.79)	164.36%	(1,746.33)
Indian Subsidiary	AMNS Shared Services Limited	-0.02%	(6.57)	0.21%	5.69	0.00%	(0.02)	-0.53%	5.67
	AMNS Port Hazira Limited	4.58%	1,878.69	8.00%	216.05	-0.02%	0.77	-20.41%	216.82
	AMNS Port Paradip Limited	1.33%	546.70	1.38%	37.33	0.00%	(0.06)	-3.51%	37.27
	AMNS Ports India Limited	5.29%	2,168.42	-0.15%	(4.07)	0.00%	-	0.38%	(4.07)
	Ibrox Aviations and Trading Private Limited	0.58%	238.57	-0.75%	(20.21)	0.00%	-	1.90%	(20.21)
	AMNS Power Hazira Limited	6.62%	2,711.37	3.43%	92.60	0.00%	-	-8.72%	92.60
	AMNS Shipping and Logistics Private Limited	0.89%	363.89	1.22%	32.87	0.00%	(0.02)	-3.09%	32.85
	Bhagwat Steel Limited	0.01%	3.08	0.00%	0.03	0.00%	-	0.00%	0.03
	Snow White Agencies Private Limited	0.00%	1.21	0.00%	0.01	0.00%	-	0.00%	0.01
	New Age Education and Skills Foundation	0.02%	6.94	0.26%	6.93	0.00%	-	-0.65%	6.93
Foreign Subsidiary	Essar Steel Trading FZE	-0.17%	(67.96)	0.00%	(0.10)	0.14%	(5.29)	0.51%	(5.39)
	AMNS Middle East FZE	-3.88%	(1,587.90)	2.16%	58.29	-0.02%	0.74	-5.56%	59.03
	AMNS International Limited	0.82%	336.22	2.64%	71.28	0.00%	-	-6.71%	71.28
	PT AMNS Indonesia	2.21%	905.93	1.53%	41.28	0.00%	-	-3.89%	41.28
Indian Associates	AM Green Energy Private Limited	0.09%	38.73	-0.01%	(0.27)	0.00%	-	0.03%	(0.27)
	Non Controlling Interests	-0.55%	(225.27)	0.09%	2.55	0.00%	-	-0.24%	2.55
	Adjustment arising out of consolidation	-14.63%	(5,995.69)	0.51%	13.87	-3.55%	133.60	-13.88%	147.47
	Total	**100.00%**	**40,976.12**	**100.00%**	**2,700.59**	**100.00%**	**(3,763.07)**	**100.00%**	**(1,062.48)**

	Name of entities in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit/(loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As at 31st March, 2022		For the year ended on 31st March, 2022					
		As % of consolidated net assets	Amount (₹ in Crores)	As % of consolidated profit or loss	Amount (₹ in Crores)	As % of Other Comprehensive Income	Amount (₹ in Crores)	As % of Total Comprehensive Income	Amount (₹ in Crores)
Parent	ArcelorMittal Nippon Steel India Limited	99.01%	41,406.13	99.04%	7,224.79	99.77%	8,680.35	99.44%	15,905.14
Indian Subsidiary	AMNS Shared Services Limited	-0.03%	(12.25)	0.00%	0.19	0.00%	-	0.00%	0.19
Foreign Subsidiary	Essar Steel Trading FZE	-0.15%	(62.57)	0.00%	-	-0.02%	(2.06)	-0.01%	(2.06)
	AMNS Middle East FZE	-5.08%	(2,126.50)	-0.14%	(10.26)	0.00%	-	-0.06%	(10.26)
	Essar Steel (UAE) Limited	0.60%	250.25	-0.10%	(7.09)	0.00%	-	-0.04%	(7.09)
	PT AMNS Indonesia	1.92%	804.00	1.19%	86.78	0.00%	(0.38)	0.54%	86.40
	Non Controlling Interests	0.00%	(1.83)	0.00%	0.23	0.00%	-	0.00%	0.23
	Adjustment arising out of consolidation	3.74%	1,562.20	0.00%	(0.16)	0.26%	22.66	0.14%	22.50
	Total	**100.00%**	**41,819.43**	**100.00%**	**7,294.48**	**100.00%**	**8700.57**	**100.00%**	**15,995.05**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

7(a) Property, Plant & Equipment

(₹ in Crores)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Ships and Vessels	Railway Sidings and Wagons	Aircraft	Total
Cost / Deemed Cost											
At 1st April 2021	3,758.55	4,973.82	39,900.71	26.22	25.93	49.31	82.19	13.93	66.04	4.58	48,901.28
Additions	72.16	63.00	1,248.57	1.07	12.12	12.00	48.86	-	0.43	-	1,458.21
Disposals	-	-	5.42	-	0.02	11.58	3.59	13.93	0.69	-	35.23
Effect of foreign currency exchange differences	1.10	1.20	8.37	-	0.01	-	0.03	-	-	-	10.71
At 31st March 2022	**3,831.81**	**5,038.02**	**41,152.23**	**27.29**	**38.04**	**49.73**	**127.49**	**-**	**65.78**	**4.58**	**50,334.97**
Acquisitions through Business Combination	5.37	2,573.83	2,155.02	0.54	1.54	0.25	0.26	92.87	-	-	4,829.68
Additions	332.01	69.41	1,649.65	3.60	9.91	16.90	18.65	343.81	4.40	-	2,448.34
Disposals	-	2.14	49.03	1.19	3.31	1.05	1.40	-	-	-	58.12
Effect of foreign currency exchange differences	3.30	2.86	2.66	0.01	0.04	-	0.09	-	-	-	8.96
At 31st March 2023	**4,172.49**	**7,681.98**	**44,910.53**	**30.25**	**46.22**	**65.83**	**145.09**	**436.68**	**70.18**	**4.58**	**57,563.83**
Accumulated Depreciation/Impairment											
At 1st April 2021	482.83	1,178.96	14,768.00	15.37	22.25	18.59	9.76	4.88	11.98	2.28	16,514.90
Charge for the year	-	162.64	1,868.73	1.50	1.09	7.19	11.10	0.53	2.64	0.38	2,055.80
Disposals	-	-	2.32	-	0.02	10.23	2.85	5.41	-	-	20.83
At 31st March 2022	**482.83**	**1,341.60**	**16,634.41**	**16.87**	**23.32**	**15.55**	**18.01**	**-**	**14.62**	**2.66**	**18,549.87**
Charge for the year	-	148.26	1,861.93	1.64	3.90	12.36	13.76	18.56	2.77	0.38	2,063.56
Reversal of Impairment (refer note 52 (3))	482.83	-	-	-	-	-	-	-	-	-	482.83
Disposals	-	0.72	35.60	1.02	3.10	0.55	1.21	3.31	-	-	45.51
At 31st March 2023	**-**	**1,489.14**	**18,460.74**	**17.49**	**24.12**	**27.36**	**30.56**	**15.25**	**17.39**	**3.04**	**20,085.09**
Net book value											
At 31st March 2023	**4,172.49**	**6,192.84**	**26,449.79**	**12.76**	**22.10**	**38.47**	**114.53**	**421.43**	**52.79**	**1.54**	**37,478.74**
At 31st March 2022	**3,348.98**	**3,696.42**	**24,517.82**	**10.42**	**14.72**	**34.18**	**109.48**	**-**	**51.16**	**1.92**	**31,785.10**

Notes:

1 Certain property, plant and equipment are pledged against borrowings. The details relating to the same have been described in Note 58.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

2 Title deeds not held in name of Company:

Relevant line item in Financial Statement	Description of item of property	Description of Property	As at 31st March 2023 Gross book value (₹ in crores)	As at 31st March 2022 Gross book value (₹ in crores)	Held in the name of	Whether title deed holder is promoter, director or their relative or employee	Period held since	Reason for not being in the name of the company
Property Plant & Equipment	Freehold Land	Freehold land Located at Hazira ad-measuring 81.1707 hectares, 20.4569 hectares, and 22.4905 hectare (previous year: 81.1707 hectares, 20.4569 hectares, and 22.4905 hectare)	491.76	486.67	Government of Gujarat	No	2005-2013	The title deeds are in the name of the state government. The company acquired these land parcels by paying provisional considerations in earlier years and the land parcels are in possession of the company.
Property Plant & Equipment	Freehold Land	Freehold land Located at Hazira ad-measuring 100.71 Hectare (previous year: 54.17 hectare)	399.46	152.91	Erstwhile land owners	No	1990-2020	The title deeds are in the name of the land owners from whom Company acquired these land parcels by paying the agreed consideration in earlier years and the land parcels are in the possession of the Company. These are pending to be registered in the name of the Company.
Property Plant & Equipment	Reclaimed Land	NA	NA	NA	NA	NA	NA	Reclaimed Land allotment is being processed by Gujarat Maritime Board (GMB).*
Property Plant & Equipment	Freehold Land	Freehold Land Located at Odisha ad-measuring 4.51 hectares (previous year: 4.51 hectare)	4.32	4.32	Erstwhile land owners	No	2021	The Company had acquired certain land parcel alongwith 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 the name of the Company.

*Plant and equipment and Berth & Jetty (Dredged channel, Building RCC Frame Structures, etc).with carrying value as at March 31, 2023 of ₹138.45 crores and ₹2,043.75 crores respectively constructed over the water front allotted by Gujarat Maritime Board (GMB) is used by the subsidiary under concession/licence arrangement with GMB.Reclaimed land measuring 158 hectare are pending to be registered under the revenue records. However, the subsidiary has received in principal allotment letter from Gujarat Maritime Board (GMB) for usage of this land.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

3 Plant and equipment (Conveyor belts) with the net carrying amount of ₹344.40 crores has been partly erected on the land owned by Paradip Port Trust and allotted to the subsidiary under concession arrangement for the period until April 2025.

4 Property, plant and equipment includes assets (Building and Plant & Machinery) having net book value ₹940.99 crores (Previous year: ₹979.91 crores) costing ₹1,200.15 crores 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. [Refer Note 47(2)].

5 The Company has entered into lease arrangements, for renting the following land parcels:

			Gross carrying value (₹ in crores)	
Category of assets	Area (Hectares)	Period (years)	As at 31st March 2023	As at 31st March 2022
Land at Hazira	8.10	40	63.97	139.36
Building at Hazira	8.10	40	7.82	7.82

6 State Tax Department and Irrigation department of Govt. have placed lien on certain land parcels owned by the Company at Hazira location on account of outstanding dues of approx. ₹93.07 crores for the period of 1994-95 to 2013-14 according to the powers of recovery vested to the authorities under the relevant law. The underlying liabilities stand extinguished in terms of IBC and Supreme Court Order dated 15th November, 2019 and the Company is in process of getting these charges released.

7 The land used by Vizag division is taken on lease from Vizag Port Trust for which the lease agreement has expired. The Company is in the process of getting the lease agreement renewed.

8 Property, Plant and Equipment includes Land ₹260.75 crores, Building ₹32.29 crores, Plant & Machineries ₹838.76 crores and others ₹0.03 crores related to a Gas based Combine Cycle Power Plant (CCPP) at Hazira, Gujarat (''Specified Tangible Fixed Assets"), purchased from Essar Power Limited ('EPOL') as per the Sale and Purchase Agreement dated 6th March 2023 between EPOL and the Company.

9 Certain land parcels which are owned by the Group are still in the name of Essar Steel India Limited and process of name change is in progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

7(b) Capital Work-in-Progress

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening	1,591.28	1,780.40
Acquisitions through Business Combination	24.62	-
Additions	3,455.72	1,226.35
Impairment	(8.24)	(28.42)
Disposal	(9.41)	-
Capitalisation	(881.14)	(1,387.51)
Effect of foreign currency exchange differences	1.42	0.46
Closing	**4,174.25**	**1,591.28**

Note:

1. During the year the Company has capitalised interest cost of ₹21.99 crores (Previous year : Nil) in Capital Work-in-Progress.

