

CREIXENT SPECIAL STEELS LIMITED

Regd. Office: JSW Center, Bandra Kurla Complex, Bandra (East) Mumbai 400051

CIN: U27209MH2018PLC375319

Phone: 022 4286 5068 Email: snigdha.tripathi@aionjsw.in Website: www.jsw.in

NOTICE is hereby given that the 4th Annual General Meeting of the members of **CREIXENT SPECIAL STEELS LIMITED** ("the Company") will be held on Tuesday, August 30, 2022 at 4:00 PM (IST) at the registered office of the Company at JSW Center, Bandra Kurla Complex, Bandra (East) Mumbai 400051 to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt:

- a. The audited standalone financial statement of the Company for the financial year ended 31st March, 2022 together with the reports of the Board of Directors' and Auditor's thereon.
- b. The audited consolidated financial statement of the Company for the financial year ended 31st March, 2022 together with the reports of the Auditor's thereon.

2. To consider appointment of a Director in place of Mr. Nikhil Gahrotra (DIN: 01277756), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To appoint Mr. Naresh Lalwani (DIN: 07587109), as a Director of the Company.

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 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Naresh Lalwani (DIN: 07587109), who was appointed as an Additional Director on the Board of the Company with effect from 19th January, 2022 and who holds office till the date of ensuing Annual General Meeting in terms of Section 161 of the Act, being eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose the candidature of Mr. Naresh Lalwani for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all acts or things necessary to give effect to the above resolution."

By order of the Board of Directors
For **CREIXENT SPECIAL STEELS LIMITED**

Snigdha Tripathi
Company Secretary
Membership no.: A47758

Date: 06.08.2022

Place: Mumbai

Registered Office:

JSW Center, Bandra Kurla Complex, Bandra (East) Mumbai 400051

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts in respect of the special business items as set out under item no. 3 of the accompanying notice is annexed hereto.
2. The relevant details, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment / appointment at this AGM is annexed as Annexure -1.
3. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

4. Proxy Form

A Proxy Form, in prescribed format (Form MGT-11), is being enclosed herewith, with instructions for filing, signing and submitting the same. The instrument of proxy, in order to be effective, must be deposited with the Company at its registered office not less than forty-eight (48) hours before the commencement time of the 4th Annual General Meeting ("Meeting") unless the consent for holding the meeting at shorter notice is approved by all the members of the Company. The Proxy Form, if not complete in all respects, will be considered invalid.

5. Attendance Slip

Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting along with a valid photo identity proof for verification purpose.

6. Request for updating contact and other details:

Members are requested to update their change in contact details including email address and Bank details, if any.

7. Corporate Representations:

Corporate members intending to attend the meeting through their authorized representatives are requested to email/ courier/ deliver to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting in pursuance of Section 113 of the Companies Act, 2013.

8. Inspection of Relevant Documents/Registers:

For inspection of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, Register of Members under section 171 or other documents as referred in this Notice, the members may send their request on the designated email ID (snigdha.tripathi@aionjsw.in) any time before and during the meeting.

9. Queries:

Members can express their views and submit questions/ queries in advance with regard to the Financial Statements or any other agenda item to be placed at the AGM, from their registered e-mail address, mentioning their name, Folio-number and mobile number, on the email id of the Company Secretary of the Company at snigdha.tripathi@aionjsw.in.

10. In compliance with the aforesaid MCA and SEBI circulars, notice of the AGM along with the Annual Report for the financial year 2021-2022 is being sent only through electronic mode to members whose email addresses are registered with the Company. Members may note that Notice and the Annual Report for the financial year 2021-2022 will also be available on Company's website.

11. Route Map:

As per the requirements of SS - 2, a route map showing directions to reach the venue of the Meeting is given at the end of this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")

The following statement set out all material facts relating to item nos. 3 mentioned in the accompanying Notice.

ITEM NO 3:

Pursuant to the recommendation of Nomination & Remuneration Committee, Mr. Naresh Lalwani (DIN: 07587109) was appointed as an Additional Director of the Company by the Board of Directors with effect from 19th January, 2022 who holds office up to the ensuing 4th Annual General Meeting of the Company.

The Company has received Notice in writing under provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Naresh Lalwani for the office of Director, to be appointed under the provisions of the Act. Further, Mr. Naresh Lalwani, is not disqualified from being appointed as a Director by virtue of the provisions of Section 164 of the Act.

The details of Mr. Naresh Lalwani containing brief profile, nature of expertise, etc. as required under Secretarial Standard -2 is annexed to the Notice as Annexure 1.

Mr. Naresh Lalwani is concerned or interested in the resolution set out in Item No. 3 of the Notice, which pertains to the appointment. Relatives of Mr. Naresh Lalwani, may be deemed to be concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution set forth at item no. 3 of the Notice for the approval of the members as an ordinary resolution.

By order of the Board of Directors
For CREIXENT SPECIAL STEELS LIMITED

Snigdha Tripathi
Company Secretary
Membership no.: A47758

Date: 06.08.2022

Place: Mumbai

Registered Office:

JSW Center, Bandra Kurla Complex, Bandra (East) Mumbai 400051

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN
4th ANNUAL GENERAL MEETING**

(Pursuant to Secretarial Standard-2 issued by the Institute of Company Secretaries of India)

Name of Director	Mr. Nikhil Gahrotra	Mr. Naresh Kumar Lalwani
Date of Birth	08 th July, 1979	11 th January, 1975
Age (in yrs)	42	47
Date of first appointment on Board	31 August, 2018	19 January, 2022
Brief Profile/Experience/Expertise in specific functional area	<p>Mr. Gahrotra is a Partner at Apollo, focused on private equity investing in the Business Services & Manufacturing and Industrials sectors. Mr. Gahrotra currently serves on the board of directors of JSW Ispat Special Products, Planetcast Media Services, and Clix Finance.</p> <p>Prior to joining Apollo in February 2016, Mr. Gahrotra had 11 years of investment experience in India with Q Investments, 3i Plc and most recently BanyanTree Growth Capital where he was a Director. Prior to that he was an Analyst with Citigroup in their Investment Banking team in India.</p>	<p>Mr. Lalwani has comprehensive understanding of Global and Indian Steel Industry and wide exposure to Corporate Strategy related to Project Management, Green Field expansion, Technical due diligence, Mergers and Acquisitions, Business Planning, Cost analysis and Policy recommendations. He has successfully performed Technical and commercial due diligence for acquisition of steel Plants based in US, Europe and India and spearheaded cost cutting exercises successfully across the Organization at all the integrated steel plants of JSW Group.</p> <p>He brings with him over 26 years of rich experience spanning across functions like Corporate Strategy and Development, New Business Development, Project Management, Operations Management, Business Planning, Cost Analysis and Policy recommendations. At his present assignment at JSW Steel Limited he is heading the Strategy, Planning & Diligence team at Chairman's office.</p> <p>He is a member of Communication & Economics Committee at World Steel Association, Working Committee at Indian Steel Association, Managing Committee at Assocham, Mining Committee at FICCI,</p>

		Manufacturing Council at CII and a Trustee at National Trust for Handicapped.
Qualifications	Mr. Gahrotra graduated in the Dean's List from the Indian School of Business and completed his under-graduation with a Bachelor of Engineering in Electronics from VJTI, Mumbai.	Metallurgical Engineer from National Institute of Technology, Raipur and holds a Management Degree from Narsee Monjee Institute of Management Studies, Mumbai.
Terms and conditions of appointment/ re-appointment	Tenure as a Director is subject to retirement by rotation in terms of Section 152 of the Companies Act 2013.	Tenure as a Director is subject to retirement by rotation in terms of Section 152 of the Companies Act 2013.
Remuneration last drawn by such person, if applicable	N.A.	N.A.
Relationship with other Directors, Manager [@] and other Key Managerial Personnel of the Company	None	None
Number of Meetings of the Board attended during the year		
Directorship held in other companies	<ol style="list-style-type: none"> 1. JSW Ispat Special Products Limited 2. JTPM Atsali Limited 3. Planetcast Media Services Limited 4. Gold Wind Properties Private Limited 5. Arcion Revitalization Private Limited 6. AIP Investment Advisors Private Limited 7. Clix India Finance Private Limited 	<ol style="list-style-type: none"> 1. KNP Equipment Private Limited 2. JSW Ispat Special Products Limited 3. JSW Aluminum Limited
Membership/ Chairmanship of committees of other companies*	Member of Audit Committee: JSW Ispat Special Products Limited and JTPM Atsali Limited	Nil
Shareholding in the Company	Nil	Nil

*Only two Committees namely, Audit Committee and Stakeholders Relationship Committee have been taken into consideration. Companies include listed as well as unlisted entities.

@The Company do not have a Manager.

ATTENDANCE SLIP

CREIXENT SPECIAL STEELS LIMITED

**Registered Office: JSW Centre, Bandra – Kurla Complex, Bandra East, Mumbai – 400 051,
Maharashtra, India**

CIN: U27209MH2018PLC375319

4th Annual General Meeting – Tuesday, 30th August, 2022.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING

Name and Address of the First named Member: Name of the Joint holder(s), if any: DP Id/Client Id: Folio No.: No. of Shares: Name of Proxy/ Authorised Representative:	
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I/We certify that I/We am/are Member(s)/Proxy for the Member(s) of the Company.

I/We hereby record my/our presence at the **4th Annual General Meeting** (“Meeting”) of the Company held on **Tuesday, 30th August, 2022 at 4:00 p.m. at Registered Office of the Company at JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India.**

Signature of 1st holder/Proxy/ Authorised Representative: _____

Signature of 1st Joint holder: _____

Signature of 2nd Joint holder: _____

Notes:

1. Only Shareholders of the Company and/or their Proxy/ Authorised Representative will be allowed to attend the Meeting;
2. You are requested to bring your copy of the Annual Report to the Meeting;
3. Joint Shareholders desiring to attend the Meeting may obtain additional attendance slips on request.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CREIXENT SPECIAL STEELS LIMITED

**Registered Office: JSW Centre, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051,
Maharashtra, India**

CIN: U27209MH2018PLC375319

Name of the member(s)	:	
Registered address	:	
E-mail Id	:	
Folio No./Client Id	:	
DP ID	:	

I/We, being the member (s) of Creixent Special Steels Limited holding _____ shares of the above-named company, hereby appoint:

1. Name: _____ E-mail Id: _____

Address: _____

Signature:

or failing him,

2. Name: _____ E-mail Id: _____

Address: _____

Signature:

or failing him,

3. Name: _____ E-mail Id: _____

Address: _____

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **4th Annual General Meeting ("Meeting")** of the Company held on **Tuesday, 30th August, 2022 at 4:00 p.m. at Registered Office of the Company at JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, Maharashtra, India** and at any adjournment thereof in respect of such resolutions as are indicated in the next page:

Resolution No.	Nature of Resolutions	For	Against
	<u>Ordinary Business:</u>		
1.	To consider and adopt: c. The audited standalone financial statement of the Company for the financial year ended 31 st March, 2022 together with the reports of the Board of Directors' and Auditor's thereon. d. The audited consolidated financial statement of the Company for the financial year ended 31 st March, 2022 together with the reports of the Auditor's thereon.		
2.	To consider appointment of a Director in place of Mr. Nikhil Gahrotra (DIN: 01277756), who retires by rotation and being eligible, offers himself for re-appointment.		
	<u>Special Business:</u> <u>(Ordinary resolution)</u>		
3.	To appoint Mr. Naresh Lalwani (DIN: 07587109), as a Director of the Company.		

Signed this _____ day of _____ 2022.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Notes:

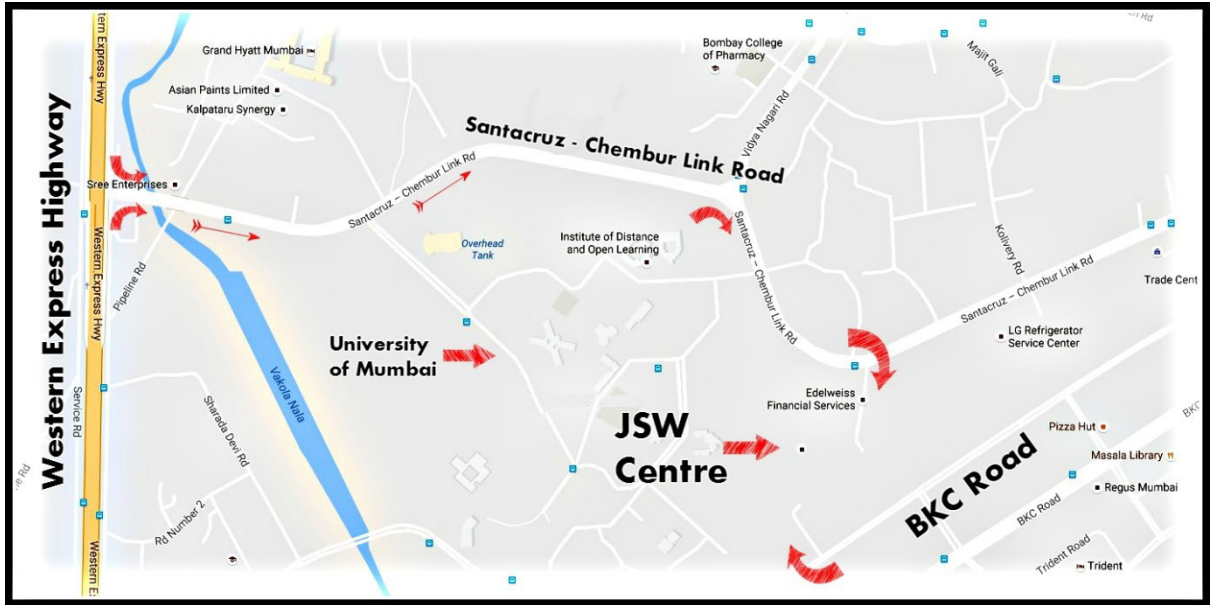
1. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty (50) Members and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. A Member holding more than ten percent (10%) of the total Share Capital of the Company may appoint a single person as Proxy for his entire shareholding, who shall not act as Proxy for any other person or Member.
2. This form of Proxy, to be effective, should be completed, signed, stamped & deposited at the Registered Office of the Company not later than FORTY-EIGHT HOURS before the commencement of the aforesaid Meeting. Please complete all details of Member(s) in the form before submission.
3. It is optional to indicate your preference. If you leave the 'for' and 'against' column blank on all/any resolutions, your Proxy(ies) will be entitled to vote on Poll (if taken) in the manner as he/she thinks fit.

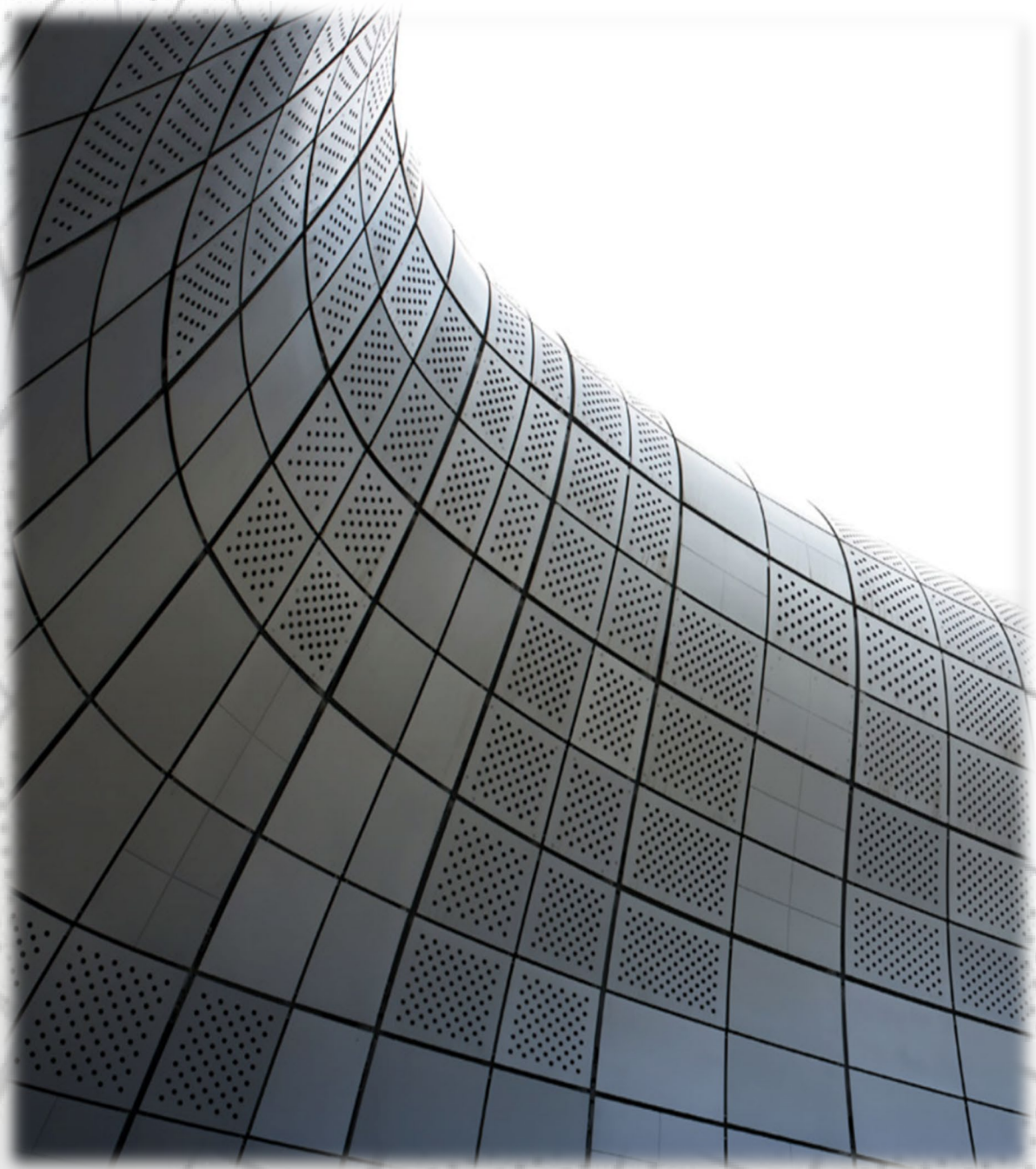
Venue of 4th Annual General Meeting:

CREIXENT SPECIAL STEELS LIMITED

**Registered Office at JSW Centre, Bandra - Kurla Complex, Bandra East, Mumbai - 400 051,
Maharashtra, India**

Route Map:





**4th ANNUAL REPORT
(FOR F.Y. 2021-22)
OF
CREIXENT SPECIAL STEELS LIMITED**

DIRECTOR'S REPORT

CREIXENT SPECIAL STEELS LIMITED

To the Members,

Your Directors have pleasure in presenting the fourth Annual Report and Audited Financial Statements of your Company for the financial year ended 31st March, 2022 (financial year under review).

