



## **PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA**

**Sub:** Amendment to the earlier approved project proposal of M/s. Arcelor Mittal India Limited to establish "6 Million TPA Integrated Steel Plant & 750 MW Power Generation Plant" at Kuduthini Village, Ballari District - reg.

**Read:** 1. Government Order No. CI 47 SPI 2010, Dated. 09.02.2010.  
2. Proceedings of the 64<sup>th</sup> State High Level Clearance Committee (SHLCC) meeting held on 23.12.2024.

### **Preamble:**

### **Previous Approvals:**

<b>Meeting &amp; Government Order Details</b>	<b>Approval Accorded</b>
20 <sup>th</sup> SLSWCC meeting held on 05.01.2010.  Government Order No. CI 47 SPI 2010, Dated. 09.02.2010	Approved project proposal of M/S. Arcelor Mittal India Ltd to establish "6 Million TPA Integrated steel plant & 750 MW Power generation plant" with an investment of Rs. 30,000 Crores in 4000 acres of land at Kuduthini Village, Bellari District and generating employment to 10,000 persons.
<b>KIADB land allotment/possession details</b>	1) Allotment letter issued on 30.11.2011 for 1,827.60 Acres 2) Allotment letter issued on 19.10.2012 for 832.15 Acres 3) Possession Certificate letter issued on 22.10.2018 for 2,643.25 Acres
<b>Status of implementation</b>	<ul style="list-style-type: none"> <li>• Execution &amp; Registration of Lease-cum-Sale Agreement was done on 14.11.2018.</li> <li>• Terms of Reference for the integrated steel plant obtained in August'2010 from Ministry of Environment &amp; Forests for EIA/EMP after presentation to the Appraisal Committee;</li> <li>• Socio-economic Study through TECKSOK has been conducted</li> <li>• Land-fencing and securing of site after taking necessary approvals from KIADB</li> <li>• Green Belt by planting 15,000 Saplings along the layout boundary</li> <li>• Initiated CSR Activities like - Coaching classes for local school students, basic amenities like Water purifier, Student Desks, Storage</li> </ul>

	Cabinets in the Schools in Kuditini village.
Reason for Delay in Implementation of project	<p><b>Company cited below reason for delay in implementation fo the Project</b></p> <ul style="list-style-type: none"> <li>• <b>Raw-material Insecurity:</b> Due to Government policy change on raw-material allocation and other reasons, captive iron ore mine(s) could not be allocated to Arcelor Mittal.</li> <li>• <b>Delay in Signing of Lease-cum-Sale Agreement:</b> Arcelor Mittal had been seeking modification to the draft Lease-cum-Sale Agreement with KIADB to suit our long implementation timeline considering various infrastructural requirements (mines, water, railway connectivity etc.). However, after delays during discussions with KIADB, Company signed a Lease-cum-Sale agreement on 22.12.2017. As per the advice of KIADB, the Arcelor Mittal signed revised Lease-cum-Sale Agreement on 14.11.2018 after deleting 16.50 acres of NHAI land and the same was registered on 26.12.2018 by paying stamp duty / Registration fees of Rs. 13.25 Cr.</li> <li>• <b>Govt. Land Allocation:</b> Revenue Department GOK had passed an order for grant of 136.33 acres of government land to AMIPL. The Process of Transfer of 136.33 Acres of government land is still pending with the Revenue department GoK. Since the Government land of 136.33 acres is scattered in different pouches in the allotted area of 2659.75 acres of private land</li> <li>• <b>Water Allocation:</b> Approval for water allocation from Tungabhadra river on the conditions imposed would be impractical and would not be feasible. AMIPL received approval from the Govt. for drawl of 40 MGD water from downstream of Tungabhadra River. Company is required to draw water pipeline of 40 kms length from Tungabhadra River and construct huge water storage facility and allowed to draw surplus water from the downstream, available for 35-40 days only in Nov-Dec every year for its annual requirement.</li> </ul>

- **Legal Cases and & Impact on Project:** The Land allotted to us did not contain a clear title as several erstwhile landowners filed various cases in courts asking for higher compensation, jobs etc. The details of one such case are below:

(i) During 2013, several Land acquisition cases were filed before the Trial Court Ballari by the farmers seeking enhancement of compensation in respect of 476 acres out of 2779.85 acres of land taken into possession for AM project. During 2016 the Trial Court had ordered to pay enhanced land compensation at the rate of Rs. 30,20,270/- per acre plus Statutory benefits in respect of 254 acres of land out of 476 acres of litigated land in AM plant layout.