Capital work in progress (CWIP) Ageing Schedule

(₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	< 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	3,324.14	407.33	95.03	179.17	4,005.67	1,034.04	8.69	37.30	346.85	1,426.88
Projects temporarily suspended	1.40	-	25.68	141.50	168.58	-	25.68	0.02	138.70	164.40
Total	**3,325.54**	**407.33**	**120.71**	**320.67**	**4,174.25**	**1,034.04**	**34.37**	**37.32**	**485.55**	**1,591.28**

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

(₹ in Crores)

Project Name	To be completed in									
	As at 31st March, 2023					As at 31st March, 2022				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
SMP 1 & 2 Projects at Hazira	253.14	-	-	-	253.14	165.10	-	-	-	165.10
HSM, Pickling Line, Utilities & WTP Projects at Hazira	188.15	39.67	-	-	227.82	63.30	67.64	-	-	130.94
Other Projects	1,234.17	210.81	12.49	19.08	1,476.55	792.62	18.41	5.17	-	816.20
Total	**1,675.46**	**250.48**	**12.49**	**19.08**	**1,957.51**	**1,021.02**	**86.05**	**5.17**	**-**	**1,112.24**

Projects temporarily suspended:

(₹ in Crores)

Project Name	As at 31st March, 2023 To be completed in					As at 31st March, 2022 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
Coke Oven project	136.12	-	-	-	136.12	-	136.12	-	-	136.12
Power Plant at Odisha	25.68	-	-	-	25.68	-	25.68	-	-	25.68
Other Projects	4.86	-	1.92	-	6.78	2.60	-	-	-	2.60
Total	**166.66**	**-**	**1.92**	**-**	**168.58**	**2.60**	**161.80**	**-**	**-**	**164.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

7(c) Intangible Assets (₹ in Crores)

Particulars	Mining Assets	Software	Port License/ Concessionaire Agreement*	Total
Cost/Deemed Cost				
At 1st April 2021	166.59	47.44	-	214.03
Additions	183.89	3.53	-	187.42
Deletions	-	3.83	-	3.83
At 31st March 2022	**350.48**	**47.14**	**-**	**397.62**
Acquisitions through Business Combination	-	-	11,031.98	11,031.98
Additions	117.12	4.14	-	121.26
Deletions	-		-	-
At 31st March 2023	**467.60**	**51.28**	**11,031.98**	**11,550.86**
Accumulated Amortisation				
At 1st April 2021	6.32	29.06	-	35.38
Charge for the year	16.73	3.28	-	20.01
Disposals	-	3.25	-	3.25
At 31st March 2022	**23.05**	**29.09**	**-**	**52.14**
Charge for the year	23.93	3.97	150.52	178.42
Disposals	-	-	-	-
At 31st March 2023	**46.98**	**33.06**	**150.52**	**230.56**
Net book value				
At 31st March 2023	**420.62**	**18.22**	**10,881.46**	**11,320.30**
At 31st March 2022	**327.43**	**18.05**	**-**	**345.48**

* Port License/Concessionaire Agreement includes License to operate port at Hazira Port from Gujarat Maritime Board and at Paradeep Port from Paradeep Port trust which were acquired from on business acquisition of port entities during the year (Refer Note 57)

7(d) Intangible under development (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening	21.63	175.18
Additions	34.97	25.52
Capitalisation	(4.22)	(179.07)
Closing	**52.38**	**21.63**

Intangible under development Ageing Schedule (₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2022				
	< 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	30.46	12.56	9.36	-	52.38	21.63	-	-	-	21.63
Total	**30.46**	**12.56**	**9.36**	**-**	**52.38**	**21.63**	**-**	**-**	**-**	**21.63**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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, 2023					To be completed in As at 31st March, 2022				
	< 1 year	1-2 years	2-3 years	>3 years	Total	< 1 year	1-2 years	2-3 years	>3 years	Total
SAP Upgradation project (S4 Hana)	26.95	-	-	-	26.95	15.93	-	-	-	15.93
Other Projects	9.99	-	-	-	9.99	4.70	-	-	-	4.70
Total	**36.94**	**-**	**-**	**-**	**36.94**	**20.63**	**-**	**-**	**-**	**20.63**

7(e) Details of Depreciation and Amortisation are as follows:

(₹ in Crores)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Depreciation on Property, Plant and Equipments	2,063.56	2,055.80
Amortisation on Intangible Assets	178.42	20.01
Depreciation on Right of Use Asset (Refer Note 50)	329.90	449.52
Depreciation and amortisation as per statement of profit and loss	**2,571.88**	**2,525.33**

7(f) Goodwill

(₹ in Crores)

Particulars	For the Year ended 31st March, 2023	For the Year ended 31st March, 2022
Goodwill on Consolidation	6,448.58	-
	6,448.58	**-**
Movement in Goodwill:		
Goodwill at the beginning of the year	-	-
Goodwill generated during the year	6,448.58	-
Goodwill at the end of the year	**6,448.58**	**-**

7(g) Impairment Assessment of Goodwill and Intangible assets

1. The carrying value of the Goodwill and Port License/Concessionaire Agreement pre-dominantly relates to Goodwill and Port Licenses/Concessionaire Agreement that arose on the acquisition of ports, power plants and other logistics and infrastructure assets.
2. The Company has identified Group as its single CGU on which carrying value of goodwill and Port Licenses/Concessionaire Agreement needs to be allocated.
3. The recoverable amounts of the CGUs are determined from value-in-use calculations. The calculation uses five years projections. Value in use has been determined based on the discount rates, growth rates and expected changes to direct costs during the year.
4. Key assumptions for the value in use calculations includes:
   i. The rates used to discount the forecasts is 13.25% p.a. to arrive at present value of the cash flows.
   ii. Cash flows beyond five years have been extrapolated using a steady growth rate in the range of 3% per annum.
   iii. Appropriate industrial beta has been applied (based on the comparative companies data) to arrive at the weighted average cost of capital.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount of Goodwill and Port Licenses/Concessionaire Agreement to exceed its recoverable amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

8 (a) Non-Current Investments

(₹ in Crores)

	Particulars	As at 31st March, 2023		As at 31st March, 2022	
(i)	**Investment in Associates (At Cost less impairment)**				
	Unquoted Equity Instrument				
	2 (Previous Year: 2) fully paid Equity Shares of AED 0.1 million (Previous Year: AED 0.1 million) of Essar Steel Processing FZCO Dubai[4]	0.25		0.25	
	Add: Share of accumulated reserve of Associate	(0.25)		(0.25)	
			-		-
	39,000,000 (Previous Year : Nil) fully paid Equity shares of ₹10 each of AM Green Energy Private Limited	39.00		-	
	Add: Share in Loss of Associate during the year	(0.27)		-	
			38.73		-
	Investment in Subsidiaries (Total) (A)		**38.73**		**-**

(ii) Investment - Others

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity Instruments - Unquoted (Carried at FVOCI)		
Nil (Previous Year : 96,905,000) fully paid Equity Shares of ₹10 each of Bhander Power Limited [Cost- ₹104.77 crores]	-	-
Nil (Previous Year : 1,300,000) fully Paid Equity Shares of ₹10 each of AMNS Ports Hazira Limited (fka Essar Bulk Terminal Limited) [Cost- ₹1.30 crores][3]	-	9.05
Nil (Previous Year : 2,600,000) fully paid Equity shares of ₹10 each of of AMNS Power Hazira Limited (fka Essar Power Hazira Limited)[Cost- ₹2.60 crores][3]	-	2.68
Nil (Previous Year : 5,781,944) fully paid Equity Share of ₹10 each of Bhagwat Steel Limited (FKA Essar Steel Chattisgarh Limited) [Cost- ₹5.78 crores][3]	-	-
50,000 (Previous Year : 50,000) fully paid Equity Shares of ₹10 (Previous Year : ₹10) of AMNS Steel Logistics Limited2 (fka Essar Steel Logistics Limited)[Cost- ₹0.05 crores]	-	-
Nil (Previous Year : 2,600,000) fully paid Equity shares of ₹10 each of Essar Power Orissa Limited	-	-
Nil (Previous Year : 2,000) fully Paid Equity Shares of ₹10 each of AMNS Port Paradip Limited (fka Essar Bulk Terminal Paradip Limited)(*** ₹20,000)[3]	-	***
250,000 (Previous Year : 250,000) fully paid Equity Shares of ₹10 each of Frontline Roll Forms Private Limited [Cost- ₹0.25 crores]	-	-
20 (Previous Year : 20) fully paid Equity Shares of ₹10 each of Essar Commvision Limited (# ₹200)	#	#

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(ii) Investment - Others (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Equity Instrument- Quoted (Carried at FVOCI)		
1,273,611 (Previous Year : 1,273,611) fully paid Equity Shares of ₹10 each of Essar Shipping Limited	1.02	0.97
Convertible Debentures (Carried at FVTPL)		
1,065,585 (Previous Year : 1,065,585) fully paid Compulsory Convertible Cumulative Debenture of ₹1000 each of AMW Auto Component Limited (Cost-₹106.56 crores)	-	-
Compulsorily Convertible Preference Shares (Carried at FVTPL)		
2,143,333,400(Previous Year: 790,000,000) Compulsory Convertible Preference Shares of ₹10 each with premium of Rs 20 of AM Mining India Private Limited[1]	6,430.00	2,370.00
Investment - Others (Total) (C)	**6,431.02**	**2,382.70**
Investment (A)+(B)	**6,469.75**	**2,382.70**
Aggregate amount of Unquoted Investments	6,468.73	2,381.73
Aggregate amount of Impairment	-	-
	6,468.73	**2,381.73**
Aggregate amount of quoted investments and market value	**1.02**	**0.97**
	1.02	**0.97**

1. On 6th July, 2020, the Company subscribed compulsorily convertible preference shares (CCPS) issued by AM Mining India Private Limited (AM Mining) for an aggregate consideration of ₹2,370 crores. Further, on 1st November, 2022, AMNSI invested ₹4,060 crores in AM Mining in CCPS.

   To assess control over AM Mining, the Company has evaluated that AMNSI has invested in AM Mining in the capacity of an agent of parent companies in accordance with IND AS 110 and accordingly, the investment in CCPS has been recognised at Fair value through Profit and Loss.

2 During the previous year, final order directing winding up of this entity has been passed by NCLT and Company Liquidator has taken control of the same and hence AMNSI ceased to control the entity. Accordingly, it is not considered for consolidation.

3 During the year, company has acquired these entities and hence same have been classified as subsidiaries. Accordingly same has not been disclosed as other investments as at 31st March, 2023.

4 It was agreed between the Company and Essar Exploration & Production India Limited ("EEPIL") that the Company will sell its shareholding in Essar Steel Processing FZCO, Dubai ("ESPF") of 2 Shares i.e., 40% shareholding of ESPF to EEPIL along with all the rights and benefits attached them. The share transfer is yet to be executed by the parties.

8 (b) Current Investments (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in Mutual Fund (Unquoted) (Carried at FVTPL)	1,199.17	4,347.16
Current Investments (Total)	**1,199.17**	**4,347.16**
Aggregate amount of Unquoted Investments	1,199.17	4,347.16
	1,199.17	**4,347.16**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

9 Non-current Loans

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Loan to Related Party (Refer Note 46)	181.36		149.89	
Loan to Others (Refer Note 54)	-		5,284.93	
Less : Allowance for Expected credit loss (ECL)	-		2,284.73	
		181.36		3,150.09
		181.36		**3,150.09**
Movement in Allowance for ECL:				
Provision for ECL at the beginning of the year		2,284.73		693.30
Add: Additional provision during the year (Refer Note 52)		588.40		1,591.43
Less: Write off during the year		(2,873.13)		-
Provision for ECL at the end of the year		**-**		**2,284.73**

10 Other Non-Current Financial Assets

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Security Deposit	998.48		75.79	
Less: Allowance for Expected credit loss (ECL)	3.30		8.82	
		995.18		66.97
Banks Deposits with maturity period more than 12 months (Refer Note 15)		31.01		45.60
Derivative Financial Assets		879.60		5,356.37
Gratuity Fund		1.36		-
		1,907.15		**5,468.94**
Movement in Allowance for ECL:				
Provision for ECL at the beginning of the year		8.82		22.08
Less: Writeoff during the year		5.31		-
Less: Reversal during the year		0.21		13.26
Provision for ECL at the end of the year		**3.30**		**8.82**

11 Other Non-Current Assets

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advances	3,720.47	419.63
Deposits with Govt & Semi Govt	-	85.14
Advance to Supplier	0.09	-
	3,720.56	**504.77**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

12 Inventories

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

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and components	1,817.68	2,884.53
Goods-in transit	992.33	862.53
Work-in-Progress	4,053.83	4,053.87
Finished Goods	1,383.08	1,060.51
Stores and Spares	972.07	858.61
Goods-in transit	36.55	8.04
Production Consumable	612.08	725.56
Goods-in transit	55.71	51.02
Fuel	157.46	437.07
Goods-in transit	-	129.99
	10,080.79	**11,071.73**

No provision for write-down on value of inventory recognised in statement of Profit and Loss.

13 Trade Receivables (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade Receivables- considered good- Unsecured	1,567.24	1,535.09
Trade Receivables - credit impaired	267.62	326.75
	1,834.86	1,861.84
Allowance for ECL:		
Trade Receivables- considered good- Unsecured	(15.52)	(13.88)
Trade Receivables - credit impaired	(267.62)	(326.75)
	1,551.72	**1,521.21**
Movement in Allowance for ECL:		
Provision for ECL at the beginning of the year	340.63	358.33
Less: Writeoff during the year	5.93	-
Less: Reversal during the year	51.56	17.70
Provision for ECL at the end of the year	**283.14**	**340.63**

i. Trade receivables does not include any receivables from directors and officers of the Company.

ii. Trade receivables from related parties - Refer Note 46.

iii. The credit period on sale of goods ranges from 7 to 90 days with or without security. The Group charges interest on receivables beyond credit period in case of certain customers.