1. FINANCIAL SUMMARY

The financial summary of the Company, for the financial year under review are as follows:

(amount in Rs. thousand)

SI No.	Particulars	Audited Standalone		Audited Consolidated	
		Year Ended	Year Ended	Year Ended	Year Ended
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
I	Income				
	(a) Revenue from Operations	9050	145,936	60,606,600	41,877,500
	(b) Other Income	7	-	297,700	157,300
	Total income	9,057	145,936	60,904,300	42,034,800
	Expenses				
	(a) Cost of Materials consumed	-	-	43,875,700	29,655,700
	(b) Purchase of stock in trade	9,043	145,753	138,800	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	(959,400)	44,100
	(d) Employee benefits expense	-	-	1,297,200	1,155,800
	(e) Finance Costs	878,546	871,055	3,584,600	3,629,500
	(f) Depreciation and amortization expense	-	-	2,214,900	2,258,000
	(g) Other expenses	8,301	6,364	11,546,200	7,160,800
	Total Expenses	895,890	1,023,172	61,698,000	43,903,900
III	Loss before tax and exceptional items (I-II)	(886,833)	(877,236)	(793,700)	(1,869,100)
IV	Exceptional Items	-	-	-	3,145,300
V	(Loss)/ Profit before tax (III-IV)	(886,833)	(877,236)	(793,700)	1,276,200
	Tax expense:				
	(i) Current tax	-	-	-	-
	Adjustment of tax relating to earlier periods	-	-	-	-
	(ii) Deferred tax	-	(78,608)	(13,100)	(88,400)

SI No.	Particulars		Audited Standalone		Audited Consolidated	
			Year Ended	Year Ended	Year Ended	Year Ended
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
		MAT Credit Entitlement written back	-	-	-	-
VII	(Loss) / Profit for the period (V-VI)		(886,833)	(798,628)	(780,600)	1,364,600
VIII	Other Comprehensive Income					
	A.	(i) Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
		Re-measurement gains on defined benefit plans	-	-	(32,700)	20,500
		(b) Equity instruments through other comprehensive income	-	-	25,000	4,600
		ii) Income tax relating to items that will not be classified to profit or loss	-	-	-	-
	B.	(i) Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
		(a) Exchange differences in translating the financial statements of foreign operations	-	-	(8,400)	72,500
		ii) Income tax relating to items that will be classified to profit or loss	-	-	-	-
		Total other comprehensive income	-	-	(16,100)	97,600
	IX	Total Comprehensive Loss (VII+VIII)		(886,833)	(798,628)	(796,700)
Loss for the period attributable to:						
		Owners of the Company	-	-	(788,300)	282,700

SI No.	Particulars		Audited Standalone		Audited Consolidated	
			Year Ended	Year Ended	Year Ended	Year Ended
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
	Non-controlling interests	-	-	(7,700)	1,081,900	
	Other comprehensive income for the period attributable to:					
	Owners of the Company	-	-	(7,700)	47,000	
	Non-controlling interests	-	-	(8,400)	50,600	
	Total comprehensive loss for the period attributable to:					
	Owners of the Company	-	-	(796,000)	329,700	
	Non-controlling interests	-	-	(700)	1,132,500	
X	Earnings Per Share (EPS) (not annualized)					
	(a)	Basic	(88.68)	(79.86)	(78.83)	28.27
	(b)	Diluted	(88.68)	(79.86)	(78.83)	28.27

2. FINANCIAL AND OPERATIONAL PERFORMANCE

Standalone Basis:

During the financial year under review, the Company's revenue from operations was Rs. 9,050 thousand as against Rs. 145,936 thousand in the previous financial year. The Company's loss before exceptional items and tax was Rs. 886,833 thousand in the financial year ended 31st March, 2022 as against Rs. 877,236 thousand in the previous financial year. The net loss after tax was Rs. 886,833 thousand as against Rs. 798,628 thousand for previous financial year.

Consolidated Basis:

During the financial year under review, the group's revenue from operations was Rs. 60,606,600 thousand as against Rs. 41,877,500 thousand in the previous financial year. The group's loss before exceptional items and tax was Rs. 793,700 thousand for the year ended 31st March, 2022 as opposed to a loss of Rs. 1,869,100 thousand in the previous financial year. The net loss after tax was Rs. 780,600 thousand as against the profit of Rs. 1,364,600 thousand for previous financial year.

The performance and financial position of the subsidiary companies and joint ventures is included in the consolidated financial statements of the Company.

3. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

There were no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

4. DIVIDEND AND RESERVES

In view of the losses incurred by the Company, the Board of Directors of the Company has not recommended any dividend for the financial year under review. As the Company has incurred losses during the year, no amount has been transferred to Reserves.

5. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on 31st March, 2022, the Company has one direct subsidiary namely JSW Ispat Special Products Limited [JISPL]. There has been no change in the nature of business during the financial year under review of the Company or its subsidiaries.

JISPL is engaged in the business of manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys. It has two manufacturing facilities namely, at Raipur and Raigarh, in state of Chhattisgarh.

During the financial year under review, JISPL approved a Scheme of Arrangement with its wholly owned subsidiary Company- Mivaan Steels Limited for slump sale, of specified undertaking which includes the Raipur manufacturing facility, on a going concern basis. The said scheme will become effective subject to approval of various Statutory Authorities.

The manufacturing operations of JISPL are conducted in compliance with the relevant guidelines/ advisory issued by the Government and authorities, for taking necessary measures for the containment of COVID-19, including measures like maintaining social distancing. To contain the spread of COVID-19, JISPL has taken various measures including periodical medical tests, vaccination drive, Plant & Colony sanitization.

A gist of financial performance of subsidiary companies, are provided in Form AOC-1 and forms part of this report as **Annexure 1**. The separate audited financial statements of these subsidiary Companies are available on the website of the Company viz. <https://www.jsw.in/groups/creixent-special-steels-limited#>.

The annual financial statement of the subsidiaries (including step-down subsidiary companies) is open for inspection by any Shareholder or Debenture Trustee at the Company's Registered Office situated at JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai- 400051 and the Company will make available these documents and the related detailed information upon request by any Shareholder of the Company or any Shareholder of its subsidiaries who may be interested in obtaining the same.

The consolidated financial statements and financial statements of subsidiaries companies for the financial year under review is prepared in compliance with the applicable provisions of the Companies Act, 2013, Ind AS and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation, 2015") which forms part of the Annual Report.

6. SHARE CAPITAL

As on 31st March 2022, the authorised share capital of the Company was Rs. 4,15,00,00,000/- (Rupees four hundred and fifteen crores only) divided into 1,50,00,000 (One crore and fifty lacs) equity shares of Rs. 10/- each (Rupees ten only) and 40,00,00,000 (Forty crores) preference shares of Rs. 10/- (Rupees ten only) each.

As on 31st March 2022, the paid up capital of the Company was Rs. 380,26,96,100/- (Rupees three hundred and eighty crores twenty-six lacs ninety-six thousand and one hundred only) consisting of 100,00,000 equity shares of Rs. 10/- each and 37,02,69,610 Redeemable Preference Shares of Rs. 10/- each.

There was no change in share capital of the Company during the financial year under review.

7. NON-CONVERTIBLE DEBENTURES

As on 31st March 2022, the Company has 1863 Un-secured Non-Convertible Debentures (NCD's) of Rs. 10,00,000 each. The said NCD's are listed on BSE Limited. Catalyst Trusteeship Limited is the Debenture Trustee. The Company has paid the Listing Fees of the stock exchange for the financial year.

During the financial year under review, the entire NCDs held by AION Investments Private II Limited and IDBI Trusteeship Services Ltd got transferred to JSW Steel Limited. As on 31st March, 2022, JSW Steel Limited holds 1863 NCD's of Rs. 10,00,000 each.

8. CREDIT RATING:

During the financial year under review, the Company's NCD has been re-affirmed with the rating of BWR BBB- from Brickwork Ratings India Private Limited. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations.

9. PUBLIC DEPOSITS

The Company has not accepted or renewed any fixed deposits during the financial year under review. It has not accepted any deposits from the public within the meaning of the provisions of Section 73 of the Companies Act, 2013 and Rules made thereunder. Therefore, it is not required to furnish information in respect of outstanding deposits under Non-banking, Non-financial Companies (Reserve Bank) Directions, 1966 and Companies (Accounts) Rules, 2014.

10. RELATED PARTY TRANSACTIONS:

All Related Party Transactions (RPT) that were entered into by the Company during the financial year under review were on an arm's length basis and in the ordinary course of business. The disclosures of such material contracts or arrangements or transactions is made in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 and form part of this report as **Annexure 2**.

The information in respect of all related party disclosure as required under Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 read with para A of schedule V, is contained in the Note No. 19 of the standalone financial statements of the Company.

Prior omnibus approvals are obtained for related party transactions that are of repetitive nature and / or entered in the ordinary course of business and are at arm's length, in compliance with applicable provisions. The statement giving details of all Related Party Transactions are placed before the Audit Committee / the Board for review and approval on a periodical basis.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year, 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.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Directors

As on 31st March 2022, the Board of Directors of the Company consists of the following Directors;

Sr. No.	Name of Director	DIN	Category
1.	Mr. Naresh Kumar Lalwani	07587109	Non-Executive Director
2.	Mr. Nikhil Gahrotra	02177756	Non-Executive Director
3.	Mrs. Anuradha Bajpai	07128141	Independent Director
4.	Mr. Kaushik Subramaniam	08190548	Non-Executive Director
5.	Mr. Chirag Bhansali	07395877	Independent Director

During the financial year under review, Mr. Seshagiri Rao M.V.S (DIN: 00029136) resigned from the Board of Directors of the Company as the Non-Executive (Non-Independent) Director with effect from 26th November, 2021 owing to his other professional commitments.

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors have appointed Mr. Naresh Lalwani (DIN: 07587109) as an Additional Director (Non-Executive-Non-Independent) of the Company with effect from 19th January, 2022.

In terms of Section 161 of the Companies Act, 2013 Mr. Naresh Lalwani will hold office until the date of the ensuing Annual General Meeting and are eligible to be appointed as Director of the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member, proposing the candidature of Mr. Naresh Lalwani for appointment as Director of the Company. His appointment at the General Meeting has also been recommended by the Nomination and Remuneration Committee.

Mr. Kaushik Subramaniam (DIN: 08190548) was appointed (regularized) as Director of the Company w.e.f. 20th January, 2021 at the 3rd Annual General meeting held on 25th November, 2021.

In accordance with the provisions of Section 152 of the Companies Act 2013 and Articles of Association of the Company Mr. Nikhil Gahrotra, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Brief profile, nature of expertise and directorship details of Mr. Nikhil Gahrotra and Mr. Naresh Lalwani is provided to the members in the note accompanying the notice convening the 4th Annual General Meeting.

The Board recommends their appointment for the approval of the members at the ensuing 4th Annual General Meeting.

Pursuant to provisions of Section 149 of the Companies Act, 2013, Mr. Chirag Bhansali and Mrs Anuradha Bajpai are Independent Directors of the Company.

They have submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors during the year.

Further, it has been confirmed by them that they are registered with the Independent Directors' Databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Key Managerial Personnel

During the financial year under review, Mr. Suresh Prasad appointed as Chief Executive Officer of the Company with effect from 14th May 2021.

Mr. Shyam Dikhatwar resigned as Company Secretary of the Company with effect from 14th June 2021. Ms. Arpita Kapoor was appointed as Company Secretary w.e.f 28th June 2021 and she resigned as Company Secretary on 29th September, 2021. Ms. Snigdha Tripathi was appointed as Company Secretary w.e.f 19th October 2021.

Except above, there were no changes in the Key Managerial Personnel of the Company during the year under review.

As on 31st March, 2022, Mr. Suresh Prasad- Chief Executive Officer, Mr. Keshav Anand- Chief Financial officer and Ms. Snigdha Tripathi, Company Secretary are the Key Managerial Personnels of the Company.

13. BOARD PERORMANCE EVALUATION

Pursuant to applicable provisions of the Companies Act, 2013 the Board has formulated Board Evaluation Policy for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

During the financial year under review, the performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee on certain key attributes and parameters. The Board carried out an annual performance evaluation of its own performance, the performance of the Independent Directors individually as well as the evaluation of the working of the Committees of the Board to optimise its overall effectiveness.

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the financial year, Six (6) Board Meetings were convened and held. The intervening gap between these Meetings was within the period prescribed under the Companies Act, 2013.

During the financial year under review the Company was in compliance with Secretarial Standards i.e. SS- 1 and SS- 2 relating to “Meetings of Board of Directors” and “General Meetings” respectively.

15. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In Compliance with the provision of the Companies Act, 2013 the Independent Directors held a Meeting on March 29, 2022, and they, inter alia evaluated:

- a) the performance of non-independent directors based on responses by directors to a questionnaire for self-evaluation and the board process.
- b) the frequency and duration of the board and committee meetings and the timeliness and quality of information made available to the directors that would facilitate proper discharge of the responsibilities by the Board and felt that, the same was satisfactory.

The Independent Directors expressed their satisfaction with overall functioning and implementations of their suggestions.

16. COMMITTEES OF THE BOARD

Your Company has duly constituted the Committees as required under the Companies Act, 2013 read with applicable Rules made thereunder. At present the Company has the following Committees of the Board:

i) Audit Committee

In accordance with Section 177 of the Companies Act, 2013 the Board has constituted Audit Committee, the composition of which is as detailed below:

- a) Mr. Chirag Bhansali - Non-Executive Independent Director - Chairman
- b) Mrs. Anuradha Bajpai - Non-Executive Independent Director - Member
- c) Mr. Nikhil Gahrotra - Non-Executive Director - Member

The terms of reference of the Committee are as per Section 177 of the Companies Act 2013. All the recommendations of the Audit Committee were accepted by the Board during the year under review.

During the financial year under review there was no change in composition of the Audit Committee.

ii) Nomination & Remuneration Committee:

In accordance with Section 178 of the Companies Act, 2013 the Board has constituted Nomination & Remuneration Committee, the composition of which is as detailed below:

- a) Mr. Naresh Lalwani. - Non-Executive Director - Chairman
- b) Mr. Chirag Bhansali - Non-Executive Independent Director - Member
- c) Mrs. Anuradha Bajpai - Non-Executive Independent Director - Member
- d) Mr. Nikhil Gahrotra - Non-Executive Director - Member

During the financial year under review, there was no change in composition of Nomination & Remuneration Committee.

17. NOMINATION AND REMUNERATION POLICY

The Board Evaluation Policy, as approved by the Board of Directors, is also hosted on the website of the Company viz:- <https://www.jsw.in/groups/creixent-special-steels-limited#>.

18. VIGIL MECHANISM CUM WHISTLE BLOWER POLICY

The Company has framed Whistle Blower Policy / Vigil Mechanism, to deal with instances of fraud and mismanagement, if any. The same has also hosted on the website of the Company viz: <https://www.jsw.in/groups/creixent-special-steels-limited#>.

19. AUDITORS

a) Statutory Auditor

At the 1st Annual General Meeting of the Company held on 27th December 2019, members of the Company approved the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountant, Mumbai, (Registration Number 117366W/W-100018) as the statutory auditor for a

period of 5 years with effect from the conclusion of the 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting.

The Auditors have audited standalone and consolidated financial statements of the Company for the financial year ended 31st March 2022. The Report does not contain any qualification, reservation or adverse remark or disclaimer requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. No fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on 18th May, 2020 has appointed M/s S. Srinivasan & Co., a Company Secretaries Firm to conduct a secretarial audit of the Company for the financial year 2020-21. The Report of the Secretarial Audit carried out for the financial year 2021-22 is annexed herewith as **Annexure -3**. The report does not contain any qualification, reservation or adverse remark or disclaimer requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

The Board, at its meeting held on 19th May 2022 has re-appointed M/s S. Srinivasan & Co., a Company Secretaries Firm Practicing Company Secretaries, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2022-23.

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

In accordance with Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as **Annexure - 4** hereto and forms an integral part of this Report.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loan advanced, guarantees given or security provided by the Company under Section 186 of the Companies Act, 2013 during the financial year under review. Particulars of investments made are provided in the financial statement (Please refer to Note no. 2 to the standalone financial statement).

22. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details of the employees as required under Section 197(12) of the Companies Act 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are annexed to this report as **Annexure -5**.

There are no employees drawing remuneration of Rupees One Crore and Two Lakhs or more, or posted for part of the year and in receipt of Rupees Eight Lakhs and Fifty Thousand or more a month under the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“said rules”).

23. ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 and amendment thereto, the Annual Return of the Company is placed on the website of the Company and is accessible at the web-link <https://www.jsw.in/groups/creixent-special-steels-limited#>.

24. RISK MANAGEMENT

The company has Risk Management Policy to ensure sustainable growth & sound corporate governance by having an identified process of risk identification and management. Audit Committee monitors Risk Management framework.

25. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has in place adequate internal financial control with reference to the size and nature of its business.

26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has less than ten employees therefore the Constitution of Internal Complaints Committee as required under The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to the Company. However, the Company has not received any complaints pertaining to sexual harassment during the financial year under review.

27. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134, subsection 3(c) and sub-section (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards have been followed and a proper explanation has been provided in relation to any material departures;
- (b) such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2022 and of the loss of the Company for the year on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts for the financial year ended 31st March, 2022 have been prepared on a going concern basis;
- (e) internal financial controls were laid down to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) proper systems were devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

28. OTHER DISCLOSURES / REPORTING

Your Directors state that during the financial year under review, no disclosure or reporting is required in respect of the following items as there were no transactions or provisions applicable pertaining to below items:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.
- c) The provisions of Section 135 with respect to Corporate Social Responsibility.
- d) Maintenance of cost records/cost audit as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

It may be noted that the registered office of the Company has shifted from the State of Chhattisgarh to the State of Maharashtra at JSW Centre, Bandra Kurla Complex, Bandra (East) Mumbai 400051 during the financial year 2021-22. New CIN number of the Company is U27209MH2018PLC375319.

29. GENERAL INFORMATION FOR MEMBERS

The half-yearly/quarterly Financial Results, as applicable of the Company are submitted to the Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and are published in a leading English daily newspaper. The half-yearly/quarterly results, as applicable, are also posted on the Company's website, <https://www.jsw.in/groups/creixent-special-steels-limited#>

30. DETAILS OF DEBENTURE TRUSTEES

The Company has issued Debentures on a private placement basis and the same is listed on the BSE Limited ("BSE"). Pursuant to Regulation 53(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Details of Debenture Trustees, are as under:

Name	Catalyst Trusteeship Limited
Address	No 604, Windsor, Off, CST Road, Kolivery Village, Vidya Nagari, Kalina, Santacruz East, Mumbai, Maharashtra 400098
Contact Details	022-49220555
Email ID	Urvashi.Arora@ctltrustee.com

31. ACKNOWLEDGEMENT

The Directors wish to place on record their gratitude to the authorities, banks, business associates, Debenture holders and Shareholders for their unstinted support, assistance and co-operation. The Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment.

**By order of the Board
For Creixent Special Steels Limited**

**Naresh Lalwani
Director
(DIN 07587109)**

**Nikhil Gahrotra
Director
(DIN: 01277756)**

**Place: Mumbai
Date: 19.05.2022**

Annexure-1**FORM NO. 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**(Amount in crores.)**

Name of the subsidiary	JSW Ispat Special Products Limited^
Date since when subsidiary was acquired	
Reporting period for the subsidiary concerned	April 1 to March 31
Reporting Currency	INR
Exchange rate	1.00
Share capital	995.53
Reserves and surplus	396.39
Total asset	5,183.18
Total liabilities	3,791.25
Investments	1.68
Turnover	6,060.65
Profit before taxation	9.18
Provision for taxation	-
Profit after taxation	9.18
Proposed Dividend	-
% of shareholding	48.12%

Additional Disclosure	Name of Subsidiaries
Subsidiaries yet to commence operations	-----
Subsidiaries Liquidated or Sold during the year	-----

Part "B": Associates/Joint Ventures

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

Name of Associates/Joint Ventures	
1. Latest audited Balance Sheet Date	Not Applicable
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the company on the year end	
a) No.	
b) Amount of Investment in Associates/Joint Venture	
c) Extend of Holding %	
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not Consolidated	
6. Networth attributable to Shareholding as per latest audited Balance Sheet	
7. Profit / Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	
Total	

Additional Disclosure	Name of Associates/Joint ventures
Associates/Joint ventures yet to commence operations	-----
Associates/Joint ventures Liquidated or Sold during the year	-----

For and on behalf of the Board of Directors
For **Creixent Special Steels Limited**

Keshav Anand
Chief Financial Officer

Snigdha Tripathi
Company Secretary
ACS: 47758

Suresh Prasad
Chief Executive
Officer

Nikhil Gahrotra
Director
DIN: 01277756

Naresh Lalwani
Director
DIN: 07587109

Place: Mumbai
Date: 19.05.2022

Form AOC-2

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

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

1) Details of contracts or arrangements or transactions not at arm's length basis

Not applicable, all contracts or arrangements or transactions with related parties are at arm's length basis.

2) Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	JSW Steel Limited The investing party in respect of which the reporting enterprise is a joint venture
b)	Nature of contracts/arrangements/transactions	Reimbursement of expenses
C)	Duration of the contracts/arrangements/transactions	1 st April 2021 to 31 st March 2022
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of expenses Rs. 4,441 thousands (including GST)
e)	Date(s) of approval by the Board, if any:	14 th May, 2021
f)	Amount paid as advances, if any:	Nil

By order of the Board
For Creixent Special Steels Limited

Naresh Lalwani
Director
(DIN 07587109)

Nikhil Gahotra
Director
(DIN: 01277756)

Place: Mumbai
Date: 19.05.2022

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

CREIXENT SPECIAL STEELS LIMITED

JSW Centre, Bandra Kurla Complex,

Bandra (East), Mumbai,

Maharashtra- 400 051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CREIXENT SPECIAL STEELS LIMITED** bearing CIN: U27209MH2018PLC375319 (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 have 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, according to the provisions of:

- i. The Companies Act, 2013, (the Act) and 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 Byelaws framed there under.
- 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') as may be appropriately applicable for the period under review:

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

vi. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which are not applicable to the Company for the period under review:

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014.
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Redeemable Preference Shares) Regulation, 2013.

- vii. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

We have also examined compliance with the applicable clauses of the following Secretarial Standards:

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India SS- 1 & SS- 2 has been complied with by the Company during the financial year under review.

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notices are given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.
- Decisions at the meetings of the Board of Directors were carried through based on majority and there were no dissenting views by any Member of the Board during the year under review.

We further report that,

Based on the information provided and the representation made by the Company and on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Whole-time Director taken on record by the Board of Directors of the Company, in our opinion 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.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that, during the audit period, there are no specific events/ actions occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards etc.

For *S. Srinivasan & Co.,*
Company Secretaries

S. Srinivasan
Practicing Company Secretary
FCS: 2286 | CP. No.: 748
UDIN: F002286D000212232

Place: Mumbai
Date: 26.04.2022

To,
The Members,
CREIXENT SPECIAL STEELS LIMITED
JSW Centre, Bandra Kurla Complex,
Bandra (East), Mumbai,
Maharashtra- 400 051

Our Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of 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.

For *S. Srinivasan & Co.,*

Company Secretaries

S. Srinivasan
Practicing Company Secretary
FCS: 2286 | CP. No.: 748
UDIN: F002286D000212232

Place: Mumbai
Date: 26.04.2022

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

Alternative source of energy: Not Applicable

Capital investment on energy conservation equipment's-. Not Applicable

B. TECHNOLOGY ABSORPTION

Efforts are being made in technology absorption.	Not Applicable
Benefits derived as a result of the above efforts	Not Applicable
Information relating to imported Technology (during the last three years reckoned from the beginning of the financial year) a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	Not Applicable
Expenditure incurred on Research and Development.	Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows, during financial year ended 31st March 2022 are as follow:-

(Rs. In thousand)

Total Foreign Exchange used and earned	2021-22	2020-21
- Used	Nil	Nil
- Earned	Nil	Nil

**By order of the Board
For Creixent Special Steels Limited**

Naresh Lalwani
Director
(DIN 07587109)

Nikhil Gahrotra
Director
(DIN: 01277756)

Place: Mumbai
Date: 19.05.2022

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each director to the median employees 'remuneration for the financial year:	<p>Not Applicable.</p> <p>Non-Executive Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings.</p> <p>Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and Committees.</p>																		
2. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:	<table border="1" data-bbox="630 821 1425 1318"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>Percentage increase in remuneration</th> </tr> </thead> <tbody> <tr> <td>Suresh Narain Prasad</td> <td>Chief Executive Officer</td> <td>Nil</td> </tr> <tr> <td>Keshav Anand</td> <td>Chief Financial Officer</td> <td>Nil</td> </tr> <tr> <td>¹Shyam Dikkatwar</td> <td>Company Secretary</td> <td>Nil</td> </tr> <tr> <td>²Arpita Kapoor</td> <td>Company Secretary</td> <td>Nil</td> </tr> <tr> <td>³Snigdha Tripathi</td> <td>Company Secretary</td> <td>Nil</td> </tr> </tbody> </table> <p>¹Resigned as Company Secretary with effect from 14th June 2021 and ²Appointed as Company Secretary on 28th June 2021 and resigned as Company Secretary on 29th September, 2021 respectively.</p> <p>³ was appointed as Company Secretary on 19th October, 2021</p> <p>Non-Executive Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings.</p> <p>Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and Committees.</p>	Name	Designation	Percentage increase in remuneration	Suresh Narain Prasad	Chief Executive Officer	Nil	Keshav Anand	Chief Financial Officer	Nil	¹ Shyam Dikkatwar	Company Secretary	Nil	² Arpita Kapoor	Company Secretary	Nil	³ Snigdha Tripathi	Company Secretary	Nil
Name	Designation	Percentage increase in remuneration																	
Suresh Narain Prasad	Chief Executive Officer	Nil																	
Keshav Anand	Chief Financial Officer	Nil																	
¹ Shyam Dikkatwar	Company Secretary	Nil																	
² Arpita Kapoor	Company Secretary	Nil																	
³ Snigdha Tripathi	Company Secretary	Nil																	
3. The percentage increase in the median	Not Applicable, as the Company has no employees on the payroll of the Company.																		

remuneration of employees in the financial year:	
4. The Number of permanent Employees on the rolls of the Company:	Nil
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any:	Not Applicable, as the Company has no employees on the payroll of the Company.
6. Affirmation that the remuneration is as per the remuneration policy of the Company:	It is hereby affirmed that the remuneration paid is as per the policy for Remuneration of the Directors, Key Managerial Personnel and Employees.

**By order of the Board
For Creixent Special Steels Limited**

Date: 19.05.2022
Place: Mumbai

**Naresh Lalwani
Director
(DIN 07587109)**

**Nikhil Gahotra
Director
(DIN: 01277756)**

INDEPENDENT AUDITOR'S REPORT

To the Members of Creixent Special Steels Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Creixent Special Steels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, total Comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matter

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matter to be communicated in our report.

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 Directors' report, but does not include the consolidated financial statements, 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility for the audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) 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.

- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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, as disclosed in the Note 21 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 21 to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W | W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
UDIN: 22121513AJGYPX9982

Place: MUMBAI

Date: May 19, 2022

Annexure "A" to the Independent Auditor's Report

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

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

We have audited the Internal Financial Controls over financial reporting of Creixent Special Steels Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

Meaning of Internal Financial Controls over financial reporting

A Company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 iii) 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 standalone Financial Statements.

Inherent limitations of Internal Financial Controls over financial reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants
(Firm's Registration No. 117366W | W-100018)

Mehul Parekh

Partner

(Membership No. 121513)

UDIN: 22121513AJGYPX9982

Place: MUMBAI

Date: May 19, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) The Company does not have any Property, Plant and Equipment and Intangible assets hence reporting under clause (i) of the CARO 2020 is not applicable.
- (ii) (a) The Company does not have any Inventory and hence reporting under clause (ii)(a) of the CARO 2020 is not applicable.

(b) According to the information and explanations given to us, at any point of time of during the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) (a) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.
- (vii) In respect of statutory dues:
 - (a) Undisputed statutory dues, including Goods and Service tax, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31,2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of it's holding company, subsidiary company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) The Group has more than one CIC as part of the group. There are 4 CIC forming part of the group.
- (xvii) The Company has incurred cash losses amounting to Rs. 886,833 thousand during the financial year covered by our audit and Rs. 798,628 thousand in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated (refer note 20 to the financial statements). indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W | W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
UDIN:22121513AJGYPX9982

Place: MUMBAI
Date: May 19, 2022

CREIXENT SPECIAL STEELS LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2022

Rs. in thousands

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
I. ASSETS			
(1) Non-current assets			
(a) Financial assets			
(i) Investments in a subsidiary	2	5,664,225	5,664,225
(ii) Other financial assets	3	186	186
(b) Current tax assets (net)		13	114
Total non-current assets		5,664,424	5,664,525
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	4	-	7,022
(ii) Cash and cash equivalents	5	474	1,858
(b) Other current assets	6	5,462	4,169
Total current assets		5,936	13,049
TOTAL ASSETS		5,670,360	5,677,574
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	7	100,000	100,000
(b) Other equity	8	(2,222,329)	(1,335,496)
Total equity		(2,122,329)	(1,235,496)
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	9	4,984,194	4,993,994
(ii) Other financial liabilities	10	2,755,029	1,880,034
(b) Deferred tax liabilities	22	-	-
Total non-current liabilities		7,739,223	6,874,028
(3) Current liabilities			
(a) Financial liabilities			
(i) Short term borrowings		20,000	2,500
(ii) Trade payables	11		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding of creditors other than micro enterprises and small enterprises		1,596	7,853
(iii) Other financial liabilities	12	31,499	28,436
(b) Other current liabilities	13	371	253
Total current liabilities		53,466	39,042
Total liabilities		7,792,689	6,913,070
TOTAL EQUITY AND LIABILITIES		5,670,360	5,677,574

See accompanying notes to the standalone financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Place: Mumbai
Date: 19 May 2022

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

CREIXENT SPECIAL STEELS LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

Rs. in thousands, except per share data and as stated otherwise

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I. Revenue			
Revenue from operations	14	9,050	145,936
Other income		7	-
Total income		9,057	145,936
II. Expenses			
Purchases of stock-in-trade		9,043	145,753
Personnel support costs		4,682	4,414
Finance costs	15	878,546	871,055
Other expenses	16	3,619	1,950
Total expenses		895,890	1,023,172
III. Loss before tax (I-II)		(886,833)	(877,236)
IV. Tax expense / (benefit)		-	(78,608)
V. Loss for the year (III-IV)		(886,833)	(798,628)
VI. Other comprehensive income		-	-
VII. Total comprehensive loss for the year (V+VI)		(886,833)	(798,628)
VIII. Earnings per share (of Rs. 10/- each)			
Basic and diluted (Rs.)	17	(88.68)	(79.86)

See accompanying notes to the standalone financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Place: Mumbai
Date: 19 May 2022

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

CREIXENT SPECIAL STEELS LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities :		
Loss before tax	(886,833)	(877,236)
Adjustments for :		
Interest expense	878,545	871,038
	(8,288)	(6,198)
Changes in working capital		
Increase in other assets	(1,293)	(3,043)
Decrease/ (Increase) in trade receivables	7,022	(7,022)
Decrease in trade payables	(6,257)	(2,798)
Decrease in other financial liabilities	-	(54)
Decrease in other current liabilities	(183)	(1,320)
Cash used in operations	(8,999)	(20,435)
Direct taxes refund/(paid)	101	(26)
Net cash used in operating activities (A)	(8,898)	(20,461)
B. Cash flow from investing activities (B)		
Net cash used in investing activities (B)	-	-
C. Cash flow from financing activities :		
Proceeds from borrowings	7,700	19,800
Interest paid	(186)	(315)
Net cash flow generated from financing activities (C)	7,514	19,485
Net decrease in cash and cash equivalents (A+B+C)	(1,384)	(976)
Cash and cash equivalents at the beginning of the year	1,858	2,834
Cash and cash equivalents at the end of the year	474	1,858

Note:

- The statement of cash flows is prepared using the "indirect method" set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Rs. in thousands			
	31-Mar-22	Interest accrued	Cash flows (net)	31-Mar-21
Borrowings (including equity component of compound financial instrument)	5,603,695	-	7,700	5,595,995
Interest accrued but not due on borrowings (including premium payable on redemption of debentures and preference shares)	2,761,037	878,244	(186)	1,882,979
Particulars	31-Mar-21	Interest accrued	Cash flows (net)	31-Mar-20
Borrowings (including equity component of compound financial instrument)	5,595,995	-	19,800	5,576,195
Interest accrued but not due on borrowings (including premium payable on redemption of debentures and preference shares)	1,882,979	871,039	(315)	1,012,255

See accompanying notes to the standalone financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Place: Mumbai
Date: 19 May 2022

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

CREIXENT SPECIAL STEELS LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY

Rs. in thousands

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Equity share capital		
Balance at the beginning of the year	100,000	100,000
Equity share capital issued during the year	-	-
Balance at the end of the year	100,000	100,000

Particulars	Rs. in thousands		
	Equity component of financial instruments	Retained earnings	Total
Balance as at 31 March 2020	449,626	(986,494)	(536,868)
Loss for the year	-	(798,628)	(798,628)
Balance as at 31 March 2021	449,626	(1,785,122)	(1,335,496)
Loss for the year	-	(886,833)	(886,833)
Balance as at 31 March 2022	449,626	(2,671,955)	(2,222,329)

See accompanying notes to the standalone financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Place: Mumbai
Date: 19 May 2022

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

CREIXENT SPECIAL STEELS LIMITED

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

1A. General Information

Creixent Special Steels Limited (“the Company”) is incorporated in India on 27 February 2018 under the Companies Act, 2013 with its registered office located at JSW Center, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra 400051

The Company is primarily engaged in the business of trading of iron and steel products.

1B. Statement of compliance

Standalone Financial Statements has been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 and presentation requirements of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

These standalone financial statements are approved by the Board of Directors on 19 May 2022.

1C. Basis of preparation and presentation

The Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The directors of the Company has given consideration to the liquidity of the Company having regard to its negative net-worth of Rs. 2,122,329 thousands (31 March 2021 : 1,235,496 thousands) and current liabilities exceeding current assets by Rs. 47,530 thousands (31 March 2021 : 25,993 thousands), as at 31 March, 2022. The Company plans to meet the said deficit for the forthcoming year by receiving the continual unconditional financial support for next 12 months from the date of financial statements committed by an investing party in respect of which the Company is a joint venture. Having regard to the above, the financial statements have been prepared on a going concern basis.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest thousands, except otherwise indicated.

1D. Significant Accounting Policies

I. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and it can be measured reliably.

Sale of goods

The Company recognises revenue when control over the promised goods or services is transferred to the customer in terms of the contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items as per the terms of the contract.

The amount of revenue excludes any amount collected on behalf of third parties or government such as goods and service tax levied on sales.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

II. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

III. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be

CREIXENT SPECIAL STEELS LIMITED

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recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

IV. Inventories

Inventories are valued at cost, or net realisable value, whichever is lower.

Cost of inventories include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories are determined on weighted average method basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

V. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

A disclosure for contingent liabilities is made where there is-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

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

- b) a present obligation that arises from past events but is not recognized because:
 - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities and contingent assets are reviewed at each reporting period.

VI. Investment in subsidiary

Investment in subsidiary is shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

VII. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the period by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the period as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

VIII. 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable

to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

A. Non-derivative financial instruments

a) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of unencumbered balances with banks.

b) Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financials assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss

d) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

e) Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

f) Compound financial instruments

The components of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

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The amount classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

B. Impairment

The Company assesses the expected credit losses associated with its assets carried at amortised cost based on the Company's past history of recovery, credit worthiness of the counter party and existing market conditions.

C. De-recognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

A financial liability (or a part of a financial liability) is derecognised from the company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

D. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may actually not be realized at that amount.

1E. Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 1D above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is

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measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

1F. Recent accounting pronouncements: -

The Ministry of Corporate Affairs (“MCA”) notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April, 2022.

(b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 | Financial instruments – The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

There are no impact of these amendments on the Company.

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

2. Non-current investments

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Investments in a subsidiary (at cost)		
Quoted:		
225,934,607 equity shares (31 March 2021: 225,934,607 equity shares) of Rs. 10/- each of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)	2,259,346	2,259,346
Unquoted:		
340,487,893 preference shares (31 March 2021: 340,487,893 preference shares) of Rs. 10/- each of JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)	3,404,879	3,404,879
	5,664,225	5,664,225
Quoted :		
Aggregate book value	2,259,346	2,259,346
Aggregate market value	7,286,391	5,930,783
Unquoted :		
Aggregate book value	3,404,879	3,404,879

3. Other financial assets (non-current)

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Deposit with stock exchange	186	186
	186	186

4. Trade receivables

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good - Unsecured	-	7,022
	-	7,022

Particulars	Outstanding for following periods from due date of payment (as on 31 March 2021)				
	Less than 6months	6months -1 year	1-2 years	2-3 years	Total
Undisputed trade receivables - considered good	7,022	-	-	-	7,022

(a) The credit period on sales of goods ranges from 7 to 30 days without security.

(b) The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owned by the Company to the counterparty.

(c) Credit risk management regarding trade receivables has been described in Note 23 (e)

(d) Trade receivables from related party has been disclosed in note 19.

(e) Trade receivables does not include any receivables from directors and officers of the Company.

5. Cash and cash equivalents

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Balances with banks - in current accounts	474	1,858
	474	1,858

6. Other current assets

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	-	-
Indirect tax balances	5,462	4,169
	5,462	4,169

7. Equity share capital

Particulars	Rs. in thousands			
	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised:				
Equity shares of the par value Rs. 10 each	15,000,000	150,000	15,000,000	150,000
(b) Issued and subscribed				
Equity shares of Rs. 10 each, fully paid up	10,000,000	100,000	10,000,000	100,000
	10,000,000	100,000	10,000,000	100,000
(c) Reconciliation of number of shares outstanding at the beginning and at the end of the year				
At the beginning of the year	10,000,000	100,000	10,000,000	100,000
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000,000	100,000	10,000,000	100,000

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(d) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Each holder of equity shares is entitled for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

(e) Shareholders holding more than 5% shares in the Company are set out below:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% of shares	No. of Shares	% of shares
JSW Steel Limited	4,800,000	48.00%	4,800,000	48.00%
AION Investments Private II Limited	4,186,606	41.87%	5,190,642	51.91%
JTPM Atsali Limited	1,013,394	10.13%	-	-

(f) Promoters' shareholding as on 31 March 2022:

Promoter Name	No. of shares	% of total shares	% Change during the year
JSW Steel Limited (including nominees)	4,800,000	48.00%	-
AION Investments Private II Limited	4,186,606	41.87%	-19.34%
JTPM Atsali Limited	1,013,394	10.13%	100.00%

8. Other equity

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Retained earnings	(2,671,955)	(1,785,122)
Equity component of compound financial instruments	449,626	449,626
	(2,222,329)	(1,335,496)

(a) Retained earnings

Retained earnings are the profit / losses that the Company has earned till date, less any transfers to general reserve, dividends or other distributions to the shareholders.

(b) Equity component of compound financial instruments

The Company has issued Redeemable Preference shares (RPS) in the earlier years. The Company has computed the liability portion of RPS as the present value of the contractual obligations with the instrument and the difference between the issue amount of the RPS and the liability so computed has been treated as the 'Fair valuation difference on financial instruments issued to owners' and grouped under other equity.

9. Borrowings

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Non-convertible debentures (unsecured)	1,863,000	1,863,000
Liability component of financial instruments (unsecured)	3,103,194	3,103,194
Loan from a related party (unsecured) (refer note 19 C)	38,000	30,300
	5,004,194	4,996,494
Less: Current maturities of long term debt from a related party classified as short term borrowings	20,000	2,500
	4,984,194	4,993,994

Non-convertible debentures:

A. 0.01% non-convertible debentures (NCDs) of Rs. 1,000,000 each aggregating to Rs. 1,863,000 thousands and are redeemable on 28 August 2025 at a fixed premium of Rs.52,000 thousands and a variable premium such that yield on the redemption principal and fixed premium is equal to the redemption YTM of 12% p.a.

Liability component of compound financial instruments :

A. 0.01% redeemable preference shares-1 (RPS-1) having face value of Rs. 10 aggregating to Rs. 1,719,692 thousands and are redeemable on 27 August 2038 at a fixed premium of Rs.48,000 thousands and a variable premium such that yield on the redemption principal and fixed premium is equal to the redemption YTM of 12% p.a.