(ii). The Trial court order was challenged in HC Dharwad by KIADB and the case was remanded by HC to Trial Court by setting aside the judgment passed by Trial Court and HC also directed KIADB to deposit Rs. 10 Lakh per acre before the Trial Court and accordingly it was deposited. The aggrieved land-owners filed SLPs before SC.

(iii). On 31.01.2023, the Supreme Court disposed of SLPs filed by the farmers by upholding the Trial Court order and directed the beneficiary company to pay the enhanced land price as fixed by the Trial Court. The average cost works out to Rs. 1.3 Cr. per acre (inclusive of statutory benefits & after deduction of already deposited amount by AM).

(iv). Following the Apex Court's decision to uphold the civil court's judgment, during May 24 the claimants filed several execution petitions before the Ballari Trial Court to expedite the payment of the enhanced compensation.

(v). The SC ordered AMIPL to pay enhanced compensation. AMIPL had complied with SC order by making the total payment of approx. 307.5 crores. This includes 112.5 crores paid towards 95 acres of KIADB land (never allotted to AM) for which KIADB had admitted liability.

(vi). Remaining cases in respect of 222 acres are pending before Trial Court and High Court seeking

	<p>enhancement of compensation under the provisions of LA (RR) Act, 2013 on account of the delay in passing of the general awards by KIADB despite written requests/reminders by AMIPL.</p> <p>(vii). Several cases have been filed under Section 28A of Land Acquisition Act under which the farmers who have already received compensation (out of 2147 acres area for which payment received by farmers) from KIADB are also seeking to get excess amount of compensation as awarded by the Trial Court.</p>					
Present request of the Company	Company vide letter dated 19.08.2024 requested for Transfer of approval from M/s. Arcelor Mittal India Pvt Ltd to M/s. AM Associates India Pvt Ltd as per NCLT order dated: 15/16-03-2023 under the composite scheme of arrangement amongst M/s. Arcelor Mittal India Private Limited (AMIPL), M/s. Arcelor Mittal Nippon Steel India and M/S. AM Associates India Pvt Ltd.					
Reasons/Justification for Amendment Request	<ul style="list-style-type: none"><li>National Company Law Tribunal (NCLT) approval vide order dated 15 March 2023 in CP(CAA) /39 (AHM:20212 IN CA (CAA) 80 of 2020, Approved composite scheme of arrangement amongst M/s. Arcelor Mittal India Private Limited (AMIPL), M/s. Arcelor Mittal Nippon Steel India and M/S. AM Associates India Pvt Ltd..</li></ul> <p><b>Composite Scheme Arrangement:</b></p> <table><tr><td>ArcelorMittal India Private Limited (Petitioner Company No.1 / Transferor Company / Amalgamating Company)</td><td>AM Associates India Private Limited (Petitioner Company No.2 / Transferee Company)</td><td>ArcelorMittal Nippon Steel India Limited (Petitioner Company No.3 / ( Amalgamated Company)</td></tr></table> <ul style="list-style-type: none"><li>AMIPL had entered into a Lease-cum-Sale Agreement on 14.11.2018 with KIADB for 2643.25 acres of land situated in Kuditini and Veniveerapura Villages acquired for the purpose of setting up of an industrial project.</li><li>During 2023, above 3 group companies entered into the subject scheme and filed an Application before the NCLT for approval of</li></ul>			ArcelorMittal India Private Limited (Petitioner Company No.1 / Transferor Company / Amalgamating Company)	AM Associates India Private Limited (Petitioner Company No.2 / Transferee Company)	ArcelorMittal Nippon Steel India Limited (Petitioner Company No.3 / ( Amalgamated Company)
ArcelorMittal India Private Limited (Petitioner Company No.1 / Transferor Company / Amalgamating Company)	AM Associates India Private Limited (Petitioner Company No.2 / Transferee Company)	ArcelorMittal Nippon Steel India Limited (Petitioner Company No.3 / ( Amalgamated Company)				