Receivable Ageing as on 31st March 2023: (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	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	1,235.25	316.47	2.86	8.54	2.22	1.90	1,567.24
Undisputed Trade receivable - credit impaired	-	-	-	-	-	267.62	267.62
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivable - credit impaired	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

Particulars	Outstanding for following periods from due date of payment						
	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	1,305.58	215.63	8.82	3.84	0.95	0.27	1,535.09
Undisputed Trade receivable - credit impaired	-	-	-	-	5.95	320.80	326.75
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivable - credit impaired	-	-	-	-	-	-	-

14 Cash and Cash Equivalents

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
In Current Accounts	483.23	778.16
Deposits with original maturity of less than 3 months	1,482.95	425.44
Cheques on hand	3.64	3.54
Cash on hand	0.01	0.01
	1,969.83	**1,207.15**

15 Bank Balances other than Cash & Cash Equivalent

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with original maturity for more than 3 months but less than 12 months	1,277.39	361.44
Deposits with remaining maturity less than 12 months	367.43	7,490.40
Margin Money	2,551.71	5,481.29
	4,196.53	**13,333.13**

Margin Money ₹2,582.72 crores (Previous year ₹5,526.89 crores) (including Margin money on Non current term deposits in Other Non-Current financial Assets ₹31.01 crores (Previous year ₹45.60 crores) with balance maturity period of more than 12 months - Refer Note 10) have been pledged with banks as a security for opening Letters of Credit, Short Term Borrowings and against Bank Guarantees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

16 Current Loans

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Inter Corporate Deposits (ICD)				
Considered Good	-		-	
Credit Impaired	0.39		0.39	
Less : Allowance for Expected credit loss (ECL)	0.39		0.39	
		-		-
Loans and Advances to Staff				
Considered Good	2.31		0.82	
Credit Impaired	-		0.02	
Less : Allowance for Expected credit loss (ECL)	-		0.02	
		2.31		0.82
		2.31		**0.82**
Movement in Allowance for ECL:				
Provision for ECL at the beginning of the year		0.41		0.25
Add: Additional provision during the year		-		0.39
Less: Reversal during the year		0.02		0.23
Provision for ECL at the end of the year		**0.39**		**0.41**

17 Other Current Financial Assets

(Unsecured and Considered good unless otherwise stated)

(₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Security Deposits	563.98		145.29	
Less : Allowance for Expected credit loss (ECL)	4.81		102.90	
		559.17		42.39
Export Benefits	19.48		56.59	
Less : Allowance for Expected credit loss (ECL)	-		32.58	
		19.48		24.01
Interest Accrued on ICDs, Loans & Deposits		3.63		1.54
Derivative Financial Assets		3,465.46		7,122.29
Other Receivables	181.11		51.98	
Less: Allowance for Expected credit loss (ECL)	20.84		51.74	
		160.27		0.24
		4,208.01		**7,190.47**
Movement in Allowance for ECL				
Provision for ECL at the beginning of the year		187.22		181.42
Add: Additional provision during the year		-		15.97
Less: Writeoff during the year		138.42		-
Less: Reversal during the year		23.15		10.17
Provision for ECL at the end of the year		**25.65**		**187.22**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

18 Other Current Assets

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

Particulars		As at 31st March, 2023		As at 31st March, 2022
Advances to Suppliers-Related Parties		-		2.63
Advances to Suppliers	1,028.82		1,382.22	
Less: Impairment Allowance	718.62		747.57	
		310.20		634.65
Balances with Government Authorities	1,585.48		1,322.72	
Less: Impairment Allowance	132.36		132.36	
		1,453.12		1,190.36
Claims Receivables	1,196.41		952.06	
Less: Impairment Allowance	993.69		871.12	
		202.72		80.94
Prepaid Expenses		148.21		52.82
		2,114.25		**1,961.40**

19 Share Capital

(₹ in Crores)

Particulars		As at 31st March, 2023		As at 31st March, 2022
Authorised				
79,900,000,000 (Previous Year : 79,900,000,000 Equity Shares of ₹10 each		79,900.00		79,900.00
100,000,000 (Previous Year : 100,000,000) 10% Cumulative Redeemable Preference Shares of ₹10 each		100.00		100.00
		80,000.00		**80,000.00**
Movement in Authorised Share Capital due to Composite Scheme of Arrangement (scheme) (Refer note 53):	**Number**	**₹ in crores**	**Number**	**₹ in crores**
Before considering impact of scheme	30,000,000,000	30,000.00	30,000,000,000	30,000.00
Increase pursuant to scheme	50,000,000,000	50,000.00	50,000,000,000	50,000.00
After considering impact of scheme	**80,000,000,000**	**80,000.00**	**80,000,000,000**	**80,000.00**
Issued, Subscribed and Paid-up				
25,041,306,142 (Previous Year : 25,041,306,142) Equity Shares of ₹10 each to be issued [Refer point (c) below]		25,041.31		25,041.31
		25,041.31		**25,041.31**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

Equity Shares	As at 31st March, 2023		As at 31st March, 2022	
	Number	₹ in Crore	Number	₹ in Crore
At the beginning of the year (Refer Note ii)	25,041,306,142	25,041.31	25,041,306,142	25,041.31
Issued during the year	-	-	-	-
Outstanding at the end of the year	**25,041,306,142**	**25,041.31**	**25,041,306,142**	**25,041.31**

ii. Movement in Shareholding due to Composite Scheme of Arrangement (scheme)(Refer note 53):

Equity Shares	Number	₹ in Crore	Number	₹ in Crore
Before considering impact of scheme	9,222,000,000	9,222.00	9,222,000,000	9,222.00
Cancelled and extinguished as per the scheme	(9,222,000,000)	(9,222.00)	(9,222,000,000)	(9,222.00)
Shares to be issued pursuant to scheme [Refer (c) below]	25,041,306,142	25,041.31	25,041,306,142	25,041.31
Outstanding at the end of the year	**25,041,306,142**	**25,041.31**	**25,041,306,142**	**25,041.31**

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 Parent Company

In terms of the composite scheme of arrangement authorised share capital of the Company has been increased to ₹80,000 crores on the amalgamation of ArcelorMittal India Private Limited (AMIPL) with the Company. On 25th September 2023, the Board of Directors has approved the allotment of 25,041,306,142 fully paid-up Equity shares of ₹10 each of the Company to Oakey Holding B.V. (in its capacity as the shareholder of AMIPL) for settlement of consideration for the amalgamation of AMIPL with the Company as per said scheme.

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

	31st March, 2023		31st March, 2022	
	Number	% of Holding	Number	% of Holding
Equity Shares				
Oakey Holding B.V. [Refer point (c) above]	25,041,306,142	100.00	25,041,306,142	100.00
	25,041,306,142	**100.00**	**25,041,306,142**	**100.00**

e) Disclosure of shareholding of promoters is as follows

	31st March, 2023		31st March, 2022	
	Number	% of Holding	Number	% of Holding
Equity Shares				
Oakey Holding B.V. [Refer point (c) above]	25,041,306,142	100.00	25,041,306,142	100.00
	25,041,306,142	**100.00**	**25,041,306,142**	**100.00**

There is no change in the Promoters Shareholding during the FY 2022-23 and FY 2021-22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

20 Other Equity (₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Capital Reserves on Business Combination		5,534.37		5,534.37
Securities Premium Account		7,814.61		7,814.61
Capital Reserve on Consolidation		(623.00)		(623.00)
Capital Contribution		1,997.71		1,997.71
General Reserve		77.51		77.51
Tonnage Tax Reserve		6.63		-
Retained Earnings		(4,852.45)		(7,605.67)
Other Comprehensive Income (OCI)				
i. Effective portion of cash flow hedges [Refer point (h) below]	5,634.06		9,519.84	
ii.Foreign Currency Monetary Item Translation Difference	148.50		83.12	
iii. Fair Value through OCI- Equity Instrument	(28.40)		(22.20)	
		5,754.16		9,580.76
		15,709.54		**16,776.29**

a) **Capital Reserves on Business Combination**

This reserve is created as per composite scheme of arrangement. (Refer Note 53)

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) **Effective portion of cash flow hedges**

Effective portion of cash flow hedges represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges and settled hedging instruments, which shall be reclassified to profit and loss only when the hedged transaction affects the profit and loss, or included as a basis adjustment to the non-financial hedged item, consistent with the Company accounting policies.

e) **Fair Value through OCI- Equity Instrument**

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

f) **Capital Contribution**

During FY 2020-21, the company and its ultimate parents (AMNS Luxembourg) have made certain modifications 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, 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 ₹60.09 crores was recognised as capital contribution. Capital contribution amounting to ₹87.83 crores was acquired as per the composite scheme of arrangement. Furthermore, during the year FY 2021-22 the company and its parent company (Oakey Holding B.V.) have made certain modification in the existing bond agreement. In view of the said modification the net interest expenses of ₹184.63 crores had been transferred to capital contribution.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

g) 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. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

Retained earnings includes Revaluation Reserve (net of Deferred Taxes) ₹2,312.90 crores (Previous Year: ₹2,806.09 crores) net of depreciation. Depreciation charge (net of Deferred Taxes) for the year includes ₹143.78 crores (Previous Year : ₹151.79 crores) 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. 1st April, 2015.

h) Other Comprehensive Income (OCI)- Effective portion of cash flow hedges (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	**9,519.84**	**831.37**
Add: Net Gain/ (Loss) on cash Flow hedges recognised during the year	1,441.89	9,100.75
Less: Net Gain/ (Loss) on cash Flow hedges recycled to P & L	5,327.67	412.28
Closing Balance	**5,634.06**	**9,519.84**

i) Capital Reserve on Consolidation

This reserve is created on acquisition of AMNS International Limited (fka Essar Steel UAE Ltd.) and PT AM/NS Indonesia (fka PT Essar Indonesia) under pooling of Interests method in accordance with Appendix C of IND AS 103.

j) Tonnage Tax Reserve

This reserve is a statutory reserve as per requirement of section 115VT of the Income Tax Act, 1961 for the purpose of complying with the conditions for applicability of tonnage tax scheme.

21 Non-Current Financial Borrowings (Refer Note 58) (₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Non Current	Current Maturity	Non Current	Current Maturity
Secured				
Term Loan				
From Financial Institutions	7.08	1.25	6.66	0.81
From Related Party (Refer Note 46)	4,436.47	9.57	4,402.14	4.87
Unsecured				
Bonds From Related Party (Refer Note 46)	25,548.31	3613.34	26,980.94	590.00
Less: Amount shown under Current Borrowing (Refer Note 26)	-	(3,624.16)	-	(595.68)
	29,991.86	**-**	**31,389.74**	**-**

22 Other Non-Current Financial Liabilities (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Others*	1,563.06	-
	1,563.06	**-**

* Represents payment towards restriction on Brand usage and current portion of ₹178.23 Crores accounted under Other Liabilities (Refer Note 28)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

23 Non Current Provisions

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Gratuity (Refer Note 49)	61.14	50.12
Compensated Absences	22.78	13.30
Provision for Asset Retirement Obligation	133.02	4.93
	216.94	**68.35**
Movement of Asset Retirement Obligation		
Opening Balance	4.93	-
Addition during the year	117.12	4.82
Interest Accrued	10.97	0.11
Closing Balance	**133.02**	**4.93**

24 Deferred Tax Assets (net)

Deferred Tax Liabilities movement for the year ended on 31st March,2023

(₹ in Crores)

Particulars	As at 1st April 2022	Recognised / (reversed) through Profit and Loss	Recognised/ (reversed) through OCI	Addition on Business Combination	As at 31st March 2023
Expenses allowable for tax purposes on payment basis	0.09	(0.05)	-	-	0.04
Net Deferred Tax Assets (India)	**0.09**	**(0.05)**	**-**	**-**	**0.04**
MAT Credit	-	(22.22)	-	349.71	327.49
Property, plant and equipment and Intangible Assets	(4,083.32)	17.66	-	(3,403.30)	(7,468.96)
Right of Use Assets (ROU)	(646.21)	93.20	-	-	(553.01)
Assets retirement obligation	-	33.48	-	-	33.48
Carried forward Unabsorbed depreciation	1,302.63	(63.01)	-	-	1,239.62
Derivative Assets	(3,199.22)	1,255.56	1,309.11	-	(634.55)
Lease Liability	654.47	(92.11)	-	-	562.36
Deferred Gain on Lease	38.98	(4.45)	-	-	34.53
Provision for doubtful Assets	411.05	275.61	-	1.06	687.72
Unrealised gain on Investments	(33.41)	11.42	-	-	(21.99)
Expenses allowable for tax purposes on payment basis and others	1,400.22	(1,096.05)	-	-	304.17
Net Deferred Tax Liability (India)	**(4,154.81)**	**409.09**	**1,309.11**	**(3,052.53)**	**(5,489.14)**
Property, plant and equipment	(26.07)	(1.81)	-	-	(27.88)
Provision for Advances	12.08	(12.08)	-	-	-
Others	6.55	0.45	-	-	7.00
Net Deferred Tax Liability (Outside India)	**(7.44)**	**(13.44)**	**-**	**-**	**(20.88)**
Net Deferred Tax Liability (Total)	**(4,162.25)**	**395.65**	**1,309.11**	**(3,052.53)**	**(5,510.02)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Deferred Tax Asset/(Liability) movement for the year ended on 31st March, 2022 (₹ in Crores)

Particulars	As at 1st April 2021	Recognised / (reversed) through Profit and Loss	Recognised/ (reversed) through OCI	Addition on Business Combination	As at 31st March 2022
Expenses allowable for tax purposes on payment basis	0.10	(0.01)	-	-	0.09
Net Deferred Tax Assets (India)	**0.10**	**(0.01)**	**-**	**-**	**0.09**
Property, plant and equipment and Intangible Assets	(3,959.03)	(124.29)	-	-	(4,083.32)
Right of Use Assets (ROU)	(723.08)	76.87	-	-	(646.21)
Carried forward Unabsorbed depreciation	2,764.09	(1,461.46)	-	-	1,302.63
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 Investments	(13.69)	(19.72)	-	-	(33.41)
Expenses allowable for tax purposes on payment basis and others	1,428.20	(27.98)	-	-	1,400.22
Net Deferred Tax Liability (India)	**(0.83)**	**(1,234.54)**	**(2,919.44)**	**-**	**(4,154.81)**
Property, plant and equipment	(30.64)	4.57	-	-	(26.07)
Provision for Advances	11.71	0.37	-	-	12.08
Others	4.71	1.61	0.23	-	6.55
Net Deferred Tax Liability (Outside India)	**(14.22)**	**6.55**	**0.23**	**-**	**(7.44)**
Net Deferred Tax (Total)	**(15.05)**	**(1,227.99)**	**(2,919.21)**	**-**	**(4,162.25)**

Group has assessed recoverability of Minimum Alternate Tax (MAT) balance and concluded that there is reasonable certainty that sufficient future taxable income would be available in future years to realise the MAT. Expiry date of MAT credit ranges from year 2027-28 to year 2036-37. Group expects to utilise the MAT credit within period of 2 years.

25 Other Non-Current Liabilities (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred gain*	119.51	137.14
	119.51	**137.14**

* 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

26 Current Borrowings (Refer Note 58) (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Current maturities of long-term Borrowings	10.83	5.68
Loans From Banks	1,574.21	-
Loans from Others	-	5.72
Unsecured		
Current maturities of long-term Borrowings	3,613.33	590.00
Commercial Paper	971.42	-
Inter Corporate Deposit (Other than related parties)	-	59.76
	6,169.79	**661.16**

27 Trade Payables (₹ in Crores)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Total outstanding dues of micro and small enterprises		178.34		203.64
Total outstanding dues of creditors other than micro and small enterprises				
Acceptances	2,037.28		111.23	
Others	4,102.68		3,898.38	
		6,139.96		4,009.61
		6,318.30		**4,213.25**

1. Trade Payables are majority non-interest bearing and other than Acceptances are normally settled within 30 to 120 days.
2. Trade payable to related parties have been described in Note 46.