B. 0.01% redeemable preference shares-2 (RPS-2) having face value of Rs. 10 aggregating to Rs. 1,983,004 thousands and are redeemable on 27 August 2038 at a variable premium such that yield on the redemption principal and fixed premium is equal to the redemption YTM of 10% p.a.

Loan from related party:

- Loan from a related party amounting to Rs. 2,500 thousands bearing an interest rate of 1 year MCLR plus 200 basis points and is repayable on 26 February 2025.
- Loan from a related party amounting to Rs. 20,000 thousands bearing an interest rate of 1 year MCLR plus 200 basis points and is repayable on 6 November 2022.
- Loan from a related party amounting to Rs. 7,800 thousands bearing an interest rate of 1 year MCLR plus 200 basis points and is repayable on 27 August 2023.
- Loan from a related party amounting to Rs. 1,200 thousands bearing an interest rate of 1 year MCLR plus 200 basis points and is repayable on 23 August 2024.
- Loan from a related party amounting to Rs. 6,500 thousands bearing an interest rate of 1 year MCLR plus 200 basis points and is repayable on 11 January 2025.

10. Other financial liabilities (Non-current)

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Premium on redemption of non-convertible debentures	975,533	661,689
Premium on redemption of preference shares	1,779,496	1,218,345
	2,755,029	1,880,034

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
11. Trade payables

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Creditors other than micro enterprises and small enterprises	1,596	7,853
	1,596	7,853

Payables other than micro enterprises and small enterprises are normally settled within 1 to 180 days.

Amount payable to micro enterprises and small enterprises is Rs. Nil (31 March 2021 : Rs. Nil), based on the information available with the Company and relied upon by the auditors.

Particulars	Outstanding for following periods from due date of payment as at 31				Total
	March 2022				
	Not due	< 1 year	1-2 years	2-3 years	
MSME	-	-	-	-	-
Others	971	625	-	-	1,596
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment as at 31				Total
	March 2021				
	Not due	< 1 year	1-2 years	2-3 years	
MSME	-	-	-	-	-
Others	648	7,206	-	-	7,853
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

12. Other financial liabilities (current)

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Payable to a related party (refer note 19 C)	25,491	25,491
Interest accrued but not due on borrowings	6,008	2,945
	31,499	28,436

13. Other current liabilities

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Statutory liabilities	371	253
	371	253

14. Revenue from operations

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sales of products		
Sale of traded goods	9,050	145,936
	9,050	145,936

Product wise turnover

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Iron skull	9,050	145,936
Total	9,050	145,936

The Company has assessed and determined the following categories for disaggregation of revenue:

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from contracts with customer - Sale of products	9,050	145,936
Total revenue from contracts with customers	9,050	145,936
Within India	9,050	145,936
Outside India	-	-
Total revenue from contracts with customers	9,050	145,936
Timing of revenue recognition		
At a point in time	9,050	145,936
Over a period of time	-	-
Total revenue from contracts with customers	9,050	145,936

Performance obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 60 days from delivery.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
15. Finance costs

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on debentures	186	187
Interest on preference shares	371	370
Premium on redemption of debentures	313,845	279,834
Premium on redemption of preference shares	561,151	588,932
Other borrowing cost	2,993	1,732
	878,546	871,055

16. Other expenses

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Audit fees		
- As statutory audit fees	600	600
- As tax audit fees	-	10
- As limited review fees	300	300
- As Other certifications	70	25
- As Other fees	800	-
Legal and professional fees	1,215	685
Miscellaneous expenses	634	330
	3,619	1,950

17. Earnings per share

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Net loss for the year(A)	(886,833)	(798,628)
Equity shares at the beginning of the year	Nos. 10,000,000	10,000,000
Equity shares issued during the year	Nos. -	-
Equity shares at the end of the year	Nos. 10,000,000	10,000,000
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (B)	Nos. 10,000,000	10,000,000
Earnings per share - basic and diluted (face value of Rs. 10/- each) (A/B)	Rs. (88.68)	(79.86)

CREIXENT SPECIAL STEELS LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. Segment Reporting

The Company is in the business of trading of steel products, primarily operating in India and regularly reviewed by Chief Operating Decision Maker for assessment of Company's performance and resource allocation.

19. Related party disclosures

A. Relationships

1. The investing party in respect of which the reporting enterprise is a joint venture

JSW Steel Limited
AION Investments Private II Limited
JTPM Atsali Limited (w.e.f 29 March 2022)

2. Subsidiary Company

JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)
Monnet Global Limited
Monnet Cement Limited
Mivaan Steels Limited (w.e.f 24 February 2022)
LLC Black Sea Natural Resources
Pt. Sarwa Sembada Karya Bumi (upto 29 March 2022)

3. Joint Ventures

Mandakani Coal Company Limited
Urtan North Mining Company Limited
MP Monnet Mining Company Limited
Monnet Ecomaister Enviro Private Limited
Solace Land Holding Limited

4. Key Management Personnel (KMP)

Mr. Nikhil Gahotra - Director
Mr. Seshagiri Rao M.V.S. - Director (Upto 26 November 2021)
Mr. Kaushik Subramaniam - Director (w.e.f. 20 January 2021)
Mrs. Anuradha Bajpai - Director
Mr Chirag Bhansali - Director
Mr. Suresh N Prasad - Chief Executive Officer (w.e.f. 14 May 2021)
Mr. Keshav Anand - Chief Finance Officer
Mr. Shyam Dikkatwar - Company Secretary (upto 14 June 2021)
Ms. Arpita Kapoor - Company Secretary (w.e.f. 28 June 2021 to 29 Sept 2021)
Mr. Naresh Kumar Hashmat Rai Lalwani - Director (w.e.f. 19 January 2022)
Ms. Snigdha Tripathi - Company Secretary (w.e.f. 19 October 2021)

B. Transactions with related parties

Particulars	The investing party in respect of which the reporting enterprise is a joint venture		Subsidiary Companies		Key Management Personnel	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
JSW Steel Limited						
Loan received	7,700	19,800	-	-	-	-
Interest on loan	2,992	1,731	-	-	-	-
Reimbursement of expenses incurred on Company's behalf (Including GST)	4,441	3,333	-	-	-	-
Premium on redemption of preference shares	561,151	588,932	-	-	-	-
Interest on preference shares	371	370	-	-	-	-
Sale of goods (Including GST)	-	172,204	-	-	-	-
Premium on redemption of debentures	110,921	-	-	-	-	-
Interest on debentures	66	-	-	-	-	-
Office rent	110	-	-	-	-	-
JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)						
Reimbursement of expenses incurred on Company's behalf (Including GST)	-	-	1,084	1,081	-	-
Purchase of goods (Including GST)	-	-	10,671	171,989	-	-
AION Investments Private II Limited						
Premium on redemption of debentures	202,924	279,834	-	-	-	-
Interest on debentures	120	187	-	-	-	-

Nature of transaction	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sitting fees	280	180
Total	280	180

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
C. Balances with related parties as at 31 March 2022

Particulars	The investing party in respect of which the reporting enterprise is a joint venture		Subsidiary Companies		Subsidiary of joint venturer	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
JSW Steel Limited						
Trade and other payables	25,601	25,491	-	-	-	-
Trade receivables	-	7,022	-	-	-	-
Interest payable	4,563	1,870	-	-	-	-
Long term borrowing	38,000	30,300	-	-	-	-
Payable for premium on redemption of preference shares not due	1,779,496	1,218,345	-	-	-	-
Interest on preference shares accrued but not due	1,332	962	-	-	-	-
Preference share capital	3,103,194	3,103,194	-	-	-	-
Debentures*	1,863,000	-	-	-	-	-
Interest on debentures accrued but not due	111	-	-	-	-	-
Payable for premium on redemption of debentures not due	975,533	-	-	-	-	-
JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)						
Other payables	-	-	-	100	-	-
Trade payables	-	-	489	7,106	-	-
AION Investments Private II Limited						
Debentures	-	1,863,000	-	-	-	-
Interest on debentures accrued but not due	-	110	-	-	-	-
Payable for premium on redemption of debentures not due	-	661,689	-	-	-	-

*JSW Steel has purchased non-convertible debentures amounting to Rs. 18,63,000 thousands issued by the Company from open market hence not disclosed as part of related party transactions.

JTPM Atsali Limited has purchased the equity shares issued by the Company aggregating to Rs. 10,134 thousands directly from AION Investments Private II Limited and IDBI Trusteeship Services Limited hence not disclosed as part of the related party transactions.

20. Ratio Analysis

Ratios	Numerator	Denominator	FY 21-22	FY 20-21	Change	% Change
Current Ratio (refer footnote 1)	5,936	53,466	0.11	0.33	(0.22)	-67%
(Current Assets/ Current Liabilities)						
Debt Equity Ratio (refer footnote 2)	5,004,194	(2,122,329.00)	(2.36)	(4.04)	1.69	-42%
(Total Borrowings / Total Equity)						
Debt service coverage ratio (refer footnote 3)	(8,287.00)	878,546.00	(0.01)	(0.01)	(0.00)	33%
(Profit before Tax, Exceptional Items, Depreciation , Net Finance Charges / (Net Finance Charges + Long Term Borrowings scheduled 'principal repayments (excluding prepayments/ refinancing) 'during the period) (Net Finance Charges : Finance Costs - Interest Income - Net Gain /(Loss) on sale of current investments)						
Return on Equity (refer footnote 4)	(886,833.00)	(1,678,912.50)	0.53	0.96	(0.43)	-45%
(Profit after tax/ Average Shareholder's equity)						
Inventory Turnover (no. of days)*	NA	NA	NA	NA	NA	NA
(Average inventory / (Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories + Mining premium and royalties + Power and fuel + Stores & spares consumed + Repairs & Maintenance + Job work charges + Labour charges + MDO cost) * No. of days)						
Debtors Turnover (refer footnote 5)	9050	3511	2.58	41.57	(38.99)	-94%
(Gross sales/ Average Trade receivables)						
Trade payables turnover (refer footnote 6)	9,043	4,725	1.91	15.83	(13.91)	-88%
(Cost of materials consumed + Purchases of stock-in-trade + Changes in inventories)/ Average trade payables)						
Net capital turnover (refer footnote 7)	9,050	-47,530	(0.19)	(5.61)	5.42	-97%
(Net Sales/ working capital)						
Net Profit Margin (%) (refer footnote 8)	(886,833.00)	9,057	-9792%	-547%	(92.44)	1689%
(Net profit for the year/ Total income)						
Return on capital employed (refer footnote 9)	(8,287.00)	2,881,865	-0.29%	-0.16%	(0.0012)	75%
(Net Profit for the period/ Capital employed)						
Return on Investment ^	NA	NA	NA	NA	NA	NA
(Profit generated on sale of investment/ Cost of investment)						

* There is no inventory in the Company during the current as well as previous year accordingly this ratio is not applicable

^ There are no investments sold during the current as well as previous year accordingly this ratio is not applicable.

Footnotes:

- Change is primarily on account of decrease in current assets (mainly trade receivables and cash & cash equivalents) and increase in current liabilities (mainly short term borrowings and other financial liabilities) during the current year.
- Change is primarily due to decrease in total equity during the current year.
- Change is primarily due to increase in loss before tax during the current year.
- Change is primarily on account of increase in loss after tax and decrease in shareholder's equity during the current year.
- Change is primarily on account of decrease in sales during the current year.
- Change is primarily on account of decrease in purchase of stock-in-trade during the current year.
- Change is primarily due to decrease in sales during the current year.
- Change was primarily on account of increase in losses and decrease in revenue from operations during the current year.
- Change was primarily on account of increase in loss before tax during the current year.

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

21. Qualitative disclosures pertaining to Schedule III

- (i) The Company do not have Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto or Virtual Currency during the year ended 31 March 2022.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) 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 the behalf of the Ultimate Beneficiaries.
- (vii) The Company does not have any 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 any other relevant provisions of the Income Tax Act, 1961).

22. Taxation

India

Companies are subject to income tax on a standalone basis. Each entity is assessed on tax on taxable profits determined for each fiscal year beginning on 1 April and ending on 31 March. For each fiscal year, the respective entities profit or loss is subject to the higher of the regular income tax payable or the minimum alternate tax ("MAT").

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ('Ordinance') subsequently amended in Finance Act issued by Ministry of Law and Justice (Legislative department) on 20 September 2019 which is effective 1 April, 2019 domestic companies have the option to pay corporate income tax at 22% plus applicable surcharge and cess subject to certain conditions. The Company basis the impact assessment of Ordinance has decided to continue with the existing tax structure. Accordingly, statutory income tax is charged at 25% on income assessed under the Income Tax Act plus a surcharge and education cess. MAT is assessed on book profits adjusted for certain items allowed under the income tax provisions. The rate of MAT for the year ended 31 March 2022 is 15.60%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

a) Income tax expense/(benefit)-

There is no current tax and deferred tax benefit (previous year – Rs. 78,608 thousands) for the year ended 31 March 2022.

b) A reconciliation of income tax expense applicable to accounting loss before tax at the statutory income tax rate to recognized income tax expense for the year indicated are as follows:

Particulars	Rs. in thousands	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss before tax	(886,833)	(877,236)
Enacted tax rate in India	26.00%	27.82%
Expected income tax benefit at statutory rate	(230,577)	(244,047)
Deferred tax assets on losses not recognized	(230,577)	165,439
Total tax benefit	-	(78,608)

There are no income-tax related legal proceedings which are pending against the Company.

c) Deferred tax (assets) /liabilities-

Components of deferred tax liabilities recognised in the standalone financial statements are as follows:

Particulars	Rs. in thousands		
	As at 31 March 2021	Recognised/ (reversed) through profit or loss/ other comprehensive income	As at 31 March 2022
Equity component of financial instruments	133,333	-	-
Premium accrued on liability component of financial instruments	(133,333)	-	-
Total	-	-	-

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

Particulars	Rs. in thousands		
	As at 31 March 2020	Recognised/ (reversed) through profit or loss/ other comprehensive income	As at 31 March 2021
Equity component of financial instruments	1,39,811	(6,478)	133,333
Premium accrued on liability component of financial instruments	(61,203)	(72,130)	(133,333)
Total	78,608	(78,608)	-

Expiry schedule of losses on which deferred taxes is not recognised as under :

Expiry of losses	Rs. in thousands				
	AY 2027-28	AY 2028-29	AY 2029-30	AY 2030-31	Total
Business loss	6,377	13,437	7,913	131,129	158,856

23. Financial instruments – fair values and risk management

A. Capital risk management

The Company's objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Company's capital requirement is mainly to fund its operating activities, repayment of principal and interest on its borrowings and making strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from investing party and the capital markets. The Company is not subject to any externally imposed capital requirements.

The Company monitors its capital gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing borrowings less cash and cash equivalents.

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
Long term borrowings (including current maturities and accrued premium payable on redemption of debentures and preference shares)	7,759,223	6,876,528
Less: Cash and cash equivalents	(474)	(1,858)
Net debt	7,758,749	6,874,670
Total equity	(2,122,329)	(1,235,496)
Gearing ratio	(3.66)	(5.56)

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

B. Categories of financial instruments

Carrying amount and fair values of financial assets and financial liabilities are presented below:

Rs. in thousands

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (measured at amortised cost)				
Trade receivables	-	-	7,022	7,022
Cash and cash equivalents	474	474	1,858	1,858
Other financial assets	186	186	186	186
Total financial assets	660	660	9,066	9,066
Financial liabilities (measured at amortised cost)				
Non-current borrowings				
- Non-convertible debentures (including accrued premium payable on redemption of debentures)	2,838,533	4,475,917	2,524,689	4,136,366
- Preference shares and loan (including accrued premium payable on preference shares at maturity)	4,882,690	4,882,690	4,321,539	4,321,539
- Loan from a related party (including current maturities)	38,000	38,000	30,300	30,300
Trade payables	1,596	1,596	7,853	7,853
Other current financial liabilities	31,499	31,499	28,436	28,436
Total financial liabilities	7,792,318	9,429,702	6,912,817	8,524,494

The following table summarises the fair values of financial assets and financial liabilities

Rs. in thousands

Particulars	Fair value	Level	Valuation techniques and key input
Financial liability (measured at amortised cost)			
Non-current borrowings – Non-convertible debentures	4,475,917	3	Discounted cash flow. Future cash flows are discounted at a rate that reflects market risks.

The fair value of the financial liability above had been determined in accordance with generally accepted pricing model based on discounted cash flow analysis, with the most significant input being the discount rate.

The fair values of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities are considered to be the same as their carrying amounts, due to their short term nature.

Sensitivity analysis of Level 3:

	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Non- current borrowings – Non convertible debentures	DCF Method	Discounting rate 10.85%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by Rs.60,025 thousands / (Rs.61,118 thousands)

C. Financial risk management

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptance risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company’s activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aim to mitigate the following risks arising from the financial statements:

- Market risk
- Credit risk; and
- Liquidity risk

D. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates. The Company seeks to minimize the effect of the risk by using derivative financial Instruments to hedge exposure, as and when considered necessary.

E. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company’s credit risk arises principally from the cash and cash equivalents and trade receivables.

The Company maintains its cash and cash equivalents with credit worthy banks and reviews it on ongoing basis.

The entire sales of the Company is to single customer. The history of trade receivables shows no provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by the customer.

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

F. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and meeting the requirements of financing. The Company manages liquidity risk by taking borrowings from the investing party as and when required.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date in which the Company can be required to pay. The tables included both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in thousands				
Particulars	< 1 Year	1-5 Years	> 5 Years	Total
As at 31 March 2022				
Financial assets				
Cash and cash equivalents	474	-	-	474
Other financial assets	-	-	186	186
Total	474	-	186	660
Financial liabilities				
Non-current borrowings (including accrued premium payable on redemption)	20,000	18,000	7,721,223	7,759,223
Trade payables	1,596	-	-	1,596
Other current financial liabilities	31,499	-	-	31,499
Interest and premium payout liability	192	2,371,019	23,934,610	26,305,821
Total	53,287	2,389,019	31,655,833	34,098,139

Rs. in thousands				
Particulars	< 1 Year	1-5 Years	> 5 Years	Total
As at 31 March 2021				
Financial assets				
Trade receivables	7,022	-	-	7,022
Cash and cash equivalents	1,858	-	-	1,858
Other financial assets	-	-	186	186
Total	8,880	-	186	9,066
Financial liabilities				
Non-current borrowings (including accrued premium payable on redemption)	2,500	27,800	6,846,228	6,876,528
Trade payables	7,853	-	-	7,853
Other current financial liabilities	28,436	-	-	28,436
Interest and Premium payout liability	186	745	27,178,756	27,179,687
Total	38,975	28,545	34,024,984	34,092,504

CREIXENT SPECIAL STEELS LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2022****G. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table provides a break-up of the Group's fixed and floating rate borrowings:

Particulars	Rs. in thousands	
	As at 31 March 2022	As at 31 March 2021
	Carrying amount	Carrying amount
Fixed rate borrowings	4,966,194	4,966,194
Floating rate borrowings	38,000	30,300
Total borrowings	5,004,194	4,996,494

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher / lower and all other variables were held constant, the Company's loss before tax for the year ended 31 March 2022 would increase / decrease by Rs.190 thousands (previous year – Rs.151 thousands), respectively. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

24. Previous year figures have been regrouped/ reclassified wherever necessary.

For and on behalf of the Board of Directors

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

Place: Mumbai
Date: 19 May 2022

INDEPENDENT AUDITOR'S REPORT

To The Members of Creixent Special Steels Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Creixent Special Steels Limited ("the Company" or "the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated 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 specified under section 143 (10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	Auditor's response
<p>Recoverable value assessment of Property, plant and equipment</p> <p>With continuing pressures on margins, the management has assessed the recoverable value of property, plant and equipment engaging an independent external expert.</p> <p>Replacement cost estimation involves significant judgement and estimates.</p> <p>Refer note 4(ii) to the consolidated financial statements</p>	<p>Our principle procedures included but were not limited to:</p> <ul style="list-style-type: none">- Evaluated the design and implementation, and testing the operating effectiveness of the relevant controls over determination of recoverable value of property, plant and equipment.- Assessed the competence and independence of the valuation expert engaged by the Company for determining the replacement cost of property, plant and equipment.- Reviewed the information shared with the independent expert engaged by the management.- Evaluated the reasonableness of the valuation provided by the independent expert by challenging the significant assumptions used and estimates and judgements made in deriving the valuation with the help of internal fair value specialist.- Verification of accounting implications, and appropriateness of disclosures in the financial statements.