	<p>the scheme as provided under the Companies Act, 2013 and Rules, 2016.</p> <ul style="list-style-type: none"> <li>• M/s. Arcelor Mittal India Private Limited (AMIPL) and its group companies AM Associates India Private Limited ("AMAIPL") and ArcelorMittal Nippon Steel India Limited ("AMNS") have entered into the subject Scheme and this Scheme was filed before the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") for its approval under Sections 230 and 232 read with Section 66 of the Companies Act, 2013 ("Act") and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. <b>The Hon'ble NCLT has sanctioned the Scheme vide its order dated March 15, 2023</b>, and the Scheme has become effective on August 3, 2023 with effect from December 16, 2019, the 'Appointed Date identified in the Scheme.</li> <li>• As per this order and in accordance with the scheme, the NCLT has vested the land to AMAIPL. Accordingly, the said land and Lease-cum-Sale Agreement now stands vested in the name of AMAIPL in full force in favour of AMAIPL as successor entity of AMIPL as if it had been a party to the Lease-cum-Sale Agreement instead of AMIPL.</li> </ul> <p><b>Present Request:</b></p> <ul style="list-style-type: none"> <li>• As per NCLT approval, company is seeking SHLCC approval for Change in the name of the lessee entity in relation to the allotted land from M/s. Arcelor Mittal India Pvt Ltd. to M/s. AM Associates India Pvt Ltd.</li> <li>• Transfer of Schedule of Assets admeasuring 2643.25 acres of Leasehold Land situated in Kuditini and Veniveerapura villages, Ballari Taluk &amp; District, from the business undertaking of ArcelorMittal India Private Limited (Petitioner Company No.1 / Transferor Company) to AM Associates India Private Limited (Petitioner Company No.2 / Transferee Company), as per the Composite Scheme of Arrangement.</li> </ul>
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### **Recommendation of 115<sup>th</sup> LAC meeting:**

The representative of the company appeared before the Committee and requested approval for Transfer of approval from M/s. Arcelor Mittal India Pvt Ltd to M/s. AM Associates India Pvt Ltd.

CEO & EM, KIADB informed that An extent of 2643.45 acres of land has been allotted in favour of M/s.Arcelor Mittal India Ltd., in Kudutini, Veniveerapura & Haraginadhoni Villages, Bellary Taluk & Bellary District for establishing 6 MTPA Integrated steel plant & 750 MW power generation plant as SUC. The lease cum sale agreement has been executed on 14-11-2018.

Due to non-implementation of the project notice under Sec.34-B1 of KIAD Act, 1966 was issued on 04-02-2023. Further, due to Court case filed by the erstwhile land owners, the said notice has been withdrawn on 06-11-2023.

Further, the company vide their letter dtd.01-04-2024 has informed that, AMIPL and its Group companies M/s.AM Associates India Pvt Ltd., and M/s.Arcelor Mittal Nippon Steel India Ltd have entered into Scheme of Amalgamation before the NCLT and the NCLT has approved the said Scheme vide order dtd.15-03-2023 which has come into effect on 03-08-2023. Further the company has requested for change in name of the Lessee of the above said land from M/s. Arcelor Mittal India Ltd to M/s.AM Associates India Pvt Ltd.

The Committee noted the request of the company, opinion of CEO & EM, KIADB and after detailed discussions resolved to recommend to SHLCC for approval of the following:

- Transfer of approval from M/s. Arcelor Mittal India Pvt Ltd to M/s. AM Associates India Pvt Ltd as per NCLT order dated: 15/16-03-2023 under the composite scheme of arrangement amongst M/s. Arcelor Mittal India Private Limited (AMIPL), M/s. Arcelor Mittal Nippon Steel India and M/S. AM Associates India Pvt Ltd., subject to KIADB transfer of policy in vogue.