Payable Ageing as on 31st March 2023: (₹ 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) Undisputed dues - MSME	0.47	154.98	22.76	0.08	0.04	0.01	178.34
(ii) Undisputed dues - Others	2,282.39	3,559.46	295.59	0.87	1.07	0.58	6,139.96
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

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) Undisputed dues - MSME	-	153.97	49.28	0.38	-	0.01	203.64
(ii) Undisputed dues - Others	950.78	2,511.19	484.13	3.48	8.13	51.90	4,009.61
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

28 Other Current Financial Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Payable for Capital Expenditures	630.79	116.56
Derivative Liability for Forward Contracts	16.90	3.83
Security Deposits Received	9.24	1.98
Other Liabilities [Refer Note 47(2) and 22]	2,642.30	2,465.92
	3,299.23	**2,588.29**

29 Current Provisions

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Employee benefits-Compensated Absences	4.22	1.94
Provision for Mining Duties*	130.71	130.71
	134.93	**132.65**

*During the previous year, the Company received a demand letter from Office of the Joint Director of Mines, Joda on shortfall in the minimum dispatch required under Mine Development Production Agreement for an amount of ₹130.71 crores. The Company paid ₹35.30 crores under protest against the demand of ₹130.71 crores on 5th October, 2021. Later on, the Company filed a writ petition at High Court of Orissa and stay has been granted after additional deposit of ₹10 crores. The Company has created a provision of ₹130.71 crores on prudent basis.

30 Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from Customers	429.08	553.44
Deferred gain/liability (Refer Note 25)	17.73	17.70
Statutory Liabilities	453.34	400.95
	900.15	**972.09**

31 Revenue from Operations

(₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Sale of products	54,756.99	57,749.27
Sale of services	156.74	16.36
Other operating revenues	725.63	674.70
	55,639.36	**58,440.33**

Whether the customer has obtained control over the goods depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. For the Group's steel producing operations, generally the criteria to recognize revenue has been met when its products are delivered to its customers or to a carrier who will transport the goods to its customers. This is the point in time when the Group has completed its performance obligations. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to. Refer to Note 13 – Trade Receivables for the amount of contracts assets outstanding as at 31st March, 2023, and refer to details of Advances from customers in Note 30 – Other current liabilities for the amount of contract liabilities outstanding as at 31st March, 2023.

For disaggregation of revenue refer Note 43-Segment Information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Information about Products and Services:

Products		For the Year 31st March, 2023		For the Year 31st March, 2022
Hot/Cold Rolled Coils, Sheets & Plates		45,387.86		52,061.52
Pellets		2,380.40		2,080.27
Pipes		1,796.60		1,403.20
Natural Gas		3,417.47		1,009.84
Others		1,774.66		1,194.44
Total Products Sales		**54,756.99**		**57,749.27**
Sale of services		156.74		16.36
Other operating revenues				
Scrap Sales	635.72		455.11	
Export Benefit	89.91		219.59	
		725.63		674.70
Revenue from Operations		**55,639.36**		**58,440.33**

The Group does not have any significant adjustments between the contracted price and revenue recognised in the statement of profit and loss.

32 Other Income

(₹ in Crores)

Particulars		For the Year 31st March, 2023		For the Year 31st March, 2022
Interest Income on Financial Assets measured at amortised cost				
Bank Deposits		418.88		425.01
Inter Corporate Deposits		12.75		1.75
Others		50.17		6.11
Rent		6.27		9.76
Gain on sale of Investments	389.13		69.23	
Gain on fair valuation of Investments (FVTPL)	(121.29)		78.35	
		267.84		147.58
Gain due to Termination of lease		125.85		-
Amortisation of Deferred Gain (Refer Note 25)		17.70		17.70
Liabilities/ Provision no longer required written back		268.66		35.44
Exchange Difference (Net)		108.79		-
Miscellaneous Income		15.31		14.80
		1,292.22		**658.15**

33 Cost of Materials Consumed

(₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Raw Materials	28,559.37	28,467.72
Production Consumables	3,485.27	3,177.26
Interplant Freight for input materials	1,819.61	1,708.83
	33,864.25	**33,353.81**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

34 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade (₹ in Crores)

Particulars	For the Year 31st March, 2023		For the Year 31st March, 2022	
Opening Stock				
Finished Goods	1,060.51		788.87	
Work-in-Progress	4,053.87		2,501.28	
		5,114.38		3,290.15
Closing Stock				
Finished Goods	1,383.08		1,060.51	
Work-in-Progress	4,053.83		4,053.87	
		5,436.91		5,114.38
		(322.53)		**(1,824.23)**

35 Power and Fuel (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Petroleum Products - Fuel	3,289.90	3,493.18
Power Charges	3,818.24	1,990.71
	7,108.14	**5,483.89**

36 Employee Benefits expense (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Salaries, wages and Bonus	630.19	520.89
Contribution to Provident and Other Funds (Refer Note 49)	48.90	37.30
Staff Welfare expenses	99.90	76.72
	778.99	**634.91**

37 Other Expenses (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Manufacturing & Asset Maintenance		
Repairs, Maintenance and Equipment Hire charges	900.79	626.37
Stores and Spares	1,003.77	959.36
Labour and Sub Contracting charges	662.68	572.24
Plant Insurance	79.98	75.74
Water Charges	192.69	188.76
Administrative Expenses		
Travelling, Conveyance and Vehicle Hire & Maintenance charges	48.86	24.68
Printing, Stationery, Postage and Telephone	8.20	7.21
Legal and Professional Fees	323.29	191.60
Operating Lease Rent	62.80	45.12
Repairs, Maintenance - other than Plant	39.87	30.68
Insurance - other than Plant	30.07	8.45
Rates and Taxes	58.04	75.51
Provision for demand against mining duties and others	-	148.08
Loss on sale/write off of Property, Plant & Equipment/ CWIP	14.03	42.58
Allowance/write-off for Doubtful Debt/Trade Advances	1.76	30.25
Donations and Charities	50.01	54.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Corporate Social Responsibility (CSR) expenditure	96.57	50.90
Exchange Difference (Net)	-	59.15
Miscellaneous Expenses	71.65	56.67
Selling & Distribution Expenses		
Sales Commission	23.88	9.12
Freight Outward (net), Intercarting and Packing charges	2,471.52	2,581.92
Other Selling expenses	76.97	18.62
	6,217.43	**5,857.86**

38 Finance Costs **(₹ in Crores)**

Particulars	For the Year 31st March, 2023		For the Year 31st March, 2022	
Interest				
on Bond*	2,283.26		2,130.19	
on Term Loans*	243.84		135.51	
on Lease Liabilities	171.11		204.69	
Others	283.00		12.63	
		2,981.21		2,483.02
Exchange differences on borrowings		461.55		153.75
Other Finance costs		191.77		101.04
		3,634.53		**2,737.81**

*Above cost includes accrual of interest accounted as per effective rate of interest on the borrowing [refer note 2(x) & 58]

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

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Current Tax		
Current Tax	77.69	32.41
Excess Provision of Earlier Years (Net)	22.71	5.06
Deferred Tax		
Deferred Tax Charge / (Credit)	(395.65)	1,227.99
	(295.25)	**1,265.46**
(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit / (Loss) before Tax (PBT) as per Books	2,405.34	8,559.94
Applicable tax Rate	25.17%	25.17%
Expected Tax expenses on above PBT at applicable tax rate	605.38	2,154.32
Impact on account of composite scheme of arrangement	(900.57)	-
Utilisation of losses unrecognised in prior years (net)	-	(1,927.09)
Tax effect of amount which are not deductible in calculating taxable Income	181.96	1,016.83
Reversal of Impairment on Land	(104.82)	-
Change in tax rate	6.01	-
Others	(83.21)	21.40
Income Tax Expenses - Charge / (Credit)	**(295.25)**	**1,265.46**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

In case of Dubai based subsidiaries, on 9th December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1st June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1st June 2023.

Based on the above, the Dubai based subsidiaries assessed the deferred tax implication and concluded it is not expected to be significant as of and for the year ended 31st March 2023. As certain other cabinet decisions are pending as on the date of financial statements, these subsidiaries will continue to assess the impact of these pending cabinet decisions on deferred/current taxes as and when finalised and published.

40 Other Comprehensive Income

(₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
A. Items that will not be reclassified to profit or loss		
(i) Items that will not be reclassified to profit or loss		
Remeasurement gain/ (loss) on defined benefit plans	(7.87)	(11.42)
Fair Value of Equity Instruments through OCI	62.98	(0.03)
	55.11	**(11.45)**
(ii) Income tax relating to items that will not be reclassified to profit or loss		
Remeasurement gain/ (loss) on defined benefit plans	2.24	2.96
Fair Value of Equity Instruments through OCI	(0.02)	-
	2.22	**2.96**
B. Items that will be reclassified to profit or loss		
(i) Items that will not be reclassified to profit or loss		
Cash flow hedges	(5,192.67)	11,610.64
Foreign Currency Translation Reserve	65.38	20.59
	(5,127.29)	**11,631.23**
(ii) Income tax relating to items that will be reclassified to profit or loss		
Cash flow hedges	1,306.89	(2,922.17)
	1,306.89	**(2,922.17)**

41 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, 2023			As at 31st March, 2022		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Assets (Current & Non-Current):						
Investments*	1.02	7,629.17	-	12.70	6,717.16	-
Trade Receivables	-	-	1,551.72	-	-	1,521.21
Cash and Cash Equivalents	-	-	1,969.83	-	-	1,207.15
Other Bank Balances	-	-	4,196.53	-	-	13,333.13
Other Financial Assets	4,334.72	10.34	1,770.10	12,475.88	2.78	180.75
Loans	-	-	183.67	-	3,000.20	150.71
Total Financial Assets	**4,335.74**	**7,639.51**	**9,671.85**	**12,488.58**	**9,720.14**	**16,392.95**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Liabilities (Current & Non-Current):						
Borrowings	-	-	36,161.65	-	-	32,050.90
Lease Liability	-	-	1,544.94	-	-	2,603.53
Buyer's Credit	-	-	2,353.83	-	-	-
Trade Payables	-	-	6,318.30	-	-	4,213.25
Other Financial Liabilities	-	-	4,845.39	-	-	2,584.46
Derivative Financial Liability	-	16.90	-	-	3.83	-
Total Financial Liability	**-**	**16.90**	**51,224.11**	**-**	**3.83**	**41,452.14**

* The above investments does not include Equity investment in subsidiaries and Associates which are carried at cost.

B. Fair Value Hierarchy

Level 1: It includes financial instruments measured using quoted prices. For the Group, 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 Group mainly include derivatives.

Level 3: The instrument is included in level 3 if one or more of the significant inputs is not based on observable market data. This includes investment in unquoted equity shares.

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

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	1,200.19	-	6,430.00	4,348.13	-	2,381.73
Derivative Financial Assets	-	4,345.06	-	-	12,478.66	-
Non-current Loans	-	-	-	-	-	3,000.20
	1,200.19	**4,345.06**	**6,430.00**	**4,348.13**	**12,478.66**	**5,381.93**
Financial Liabilities						
Derivative Financial Liability	-	16.90	-	-	3.83	-
	-	**16.90**	**-**	**-**	**3.83**	**-**

There have been no transfers between Level 1 and Level 2 during the year.

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, 2023.

Particulars	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Compulsory Convertible Preference Shares	DCF Method	Weighted Average Cost of Capital	13.25%	0.1% Increase/Decrease would result in Increase /Decrease in fair value by approx. ₹40 crores as of 31st March,2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Reconciliation of Level 3 measurement: (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	**5,381.93**	**6,973.36**
Addition	4,060.00	-
Reclassification	(11.73)	-
Provision/write-off during the year	(588.40)	(1,591.43)
Realisation	(2,411.80)	-
Closing Balance	**6,430.00**	**5,381.93**

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets				
Other Non-Current Financial Assets and Loans	1,200.60	1,207.55	253.16	259.11
	1,200.60	**1,207.55**	**253.16**	**259.11**
Financial Liabilities				
Lease Liability	1,497.59	1,544.94	2,611.83	2,603.53
	1,497.59	**1,544.94**	**2,611.83**	**2,603.53**

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 Group 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 Group due to market risks, the Group enters into various derivative contracts. Derivatives are taken only to mitigate the risk and not for speculative purposes.

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

- Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Group 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 Group 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 Receivables: The Group trades with recognized and creditworthy third parties. However, the Group is exposed to credit risk in event of non-payment by customers. It is the Group'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 Group 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 Group'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 Group 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 Group based on past experiences

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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, 2023		
	Gross Carrying Amount	Allowance for expected credit loss	Net carrying amount (net of expected credit loss)
Amounts not yet due	1,235.25	-	1,235.25
Up to six months overdue	316.47	-	316.47
Greater than six months overdue	283.14	283.14	-
	1,834.86	**283.14**	**1,551.72**

(₹ 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	1,305.58	-	1,305.58
Up to six months overdue	215.63	-	215.63
Greater than six months overdue	340.63	340.63	-
	1,861.84	**340.63**	**1,521.21**

Receivables are deemed to be past due or impaired with reference to the Group'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 Group 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 Group 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 Group manages the liquidity risk by maintaining a judicious mix of investment in low to medium duration.