Information other than the Financial Statements and Auditor's Report thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, Management discussion and analysis, Corporate governance report and Business responsibility report but does not include the consolidated financial statements, the standalone financial statements and our auditor's reports 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, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective 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 Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the respective entities.

Auditor's Responsibility 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:

- a) 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.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- d) 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 joint ventures 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 joint ventures to cease to continue as a going concern.
- e) 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.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures 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 or business activities included in the consolidated financial statements of which we are the

independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

(a) We did not audit the financial statements of 5 subsidiaries, whose standalone/ consolidated financial statements reflect total assets of Rs. 9.55 crore as at March 31, 2022, total revenues of Rs. 0.73 crore, total net profit after tax of Rs. 4.58 crore, total comprehensive income of Rs. 4.58 crore and net cash inflow of Rs. 7.26 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and 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 our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

In respect of three subsidiaries located outside India whose consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and which have been audited by other auditor under International Standards on Auditing issued by the International Accounting Standards Board, whose report has been furnished to us by the Management. The Company's Management has converted the consolidated Financial Statements of such subsidiaries located outside India from International Financial Reporting

Standards to the accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's Management. Our report on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the report of another auditor and the conversion adjustments prepared by the Management of the Company and reviewed by us.

(b) The consolidated financial statements also include the Group's share of net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the year ended March 31,2022, as considered in the consolidated financial statements, in respect of 5 joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of joint ventures, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements /financial information are not material to the Group.

Our opinion on the consolidated financial statements above 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 and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,
- in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its Directors during the year is in accordance with the provisions of Section 197 of 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.
 - ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and joint venture companies incorporated in India.

(a) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- V. The Parent/Holding Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent/ Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W | W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
UDIN: 22121513AJGYTT6896

Place: MUMBAI
Date: May 19, 2022

Annexure A to the Independent Auditor's Report

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

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

In conjunction with our audit of the Consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Creixent Special Steels Limited ("the Parent"), its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") 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 internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, 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 system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) 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 iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on criteria for internal financial control over financial reporting established by the respective Companies 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W | W-100018)

Mehul Parekh
Partner
(Membership No. 121513)
UDIN: 22121513AJGYTT6896

Place: MUMBAI
Date: May 19, 2022

Creixent Special Steels Limited
Consolidated balance sheet as at 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
A. ASSETS			
1. Non-current assets			
a. Property, plant and equipment	4	3,020.11	3,147.95
b. Capital work-in-progress	5	166.90	175.14
c. Right of use assets	42	43.05	43.84
d. Intangible assets	6	65.31	34.69
e. Investments in joint ventures	7	-	-
f. Financial assets			
i. Investments	8A	1.40	0.92
ii. Other financial assets	9	104.88	65.49
g. Current tax assets (net)	10	9.57	4.31
h. Other non-current assets	11	28.65	22.22
Total non-current assets		3,439.87	3,494.56
2. Current assets			
a. Inventories	12	1,110.38	925.03
b. Financial assets			
i. Investments	8B	0.27	0.25
ii. Trade receivables	13	254.40	188.67
iii. Cash and cash equivalents	14A	59.43	13.52
iv. Bank balance other than (iii) above	14B	80.02	116.39
v. Derivative assets	15	0.94	0.23
vi. Loans	16	-	-
vii. Other financial assets	17	19.57	14.79
c. Other current assets	18	279.84	283.72
d. Assets classified as held for sale	38	-	12.27
Total current assets		1,804.85	1,554.87
TOTAL ASSETS		5,244.72	5,049.43
EQUITY AND LIABILITIES			
Equity			
a. Share capital	19	10.00	10.00
b. Other equity	20	4.04	83.63
Equity attributable to owners of the Company		14.04	93.63
Non-controlling interests		650.00	648.94
Total equity		664.04	742.57
Liabilities			
1. Non-current liabilities			
a. Financial liabilities			
i. Borrowings	21	2,738.30	2,772.73
ii. Lease liabilities	22	26.93	27.16
iii. Other financial liabilities	26	324.62	222.18
b. Provisions	23	6.53	5.60
c. Deferred tax liabilities (net)	28	10.81	12.12
Total non-current liabilities		3,107.19	3,039.79
2. Current liabilities			
a. Financial liabilities			
i. Borrowings	21	433.88	269.20
ii. Lease liabilities	22	0.45	0.46
iii. Trade payables	24		
- total outstanding dues of micro and small enterprises;		5.63	0.04
- total outstanding dues of creditors other than micro and small enterprises		843.18	780.61
iv. Derivative liabilities	25	0.87	2.23
v. Other financial liabilities	26	92.94	103.63
b. Other current liabilities	27	93.63	110.00
c. Provisions	23	2.91	0.88
d. Liabilities classified as held for sale	38	*	0.02
Total current liabilities		1,473.49	1,267.07
Total liabilities		4,580.68	4,306.86
TOTAL EQUITY AND LIABILITIES		5,244.72	5,049.43

See accompanying notes to the consolidated financial statements

*Rs. 10,000

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN No. 117366W/W-10018

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Date: 19 May 2022
Place: Mumbai

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

Creixent Special Steels Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
I INCOME			
Revenue from operations	29A	6,011.55	4,150.15
Other operating income	29B	49.11	37.60
Total revenue from operations		6,060.66	4,187.75
II Other income	30	29.77	15.73
III Total Income (I+II)		6,090.43	4,203.48
IV EXPENSES			
Cost of materials consumed		4,387.57	2,965.57
Purchase of stock-in-trade		13.88	-
Changes in inventories of finished goods, stock in trade and work-in-progress	31	(95.94)	4.41
Employee benefits expense	32	129.72	115.58
Finance costs	33	358.46	362.95
Depreciation and amortisation expense	34	221.49	225.80
Power and fuel		476.00	267.07
Other expenses	35	678.62	449.01
Total expenses		6,169.80	4,390.39
V Loss before exceptional items and tax (III-IV)		(79.37)	(186.91)
VI Exceptional items (net)	36	-	314.53
VII (Loss) / profit before tax (V+VI)		(79.37)	127.62
VIII Tax expense / (credit):			
Current tax		-	-
Deferred tax	28	(1.31)	(8.84)
IX (Loss) / profit for the year (VII-VIII)		(78.06)	136.46
X Other comprehensive (loss) / income			
A. i. Items that will not be reclassified to profit or loss in subsequent periods			
a. Re-measurement (losses) / gains on defined benefit plans		(3.27)	2.05
b. Equity instruments through other comprehensive income		2.50	0.46
ii. Income tax effect		-	-
B. i. Items that will be reclassified to profit or loss in subsequent periods			
a. Exchange differences in translating the financial statements of foreign operations		(0.84)	7.25
ii. Income tax effect		-	-
Total other comprehensive (loss) / income for the year (A+B)		(1.61)	9.76
XI Total comprehensive (loss) / income for the year (IX+X)		(79.67)	146.22
Total comprehensive (loss) / income for the year attributable to:			
Owners of the Parent		(79.60)	32.97
Non controlling interests		(0.07)	113.25
(Loss) / Profit for the year attributable to:			
Owners of the Parent		(78.83)	28.27
Non controlling interests		0.77	108.19
Other comprehensive (loss) / income for the year attributable to:			
Owners of the Parent		(0.77)	4.70
Non controlling interests		(0.84)	5.06
XII Earnings per equity share of Rs.10 each:	37		
(1) Basic (in Rs.)		(78.83)	28.27
(2) Diluted (in Rs.)		(78.83)	28.27

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN No. 117366W/W-10018

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 01277756

Date: 19 May 2022
Place: Mumbai

Keshav Anand
Chief Financial Officer

Nikhil Gahotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

Creixent Special Steels Limited
Statement of Consolidated Cash flows for the year ended 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net (loss) / profit before tax		(79.37)		127.62
<i>Adjusted for :</i>				
Depreciation and amortization expenses	221.49		225.80	
Interest income	(11.14)		(8.96)	
Interest expenses	358.46		362.95	
Loss on sale of property, plant & equipment	1.42		1.50	
(Profit)/Loss on sale of assets held for sale	(6.10)		1.80	
Unrealised exchange loss	2.39		2.39	
Gain arising on fair valuation of financial instruments designated as FVTPL	(2.94)		(0.23)	
Loss arising on fair valuation of financial instruments designated as FVTPL	0.87		2.23	
Liabilities written back	(8.71)		(2.42)	
Export obligation deferred liability written back	(5.43)		-	
Allowance for doubtful debts	-		0.58	
Capital work-in-progress written off	-		3.83	
Provision for non recoverable advances	11.88		0.14	
Loan liability written back	-		(275.90)	
Interest liability written back	-		(42.60)	
Loss on reassessment of realizable value of assets held for sale	-		22.58	
Advance written back	-		(18.61)	
		570.00		275.08
Operating profit before working capital changes		482.81		402.70
Working capital adjustments:				
Increase in inventories	(185.35)		(67.54)	
Increase in trade and other receivables	(66.80)		(325.48)	
Increase in trade and other liabilities	50.31		392.63	
(Decrease) / Increase in provisions	(0.31)		3.05	
		(202.15)		2.66
Cash flows generated from operating activities		280.66		405.36
Income taxes paid (net)		(5.26)		(1.05)
Net cash generated from operating activities		275.40		404.31
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment including capital work in progress	(145.12)		(95.10)	
Proceeds from sale of property, plant & equipment	-		1.54	
Proceeds from sale of subsidiaries	7.47		-	
Proceeds from sale of assets held for sale	11.00		4.16	
Proceeds from sale of investments	1.99		0.03	
Interest received	10.38		8.35	
Net cash used in investing activities		(114.28)		(81.02)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(243.07)		(249.87)	
Payment of lease liabilities	(0.48)		(0.48)	
Proceeds from long term borrowings	103.19		65.74	
Repayments of long term borrowings	(52.00)		(18.37)	
(Repayment) of / proceeds from short term borrowings (net)	77.15		(142.90)	
Net cash used in financing activities		(115.21)		(345.88)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		45.91		(22.59)
Cash and cash equivalents at the beginning of the year		13.52		36.11
Cash and cash equivalents at the end of the year		59.43		13.52

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

2. Reconciliation between the opening and closing balances in the Balance sheet for liabilities arising from financing activities:

Particulars	As at 31 March 2022	Interest accrued	Cash flows	Non-cash changes	As at 31 March 2021
Long term borrowings (including current maturities and equity component of compound financial instrument)	2,930.25	-	51.19	1.91	2,877.15
Short term borrowings	301.88	-	77.15	-	224.73
Lease liabilities	27.38	-	(0.48)	0.24	27.62
Interest accrued but not due on borrowings (including premium payable on redemption of debentures)	347.32	337.08	(243.07)	18.03	235.28

Particulars	As at 31 March 2021	Interest accrued	Cash flows	Non-cash changes	As at 31 March 2020
Long term borrowings (including current maturities and equity component of compound financial instrument)	2,877.15	-	47.37	(280.91)	3,110.69
Short term borrowings	224.73	-	(142.90)	-	367.63
Lease liabilities	27.62	-	(0.48)	(1.73)	29.83
Interest accrued but not due on borrowings (including premium payable on redemption of debentures)	235.28	341.00	(249.87)	(24.92)	169.07

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
FRN No. 117366W/W-10018

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 01277756

Date: 19 May 2022
Place: Mumbai

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

Creixent Special Steels Limited
Consolidated statement of changes in equity for the year ended 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 31 March 2020	10.00
Changes during the year	-
Balance as at 31 March 2021	10.00
Changes during the year	-
Balance as at 31 March 2022	10.00

B. Other equity (refer note 20)

Particulars	Reserves and surplus			Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interest	Total
	Capital reserve on bargain purchase	Retained earnings	Fair valuation difference on financial instruments	Foreign exchange translation reserve (net)	Equity instruments through OCI	Re-measurement gains/ (losses) on defined benefit plans			
As at 31 March 2020	475.80	(465.71)	44.96	(4.31)	(0.08)	(1.50)	50.66	535.69	586.35
Loss for the year	-	28.27	-	-	-	-	28.27	108.19	136.46
Other comprehensive loss for the year (net of tax)	-	0.99	-	3.49	0.22	0.99	4.70	5.06	9.76
As at 31 March 2021	475.80	(436.45)	44.96	(0.82)	0.14	(0.51)	83.63	648.94	732.57
Profit for the year	-	(78.83)	-	-	-	-	(78.83)	0.77	(78.06)
Other comprehensive loss for the year (net of tax)	-	(1.57)	-	(0.40)	1.20	(1.57)	(0.77)	(0.84)	(1.61)
Adjustment on sale of non controlling interest	-	-	-	-	-	-	-	1.13	1.13
As at 31 March 2022	475.80	(516.85)	44.96	(1.22)	1.34	(2.08)	4.04	650.00	654.04

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Mehul Parekh
Partner

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 07587109

Date: 19 May 2022
Place: Mumbai

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

1. General information

Creixent Special Steels Limited (“the Company”) is incorporated in India on 27 February 2018 under the Companies Act, 2013 with its registered office located at JSW Center, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra 400051.

The Company and its subsidiaries (together referred to as the “Group”) along with its associate and joint venture companies are engaged in manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys.

2.1 Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The aforesaid Consolidated financial statements of the Company for the year ended 31 March 2022 were approved by the board of directors in the meeting held on 19 May 2022.

2.2 Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Consolidated financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Group’s normal operating cycle. it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

2.3 Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses to whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including;

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit and loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Consolidation procedure:

Like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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Notes to the consolidated financial statements for the year ended 31 March 2022

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

In case of bargain purchase, before recognizing gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognizes any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

2.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

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Notes to the consolidated financial statements for the year ended 31 March 2022

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.6 Significant Accounting Policies

a. Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefit will flow to the Group and it can be measured reliably.

Sale of goods

The Group recognises revenue when control over the promised goods or services is transferred to the customer in terms of the contract at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.

The Group recognises revenue in terms of the contract which is generally at the point in time when the products are delivered to the customer or when it is delivered to a carrier for export sale, which is the point of time when the control over the product is transferred to the customer.

In contracts where freight is arranged by the Company and recovered from the customers, the same is treated as a separate performance obligation and revenue is recognised when such freight services are rendered.

Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items as per the terms of the contract.

The amount of revenue excludes any amount collected on behalf of third parties or governments such as goods and service tax levied on sales.

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Notes to the consolidated financial statements for the year ended 31 March 2022

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of financial asset to that asset's net carrying amount on initial recognition.

b. Foreign currency transactions and foreign operations:

The Group's consolidated financial statements are presented in Indian Rupee, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in Consolidated Statement of Profit and Loss in the period in which they arise.

For the purposes of presenting these consolidated financial statements, 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 period, unless exchange rates fluctuate significantly during that period, 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).

c. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Consolidated Statement of Profit and Loss in the period in which they are incurred.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditure on that asset.

The Group suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

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Notes to the consolidated financial statements for the year ended 31 March 2022

d. Government Grants

Government grants are not recognized until there is reasonable assurance that The Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which The Group recognizes as expenses the related costs for which the grants are intended to compensate or when performance obligations are met.

e. Employee benefits:

i) Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

ii) Long term employee benefits:

Compensated absences are recognised as a liability as at the Balance Sheet date on the basis of actuarial valuation using projected unit credit method.

iii) Retirement benefit costs and termination benefits:

Defined contribution plans:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plans:

For defined benefit retirement benefits plans, the cost of providing benefits is determined using the projected unit credit method, and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income. Actuarial valuations are carried out at the end of each annual reporting period for defined benefit plans.

The Group makes monthly contributions to provident fund authorities for qualifying employees.

f. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the Consolidated Statement of Profit and Loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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Notes to the consolidated financial statements for the year ended 31 March 2022

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

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. The adoption of Appendix C to Ind AS 12 did not have any material impact on the financial statements of the Group.

g. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price (net of any trade discounts and rebates), any import duties and other taxes (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.

Cost of major inspection/overhauling is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Properties in the course of construction are carried at cost, less any recognised impairment loss, as capital work in progress. Upon completion, such properties are transferred to the appropriate categories of property, plant and equipment and the depreciation commences.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

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 the Consolidated Statement of Profit and Loss.

h. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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Notes to the consolidated financial statements for the year ended 31 March 2022

An intangible asset is derecognised on disposal, or when no further economic benefits are expected from use or disposal. Gain/loss on de-recognition are recognised in Consolidated Statement of Profit and Loss.

i. Depreciation and amortisation

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 recognized 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 life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets located in India, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Class of property, plant and equipment	Useful lives
Plant and machinery at SMS division	20 years
Rolls in rolling mill and bar mill	5 years

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on estimate of their specific useful lives.

Freehold land is not depreciated.

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 Consolidated Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The estimated useful lives, residual values and depreciation methods are reviewed periodically, including at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

j. Impairment of tangible and intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets 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). Where 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. Where 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 group of 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using 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 the Consolidated Statement of Profit and Loss.

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Notes to the consolidated financial statements for the year ended 31 March 2022

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.

k. Leases

The Group as a lessor

Leases for which The Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When The Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The Group as a lessee

Effective 01 April 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on the date of initial application i.e. 01 April 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116.

The Group's lease asset classes primarily consist of leases for land and buildings. 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 contract 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.

At the date of commencement of the lease, The Group 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 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 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 cash flows 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.

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Notes to the consolidated financial statements for the year ended 31 March 2022

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 re-measured 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.

I. Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

m. Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

n. Provisions, contingencies and commitments:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made where there is:

- i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- ii) a present obligation that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities and commitments are reviewed at each reporting period.

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Notes to the consolidated financial statements for the year ended 31 March 2022

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

o. Financial instruments

Financial assets and financial liabilities are recognised when the Group entity 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 or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

- **Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of unencumbered balances with banks.

- **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Investment in equity instruments at fair value through other comprehensive income**

An investment in equity instruments at fair value through other comprehensive income is measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

- **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

- **Equity instruments**

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

- **Financial liabilities at amortised cost**

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

- **Compound financial instruments**

The components of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Notes to the consolidated financial statements for the year ended 31 March 2022

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The amount classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

- **Impairment**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost and trade receivables.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses.

- **De-recognition of financial assets and financial liabilities**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Profit and Loss.

A financial liability (or a part of a financial liability) is derecognised from the group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

- **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may actually not be realized at that amount.

2.7 Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2.6 above, the Group is required to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these Consolidated Financial Statements and the reported amounts of revenues and expenses for the years presented, that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

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Notes to the consolidated financial statements for the year ended 31 March 2022

Key sources of estimation uncertainties

Useful lives and residual value of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, historical planned and scheduled maintenance etc. It is possible that the estimates made based on existing experience are different from the actual outcomes within the next financial periods and could cause a material adjustment to the carrying amount of property, plant and equipment.

Impairment of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimate for the recoverable value of property, plant and equipment. The recoverable value computation by fair value method using cost approach involves Management relying on third party quotations of similar assets, expert's data bank for construction rates and the indices, as considered by its independent valuation expert in arriving at the fair value. Any subsequent changes in the above input factors could impact the carrying value of property, plant and equipment.

Impairment of investments in joint- ventures and associates

Determining whether the investments in joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the management have anticipated the businesses/operations of the investee companies. Any subsequent changes to the cash flows due to changes in the operations mentioned above could impact the carrying value of investments.

Provisions and contingencies

Contingent liabilities may arise from the ordinary course of business in relation to 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 judgments and the use of estimates regarding the outcome of future events. The management of the Parent used significant judgment, basis the legal opinion from an independent expert, with regards to interpretation of the National Company Law Tribunal's order for establishing extinguishment of contingent liabilities.

Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3. Recent accounting pronouncements: -

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

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2022

(a) Ind AS 16 | Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April, 2022. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

(b) Ind AS 37 | Provisions, contingent liabilities and contingent assets – The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

(c) Ind AS 103 | Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

(d) Ind AS 109 | Financial instruments – The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The Group has evaluated the amendment and there is no impact on its Consolidated financial statements.

Creixent Special Steels Limited

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022

(Amount in Rupees crores, unless otherwise stated)

4. Property, Plant And Equipment

	Freehold Land & site development	Leasehold land	Other Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Aircraft	Total
As at April 1, 2020	346.63	-	241.56	2,967.07	2.56	2.98	4.01	9.68	3,574.49
Additions	-	-	4.66	155.06	1.39	0.69	0.82	-	162.62
Disposals	-	-	(2.46)	(3.47)	-	(0.26)	(0.25)	(1.86)	(8.30)
Re-classification	(16.37)	16.37	-	-	-	-	-	-	-
Transfer to ROU assets	-	(16.37)	-	-	-	-	-	-	(16.37)
Transfer to held for sale	-	-	-	-	-	-	-	(7.82)	(7.82)
Translation reserve	-	-	-	-	-	-	-	-	-
As at March 31, 2021	330.26	-	243.76	3,118.66	3.95	3.41	4.58	-	3,704.62
Additions	-	-	14.14	70.72	1.39	0.18	3.90	-	90.33
Disposals	-	-	-	(3.99)	-	-	(0.04)	-	(4.03)
As at 31 March 2022	330.26	-	257.90	3,185.39	5.34	3.59	8.44	-	3,790.92
Depreciation									
As at April 1, 2020	1.70	-	15.13	318.42	0.76	0.91	0.34	1.24	338.50
Depreciation charge for the year	-	-	13.61	205.93	0.46	0.42	0.67	1.68	222.77
Disposals	-	-	1.27	0.05	-	0.14	0.22	-	1.68
Transfer to held for sale (refer note 38)	-	-	-	-	-	-	-	(2.92)	(2.92)
As at March 31, 2021	1.70	-	27.47	524.30	1.22	1.19	0.79	-	556.67
Depreciation charge for the year	-	-	15.98	199.20	0.46	0.45	0.65	-	216.74
Disposals	-	-	-	(2.57)	-	-	(0.04)	-	(2.61)
As at 31 March 2022	1.70	-	43.45	720.93	1.68	1.64	1.40	-	770.80
Net carrying value :									
As at 31 March 2022	328.56	-	214.45	2,464.46	3.66	1.95	7.04	-	3,020.11
As at March 31, 2021	328.56	-	216.29	2,594.36	2.73	2.22	3.79	-	3,147.95

Notes:

i. Property, plant and equipment pledged as security

Refer to note 21 for information on property, plant and equipment pledged as security by the Group.

ii. During the current year, in view of losses, the management has assessed the recoverable value of property, plant and equipment of Raigarh and Raipur locations with the help of independent valuation expert and concluded that no additional provision for impairment is necessary.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

5. Capital work-in-progress
a. Ageing of capital work-in-progress

Particulars	31 March 2022				
	Amount of capital work-in-progress for the period of				
	< 1 years	1 -2 years	2 - 3 years	> 3 years	Total
(i) Projects in progress	90.34	11.04	12.76	28.03	142.17
(ii) Projects temporarily suspended	-	0.07	-	24.66	24.73
Total	90.34	11.11	12.76	52.69	166.90

Particulars	31 March 2021				
	Amount of capital work-in-progress for the period of				
	< 1 years	1 -2 years	2 - 3 years	> 3 years	Total
(i) Projects in progress	64.38	10.84	-	61.39	136.61
(ii) Projects temporarily suspended	0.59	1.48	-	36.46	38.53
Total	64.97	12.32	-	97.85	175.14

b. Ageing of capital work-in-progress, whose completion is overdue or exceeded its original cost

Particulars	31 March 2022			
	To be completed in			
	< 1 years	1 -2 years	2 - 3 years	> 3 years
(i) Projects in progress	23.80	-	28.03	-
(ii) Projects temporarily suspended	-	-	-	24.73
Total	23.80	-	28.03	24.73

Particulars	31 March 2021			
	To be completed in			
	< 1 years	1 -2 years	2 - 3 years	> 3 years
(i) Projects in progress	33.36	10.84	-	28.03
(ii) Projects temporarily suspended	-	-	-	38.53
Total	33.36	10.84	-	66.56

6. Intangible assets

	Mining Right	Software	Rights under operation & maintenance contract	Total
As at April 1, 2020	-	0.56	37.50	38.06
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2021	-	0.56	37.50	38.06
Additions	34.58	-	-	34.58
Disposals	-	-	-	-
As at 31 March 2022	34.58	0.56	37.50	72.64
Amortisation				
As at April 1, 2020	-	0.56	-	0.56
Amortisation charge for the year	-	-	2.81	2.81
Disposals	-	-	-	-
As at March 31, 2021	-	0.56	2.81	3.37
Amortisation charge for the year	0.21	-	3.75	3.96
Disposals	-	-	-	-
As at 31 March 2022	0.21	0.56	6.56	7.33
Net carrying value :				
As at 31 March 2022	34.37	-	30.94	65.31
As at March 31, 2021	-	-	34.69	34.69

Acquisition cost incurred for the mining rights such as stamp duty, registration fees and other such costs have been capitalised as Intangible Assets from capital work in progress. The Company has received mining approval on March 01, 2022.

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7 Investments in joint ventures

a. Investments in equity shares (unquoted)

Investments in joint ventures (at cost)

	31 March 2022	31 March 2021
Mandakini Coal Company Limited	23.56	23.56
39,299,800 (March 31, 2021 : 39,299,800) Equity shares of Rs.10 each fully paid up		
MP Monnet Mining Company Limited	0.77	0.77
980,000 (March 31, 2021 : 980,000) Equity shares of Rs.10 each fully paid up		
Urtan North Mining Company Limited	5.75	5.75
5,751,347 (March 31, 2021 : 5,751,347) Equity shares of Rs.10 each fully paid up		
Total	30.08	30.08
Less: Aggregate amount of provision for impairment in the value of investments	(30.08)	(30.08)
Aggregate carrying unquoted value	-	-

8. Investments

8A. Non current Investments

a. Investments at fair value through OCI

Investment in equity shares (unquoted)

	31 March 2022	31 March 2021
Rameshwaram Steel & Power Private Limited	-	-
4,152,273 (March 31, 2021 : 4,152,273) Equity shares of Rs.10 each fully paid up		
Falcon Internal Forces and Fire Services Private Limited	-	-
1,000 (March 31, 2021 : 1,000) Equity shares of Rs.10 each fully paid up		
Monnet Engineering & Infrastructure P Limited	-	-
4,000 (March 31, 2021 : 4,000) Equity shares of Rs.10 each fully paid up		
Business India Publications Limited	-	-
100,000 (March 31, 2021 : 100,000) Equity shares of Rs.10 each fully paid up		
IFSL Limited	0.05	0.05
1,300,000 (March 31, 2021 : 1,300,000) Equity shares of Re.1 each fully paid up		
XL Energy Limited	*	*
166,808 (March 31, 2021 : 166,808) Equity shares of Rs.10 each fully paid up		
Bellary Steel and Alloys Limited	0.15	0.15
803,243 (March 31, 2021 : 803,243) Equity shares of Re.1 each fully paid up		
Neueon Towers Limited (formerly known as Sujana Tower Limited)	##	#
12,500 (March 31, 2021 : 12,500) Equity shares of Rs.10 each fully paid up		

Investment in equity shares (quoted)

Kamanwala Housing Construction Limited	0.08	0.03
63,343 (March 31, 2021 : 63,343) Equity shares of Rs.10 each fully paid up		
Indiabulls Real Estate Limited	0.25	0.20
25,000 (March 31, 2021 : 25,000) Equity shares of Rs.10 each fully paid up		
RattanIndia Infrastructure Limited	0.34	0.04
73,750 (March 31, 2021 : 73,750) Equity shares of Rs.10 each fully paid up		
Yaarii Digital Integrated Services Limited (formerly known as Indiabulls Integrated Service Limited)	0.02	0.04
3,125 (March 31, 2021 : 3,125) Equity shares of Rs.10 each fully paid up		
Pioneer Investment Limited	0.08	0.06
23,392 (March 31, 2021 : 23,392) Equity shares of Rs.10 each fully paid up		
Grasim Industries Limited	0.25	0.22
1,500 (March 31, 2021 : 1,500) Equity shares of Rs.10 each fully paid up		
Aditya Birla Capital Limited	0.02	0.03
2,100 (March 31, 2021 : 2,100) Equity shares of Rs.10 each fully paid up		
Aditya Birla Fashion & Retail Limited	0.16	0.10
5,200 (March 31, 2021 : 5,200) Equity shares of Rs.10 each fully paid up		
Orrisa Sponge Iron & Steel Limited	-	-
NIL (March 31, 2021 : 1,994,633) Equity shares of Rs.10 each fully paid up		
Monnet Power Company Limited	-	-
220,101,460 (March 31, 2021 : 220,101,460) Equity shares of Rs.10 each fully paid up		
	1.40	0.92
Aggregate book value of quoted investments	1.20	0.72
Aggregate book value of unquoted investments	0.20	0.20
Aggregate market value of quoted investments	1.20	0.72
Aggregate market value of unquoted investments	0.20	0.20

* Rs.41,702 # Rs. 10,750 ## Rs. 45,625

8B. Current Investments

II. Investments at fair value through profit or loss (current)

SBI MF Magnum Tax Gain	0.27	0.25
55,123 (March 31, 2021 : 55,123) units		
Nippon India Mutual fund ETF liquid BeES	-	-
25 (March 31, 2021 : 25) units		
Total	1.67	1.17

Aggregate book value of unquoted investments

Aggregate market value of unquoted investments

	31 March 2022	31 March 2021
Aggregate book value of unquoted investments	0.27	0.25
Aggregate market value of unquoted investments	0.27	0.25

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9. Other financial assets (Non current) (Unsecured)

	31 March 2022	31 March 2021
Bank deposits (having maturity more than 12 months)*	78.59	59.19
Security deposits	26.29	6.30
	104.88	65.49
*Lien marked bank deposits	78.59	58.66

10. Current tax assets (net)

	31 March 2022	31 March 2021
Income tax paid (net of provision for tax)	66.97	61.70
Less: Provision for impairment	(57.40)	(57.39)
	9.57	4.31

11. Other non-current assets (Unsecured unless otherwise stated, considered good)

	31 March 2022	31 March 2021
Capital advances	15.64	14.20
Less: Provision for doubtful advances	(8.09)	
Other loans and advances (Unsecured unless otherwise stated, considered good)		
Advance to gratuity fund (refer note 41)	-	0.79
Advance to suppliers	4.69	4.69
Other advances	16.41	2.54
Total	28.65	22.22

12. Inventories

(Valued at the lower of cost and net realizable value)

	31 March 2022	31 March 2021
Raw materials {includes goods in transit Rs. 108.21 crores (31 March 2021: Rs. 37.74 crores)}	499.98	442.21
Work-in-progress	7.02	5.98
Finished goods	459.82	364.53
Stores and spares	144.85	113.60
	1,111.67	926.32
Less : Provision for impairment of inventory	(1.29)	(1.29)
Total	1,110.38	925.03

Note:

I. Inventories of Raigarh plant have been pledged as security against bank borrowings, refer note 21.

13. Trade receivables

	31 March 2022	31 March 2021
Trade receivables - Unsecured unless otherwise stated, considered good	254.40	188.67
Trade receivables which have significant increase in credit risk	0.58	0.58
Less: allowances for doubtful debts	(0.58)	(0.58)
Trade receivables – credit impaired	0.78	0.84
Less: allowances for doubtful debts	(0.78)	(0.84)
Total	254.40	188.67

Notes:

- The Credit period on sale of goods ranges from 30 to 120 days.
- Trade receivables of Raigarh Plant have been given as collateral towards borrowings refer note 21.
- For credit risk management regarding trade receivables refer note 47 (5).
- Trade receivables from related parties, have been disclosed in note 44.
- Trade receivables do not include any receivables from directors and officers of the Group.

Ageing of receivables from due date of payment

Particulars	31 March 2022						Total
	Not due	less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	73.19	181.21	-	-	-	-	254.40
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	-	0.58	-	-	0.58
(iii) Undisputed trade receivables - Credit impaired	-	-	-	0.78	-	-	0.78
Total	73.19	181.21	-	1.36	-	-	255.76

Particulars	31 March 2021						Total
	Not due	less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	170.50	17.70	0.09	0.03	0.35	-	188.67
(ii) Undisputed trade receivables which have significant increase in credit risk	-	-	0.58	-	-	-	0.58
(iii) Undisputed trade receivables - Credit impaired	-	-	0.69	0.15	-	-	0.84
Total	170.50	17.70	1.36	0.18	0.35	-	190.09

Movement in the expected credit loss allowance

Particulars	31 March 2022	31 March 2021
Balance at the beginning of the year	1.42	0.15
Change in loss allowance (net of those derecognised due to settlement)	(0.06)	1.27
Balance at the closing of the year	1.36	1.42

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14. Cash and bank balances

14A. Cash and cash equivalents :

	31 March 2022	31 March 2021
Balances with banks		
In current accounts	59.37	13.44
Cash on hand	0.06	0.08
Total	59.43	13.52

14B. Bank balances other than above

	31 March 2022	31 March 2021
Earmarked bank balances *	-	0.10
Other bank deposits with maturity more than 3 months but less than 12 months at inception	44.12	94.59
Other bank deposits with maturity more than 3 months but less than 12 months at inception (lien marked) #	35.90	21.70
Total	80.02	116.39

Notes:

* Earmarked bank balances pertaining to unclaimed dividend.

Other bank deposits are provided as collateral against credit facilities.

15. Derivative assets

	31 March 2022	31 March 2021
Forward contracts (refer note 47)	0.94	0.23
Total	0.94	0.23

16. Loans (unsecured)

	31 March 2022	31 March 2021
Loans		
- to related parties* (refer note 44)	-	0.15
- to others	-	-
Less: allowance for doubtful loans	-	(0.15)
Total	-	-

* Loans are given for business purpose

Note :

Loans receivable - Unsecured unless otherwise stated, considered good

17. Other financial assets (current)

	31 March 2022	31 March 2021
Interest accrued on deposits and loans	2.82	2.06
Other receivables	16.75	12.73
Total	19.57	14.79

18. Other current assets

	31 March 2022	31 March 2021
Advances to suppliers	241.33	239.92
Less: Provision for doubtful advances	(3.79)	-
Prepaid expenses	8.26	12.57
Indirect tax balances	16.41	21.42
Less: Provision for impairment	(1.01)	(1.01)
Advance to employees	0.63	0.35
Others	18.01	10.47
Total	279.84	283.72

CREIXENT SPECIAL STEELS LIMITED**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****19. Equity share capital**

Particulars	31 March 2022		31 March 2021	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised:				
Equity shares of the par value Rs. 10 each	15,000,000	15.00	15,000,000	15.00
(b) Issued and subscribed				
Equity shares of Rs. 10 each, fully paid up	10,000,000	10.00	10,000,000	10.00
	10,000,000	10.00	10,000,000	10.00

(c) Reconciliation of number of shares outstanding at the beginning and at the end of the period/ year

Outstanding as at the 31 March 2020		10,000,000	10
Add: changes during the year		-	-
Outstanding as at the 31 March 2021		10,000,000	10
Add: changes during the year		-	-
Outstanding as at the 31 March 2022		10,000,000	10

(d) Rights, preferences and restrictions attached to equity shares

The Company has single class of equity shares. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Shareholders holding more than 5% shares in the Company are set out below:

Particulars	31 March 2022		31 March 2021	
	No. of Shares	% of shares	No. of Shares	% of shares
JSW Steel Limited	4,800,000	48.00%	4,800,000	48.00%
AION Investments Private II Limited	4,186,606	41.87%	5,190,642	51.91%
JTPM Atsali Limited	1,013,394	10.13%	-	-

(f) Promoters' shareholding as on 31 March 2022:

Promoter Name	No. of shares	% of total shares	% Change during the year
JSW Steel Limited	4,800,000	48.00%	-
AION Investments Private II Limited	4,186,606	41.87%	-19.34%
JTPM Atsali Limited	1,013,394	10.13%	100.00%

CREIXENT SPECIAL STEELS LIMITED**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****20. Other equity**

	31 March 2022	31 March 2021
I. Reserves and surplus		
a) Retained earnings	(516.85)	(436.45)
b) Fair valuation difference on financial instruments	44.96	44.96
c) Capital reserve on bargain purchase	475.80	475.80
II. Other comprehensive income		
a) Foreign currency translation reserve	(1.22)	(0.82)
b) Equity instruments through other comprehensive income	1.34	0.14
	4.04	83.63

a) Retained earnings

Retained earnings are the profits or losses that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the group.

b) Fair valuation difference on financial instruments

The Group has issued Redeemable Preference Shares (RPS) during the period ended 31 March 2019. The Group has computed the liability portion of RPS as the present value of the contractual obligations associated with the instrument and the difference between the issue amount of the RPS and the liability so computed has been treated as the 'Fair valuation difference on financial instruments issued to owners' and grouped under other equity.

c) Capital reserve on bargain purchase

The reserve is created pursuant to the acquisition of business being the difference of liabilities and assets acquired.

d) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

e) Equity instruments through other comprehensive income

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

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21. Borrowings
(measured at amortized cost)

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
A. Long term borrowings				
a. Term loans				
i. Secured				
From banks	1,712.77	2,166.63	107.50	44.22
From a financial institution	418.50	-	22.50	-
Less: Unamortised upfront fees on borrowing	(16.39)	(18.30)	-	-
Net	2,114.88	2,148.33	130.00	44.22
ii. Unsecured				
From a related party	126.80	127.78	2.00	0.25
Total (A)	2,241.68	2,276.11	132.00	44.47
b. Non-convertible debentures (unsecured)				
Non-convertible debentures redeemable at par	186.30	186.30	-	-
c. Liability component of financial instruments (unsecured)				
0.01% cumulative non-convertible redeemable preference shares	310.32	310.32	-	-
Total (A)	2,738.30	2,772.73	132.00	44.47
B. Short term borrowings				
a. Short term loan				
i. Unsecured				
From a related party	-	-	89.50	89.50
b. Working capital facility				
Secured				
From a bank	-	-	212.38	135.23
Total (B)	-	-	301.88	224.73
Total (A+B)	2,738.30	2,772.73	433.88	269.20

The statement of net current assets filed by the Company with bank is in agreement with the books of accounts.

Terms of borrowings

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	31 March 2022	31 March 2021			
Non-convertible debentures	186.30	186.30	0.01%	N.A.	0.01% non-convertible debentures (NCDs) of Rs.1,000,000 each aggregating to Rs.186.30 crores and are redeemable on 28 August 2025 at a fixed premium of Rs.5.20 crores and a variable premium such that yield on the redemption principal and fixed premium is equal to the redemption YTM of 12% p.a.
0.01% Preference share capital	310.32	310.32	0.01%	N.A.	A. 0.01% redeemable preference shares-1 (RPS-1) having face value of Rs.10 each aggregating to Rs.171.97 crores and are redeemable on 27 August 2038 at a fixed premium of Rs.4.80 crores and a variable premium such that yield on the redemption principal and fixed premium is equal to the redemption YTM of 12% p.a. B. 0.01% redeemable preference shares-2 (RPS-2) having face value of Rs.10 each aggregating to Rs.198.30 crores and are redeemable on 27 August 2038 at a variable premium such that yield on the redemption premium is equal to the redemption YTM of 10% p.a.
Rupee loans from banks	1,820.27	2,210.85	8.35%	Secured by first charge on all immovable and movable fixed assets (present & future) of the Raigarh plant and second charge on all current assets of the Raigarh plant.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement, i.e. 31 August 2018.
Loan from a related party (Unsecured)	128.80	128.03	SBI 1 year MCLR + 200 bps or 10% whichever is higher	N.A.	A. Loan amounting to Rs. 125 crore repayable in 9 equal annual instalments of Rs. 13.89 Crore, starting from 31 August 2024 and ending at 31 August 2032. B. Loan amounting to Rs.2.00 crores is repayable on 06 November 2022. C. Loan amounting to Rs.0.78 crores is repayable on 27 August 2023. D. Loan amounting to Rs.0.12 crores is repayable on 23 August 2024. E. Loan amounting to Rs.0.65 crores is repayable on 11 January 2025.
Short term loan from a related party (Unsecured)	89.50	89.50	SBI 1 year MCLR + 200 bps or 10% whichever is higher	N.A.	On demand
Working capital facility	212.38	135.23	1 Year MCLR	Secured by first charge on entire current assets (both present and future) of the Raigarh plant and second charge on all immovable and movable fixed assets of a subsidiary of the Group.	
Long term loan from a financial institution (Secured)	441.00	-	8.20%	Secured by first charge on all immovable and movable fixed assets (present & future) of the Raigarh plant and second charge on all current assets of the Raigarh plant.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement, i.e. 31 August 2018.