### **Decision of State High Level Clearance Committee:**

The Committee noted the details of the project proposal and after detailed discussion resolved to approve the proposal of M/s. Arcelor Mittal India Ltd. for the following amendments:

- Transfer of approval from M/s. Arcelor Mittal India Pvt Ltd to M/s. AM Associates India Pvt. Ltd. as per NCLT order dated: 15/16-03-2023 under the composite scheme of arrangement amongst M/s. Arcelor Mittal India Pvt Ltd. (AMIPL), M/s. Arcelor Mittal Nippon Steel India and M/S. AM Associates India Pvt. Ltd., subject to KIADB transfer of policy in vogue.

Government has examined the recommendations made by the SHLCC in its 64<sup>th</sup> SHLCC Meeting, in all aspects.

Hence the following order.

**GOVERNMENT ORDER No. CI 33 SPI 2025, BENGALURU.**  
**DATED 24.02.2025**

Government is pleased to accord approval for the following proposal of M/s. Arcelor Mittal India Ltd. for the following amendments:

*Transfer of approval from M/s. Arcelor Mittal India Private Limited to M/s. AM Associates India Private Limited as per NCLT order dated 15/16.03.2023 under the composite scheme of arrangement amongst M/s. Arcelor Mittal India Private Limited (AMIPL), M/s. Arcelor Mittal Nippon Steel India and M/S. AM Associates India Private Limited subject to KIADB transfer of policy in vogue.*

All other terms and conditions indicated in the Government Order read at (1) above, remain unaltered.

By Order and in the name of the  
Governor of Karnataka,

*Shilpa S.R.*  
*24/2/25*  
(SHILPA .S.R)

Desk Officer (Technical Cell),  
Commerce & Industries Department.

To,

1. Principal Accountant General (G&SSA)/ (E&RSA), Karnataka, New Building, 'Audit Bhawan', Post Box No. 5398, Bengaluru.
2. Principal Accountant General (A&E), Karnataka, Park House Road, Post Box No. 5329, Bengaluru.
3. Additional Chief Secretary to Government, Finance Department, Vidhana Soudha, Bengaluru.
4. Additional Chief Secretary to Government, Energy Department, Vikasa Soudha, Bengaluru.
5. Additional Chief Secretary to Government, Water Resource Department, Vikasa Soudha, Bengaluru.
6. Additional Chief Secretary to Government, Forest, Ecology & Environment Department, M.S. Building, Bengaluru.

7. Principal Secretary to Government, Revenue Department, M.S. Building, Bengaluru.
8. Secretary to Government, Commerce & Industries Department (Mines, Textile & MSME), Vikasa Soudha, Bengaluru.
9. Commissioner for Industrial Development and Director of Industries and Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
10. Commissioner of Commercial Taxes, Vanijya Therige Karyalaya, Gandhi Nagar, Bengaluru-09.
11. Managing Director, Gulbarga Electricity Supply Company Limited, (GESCOM), Kalaburagi.
12. Member Secretary, Karnataka State Pollution Control Board (KSPCB), 49, Church Street, Parisara Bhavan, Bengaluru.
13. Chief Executive Officer & Executive Member, Karnataka Industrial Area Development Board, Khanija Bhavan, Race Course Road, Bengaluru.
14. Director (Technical Cell), Commerce & Industries Department, Vikasa Soudha, Bengaluru.
15. Additional Director (P&P), Directorate of Industries & Commerce, Khanija Bhavan, Race Course Road, Bengaluru.
16. Managing Director, Karnataka Udyog Mitra (KUM), Khanija Bhavan, Race Course Road, Bengaluru.
17. PS to Hon'ble Minister for Large and Medium Industries & Infrastructure Development, Vidhana Soudha, Bengaluru.
18. PS to Principal Secretary to Government, Commerce & Industries Department, Vikasa Soudha, Bengaluru.
19. M/s. Arcelor Mittal India Ltd., D. No. 15, Sri Balaji Nilayam, Y Nagesh Shastri Road, Ballari, Kuditini and Veeniveerapura, Ballari-583201.
20. Guard File / Spare Copies.