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

(₹ in Crores)

Particulars	As at 31st March, 2023				
	< 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	1.25	2,004.88	6,002.17	20,436.47	28,444.77
Interest Payout	3,950.84	3,366.42	7,549.93	5,392.62	20,259.81
Buyers' credit	2,353.83	-	-	-	2,353.83
Trade Payables	6,318.30	-	-	-	6,318.30
Lease Liability	258.99	586.76	399.81	971.42	2,216.98
Other Financial Liabilities	3,419.28	252.14	756.42	1,197.66	5,625.50
Derivative Financial Liability	16.90	-	-	-	16.90
Total	**16,319.39**	**6,210.20**	**14,708.33**	**27,998.17**	**65,236.09**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	As at 31st March, 2022				
	< 1 year	1-2 Years	2-5 Years	> 5 years	Total
Borrowings	105.83	1.04	6005.46	22,402.13	28,514.46
Interest Payout	761.80	3,785.52	8,107.34	7,212.18	19,866.84
Trade Payables	4,213.25	-	-	-	4,213.25
Lease Liability	641.23	604.88	1,459.51	653.50	3,359.12
Other Financial Liabilities	2,584.46	-	-	-	2,584.46
Derivative Financial Liabilities	3.83	-	-	-	3.83
Total	**8,310.40**	**4,391.44**	**15,572.31**	**30,267.81**	**58,541.96**

- Market risk

The Group is exposed to Financial Market risks in its operations on account of:

- Foreign currency risk
- Interest rate risk
- Price Risk- Commodity and others

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 Group is exposed to foreign currency risk arising from export sales, operating and capital expenditure in foreign currency, foreign currency loans and economic exposure on account of mismatch between foreign currency and INR assets and liabilities. The risk is measured through a forecast of highly probable foreign currency cash flows.

The Group enters into hedging transactions mainly to hedge the significant foreign currency risks from concluded and committed export sales, operating and capital expenditures and the foreign currency borrowings.

The Group is mainly exposed to exchange risk from foreign currencies - USD & EUR.

(a) The Group's exposure to foreign currency risk as the reporting date (expressed in ₹ in Crores) is as follows:

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	USD	EUR	Others	Total	USD	EUR	Others	Total
Trade Receivables	470.27	35.16	-	505.43	552.04	21.43	-	573.47
Cash and Bank balances	236.65	-	-	236.65	137.91	-	-	137.91
Other Financial Assets	9.01	0.68	-	9.69	2.61	-	-	2.61
Financial Assets	715.93	35.84	-	751.77	692.56	21.43	-	713.99
Net Exposure to Foreign Currency risk on Financial Assets	715.93	35.84	-	751.77	692.56	21.43	-	713.99
Borrowings	4,446.04	-	-	4,446.04	4,466.78	-	-	4,466.78
Lease Liabilities	3.74	-	-	3.74	5.29	-	-	5.29
Buyer's Credit	2,353.83	-	-	2,353.83	-	-	-	-
Trade Payables	1,189.53	4.70	0.19	1,194.42	1,464.72	6.65	0.07	1,471.44
Creditors for Capital Expenditures	19.94	40.77	2.04	62.75	9.17	6.48	0.46	16.11
Financial Liabilities	8,013.08	45.47	2.23	8,060.78	5,945.96	13.13	0.53	5,959.62
Covered by Derivative Contracts	1,830.47	-	-	1,830.47	668.62	-	-	668.62
Net Exposure to Foreign Currency risk on Financial Liabilities	6,182.61	45.47	2.23	6,230.31	5,277.34	13.13	0.53	5,291.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(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, 2023		As at 31st March, 2022	
	On Profit	On Equity	On Profit	On Equity
USD sensitivity				
Increase by 5%	(273.33)	(204.54)	(228.97)	(171.34)
Decrease by 5%	273.33	204.54	228.97	171.34
EUR sensitivity				
Increase by 5%	(0.48)	(0.36)	0.41	0.31
Decrease by 5%	0.48	0.36	(0.41)	(0.31)
Others sensitivity				
Increase by 5%	(0.11)	(0.08)	(0.03)	(0.02)
Decrease by 5%	0.11	0.08	0.03	0.02

- Interest rate risk

The interest rate exposure is mainly on account of variable interest rates where the Group is exposed to upward movements in the interest rates. The Group explores possibility of interest rate swaps and interest rate structures to hedge its risks. During the FY 2022-23, 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, 2023	As at 31st March, 2022
Variable Rate Borrowing	4,436.47	4,402.14
Total Exposure	**4,436.47**	**4,402.14**

(b) Sensitivity (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Impact on Company's Profit/ (Loss), if interest rates had been 50 basis points higher/lower and all other variables were held constant.	22.18 (22.18)	22.01 (22.01)

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 Group 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 Group 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 Group hedges directly with International counterparties using OTC derivative contracts based on appropriate Index / Exchange Listed Contracts, subject to availability of counterparty hedging limits.

The Group has undertaken Natural Gas hedging deals in the various linked pricing benchmarks like Dated Brent, JKM, ICE Brent, against contracted commercial exposure exposure up to a tenor of calendar year 2030 (Highly probable exposure).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

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

Sr. No.	Particulars	As at 31st March, 2023		As at 31st March, 2022	
		Assets	Liabilities	Assets	Liabilities
1.	Foreign Currency forward contracts	10.34	16.90	2.78	3.83
2.	Commodity Derivative Contracts	4,334.72	-	12,475.88	-

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

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
		Assets	Assets
1.	Foreign Currency forward contracts	3,897.84	1,382.18
2.	Commodity Derivative Contracts	13,369.45	9,170.84

Other price risks

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

40 Capital Management

The Group is an integrated steel producer and is in a capital-intensive industry. The Group, after successful resolution and emerging out of the Corporate Insolvency Resolution Process (CIRP) in December 2019, has embarked on establishing a capital structure that would maximize the return to stakeholders. The Group will be able to continue as a going concern and also maximize the return to stakeholders through an optimal debt-equity mix. The Group has taken over strategic business/assets in sectors such as power, ports, pipelines, mines etc., as opportunity arises through internal accruals and equity infused.

The principal source of funding for its expansion programs is the cash generated from operations supplemented by the Equity infusion and other loans from the holding Group. The Group is not subject to any externally imposed capital requirements. The Group continuously monitors its capital structure using gearing ratio which is net debt divided by total equity. Net debt includes interest-bearing loans and borrowings less Cash and cash Equivalents, Other Bank Balances and current investments. No changes were made in the objectives, policies, or processes for managing capital during the year.

Gearing ratio information: **(₹ in Crores)**

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Borrowings (Refer Note 21 and 26)		36,161.65		32,050.90
Lease Liability (Refer Note 50)		1,544.94		2,603.53
Total Borrowings		**37,706.59**		**34,654.43**
Less: Cash & Cash Equivalents, Other Bank Balances (Including non current deposits with Bank)	6,197.37		14,585.88	
Current Investments [Refer 8(b)]	1,199.17		4,347.16	
		7,396.54		18,933.04
Net Debt (A)		**30,310.05**		**15,721.39**
Total Equity (B)		**40,976.12**		**41,819.43**
Gearing Ratio = (A/B)		**0.74**		**0.38**

43 Segment Information

The Group is in the business of manufacturing steel products having similar economic characteristics, primarily with operations in India and regularly reviewed by the management committee for assessment of the Group'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 31) **(₹ in Crores)**

Geographical Information	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Domestic	Export	Total	Domestic	Export	Total
Revenues (Income from operation)	**46,397.00**	**9,242.36**	**55,639.36**	**39,802.48**	**18,637.85**	**58,440.33**

Revenue from none of the customer exceeds 10% of total revenue of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(b) Non Current Assets other than financial instruments and Income / Deferred Tax assets:

Geographical Information	Year ended 31st March, 2023			Year ended 31st March, 2022		
	Domestic	Export	Total	Domestic	Export	Total
Non Current Assets	64,540.94	336.94	64,877.88	36,429.93	440.88	36,870.81

All non-current assets, other than financial assets and Income / Deferred Tax assets have been allocated on the basis of their physical location.

44 Derivative Instruments

Sr. No.	Type of Transaction	Amount 31st March 2023	Amount 31st March 2022	Currency	Purpose
1	Forward purchase contracts (USD / INR)	425,215,521	108,200,000	USD	To hedge the exchange risk on opex import
2	Forward purchase contracts (USD / INR)	-	61,719,239	USD	To hedge the exchange risk on Export.
3	Forward purchase contracts (EUR / USD)	-	9,950,000	EUR	To hedge the exchange risk on capex import
4	Forward purchase contracts (EUR / USD)	44,845,195	-	EUR	To hedge the exchange risk on capex import
5	Commodity price contracts - Buy	1,267,274,860	1,209,759,488	USD	To hedge the Price Risk under Gas Purchase contract
6	Commodity price contracts - Sell	358,844,828	-	USD	To hedge the Price Risk under Gas Purchase contract

45 Other Information:

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

ii. The Group does not have any material transactions/balances with companies struck off under section under section 248 of Companies Act, 2013.

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

iv. On 1st November 2022, the Company has invested ₹4,020 crores in AM Mining India Private Limited (CIN U13209DL2019PTC356902) (fellow subsidiary of the Company). The Company has complied with the requisite provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act, 2013 in relation to such investments and the said transaction is not in violation of provisions of the Prevention of Money-Laundering Act, 2002 (15 of 2003). It has been further invested by AM Mining India Private Limited in AMNS Khopoli Limited (formerly known as Uttam Galva Steel Limited) (CIN L27104MH1985PLC035806) (fellow subsidiary of the Company and subsidiary of AM Mining India Private Limited) on 10th November, 2022.

Registered office of AM Mining India Private Limited is A-74 Nizamuddin East, New Delhi, South Delhi DL 110013 and registered office of AMNS Khopoli Limited is Admin Block, Survey No. 71-75, Village Donvat, Khopoli-Pen Road, Khalapur Raigarh, Maharashtra 410203.

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

viii. The Group 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

ix. The Group is maintaining its books of account in electronic mode and these books of account are accessible in India at all times and the back-up of books of account has been kept in servers physically located in India on a daily basis from the applicability date of the Companies (Accounts) Rules, 2014, i.e. 5th August, 2022 onwards except in one of the subsidiaries where there were only few transaction from the inception of the Company on January 17, 2023 up to March 31, 2023 and the subsidiary has taken data backup of books of accounts in electronic mode as and when transaction is posted instead on a daily basis as required by relevant provisions of the Companies (Accounts) Rule, 2014 (as amended).

x. The Group has not been sanctioned any working capital limits from banks during the year on the basis of security of current assets of the Company except for facilities which are lien on bank deposits for which no quarterly statements (DP statement, Stock statement) are required to be submitted.

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

xii. There is no Core Investment Company as a part of the Group.

xiii. The Company being an unlisted public company and wholly owned subsidiary of a private limited company till 15th March, 2023 (i.e. the date of Merger order of holding Company of the Company with the Company retrospectively with effect from 16th December, 2019), the provisions of section 177 of Companies Act, 2013 were not applicable to the Company. Further, the merger order dated 15th March, 2023 was subject to RBI approval which was subsequently received on 10th May, 2023. Upon completion of the merger, the Company will be converted into a private limited company consequently, provision of section 177 concerning audit committee will not be applicable.

46 Related Party disclosures:

List of related parties and relationships

(a) Parent Companies

1 AMNS Luxembourg Holding S.A – Ultimate Holding Company

2 Oakey Holding B.V - Holding Company (Refer note 53)

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

1 AM Mining India Private Limited

2 AMNS Khopoli Limited (*w.e.f.* 10th November, 2022)

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

1 Essar Steel Processing FZCO

2 AM Green Energy Private Limited (*w.e.f* 22nd August, 2022)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(d) Other related parties (with whom transactions have taken place)

1 AFS Sedan
2 ArcelorMittal Design and Engineering Centre Pvt Ltd
3 ArcelorMittal DSTC FZCO
4 Arcelormittal Espana, S.A.
5 ArcelorMittal Europe SA
6 ArcelorMittal Exports Dmcc
7 Arcelormittal France
8 ArcelorMittal International Luxembourg SA
9 ArcelorMittal Neel Tailored Blanks Private Ltd.
10 ArcelorMittal Projects India
11 ArcelorMittal Rzk Celik Servis Merk
12 Arcelormittal SA
13 ArcelorMittal Shipping Limited
14 ArcelorMittal Singapore Private Limited
15 ArcelorMittal Sourcing SCA
16 ArcelorMittal Ventures India Private Limited
17 Gestamp Automotive India Private Limited
18 Global Chartering Limited
19 Ice Steel 1 Private Limited
20 IFGL Refractories Limited (ceased to be related party w.e.f. 1st July, 2022)
21 Nippon Steel India Private Limited
22 Nippon Steel Pipe India Private Limited
23 Nippon Steel Rolls Corporation
24 Nippon Steel Trading Corporation
25 Texturing Technology Private Limited
26 TRL Krosaki Refractories Limited
27 Umang Shipping Limited
28 Nippon Steel Engineering India Pvt. Limited
29 Nippon Steel Engineering Co. Ltd.

(e) Key Management Personnel

1 Mr. Dilip Oommen, Director and CEO#
2 Mr. Tomomitsu Inada, Director & Vice President Technology#
3 Mr. Amit Harlalka, Chief Financial Officer#
4 Mr. Pankaj S Chourasia, Company Secretary

No transaction were entered with these related parties during the current and previous year.

Terms and conditions

Sales / Purchases:

The related party transactions are undertaken at arm's length pricing.