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22. Lease liabilities

Lease liabilities (refer note-42)

Total

Non-current		Current	
31 March 2022	31 March 2021	31 March 2022	31 March 2021
26.93	27.16	0.45	0.46
26.93	27.16	0.45	0.46

23. Provisions

Provision for employee benefits

Provision for gratuity (Refer note 41)

Provision for compensated absences (Refer note 41)

Total

Non-current		Current	
31 March 2022	31 March 2021	31 March 2022	31 March 2021
-	-	2.01	-
6.53	5.60	0.90	0.88
6.53	5.60	2.91	0.88

24. Trade payables

Acceptances

Other than acceptances

- total outstanding dues of micro and small enterprises; (refer note 46)

- total outstanding dues of creditors other than micro and small enterprises

Total

Note:

i. Acceptances include credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are interest-bearing and are payable within one year.

ii. Trade payables are non-interest bearing and are normally settled within 90 days except for SME's which are settled within 45 days.

iii. Trade payables from related parties details has been disclosed in note 44.

31 March 2022	31 March 2021
526.84	523.64
5.63	0.04
316.34	256.97
848.81	780.65

Ageing of payables based on the due date of payment

Particulars	31 March 2022						Total
	Unbilled	Not due	less than 1 years	1 -2 years	2 - 3 years	More than 3 years	
(i) MSME	-	5.63	-	-	-	-	5.63
(ii) Others	153.01	170.59	111.55	3.08	-	-	438.23
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Acceptances	-	404.95	-	-	-	-	404.95
Total	153.01	581.17	111.55	3.08	-	-	848.81

Particulars	31 March 2021						Total
	Unbilled	Not due	less than 1 years	1 -2 years	2 - 3 years	More than 3 years	
(i) MSME	-	0.04	-	-	-	-	0.04
(ii) Others	171.45	12.34	66.15	3.64	3.39	-	256.97
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
(v) Acceptances	-	523.64	-	-	-	-	523.64
Total	171.45	536.02	66.15	3.64	3.39	-	780.65

For explanations on the Company's credit risk management processes, refer to Note 47.5

25. Derivative Liabilities

Forward contracts (refer note - 47.4)

31 March 2022	31 March 2021
0.87	2.23
0.87	2.23

26. Other financial liabilities

Interest accrued but not due on borrowings

Payable for capital projects

Acceptances

Other than acceptances

Security deposits and retention money

Unclaimed dividends

Premium on redemption of non-convertible debentures

Premium on redemption of preference shares

Others

Non-current		Current	
31 March 2022	31 March 2021	31 March 2022	31 March 2021
49.12	34.18	22.70	13.10
-	-	11.45	30.75
-	-	22.14	15.98
-	-	12.77	13.28
-	-	0.01	0.11
97.55	66.17	-	-
177.95	121.83	-	-
-	-	23.87	30.41
324.62	222.18	92.94	103.63

27. Other current liabilities

Advance from customers

Statutory dues

Export obligation deferred Income

31 March 2022	31 March 2021
49.20	68.27
44.43	36.30
-	5.43
93.63	110.00

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28. Income taxes

Pursuant to the Taxation law (Amendment) Ordinance, 2019 subsequently amended in Finance Tax issued by ministry of Law and Justice on 20 September 2019 which was effective 1 April 2019 domestic Companies have the option to pay corporate income tax at 22% plus applicable surcharge and cess subject to certain conditions. The Companies of the Group basis the impact assessment of Ordinance has decided to continue with the existing tax structure. MAT is assessed on book profits adjusted for certain items allowed under the income tax provisions. The rate of MAT for the year ended 31 March 2020 is 21.34%. MAT paid in excess of regular income tax during a year can be set off against regular income taxes within a period of fifteen year in which MAT credit arises subject to the limits prescribed.

A. Income tax expense

Current tax		
Current tax	-	-
Deferred tax		
Deferred tax	-	-
MAT credit entitlement	-	-
Total tax	-	-

Reconciliation of tax expense and the accounting profit

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(Loss)/profit before tax	(79.37)	127.62
Enacted tax rate in India*	34.94	34.94
Expected tax benefit at statutory tax rate	(19.81)	50.84
Effect of different tax rates of subsidiaries in other jurisdictions	7.92	6.25
Expenses not deductible in determining taxable profits	-	-
Income exempt from taxation	-	-
Deferred tax assets not recognised	10.58	(65.93)
Total	(1.31)	(8.84)
Effective tax rate	1.65%	-6.93%

* For enacted tax rate in India, the tax rate applicable to significant component of the Group i.e., JSW Ispat Special Products Limited has been considered.

The Group has not recognised MAT credit amounting to Rs.18.25 crores (Rs.2.42 crores relating to AY 2010-11 and Rs.15.83 Crores relating to AY 2014-15) pertaining to the business acquired during the period due to uncertainty regarding utilisation within the stipulated period of 15 years.

B. Deferred tax liabilities (net)

Deferred tax balance in relation to	As at 31 March 2021	Recognised / (reversed) through profit and loss	Recognised / (reversed) through other comprehensive loss	As at 31 March 2022
Property, plant and equipment	(395.69)	(24.28)	-	(419.97)
Intangible assets	(12.12)	1.31	-	(10.81)
Carried forward business loss / unabsorbed depreciation	379.14	25.74	-	404.88
Derivatives	0.70	(0.70)	-	-
Provision for impairment of inventory/trade receivables and loans	14.25	9.45	-	23.70
Provision for employee benefits expense and trade payable	0.76	(10.59)	-	(9.83)
Equity component of financial instruments	(13.33)	-	-	(13.33)
Premium accrued on liability component of financial instruments	13.32	-	-	13.32
Lease obligations	0.12	0.05	-	0.17
Unamortised upfront fees on borrowings	0.73	0.33	-	1.06
Total deferred tax (liabilities)/ assets	(12.12)	1.31	-	(10.81)

Deferred tax balance in relation to	As at 31 March 2020	Recognised / (reversed) through profit and loss	Recognised / (reversed) through other comprehensive loss	As at 31 March 2021
Property, plant and equipment	(346.75)	(48.94)	-	(395.69)
Intangible assets	(13.10)	0.98	-	(12.12)
Carried forward business loss / unabsorbed depreciation	328.36	50.78	-	379.14
Derivatives	(2.64)	3.34	-	0.70
Provision for impairment of inventory/trade receivables and loans	18.28	(4.03)	-	14.25
Provision for employee benefits expense and trade payable	1.72	(0.96)	-	0.76
Equity component of financial instruments	(13.98)	0.65	-	(13.33)
Premium accrued on liability component of financial instruments	6.11	7.21	-	13.32
Lease obligations	0.09	0.03	-	0.12
Unamortised upfront fees on borrowings	0.95	(0.22)	-	0.73
Total deferred tax (liabilities)/ assets	(20.96)	8.84	-	(12.12)

Expiry schedule of losses on which deferred tax assets is not recognised is as under:

Expiry of losses (as per local tax laws) - Financial year	2022-23	2023-24	2024-25	2025-26	5 years & Beyond	Indefinite	Total
Business losses	26.91	1,108.21	227.93	168.94	517.73	-	2,049.72
Unabsorbed depreciation	-	-	-	-	-	4,774.27	4,774.27
Long term capital losses	-	19.10	-	275.18	27.80	-	322.08
Total	26.91	1,127.31	227.93	444.12	545.53	4,774.27	7,146.07

Based on legal advice from an independent expert, the management is of the view that vide NCLT order dated July 24, 2018 in response to the Resolution Plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited for acquisition of Monnet Ispat and Energy Limited ("MIEL") under the Insolvency Bankruptcy Code, 2016 ("NCLT Order"), the Group will be entitled to carry forward the aforementioned accumulated losses of MIEL pertaining to the period prior to acquisition and off-set the same against the future taxable income of MIEL.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022
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29. Revenue from operations

	For the year ended 31 March 2022	For the year ended 31 March 2021
29A. Sale of products and services		
Sale of products	5,948.65	4,145.56
Sale of services	62.90	4.59
A	6,011.55	4,150.15
29B. Other operating income		
Sale of scrap	19.48	26.51
Insurance claim	3.19	-
Export incentives	26.44	11.09
B	49.11	37.60
Total (A+B)	6,060.66	4,187.75

The Group has assessed and determined the following categories for disaggregation of revenue:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from contracts with customer - Sale of products	5,948.65	4,145.56
Revenue from contracts with customer - Sale of services	62.90	4.59
Other operating revenue	49.11	37.60
Total revenue from contracts with customers	6,060.66	4,187.75
India	5,076.72	3,895.21
Outside India	983.94	292.54
Total revenue from contracts with customers	6,060.66	4,187.75
Timing of revenue recognition		
At a point in time	6,060.66	4,187.75
Over a period of time	-	-
Total revenue from contracts with customers	6,060.66	4,187.75

Breakup of revenue

Product Wise	For the year ended 31 March 2022	For the year ended 31 March 2021
Sponge Iron	1,425.17	1,265.12
Pellets	370.40	849.87
Structure/ TMT	715.57	872.21
Billets	1,937.74	432.09
Ferro Alloys	367.00	137.34
Pig Iron	589.58	490.06
Slab	408.62	-
Others	246.58	141.06
Total	6,060.66	4,187.75

Contract Balances

Particulars	As at	
	31 March 2022	31 March 2021
Trade receivables	254.40	188.67
Contract liabilities (Advance from customers)	49.20	68.27

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

The performance obligation is satisfied based on the terms of sale, normally, upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year Rs. 68.27 crores (previous year Rs. 16.97 crores).

Creixent Special Steels Limited**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****30. Other income**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Income earned on financial assets that are not designated as FVTPL		
Bank deposits	10.91	7.67
Other interest income	0.23	1.29
Rental income	1.32	1.50
Profit on sale of asset held for sale	6.10	
Fair value gain arising from financial instruments designated as FVTPL	2.09	0.23
Exchange fluctuation (net)	-	-
Liabilities no longer required written back	8.71	2.42
Other miscellaneous income	0.41	2.62
Total	29.77	15.73

31. Changes in inventories of finished goods, stock in trade and work-in-progress

	For the year ended 31 March 2022	For the year ended 31 March 2021
<u>Inventories at the beginning of the year</u>		
Finished goods	364.53	369.97
Work-in-process	5.98	4.95
Total Inventories at the beginning of the year (A)	370.51	374.92
<u>Inventories at the end of the year</u>		
Finished Goods	459.43	364.53
Work-in-process	7.02	5.98
Total Inventories at the end of the year (B)	466.45	370.51
Total (C = A-B)	(95.94)	4.41

32. Employee benefits expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and amenities	118.35	106.98
Contribution to provident fund and other funds (refer note 41)	6.54	6.55
Staff welfare expenses	4.83	2.05
Total	129.72	115.58

33. Finance Costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expenses on borrowings	249.35	253.90
Other ancillary borrowing costs	18.31	18.79
Premium on redemption of debentures	31.38	27.98
Premium on redemption of preference shares	56.12	58.89
Unwinding of interest on financial liabilities (carried at amortised cost)	3.00	3.00
Interest expense on lease liabilities (refer note 42)	0.23	0.23
Other charges	0.07	0.16
Total	358.46	362.95

34. Depreciation and amortisation expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipments (refer note 4)	216.74	222.77
Amortisation of intangible asset (refer note 6)	3.96	2.81
Depreciation of right of use assets (refer note 42)	0.79	0.22
Total	221.49	225.80

Creixent Special Steels Limited**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****35. Other expenses**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Stores and spares consumed	271.02	172.27
Distribution expenses	215.00	104.79
Wages & labour charges	61.85	50.93
Repairs & maintenance		
- Machinery	18.28	17.58
- Building	5.28	2.62
- Others	3.44	11.39
Legal & professional charges	15.27	12.15
Water charges	8.91	8.56
Insurance charges	11.18	9.75
Security service charges	7.46	6.61
Vehicle expenses	9.77	3.46
Lease rent & hire charges	0.46	1.00
Auditors' Remuneration		
- As Audit fees	0.53	0.47
- For limited review	0.24	0.24
- For tax matters	0.05	0.05
- For certification & other matters	0.04	0.02
- Reimbursement of expenses	-	0.01
Foreign exchange fluctuation (net)	2.80	4.30
Fair value gain arising from financial instruments designated as FVTPL	0.87	9.89
Allowance for doubtful debts	0.62	0.58
Loss on sale of property, plant and equipment	1.42	4.66
Balances written off	-	9.01
Allowance for doubtful advances	-	0.14
Miscellaneous expenses	44.13	18.53
	678.62	449.01

Corporate Social Responsibility (CSR)

	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Amount required to be spent by the Company during the year	-	-
(b) Amount of expenditure incurred	0.47	0.75
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities	NA	NA
(g) Details of related party transaction	NA	NA
(h) Movement in provision made	NA	NA

Creixent Special Steels Limited

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022

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36. Exceptional Items (net)

	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Gain on settlement of loan outstanding with a bank (note 1)	-	275.90
ii. Gain on settlement of Interest outstanding on loan as mentioned above (note 1)	-	42.60
iii. Loss towards reassessment of realizable value (note 2)	-	(22.58)
iv. Gain on forfeiture of advance received from a buyer (note 3)	-	18.61
	-	314.53

Notes:

1. Gain of Rs. 318.50 Crore on settlement of loan outstanding of Rs. 294.29 Crore and interest due thereon of Rs. 42.60 Crore at Rs. 18.39 Crore, pursuant to a settlement agreement entered into with its lender.

2. Loss of Rs. 22.58 Crore towards reassessment of realizable value of assets held for sale pursuant to agreement entered into for sale of a subsidiary.

3. Gain of Rs. 18.61 Crore on forfeiture of advance received from buyer pursuant to cancellation of agreement entered into for sale of a subsidiary.

Creixent Special Steels Limited
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37. Earnings per share (EPS)

Particulars	31 March 2022	31 March 2021
(Loss)/ Profit for the year as per Statement of Profit & Loss attributable to equity shareholders [A] (Rs. in crores)	(78.83)	28.27
Weighted average number of equity shares in calculating basic EPS (In Nos.) [B]	10,000,000	10,000,000
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS [C]	10,000,000	10,000,000
Earnings per equity share in Rs.		
Basic [A/B]	(78.83)	28.27
Diluted [A/C]	(78.83)	28.27
Face value of each equity share in Rs.	10	10

38. Held for sale

Particulars	31 March 2022	31 March 2021
Investment in equity shares of Monnet Ecomaister Enviro Private Limited (refer note I below)	0.001	0.001
Assets of PT Sarwa Sembada Karya Bumi (refer note II below)	-	7.37
Aircraft (refer note III below)	-	4.90
Total assets	-	12.27
Liabilities		
Liabilities of PT Sarwa Sembada Karya Bumi (refer note III below)	-	0.02
Total liabilities	-	0.02

Notes:

I. A subsidiary of the Group had entered into a non-binding MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having an gross carrying value of Rs.14.21 crores (provision of Rs. 14.21 crores, hence net book value is zero) for a total consideration of Rs. 10,000 (Rupees Ten Thousand). Accordingly, the Group had measured the said investment at lower of its carrying amount and fair value less costs to sell and classified it as held-for-sale.

II. The board meeting held on 21 October 2019 , resolution was passed to sale entire stake in PT Sarwa Sembada Karya Bumi. Accordingly, the Group has re-classified its assets and liabilities as held for sale.

On 29 March 2022, Monnet Global Limited (MGL) sold its investments held in PT Sarwa Sembada Karya Bumi ('PT Sarwa'), a subsidiary of MGL. Consequent to the above PT Sarwa ceased to be a subsidiary of MGL and the Group from that date.

III. The Group upon approval of plan to sell off properties in their present condition by the Board of directors, had re-classed advance to properties as held for sale at their fair value less cost to sell and had recognised an impairment loss of Rs.1.80 crore. Since the Company to whom the advance was given is under insolvency proceedings, the Group has filed its claim and awaits the court order.

IV. In the Board Meeting held on 19 January 2021, the Board had approved to sell the aircraft. Accordingly, the Group had entered into a letter of intent with Nav Durga Aviation Private Limited on 6 October, 2020 and had measured the aircraft at lower of its carrying amount or fair value less costs to sell and had classified it as held-for-sale. The Group has received the consideration in current year and has accordingly recognised sale.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

39. Disclosure of investments in subsidiaries:

Name	Country of Incorporation	Ownership interest of Creixent Special Steels Limited		Principal Activity
		As at 31 March 2022	As at 31 March 2021	
Monnet Global Limited (MGL)	U.A.E.	48.12%	48.12%	Manufacturing company
JSW Ispat Special Products Limited (formerly known as Monnet Ispat and Energy Limited)	India	48.12%	48.12%	Manufacturing company
Monnet Cement Limited	India	48.12%	48.12%	Manufacturing company
Mivaan Steels Limited (MSL) (w.e.f. 24th February 2022)	India	48.12%	NA	Manufacturing company
Pt. Sarwa Sembada Karya Bumi (subsidiary of MGL) (upto 29th March 2022)	Indonesia	Nil	48.12%	Mining company
LLC Black Sea Natural resources	Republic of Abkhazia	48.12%	48.12%	Mining company

Accumulated balances of Non-controlling interests

	As at 31 March 2022	As at 31 March 2021
JSW Ispat Special Products Limited	502.19	497.83
Pt. Sarwa Sembada Karya Bumi (subsidiary of MGL)	-	(1.13)

Total comprehensive loss allocated to material Non-controlling interests

	As at 31 March 2022	As at 31 March 2021
JSW Ispat Special Products Limited	4.36	(53.17)
Monnet Global Limited	-	(1.05)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised Statement of Profit and loss for the year ended 31 March 2022 and 31 March 2021

	Monnet Global Limited (Consolidated)	JSW Ispat Special Products Limited	Monnet Global Limited (Consolidated)	JSW Ispat Special Products Limited
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
Total revenue from operations	0.73	6,060.65	-	4,187.74
Expenses	1.24	6,081.60	2.85	4,305.72
Profit / (loss) before tax and exceptional items for the year	(0.51)	9.18	0.01	(104.99)
Exceptional items	-	-	314.53	-
Income tax	-	-	-	-
(Loss) / profit for the year	(0.51)	9.18	(314.52)	(104.99)
Total comprehensive (loss) / income	(0.51)	8.41	(314.54)	(102.48)
Attributable to non-controlling interests	-	4.36	(1.05)	(53.17)
Dividends paid to non-controlling interests	-	-	-	-

Summarised Balance sheet as at 31 March 2022 and 31 March 2021

	Monnet Global Limited (Consolidated)	JSW Ispat Special Products Limited	Monnet Global Limited (Consolidated)	JSW Ispat Special Products Limited
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
Current assets	9.42	1,803.10	9.22	1,550.90
Non-current assets	-	3,380.08	-	3,436.46
Current liabilities	0.26	1,468.80	1.01	1,263.58
Non-current liabilities	57.12	2,322.46	55.95	2,340.27
Total equity	(47.96)	1,391.92	(46.62)	1,383.51
Attributable to:				
Equity holders of parent	(47.96)	889.73	(45.49)	885.68
Non-controlling interest	-	502.19	(1.13)	497.83

Summarised Cash flow statement as at 31 March 2022 and 31 March 2021

	Monnet Global Limited (Consolidated)	JSW Ispat Special Products Limited	Monnet Global Limited (Consolidated)	JSW Ispat Special Products Limited
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
Operating	0.20	276.32	18.07	387.93
Investing	-	(121.75)	(16.85)	(82.52)
Financing	-	(115.96)	-	(329.38)
Net (decrease) / increase in cash and cash equivalents	0.20	38.61	1.22	(23.97)

Creixent Special Steels Limited

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022

(Amount in Rupees crores, unless otherwise stated)

40. Disclosure of significant investments in joint ventures

1) Disclosure of investment in the following joint ventures :

S.No.	Name	Country of Incorporation	Ownership Interest of Creixent Special Steels Limited (%)		Principal activity
			31 March 2022	31 March 2021	
1	Mandakini Coal Company Limited	India	16.04%	16.04%	Mining company
2	Urtan North Mining Company Limited	India	16.04%	16.04%	Mining company
3	MP Monnet Mining Company Limited	India	23.58%	23.58%	Mining company
4	Monnet Ecomaister Enviro Private Limited	India	24.06%	24.06%	Manufacturing of PS Balls

2) The group has no material joint venture. Hence, the financial information of such joint ventures has not been disclosed.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022
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41. Employee benefit plans

Defined Contribution Plans

The Group operates defined contribution retirement benefit plans for all qualifying employees. Under these plans, the Group is required to contribute a specified percentage of payroll costs.