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 certain loans from related parties. The foreign currency loans (External Commercial Borrowings) carry an interest rate of 6M SOFR + 2.80% per annum (Previous year: 6M LIBOR + 2.5%) , and the INR-denominated loans carry an interest rate of 10.00% per annum as of the date of the financial statement. The interest rates are subject to a benchmarking study as per the underlying agreement and applicable regulations (Refer Note 58).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

During the year, following transactions were carried out with the related parties in the ordinary course of business:

Sr. No.	Particulars	Holding Companies	Fellow Subsidiaries	Other Related Parties	Associate	Key Management Personnel
		₹ in Crores				
(a)	Sales (Net)	-	581.98	731.95	20.36	-
		-	-	(1,415.52)	-	-
(b)	Purchase of Goods	-	0.04	1,636.83	-	-
		-	-	(442.39)	-	-
(c)	Purchase of Services	-	251.10	564.43	-	-
		-	-	(666.89)	-	-
(d)	Interest Expenses	2,525.19	-	-	-	-
		(2,258.59)	-	-	-	-
(e)	Miscellaneous Income	-	13.42	0.14	-	-
		-	(1.75)	(0.23)	-	-
(f)	Remuneration & perks	-	-	-	-	0.73
		-	-	-	-	(0.61)
(g)	Purchase of Capital Goods	-	-	40.74	-	-
		-	-	(9.10)	-	-
(h)	Miscellaneous Expenses	-	0.00	0.13	-	-
		-	-	-	-	-
(i)	Investments made	-	4,060.00	-	39.00	-
		-	-	-	-	-
(j)	Capital contribution	-	-	-	-	-
		(184.63)	-	-	-	-
(k)	Sale of Assets	-	0.90	-	-	-
		-	-	-	-	-
(l)	Inter Corporate Deposits given		20.00			-
			(148.32)			-
(m)	External Commercial Borrowings repaid	328.25	-	-	-	-
		(990.72)	-	-	-	-
(n)	Reimbursement of expenses	-	-	3.09	-	-
		-	-	-	-	-
(o)	Recovery of expenses	-	-	0.27	-	-
		-	-	(0.01)	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

Balance outstanding at year end

Sr. No.	Particulars	Holding Companies	Fellow Subsidiaries	Associates	Other Related Parties
		₹ in Crores			
(a)	Investments	-	6,430.00	39.25	-
		-	(2,370.00)	(0.25)	-
(b)	Trade Receivables	-	484.18	0.32	48.24
		-	-	-	(218.85)
(c)	Other Advance/Receivables	-	13.05	-	44.28
		-	(1.57)	-	(2.62)
(d)	Trade and other payables	-	15.51	-	46.87
		-	-	-	(124.70)
(e)	Advance From Customers	-	-	-	0.79
		-	-	-	(0.55)
(f)	Inter Corporate Deposits Given/Invocation of SBLC	-	168.31	-	-
		-	(148.32)	-	-
(g)	Bonds (Incl. Interest)	29,161.65	-	-	-
		(27,570.94)	-	-	-
(h)	External Commercial Borrowings	4,446.04	-	-	-
		(4,408.44)	-	-	-
(i)	Capital contribution	1,997.71	-	-	-
		(1,997.71)	-	-	-
(j)	Provision for doubtful debt / impairment/ fair valuation	-	-	0.25	-
		-	-	(0.25)	-

Note:

1 Figures mentioned in bracket are previous year figure

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

47 Claims against the Company not acknowledged as liabilities/ Contingent Liabilities - (Not provided for)

Consequent to implementation of 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 Group attributable to the period prior to 16th December, 2019 stand extinguished.

(₹ in Crores)

	Particulars	As at 31st March, 2023	As at 31st March, 2022
i	Cross Subsidy[1]	196.87	546.84
ii	Income tax matters in Subsidiaries	4.26	-
iii	Disputed claim in respect of Service tax (in subsidiaries)	5.47	-

The Company was a consumer of Dakshin Gujarat Vij Company Ltd. ("DGVCL") and it was continued to obtain power till 2012. In year 2013, the Company was connected to the Central Transmission Utility ("CTU") after disconnecting from the State Transmission Utility ("STU") and the power supply agreement with DGVCL was terminated. However, DGVCL has continued to raise demands for Cross Subsidy Surcharge (CSS) upon the Company for its power consumption including on the power procured from its captive power plants. In 2014, the Company filed a Petition before Gujarat Electricity Regulatory Commission (GERC) seeking a declaration that CSS was not payable on power being procured from captive generating plants. Thereafter, in year 2016, the Company filed Petition before the GERC contending that no CSS would be payable to DGVCL, since the Company had disconnected itself from the STU network and was an independent regional entity as approved by the 2013 CERC Order.

In August 2017, CIRP of the Company commenced and AMIPL's Resolution Plan was approved by the Supreme Court (SC) vide its judgment dated 15th November,2019 and claim of DGVCL got extinguished due to pendency of disputes with regard to these claims. DGVCL had filed a review petition before the SC which was rejected both on delay and merits.

DGVCL filed Petition no. 186/MP/2021 at CERC in relation to the outstanding CSS amounts for the period post December 2019, alleging continued violation of the 2013 CERC Order by non-payment of cross subsidy surcharge. DGVCL sought recall of the 2013 order granting connectivity to the CTU network and regional entity status.

GERC in its order dated 10th July, 2023 held that, the Company is liable to pay CSS for the period post December 2019. For the period prior to 16th December, 2019, the liability towards CSS would be as per the SC Judgement in ESIL CIRP dated 15th November, 2019, the Gujarat High Court judgment dated 24th February, 2023 and the order passed in that proceedings. Further, the Company is at liberty to get a certificate regarding its captive status from the Chief Electrical Inspector, State of Gujarat.

In parallel, the CERC vide its order dated 21st August, 2023, has directed to the Company for filing its affidavit indicating the payment plan to liquidate its CSS arrear for the period post 16th December, 2019 and undertaking to the effect that the Company would continue to pay the current CSS dues. DGVCL vide its letter dated 25th August, 2023, raised demand of ₹5,285.90 crores as total amount pending CSS as on 10th July, 2023 which includes CSS along with DPC up to December 2019 ₹3,724.02 crores and ₹1,562.88 crores from January 20 to June 23.

As per the legal opinion from a senior counsel, GERC has not taken note of the fact that the Company would not fall within the scope of Section 42(2) for the purposes of imposition of CSS by DGVCL. The Company has an arguable case to appeal against, and/or, for seeking review and recall of the 10th July, 2023 Judgements. Accordingly, the Company has filed a review and recall petition before the GERC as there are apparent errors which necessitate review including violation of natural justice.

Accordingly, the Company has assessed the liability approx. ₹1,090 crores (including ₹546.84 crores being charged until March 22 accounted as exceptional Item) towards CSS as probable and ₹196.87 crores towards DPC as possible for the period of January 2020 to March 2023.

2 Right to Use Charges - OSPIL:
ArcelorMittal Nippon Steel India Ltd. formerly known as Essar Steel India Ltd. ("AMNSI/ESIL") and Odisha Slurry Pipeline Infrastructure Ltd. ("OSPIL) entered into a Business Transfer Agreement ("BTA") dated 27th February,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

2015 pursuant to which a 253 km slurry pipeline from Dabuna to Paradip ("Slurry Pipeline") was agreed to be transferred from ESIL to OSPIL for a total consideration of ₹4,000 crores. ESIL and OSPIL also entered into a Right to Use Agreement ("RTUA") dated 30th March, 2015 granting ESIL the right to use the allocated capacity of the Slurry Pipeline in consideration of usage charges.

Pursuant to a certain clarification from RBI to the banks in January, 2016, ESIL and OSPIL mutually entered into a cancellation deed dated 24th June, 2016 to unwind the transaction in relation to the Slurry Pipeline ("Cancellation Deed"), which came into effect on 30th June, 2016 and consequently recorded back the Pipeline as part of property, plant and equipment of ESIL.

SREI Infrastructure Finance Limited ("SIFL"), being a creditor of OSPIL, challenged the Cancellation Deed and prayed for its annulment by filing a civil suit before the Civil Judge (Senior Division) at Sealdah ("Sealdah Court"). Since, SIFL's application for interim reliefs was rejected by the Sealdah Court, SIFL filed an appeal in Calcutta High Court, inter alia, seeking an injunction upon the effect of Cancellation Deed. The Calcutta High Court on 22nd December, 2016 passed an ex-parte order for status-quo to be maintained with regard to alienation and transfer of the Slurry Pipeline. The said order was extended from time to time. On 9th January, 2023, the civil suit at Sealdah Court was dismissed. SIFL has filed an application seeking restoration of the suit before the Sealdah Court, which application is currently pending consideration.

Meanwhile, ESIL was admitted into a corporate insolvency resolution process (CIRP) by the National Company Law Tribunal ("NCLT") vide an order dated 2nd August, 2017 ("ESIL CIRP"). The Resolution Plan for ESIL CIRP was approved finally by the Supreme Court on 15th November, 2019 ("ESIL SC Judgment") and pursuant to its implementation, ESIL was acquired and renamed as ArcelorMittal Nippon Steel India Limited viz. AMNSI.

On 5th March, 2020, SIFL, acting as a financial creditor of OSPIL, filed an application before NCLT, Ahmedabad, seeking payment of usage charges of approximately ₹1,300 crores for usage of the Slurry Pipeline to OSPIL during ESIL CIRP period. In the alternative, SIFL sought directions for liquidation of AMNSI (previously ESIL). By an Order of 10th November, 2020, NCLT held usage charges to be payable by ArcelorMittal India Private Limited (AMIPL)/AMNSI as CIRP costs (NCLT Order). Being aggrieved, both, AMIPL (the Resolution Applicant of ESIL and OSPIL) and AMNSI (as erstwhile Corporate Debtor), preferred separate appeals before NCLAT, inter alia, on ground that RTU Charges were not accepted by the Resolution Professional (RP) erstwhile ESIL and the same cannot form part of the CIRP costs. The NCLAT admitted both the appeals vide order dated 4th December, 2020 and 8th December, 2020, respectively while granting a stay upon the NCLT Order. Any claim arising out of these proceedings, is accordingly, subject to the outcome of said appeals filed by AMIPL and AMNSI and of any subsequent appeals in the matter or settlement, if any. In view of the management, supported by a legal opinion, likelihood of any potential liability of the Company in relation to these usage charges in the pending appeals is remote and there is high probability of success for the Company in the above matter.

3 Essar Bulk Terminal Limited ("EBTL") (vendor) had raised various claims (₹1,094 crores till 31st March 2022) against the Company which were disputed by the Company. On 17th November 2022, the Company and EBTL entered into an agreement pursuant to which, all these claims against the Company stand withdrawn and/or dismissed.

48 Commitments **(₹ in Crores)**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) i. Estimated amount of contracts remaining to be executed on capital account and not provided for	22,869.49	4,156.69
ii. Share of commitment in Associates	38.73	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

49 **Employee Benefits**

(i) **Defined Contribution Plan**

The Group has a defined contribution plan whereby contribution are made to provident fund in India for employees at a percentage of Payroll cost as per regulations. Contributions are made to registered provident fund administered by Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation. Group's contribution to Provident Fund aggregating to ₹31.14 crores (Previous year ₹22.80 crores) are recognised in the statement of profit and loss and capital work in progress, as applicable.

(ii) **Defined Benefit Plan**

The Group has a defined benefit Gratuity plan. Every employee who has completed five years or more of service gets a Gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is funded through a Gratuity Scheme administered by a separate fund that is legally 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:

(₹ in Crores)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Net employee benefit expense recognised		
Current Service Cost	12.45	9.48
Net Interest/(Income) on net defined benefit liability/(asset)	2.94	2.21
Expenses Recognised in the statement of profit and loss	**15.39**	**11.69**
Other Comprehensive Income		
Actuarial (gain)/loss recognised in the year due to liability experience changes	5.70	6.21
Actuarial (gain)/loss recognised in the year due to liability assumption changes	1.13	5.45
Actuarial (gain)/loss arising on the liability during the period	**6.83**	**11.66**
Add: Return on Plan Assets (greater)/less than discount rate	1.04	(0.24)
Actuarial Loss/(Gain) recognised in OCI	**7.87**	**11.42**
Defined Benefit Cost		
Service Cost	12.45	9.48
Net interest/(income) on net defined benefit liability/(asset)	2.94	2.22
Actuarial (gain)/loss arising recognised in OCI	7.87	11.42
Defined Benefit Cost	**23.26**	**23.12**
Balance Sheet		
Details of provision		
Defined Benefit Obligation	(182.05)	(150.27)
Fair value of Plan Assets	122.27	100.15
Funded Status [Surplus/(Deficit)]	**(59.78)**	**(50.12)**
Net Defined Benefit Asset/(Liability)	**(59.78)**	**(50.12)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Reconciliation of Net Balance Sheet position		
Net defined benefit asset/(liability) at the end of prior period	(50.12)	(31.43)
Acquired on Business Combination	(3.54)	-
Service cost	(12.45)	(9.48)
Net interest on net defined benefit (liability)/asset	(2.94)	(2.22)
Gain/(Loss) recognised in OCI	(7.87)	(11.42)
Employer Contribution	13.25	3.94
Transfers credit/(cost)	1.99	-
Foreign Exchange Difference	-	(1.32)
Benefits paid directly by the Group	1.90	1.81
Net Defined Benefit (Liability)/Asset at the end of reporting period	**(59.78)**	**(50.12)**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Changes in the present value of the defined benefit obligation are as follows:		
Projected Benefit Obligations (PBO) at the beginning of the year	150.27	127.48
Acquired on Business Combination	13.80	-
Service Cost	12.45	9.48
Interest Cost	10.57	8.47
Foreign Exchange Difference	-	1.32
Actuarial (gain)/loss on obligations	(2.31)	-
Actuarial (gain)/loss - experience	5.70	6.21
Actuarial (gain)/loss - demographic assumptions	-	0.17
Actuarial (gain)/loss - financial assumptions	1.13	5.27
Benefits paid	(9.56)	(8.13)
PBO at the end of the year	**182.05**	**150.27**

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Changes in the fair value of plan assets are as follows:		
Fair Value of plan assets at the beginning of the year	100.15	96.02
Acquired on Business Combination	10.26	-
Acquisition adjustment	(1.02)	-
Interest income on plan assets	7.63	6.26
Contributions/Transfers	13.25	3.95
Benefits paid	(6.96)	(6.32)
Return on plan assets greater/(less) than discount rate	(1.04)	0.24
Fair Value of plan assets at the end of the year	**122.27**	**100.15**
The Company expects to contribute ₹15.65 crores (Previous Year: ₹11.32 crores) to its gratuity plan for the next year.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Expected benefits payment for the year ending		
Less than 1 year	15.65	11.32
Between 2 to 5 years	71.01	53.39
Over 5 years	106.75	81.16
Weighted Average duration of the defined benefit obligation	8 years	8 years
Investment details of plan assets		
Plan assets comprise of Schemes of Insurance - Conventional products		

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (0.5% movement)	(7.96)	7.91	(4.49)	4.79
Salary Escalation Rate (0.5% movement)	5.79	(5.38)	3.36	3.34
Withdrawal Rate (3% movement)	(0.64)	0.38	(0.36)	0.34

Defined Benefit Cost

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Assumptions		
Discount rate	7%-7.5%	6.60%-6.80%
Rate of Return on Plan Assets	7.01%	7.00%
Salary escalation rate	9.00-9.50%	8.00-8.50%
Withdrawal rate	9.50%	8.50%
Mortality	Indian Assured Lives Mortality (2006 - 08) Ult. Modified	

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

Particulars	As at 31st March 2023		As at 31st March 2022	
	Current	Non Current	Current	Non Current
Gratuity (Liability)	-	(61.14)	-	(50.12)
Gratuity (asset)	-	1.36	-	-
Compensated Absences	(4.22)	(22.78)	(1.94)	(13.30)

There are no other post retirement benefits provided by the Group.

The Group is exposed to the following Risks in the defined benefits plans :

Investment Risk: The present value of the defined benefit obligation is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan assets is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary growth risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan's liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

50 Leases

a) Following are the changes in the carrying value of right of use assets for the year ended 31st March, 2023:

(₹ in Crores)

Particulars	Land	Buildings	Plant & Machinery	Total
Opening Balance as on 1st April 2022	379.96	52.00	2,190.59	2,622.55
Additions (including remeasurement)	9.42	15.29	496.02	520.73
Derecognition of lease	-	-	(1,130.31)	(1,130.31)
Depreciation	(6.21)	(14.73)	(308.96)	(329.90)
Closing Balance as on 31st March 2023	**383.17**	**52.56**	**1,247.34**	**1,683.07**

(₹ in Crores)

Particulars	Land	Buildings	Plant & Machinery	Total
Opening Balance as on 1st April 2021	323.94	3.33	2,626.02	2,953.29
Additions	65.36	53.42	-	118.78
Depreciation	(9.34)	(4.75)	(435.43)	(449.52)
Closing Balance as on 31st March 2022	**379.96**	**52.00**	**2,190.59**	**2,622.55**

b) The following is the movement in lease liabilities during the year ended 31st March, 2023: (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Opening Balance	2,603.53	2,954.08
Additions	511.13	53.42
Finance cost accrued during the period	170.08	204.69
Deletions	(1,184.31)	-
Principal Payment of lease liabilities	(384.38)	(403.97)
Interest Payment of lease liabilities	(171.11)	(204.69)
Closing Balance	**1,544.94**	**2,603.53**
Lease Liability - Current	156.21	461.48
Lease Liability - Non Current	1,388.73	2,142.05
Closing Balance	**1,544.94**	**2,603.53**

c) The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2023 on an undiscounted basis: (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	258.99	641.23
One to five years	986.57	2,064.39
More than five years	971.42	653.50
Total	**2,216.98**	**3,359.12**

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

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Short term Leases and Low Value Leases	62.80	45.12
Total	**62.80**	**45.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

51 Earnings Per Share (₹ in Crores)

Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
Net Profit as per statement of Profit & Loss attributable to Owners of the Company	2,698.04	7,294.25
Weighted average number of shares for the purpose of calculating basic and diluted earning per share (in nos.) (Refer Note 19 for No. of shares)	25,041,306,142	25,041,306,142
Basic and diluted earnings per Equity share of ₹10 each (in Rupees)	1.08	2.91

52 Exceptional Items (₹ in Crores)

Sr. No.	Particulars	For the Year 31st March, 2023	For the Year 31st March, 2022
1	Write off of Loan receivables (Refer Note 54)	588.40	1,591.43
2	Provision for Disputed Claims[1]	546.84	-
3	Reversal of Impairment on assets[2]	(482.83)	-
		652.41	**1,591.43**

1 During the year, read with Note 47(1), the Company has made provision in relation to disputed claims taking into consideration the subsequent order issued by the authorities, which were disclosed as contingent liability in the previous year. These provision have been made without prejudice on the basis of legal opinion obtained and the Company believes it has reasonable grounds to continue to defend its position with authorities.

2 Considering the change in internal and external indicators, the Company has reassessed the impairment of land, accounted in past years, with assistance of independent valuation expert and acceptable market valuation principles. This has resulted in reversal of impairment loss in the current year of ₹482.83 crores. The Company believes such reversals are not in the regular course of operations and thus has been accounted and disclosed as exceptional item in Statement of Profit and Loss.

53 Pursuant to the Composite Scheme of Arrangement among ArcelorMittal India Private Limited (Transferor Company/ Amalgamating company/AMIPL) and AM Associates India Private Limited (Transferee Company/AMAIPL) and ArcelorMittal Nippon Steel India Limited (Amalgamated Company/AMNSIL) under Sections 230-232 and other applicable provisions of the Companies Act, 2013 which was approved by the Hon'ble National Company Law Tribunal Ahmedabad bench, (NCLT) vide order dated 15th March, 2023, which provides for the transfer and vesting of the transferred undertaking (as defined in the said Scheme) of AMIPL to AMAIPL, reduction of equity share capital of AMIPL and upon the aforesaid steps having been undertaken, the amalgamation of AMIPL (comprising of residual business undertaking as defined under Schedule - A of the said Scheme) into AMNSIL. The Scheme is deemed to be operative from Appointed date viz 16th December, 2019. The Reserve Bank of India (RBI) approval on the said scheme was received by the Company on 10th May, 2023. The scheme has become effective with effect from 3rd August, 2023 on last filling of order with registrar of companies by AM Associates.

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

The Accounting Effect of this Scheme in the financial statements has been given as under:-

a) In terms of the said scheme, authorised share capital of AMNSIL has been increased to ₹80,000 crores (divided into 79,900,000,000 equity shares of ₹10 each and 100,000,000 10% cumulative redeemable preference shares of ₹10 each), for which the Company is taking necessary steps under the Companies Act, 2013 to give effect in this regard.

b) The paid up equity share capital of AMNSIL comprising of 9,222,000,000 equity shares of ₹10 each, aggregating to ₹9,222 crores as held by the Amalgamating company (AMIPL) shall be automatically cancelled and extinguished. Further, during the year Company (before merger) had issued equity shares of ₹2,730 crores on conversion of secured Loans, the same is also cancelled and extinguished.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

c) The paid up equity share capital of the Amalgamating company comprising of 26,897,972,105 equity shares of ₹10 each, aggregating to ₹26,897.97 crores as held by the shareholders of the Amalgamating company (AMIPL) shall be automatically cancelled and extinguished.

d) In terms of the said Scheme, 25,041,306,142 (Two Thousand Five Hundred Four crores Thirteen Lakhs Six Thousand One hundred Forty-Two) fully paid-up Equity shares of ₹10 each of the Company has been issued and allotted at par to the Shareholders of the AMIPL for 268,979,72,105 (Two Thousand Six Hundred Eighty Nine crores Seventy-Nine Lakhs Seventy-Two Thousand One Hundred Five) Equity shares of ₹10 each held by them in AMIPL. These equity shares rank pari passu in all respect (including dividend) with the existing equity shares of the Company.

e) The amount lying as balance in the Balance Sheet of AMNSIL (as accumulated losses) under the head 'Retained Earnings' forming part of 'Other Equity' as on the Appointed date, shall be, in the books of the AMNSIL, adjusted/ reduced as follows in accordance with provisions of Section 230 to 232, Section 66 and Section 55 of the Companies Act. 2013 and any other applicable provisions of the law:

   i) Firstly, Reduction of Capital Reserve Account of AMNSIL amounting to ₹2,356.29 crores and secondly reduction of Capital Redemption Reserve Account of AMNSIL amounting to ₹202.92 crores.

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

f) Company (being intermediate holding companies) was having exemption under section 129(3) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, as amended, hence did not prepare consolidated financial statements for the year ended 31st March, 2020 to 31st March, 2022. During the current year, the Company is no longer an interim holding company, as a result of the merger of ArcelorMittal India Private Limited (erstwhile parent) with the Company. Accordingly, the Company has prepared consolidated financial statements in the current year. As per Appendix C of IND AS 103 "Business Combination" notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, the Company has accounted for the merger as per the pooling of interest method being a common control transaction and has prepared the comparative information in respect of the year ended March 31, 2022 by giving effect to the merger from April 1, 2021 i.e. the beginning of the preceding period in the consolidated financial statements. Hence the comparative consolidated financial information of the Company for the year ended March 31, 2022 included in these consolidated financial statements have been approved by the Holding Company's Board of Directors and have not been subjected to audit.

g) The Company has accounted the scheme as a business combination under common control and as required by Appendix C to Ind AS 103, has restated the financial information in respect of prior periods in the financial statements as if the business combination had occurred from the beginning of the preceding period in the financial statements in the following manner:

   i) AMNSIL has recorded the assets and liabilities of the Amalgamating Company (AMIPL) vested in it pursuant to the Scheme at the respective carrying amounts appearing in the books of accounts of the Amalgamating Company;

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

   iii) The identity of the reserves has been preserved and are appearing in the financial statements of AMNSIL in the same form in which they appeared in the financial statements of the Amalgamating Company.

   The difference, if any, between the carrying amounts of the net assets (including reserves) acquired, and the face value of the equity share capital of AMNSIL to be issued to the shareholders of the Amalgamating Company upon cancellation of the reduced share capital of Amalgamating Company, including difference resulting from elimination of intercompany balances, has been recognised as Capital Reserves on Business Combination.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

h) The Company has recorded all assets and liabilities of AMIPL (Residual Business undertaking, after transfer of "transferred undertakings" to AMAIPL) at their respective book values due to common control transaction as appearing in the books of accounts of the AMIPL immediately before the appointed date and audited by auditor of AMIPL.

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

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

k) Tax impact on account of composite scheme of arrangement for the years ended on 31st March 2020 to 31st March, 2022 has been considered in current year.

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

m) The Composite Scheme of Arrangement has been given effect from appointed date i.e. 16th December, 2019 which is acquisition date for the purpose of IND AS 103 "Business Combination" as per clarification issued by the Ministry of Corporate Affairs (MCA), Government of India vide Circular No 09/2019 issued on 21st August, 2019.

n) Upon the Scheme coming into effect, AMNSI to be converted from a “public limited company” to a “private limited company” as an integral part of the Scheme. The Board of Directors approved the same on 25th September 2023 and, the Company is taking necessary steps under the Companies Act, 2013 to give effect in this regard.

A summary of the assets, liabilities and reserves incorporated as at appointed date (i.e. 16th December, 2019) is as follows:

(₹ in Crores)

Particulars	
ASSETS	
Non-current assets	
Property, plant and equipment	0.43
Loans	5,169.83
Income tax assets (net)	2.75
Other non-current assets	18.28
Total non-current assets	**5,191.29**
Current Financial assets	38,867.68
Total current assets	**38,867.68**
Total Assets (A)	**44,058.97**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

Particulars	
LIABILITIES	
Borrowings	24,000.00
Total non-current liabilities	**24,000.00**
Trade payables	1.32
Other current liabilities	1.23
	2.55
Total Liabilities (B)	**24,002.55**
Capital contribution	87.83
Retained earnings	(947.39)
Total Other Equity (C)	**(859.56)**
"Assets (net off liabilities) and other equity acquired as at appointed date (D)=(A)-(B)-(C)"	**20,915.98**
Investment made in AMNSI after appointment date, considered for calculating Swap Ratio as per the said Scheme (E)	**5,982.00**
F) Consideration	
2504,13,06,142 equity shares of ₹10 each to be issued on appointed date (F)	**25,041.31**
G) Capital Reserves on issue of new shares (D)+(E)-(F)	**1,856.67**
H) Difference on account of elimination of intercompany balances	**3,677.70**
I) Total Capital Reserves on Business Combination	**5,534.37**

54 Pursuant to Supreme Court Order, Arcelormittal Nippon Steel India Limited (erstwhile ArcelorMittal India Private Limited ("AMIPL") has acquired loans from consortium of lenders of AMNS Khopoli Limited (formerly Uttam Galva Steels Limited "AMNSK") for consideration of ₹4,922.30 crores on an "as is where is", "as is what is" and without recourse basis vide assignment agreement dated 17th October, 2018

AMIPL had initially recognized financial asset receivables from AMNSK at a fair value of ₹5,284.93 crores (including inter-corporate deposits of ₹362.63 crores to AMNSK) and had subsequently recorded impairment of ₹693.30 crores upto 31st March, 2021.

As on 31st March, 2022 amount of ₹3,000.20 crores receivable from AMNSK was determined based on the resolution plan for AMNSK and approved by committee of creditors of AMNSK ("AMNSK Resolution Plan"). This resulted in additional impairment of ₹1,591.43 crores which was treated as an exceptional item in profit and loss account for the year ended 31st March, 2022. Further ₹588.40 crores has been finally impaired on the basis of actual amount received amounting to ₹2,411.80 crores as per AMNSK Resolution Plan. Same is disclosed as an exceptional item in profit and loss account for the year ended 31st March, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

55 The Group has a 26% interest in AM Green Energy Private Limited (AMGEPL), which is involved in the business of development of renewable energy business including evacuation of electricity. Group's interest in AMGEPL is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in AMGEPL:

(₹ in Crores)

Particulars	As at 31st March, 2023
Non-current assets	547.25
Current assets	892.07
Non-current liabilities	(1,011.38)
Current liabilities	(7.15)
Equity portion of compulsory convertible preference shares	(271.82)
Equity	**148.97**
Group's Share in equity-26%	**38.73**
Group's carrying amount of the investment	**38.73**
Revenue from contracts with customers	8.24
Total Expenses	8.70
Profit & Loss before Tax	**(0.46)**
Tax Expenses	0.58
Profit & Loss for the year	**(1.04)**
Group's share of profit for the year	**(0.27)**

Further the Group has a 40% interest in Essar Steel Processing FZCO (an Associate). Group's share of losses exceeds the carrying value of the associate amounting to ₹0.25 crore, hence the carrying value is reduced to nil.

Group's share of capital commitment has been disclosed under Note no. 48. Further there is no contingent liabilities of associates as at 31st March 2023.

56 **Non-Controlling Interest**

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly-owned by the Company.

The balance of non-controlling interests as at the end of the year is as below:

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Controlling Interest	225.27	1.83
	225.27	**1.83**

The table below provides information in respect of subsidiaries where material non-controlling interest exists:

Particulars	Country of Incorporation	As at 31st March, 2023	As at 31st March, 2022
PT AM/NS Indonesia*	Indonesia	-	0.26%
AMNS Ports India Limited#	India	2.25%	-
AMNS Ports Hazira Limited#	India	2.24%	-
AMNS Ports Paradip Limited#	India	2.24%	-

*During the previous year, non controlling interest in PT AMNS India was not material, hence summarised financial information of this entity for previous year were not disclosed.

Referred to as "Port entities"

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

The summarised financial information of material subsidiaries are provided below.

Summarised statement of profit and loss for the year ended 31st March 2023: (₹ in Crores)

Particulars	Port Entities 31st March, 2023
Revenue from Operations	519.78
Other Income	15.78
	535.56
Total Expenses	(184.20)
Finance Costs	(8.43)
Depreciation and Amortization Expense	(156.90)
Profit before Tax	**186.03**
Tax Expense/ (Credit)	(75.63)
Profit after Tax	**110.40**
Other Comprehensive Income	0.71
Total Comprehensive Income	**111.11**
Attributable to non-controlling interests	**2.50**

Summarised balance sheet as at 31st March 2023:

Particulars	As at 31st March, 2023
Non-Current Assets	14,196.84
Current Assets	1,378.44
Non Current Liabilities	(5,461.33)
Current Liabilities	(101.80)
	10,012.15
Attributable to:	
Equity holders of parent	9,786.88
Non-controlling interest	225.27

Summarised Cash Flow statement for the year 31st March 2023:

Particulars	Year Ended 31st March, 2022
Operating	(131.73)
Investing	(477.63)
Financing	512.43
Net increase/(decrease) in cash and cash equivalents	**(96.93)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

57 AMNS India reached a definitive agreement on 26th August, 2022 to acquire port, power plants and other logistics and infrastructure assets in India from the Essar Group. On 19th October, 2022, AMNS India completed the acquisition of Essar Power Hazira Limited, corresponding to a 270 MW multi-fuel power plant at Hazira which has a long-term power purchase agreement with AMNS India. On 15th November, 2022, AMNS India completed the acquisition of Essar Bulk Terminal Limited (EBTL) through Hazira Cargo Terminal Limited and Ibrox Aviation and Trading Private Limited (including payment towards restriction on Brand usage), corresponding to a 25 million-tonne per annum jetty at the all-weather, deep draft bulk port terminal at Hazira, Gujarat, captive and adjacent to AMNS India's flagship steel plant and Essar Bulk Terminal Paradeep Limited (EBTPL), corresponding to a 12 million-tonne per annum deep-water jetty at Paradeep, Odisha along with a dedicated conveyor that handles 100% of pellet shipments from AMNS India's Paradeep pellet plant.

	Name of the Company	Group	Date of Acquisition	Effective holding (%)*		
				Pre Acquisition	Acquired during the year	Post Acquisition
1	AMNS Ports India Limited (fka Hazira Cargo Terminal Limited)	Port	15th November, 2023	0.00%	97.75%	97.75%
2	Ibrox Aviations and Trading Private Limited	Port	15th November, 2023	0.00%	100.00%	100.00%
3	AMNS Ports Hazira Limited (fka Essar Bulk Terminal Limited)	Port	15th November, 2023	0.50%	97.26%	97.76%
4	AMNS Ports Paradip Limited (fka Essar Bulk Terminal Paradeep Limited)	Port	15th November, 2023	0.00%	97.76%	97.76%
5	AMNS Power Hazira Limited (fka Essar Power Hazira Limited)	Power	19th October, 2023	0.40%	99.60%	100.00%
6	Bhagwat Steel Limited	Others	19th October, 2023	47.38%	52.62%	100.00%

* Effective holding includes potential voting rights arising from the convertible instruments.

As per Ind AS 103 on Business Combination, purchase consideration has been allocated on a basis of the fair value of the acquired assets and assumed liabilities. The resulting differential has been accounted as goodwill.

The aggregate purchase price (Purchase Consideration) has been allocated to the assets acquired and liabilities assumed in accordance with principles of IND AS 103 as under:

(₹ in Crores)

	Port	Power	Others	Total
Purchase Consideration (PC) [A]	14,474.21	2,608.33	3.42	17,085.96
Fair valuation of Existing holding [B][1]	64.26	10.45	-	74.71
Purchase Consideration including Fair valuation of Existing holding [C]	**14,538.47**	**2,618.78**	**3.42**	**17,160.67**
Non Controlling Interest [D]	222.78	-	-	222.78
Fair value of liabilities taken over	-	-	-	
Borrowings	1,984.10	640.00	-	2,624.10
Other Financial Liabilities	202.36	1.00	-	203.36
Deferred Tax Liabilities	2,929.33	123.20	-	3,052.53
Other liabilities	126.70	92.89	-	219.59
Fair value of liabilities taken over [E]	**5,242.49**	**857.09**	**-**	**6,099.58**
I. Total Fair Value of PC and Liabilities taken over [C]+[D]+[E]	**20,003.74**	**3,475.87**	**3.42**	**23,483.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Crores)

	Port	Power	Others	Total
Fair value of Assets taken over				
Port License/Concessionaire Agreement	11,031.98	-	-	11,031.98
Property, Plant and Equipments (incl. CWIP)	3,309.75	1,544.55	-	4,854.30
Cash and Cash Equivalent	731.81	296.37	0.15	1,028.33
Other Bank Balances	4.09	-	-	4.09
Other Assets	76.15	36.70	2.90	115.75
II. Total Fair value of Assets taken over [F]	**15,153.78**	**1,877.62**	**3.05**	**17,034.45**
Goodwill [I]-[II]	**4,849.96**	**1,598.25**	**0.37**	**6,448.58**

1. Summary of fair valuation and gain or loss on of Existing holding (₹ in Crores)

	Port	Power	Others	Total
Fair valuation	64.26	10.45	-	74.71
Carrying value of investment	9.05	2.68	-	11.73
Gain on remeasuring to fair value the existing holding charged to OCI	**55.21**	**7.77**	**-**	**62.98**
2. A. Summary of financial result of acquiree (since acquisition)				
Revenue	519.78	155.75	-	675.53
Profit before tax	186.03	115.95	0.04	302.02
2. B. Summary of financial result of acquiree (from the beginning of the financial year)				
Revenue	1,296.94	385.16	-	1,682.10
Profit before tax	529.48	154.71	0.04	684.23

Above result is before elimination of inter-company transactions.

From the date of acquisition, acquiree has contributed to the Group ₹675.53 crores of revenue and ₹302.01 crores to the profit before tax (before elimination of inter-company transactions).

If the combination had taken place at the beginning of the year, revenue and the profit before tax of the Group would have been ₹56,645.93 crores and ₹2787.55 crores respectively (before elimination of inter-company transactions).

3. Analysis of cash flows on acquisition: (₹ in Crores)

	Port	Power	Others	Total
Transaction costs (PC) of the acquisition	14,474.21	2,608.33	3.42	17,085.96
Net cash acquired with the subsidiary (included in cash flows from investing activities)	731.81	296.37	0.15	1,028.33
Net cash flow on acquisition	**13,742.40**	**2,311.96**	**3.27**	**16,057.63**

4. Basis the purchase price allocation, the goodwill of ₹6,448.58 crores is recognised in the consolidated financial statements. The goodwill comprises the value of expected synergies arising from the acquisition. None of the goodwill recognised is expected to be deductible for income tax purposes.
5. The deferred tax liability mainly comprises the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.
6. The fair value of the non-controlling interest in Port entities has been estimated as the proportionate share in the recognized amounts of the identifiable net assets of the Port entities. Value of Identified net assets of the companies are measured basis the fair valuation according to the methods suitable for each class of assets which can be described as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

A. Property Plant and Equipment ("Specified Assets"): Depreciated replacement cost method has been used to determine fair value of specified assets. Significant assumptions used while applying the said methods are :
   a. Straight line depreciation Method has been used.
   b. Salvage Value has been considered in the range of 2-5%.

B. Intangible Assets : Multi period Excess Earnings method has been used to determine the fair value of Port License/Concessionaire Agreement. Significant assumptions used while calculating Value of Intangible are based on below significant inputs which are not observable in the market:
   a. An assumed discount rate of 11.60%
   b. Economic Useful life of Port License /Concessionaire Agreement agreement EBTL and EBTPL as 40 years and 3 years respectively.

7. Contingent liabilities of acquiree has been disclosed under Note no. 47.

58 Borrowings Note (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Long Term Borrowings Note		
(1) 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. Loans carrying interest @6M SOFR plus 2.80 % p.a. The principal is repayable on 20th March, 2030 (Refer Note 1)	3,028.16	2,789.15
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. Loans carrying interest @6M SOFR plus 2.80 % p.a. The principal is repayable on 20th March, 2030 (Refer Note 1)	604.74	868.90
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 SOFR plus 2.80% p.a. The principal is repayable on 20th March, 2030 (Refer Note 1)	813.14	748.96
Secured by hypothecation and charge on Vehicles. Principal is repayable ranges from December 2024 to February 2027. Loans carrying interest ranging from 7.81% p.a. to 9.74% p.a	3.93	2.98
Secured by hypothecation on Vehicles. Principal is repayable ranges from December 2024 to January 2027. Loans carrying interest ranges from 8.10% p.a. to 10.75% p.a.	4.41	4.48
Unsecured Borrowings		
Unsecured INR denominated Bonds (INR ECB Loan) carry interest @ 10% p.a. Bonds Redemption schedule is, half yearly repayment of ₹1,000 crores starting from September 2024 and bullet repayment of balance ₹13,000 crores in March 2030. (Refer Note 2)	29,161.64	27,570.94
	33,616.02	**31,985.42**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

58 **Borrowings Note** (Contd..)

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current Borrowings		
Bridge Loan		
Overdraft facility was secured with 100% non-callable fixed deposits for short term period of six months carrying interest rate ranging from 7.50% to 7.80%. The company fully settled this facility in June 2023. Subsequently, the underlying fixed deposits were released, and no dues certificate was issued by the respective bank.	1,574.21	-
Commercial Paper - Unsecured		
Commercial Paper raised by the Company are unsecured and short-term in nature ranging between four to six months and carry interest @ 8.10% p.a.	971.42	-
Loans from Others- Secured		
The loan was secured by way of hypothecation of subsidiaries's receivables, book debts, operating cash flows, etc.	-	5.72
Unsecured		
Loan taken from other than Bank	-	59.76
	2,545.63	**65.48**

Note:

1. The Company and AMNS Luxembourg Holdings S.A. (AMNSL & Lender) amended certain terms and conditions of the ECB facility through an agreement dated 30th March, 2021 (the A&R agreement). The applicable interest rate was changed from 6-month LIBOR + 2.50% to 6 month SOFR + 2.80% through agreement dated 2nd August, 2022. The amended interest rate became effective from 21st September, 2022, onwards, with interest accrual starting on that date. Following the NCLT order dated 15th March, 2023, the ECB facility was converted into an unsecured facility. All charges were satisfied in June 2023, subsequent to balance sheet date; based on the NOC issued by the Lender.

2. The Company signed an agreement on 1st March, 2019 with its parent company for the issuance of unsecured INR-denominated Bonds worth ₹24,000 crores (INR ECB). Due to the advent of the COVID-19 pandemic, it was agreed that no interest would be charged, accrued, or payable on the Bonds from 1st April, 2020, until 31st March, 2021. Furthermore, the Company and its parent company entered into an updated agreement dated 30th March, 2021, extending the redemption period in installments, extending interest payments, and granting a conversion right to equity, subject to ECB guidelines. Moreover, during the previous year, the Company and its parent Company entered into an updated agreement dated 14th January, 2022, amending the interest repayment schedule of the bonds. Consequently, a difference in the financial liability of ₹184.63 crores has been transferred to capital contribution . The effective interest rate is 7.89%. The interest rate of 10.00%, as per the bond agreement, is subject to the overall ceiling as provided in the ECB Guidelines, which may be amended from time to time.

3. 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. Furthermore, according to the approved Resolution Plan and the Supreme Court order dated 15th November, 2019, the Corporate and Personal Guarantees provided by the former Essar promoters and Essar group companies are not binding on ArcelorMittal Nippon Steel India Limited (the Company).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023

4. To fund the company's capex expansion plans at Hazira Location, AMNS Luxembourg provided a $5 billion line of credit to AMNSI in April 2023, subsequent to balance sheet date. This funding will be used for the Upstream project.

59 Except stated elsewhere in these Standalone Financial Statements, there are no other subsequent adjusting event that may have impact as at Balance Sheet date.

60 The figures of the previous year has been regrouped/reclassified where necessary to conform to current year's classification.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No.: 118746
Place: Mumbai
Date: 25th September, 2023

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

Dilip Oommen
Director and CEO
DIN: 02285794

Tomomitsu Inada
Director and Vice President Technology
DIN: 09649119

Amit Harlalka
Chief Financial Officer
Place: Mumbai
Date: 25th September, 2023

Pankaj S Chourasia
Company Secretary

NOTES

NOTES

ArcelorMittal Nippon Steel India

AM/NS House – AM/NS Township, 27 km, Surat – Hazira Road,
Hazira, Gujarat – 394 270, India