Group's contribution to provident fund & family pension scheme recognised in statement of profit and loss of Rs.6.54 crores (31 March 2021 - Rs.6.55 crores) (refer note 32).

Contribution towards Group owned trust is detailed in Defined benefit plans.

Defined Benefit Plans

The Group sponsors funded defined benefit plans for all qualifying employees. The level of benefits provided depends on the member's length of service and salary at retirement age.

The gratuity plan is covered by The Payment of Gratuity Act, 1972. Under the gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days' salary for each year of service until the retirement age of 60. The vesting period for gratuity as payable under The Payment of Gratuity Act, 1972 is 5 years.

The fund is managed by Monnet Ispat & Energy Employees Group Gratuity Trust and it is governed by the Board of trustees. The Board of trustees are responsible for the administration of the plan assets and for defining the investment strategy.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, Asset liability matching risk, mortality risk, concentration risk and salary risk.

Investment risk	The present value of the defined benefit plan liability 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 asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2022 by Independent, Qualified Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(I) Gratuity

Changes in the present value of the defined benefit obligation are, as follows:

	31 March 2022	31 March 2021
Defined benefit obligation ('DBO') at the beginning of the period	16.71	17.27
Current service cost	1.48	1.70
Interest cost	1.14	1.19
Benefits paid	(1.76)	(1.84)
Actuarial (gain)/ loss on obligations - OCI	2.71	(1.61)
Defined benefit obligation at the end of the period	20.28	16.71

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Changes in the fair value of plan assets are, as follows:

	31 March 2022	31 March 2021
Fair value of plan assets at the beginning of the period	17.50	17.21
Contribution by employer	1.90	0.50
Benefits paid	-1.76	(1.84)
Expected Interest Income on plan assets	1.20	1.19
Actuarial gain/(loss) on plan asset	-0.57	0.44
Fair value of plan assets at the end of the period	18.27	17.50

Reconciliation of fair value of plan assets and defined benefit obligation:

	31 March 2022	31 March 2021
Fair value of plan assets	18.27	17.50
Defined benefit obligation	20.28	16.71
Amount recognised in the balance sheet (refer note 23 and 11)	2.01	(0.79)

Amount recognised in Statement of Profit and Loss:

	31 March 2022	31 March 2021
Current service cost	1.48	1.70
Interest expense	1.14	1.19
Expected return on plan asset	(1.20)	(1.19)
Amount recognised in Statement of Profit and Loss	1.42	1.70

Amount recognised in other comprehensive income

	31 March 2022	31 March 2021
Actuarial changes arising from changes in demographic assumptions	(0.16)	0.07
Actuarial changes arising from changes in financial assumptions	(1.89)	(0.04)
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	0.44
Experience adjustments	(0.65)	1.58
Amount recognised in other comprehensive (loss) / income	(3.27)	2.05

The major categories of plan assets of the fair value of the total plan assets are as follows:

	31 March 2022	31 March 2021
	Funded	Funded
Gratuity		
Investment Details		
Investment with Insurance fund	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31 March 2022	31 March 2021
Discount rate	6.90%	6.86%
Expected rate of return on Plan assets	6.90%	6.86%
Future salary increases	8.80%	7.00%
Attrition Rate	8.40%	4.00%
Retirement age	60 years	60 years
Mortality rate during employment	Indian assured lives mortality (2006-08) ult	Indian assured lives mortality (2006-08) ult

Sensitivity analysis:-

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions are:-

Gratuity Plan	Sensitivity level		Impact on DBO	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Assumptions				
Discount rate	+ 1%	+ 1%	(1.22)	(1.16)
	- 1%	- 1%	1.37	1.32
Future salary increases	+ 1%	+ 1%	1.33	1.31
	- 1%	- 1%	(1.21)	(1.17)
Withdrawal rate	+ 1%	+ 1%	(0.17)	(0.04)
	- 1%	- 1%	0.18	0.04

The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be correlated.

Creixent Special Steels Limited**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****The following are the maturity analysis of projected benefit obligations:**

	31 March 2022	31 March 2021
Within the next 12 months (next annual reporting year)	1.81	2.16
Between 2 and 5 years	7.87	4.56
Beyond 5 years	24.74	24.35
Total expected payments	34.42	31.07

Each year an asset liability matching study is performed in which the consequences of the strategic investment policies are analysed in terms of risk and return profiles.

The Group is expected to contribute Rs.2.01 crores to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

(II) Compensated absences

The Group has a policy on compensated absences with provisions on accumulation and encashment by the employees during employment or on separation from the Group due to death, retirement or resignation. The expected cost of compensated absences is determined by actuarial valuation performed by an independent actuary at the balance sheet date.

Compensated Absences

	31 March 2022	31 March 2021
Present value of unfunded obligation (Rs. in crores) (refer note 23)	7.43	6.48
Expenses recognised in Statement of profit and loss (Rs. in crores)	0.95	1.06
Discount rate (p.a.)	6.90%	6.86%
Salary escalation rate (p.a.)	7.00%	7.00%

Creixent Special Steels Limited**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****42. Leases****Operating Lease commitments - Group as lessee**

Lease payments of Re.0.46 crore (31 March 2021 - Rs.1 crores) have been recognized as an expense in the statement of profit and loss.

Lease - Group as a lessee

	31 MARCH 2022	31 MARCH 2021
a. Right of use asset recognised in the balance sheet	43.05	43.84
b. Lease liability recognised in the balance sheet (refer note 22)	27.38	27.62
c. Depreciation charged to the statement of profit or loss		
- Land (refer note 34)	0.79	0.34
d. Interest charged to the statement of profit or loss (refer note 33)	0.23	0.23
e. Lease payments recognised as expense for the underlying asset is of low value	-	-
f. Lease payments recognised as expense for short term leases	0.46	1.00
g. Total cash flow for leases	0.48	0.48
h. Carrying value of the right of use assets		
- Land	43.05	43.84
- Building	-	-
i. Amounts of lease commitments for leases covered other than in point e & f above		
- Not later than one year	0.45	0.46
- Later than one year and not later than five years	1.68	1.71
- Later than five years	25.24	25.45
j. Amounts of lease commitments for leases covered in point e & f above		
- Not later than one year	0.46	0.13
- Later than one year and not later than five years	-	-
- Later than five years	-	-

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the Balance sheet on 1 April, 2019 is ranging between 9.5% to 10%.

43. Commitments and contingencies**(a) Commitments**

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) of Rs.42.19 crores (31 March 2021 - Rs.47.59 crores)

(b) Contingent Liabilities

	31 March 2022	31 March 2021
bank guarantees	70.87	104.41
Claim against the Company not acknowledge as debt	52.00	52.00

Notes:

Pursuant to the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal on 24 July 2018 (Order date) approved (with modifications), the Resolution Plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited read with the independent legal opinion obtained by the Group and the recent judgment of Supreme Court of India, all contingent liabilities, commitments, other claims and obligations including all taxes and other government dues standing as on the effective date (i.e. 31 August 2018) and not part of the Resolution Plan, shall stand extinguished.

The Group has already recognised its share of losses equivalent to its interest in the joint ventures and hence, the group has no further exposure. Accordingly, the share in the contingent liability of the joint ventures amounting to Rs. 1.30 crores (as at 31 March 2021 Rs.1.30 crores) is not reckoned with by the Group.

Creixent Special Steels Limited

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022

(Amount in Rupees crores, unless otherwise stated)

44. Related party disclosures

A. List of related parties

(a) The investing party in respect of which the reporting enterprise is a joint venture

1	JSW Steel Limited
2	AION Investments Private II Limited
3	JTPM Atsali Limited (w.e.f 29 March 2022)

(b) Joint ventures

1	Mandakini Coal Company Limited
2	Urtan North Mining Company Limited
3	MP Monnet Mining Company Limited
4	Monnet Ecomaister Enviro Private Limited
5	Solace Land Holding Limited

(c) Key managerial personnel (KMP) :-

i) Director

1	Mr. Nikhil Gahotra - Director
2	Mr. Seshagiri Rao M.V.S. - Director (Upto 26 November 2021)
3	Mr. Naresh Kumar Hashmat Rai Lalwani (w.e.f. 19 January 2022)
4	Mr. Kaushik Subramaniam - Director (w.e.f. 20 January 2021)
5	Mrs. Anuradha Bajpai - Independent director
6	Mr. Chirag Bhansali - Independent director

ii) Chief Executive Officer

Mr. Suresh N Prasad - (w.e.f. 14 May 2021)

iii) Chief Financial Officer

Mr. Keshav Anand

iv) Company Secretary

Mr. Shyam Dikkatwar - Company Secretary (upto 14 June 2021)
Ms. Arpita Kapoor - Company Secretary (w.e.f. 28 June 2021 to 29 Sept 2021)
Ms. Snigdha Tripathi - Company Secretary (w.e.f. 19 October 2021)

(d) Other related parties

1	JSW Steel Coated Products Limited
2	GSI Lucchini S.P.A
3	Amba River Coke Limited
4	Bhushan Power and Steel Limited (w.e.f. 26 March 2021)
5	JSW Techno Projects Management Limited
6	JSW Steel USA Ohio Inc.
7	JSW Steel Italy Piombino S.P.A.

(e) Post-employment benefit entity

Monnet Ispat & Energy Employees Group Gratuity Trust

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022
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B. The following transactions were carried out with related parties in the ordinary course of business:-

Related party transactions		The investing party in respect of which the reporting enterprise is a joint venture	Joint Ventures	Other related parties
Sales of goods				
JSW Steel Limited	31 March, 2022	459.55	-	-
	31 March, 2021	157.71	-	-
JSW Techno Projects Management Limited	31 March, 2022	-	-	-
	31 March, 2021	-	-	94.45
Bhushan Power and Steel Limited	31 March, 2022	-	-	167.62
	31 March, 2021	-	-	11.36
JTPM Atsali Limited	31 March, 2022	-	-	4.71
	31 March, 2021	-	-	5.04
JSW Steel Italy Piombino S.P.A.	31 March, 2022	-	-	483.32
	31 March, 2021	-	-	-
JSW Steel USA Ohio Inc.	31 March, 2022	-	-	83.66
	31 March, 2021	-	-	-
Loan taken				
JSW Steel Limited	31 March, 2022	0.77	-	-
	31 March, 2021	1.98	-	-
Loan given				
MP Monnet Mining Company Limited	31 March, 2022	-	0.01	-
	31 March, 2021	-	0.01	-
Interest accrued on Loan				
JSW Steel Limited	31 March, 2022	25.82	-	-
	31 March, 2021	25.24	-	-
Purchase of raw material / stores / fixed assets				
JSW Steel Limited	31 March, 2022	778.01	-	-
	31 March, 2021	514.13	-	-
JSW Steel Coated Products Limited	31 March, 2022	-	-	1.83
	31 March, 2021	-	-	3.41
GCI Lucchini SPA	31 March, 2022	-	-	1.11
	31 March, 2021	-	-	1.13
Bhushan Power and Steel Limited	31 March, 2022	-	-	466.92
	31 March, 2021	-	-	-
Reimbursement of expenses incurred on our behalf				
JSW Steel Limited	31 March, 2022	0.50	-	-
	31 March, 2021	14.78	-	-
Bhushan Power and Steel Limited	31 March, 2022	-	-	1.75
	31 March, 2021	-	-	-
Reimbursement of expenses incurred by the Group				
JSW Steel Limited	31 March, 2022	8.31	-	-
	31 March, 2021	7.75	-	-
Bhushan Power and Steel Limited	31 March, 2022	-	-	0.71
	31 March, 2021	-	-	-
JSW Steel Coated Products Limited	31 March, 2022	-	-	-
	31 March, 2021	-	-	0.30
Amba River Coke Limited	31 March, 2022	-	-	-
	31 March, 2021	-	-	0.04
Premium on redemption of preference shares				
JSW Steel Limited	31 March, 2022	56.12	-	-
	31 March, 2021	58.89	-	-
Premium on redemption of debentures				
AION Investments Private II Limited	31 March, 2022	20.29	-	-
	31 March, 2021	27.98	-	-
JSW Steel Limited	31 March, 2022	11.09	-	-
	31 March, 2021	-	-	-
Interest on debentures				
AION Investments Private II Limited	31 March, 2022	0.01	-	-
	31 March, 2021	0.02	-	-
JSW Steel Limited	31 March, 2022	0.01	-	-
	31 March, 2021	-	-	-
Interest on preference shares				
JSW Steel Limited	31 March, 2022	0.04	-	-
	31 March, 2021	0.04	-	-

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Monnet Ispat & Energy Employees Group Gratuity Trust). During the year, the Group contributed Rs. 1.90 crores (March 2020 : Rs.0.50 crores)

Creixent Special Steels Limited
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C. Balances with related parties

		The investing party in respect of which the reporting enterprise is a joint venture	Joint Ventures	Other related parties
Loan given				
MP Monnet Mining Company Limited	31 March, 2022	-	-	-
	31 March, 2021	-	0.22	-
Mandakini Coal Company Limited	31 March, 2022	-	-	-
	31 March, 2021	-	6.41	-
Monnet Ecomaister Enviro Private Limited	31 March, 2022	-	-	-
	31 March, 2021	-	7.88	-
Loan taken				
JSW Steel Limited	31 March, 2022	218.30	-	-
	31 March, 2021	217.53	-	-
Trade and other payables				
JSW Steel Limited	31 March, 2022	2.56	-	-
	31 March, 2021	12.25	-	-
Bhushan Power and Steel Limited	31 March, 2022	-	-	171.42
	31 March, 2021	-	-	-
JSW Steel Coated Products Limited	31 March, 2022	-	-	-
	31 March, 2021	-	-	0.65
Amba River Coke Limited	31 March, 2022	-	-	0.17
	31 March, 2021	-	-	0.17
Interest payables				
JSW Steel Limited	31 March, 2022	68.24	-	-
	31 March, 2021	44.95	-	-
AION Investments Private II Limited	31 March, 2022	-	-	-
	31 March, 2021	0.01	-	-
Trade receivables				
JSW Steel Limited	31 March, 2022	187.16	-	-
	31 March, 2021	19.13	-	-
JSW Techno Projects Management Limited	31 March, 2022	-	-	-
	31 March, 2021	-	-	55.49
Advance to suppliers				
JSW Steel Limited	31 March, 2022	24.65	-	-
	31 March, 2021	-	-	-
JSW Steel Coated Products Limited	31 March, 2022	-	-	0.11
	31 March, 2021	-	-	0.05
Bhushan Power and Steel Limited	31 March, 2022	-	-	-
	31 March, 2021	-	-	0.81
Advance received				
Bhushan Power and Steel Limited	31 March, 2022	-	-	1.84
	31 March, 2021	-	-	0.42
JSW Steel Italy Piombino S.P.A.	31 March, 2022	-	-	1.79
	31 March, 2021	-	-	-
Other receivables				
JSW Steel Limited	31 March, 2022	1.39	-	-
	31 March, 2021	-	-	-
JSW Steel Coated Products Limited	31 March, 2022	-	-	0.30
	31 March, 2021	-	-	0.30
Payable for premium on redemption of preference shares not due				
JSW Steel Limited	31 March, 2022	177.95	-	-
	31 March, 2021	121.83	-	-
Payable for premium on redemption of debentures not due				
AION Investments Private II Limited	31 March, 2022	-	-	-
	31 March, 2021	66.17	-	-
JSW Steel Limited	31 March, 2022	97.55	-	-
	31 March, 2021	-	-	-
Preference share capital				
JSW Steel Limited	31 March, 2022	310.32	-	-
	31 March, 2021	310.32	-	-
Debentures				
JSW Steel Limited*	31 March, 2022	186.30	-	-
	31 March, 2021	-	-	-
AION Investments Private II Limited	31 March, 2022	-	-	-
	31 March, 2021	186.30	-	-

*JSW Steel has purchased non-convertible debentures amounting to Rs. 18,63,000 thousands issued by the Company from open market hence not disclosed as part of related party transactions.

JTPM Atsali Limited has purchased the equity shares issued by the Company aggregating to Rs. 10,134 thousands directly from AION Investments Private II Limited and IDBI Trusteeship Services Limited hence not disclosed as part of the related party transactions.

The Group maintains gratuity trust for the purpose of administering the gratuity payment to its employees (Monnet Ispat & Energy Employees Group Gratuity Trust). As on 31 March 2022, the fair value of plan assets was as Rs.18.27 crores. (As at 31 March 2021: Rs.17.50 crores).

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Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022

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D. Details relating to remuneration of Key Managerial Personnel

i) Remuneration of Key Managerial Personnel

	For the year ended 31 March 2022	For the year ended 31 March 2021
Short term employee benefits	0.55	0.44
Post employee benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payment	-	-
	0.55	0.44

ii) Directors sitting fees

Name of KMP	For the year ended 31 March 2022	For the year ended 31 March 2021
Ms. Anuradha Ambar Bajpai	0.11	0.05
Mr. Chirag Bhansali	0.01	0.01

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45. Segment information

The Group is in the business of manufacturing steel products and allied products having similar characteristics and reviewed by the chief operating decision maker for assessment of Group's performance and resource allocation. Accordingly, the Group has only one reportable operating segment as per Ind AS 108 - Operating segments.

Revenue from operations:

Particulars	For the year ended 31 March 2022	For the period ended 31 March 2021
Within India	5,076.72	3,895.21
Outside India	983.94	292.54
Total	6,060.66	4,187.75

Non current assets of the Group as at 31 March 2022 are located as follows:

Particulars	Within India	Outside India	Total
Property, plant and equipment	3,020.11	-	3,020.11
Capital work-in-progress	166.90	-	166.90
Right of use assets	43.05	-	43.05
Intangible assets	65.31	-	65.31
Other non-current assets	28.09	0.56	28.65
Current tax assets (net)	9.57	-	9.57
Financial assets	106.28	-	106.28
Total	3,439.31	0.56	3,439.87

Non current assets of the Group as at 31 March 2021 are located as follows:

Particulars	Within India	Outside India	Total
Property, plant and equipment	3,147.95	-	3,147.95
Capital work-in-progress	175.14	-	175.14
Right of use assets	43.84	-	43.84
Other Intangible assets	34.69	-	34.69
Other non-current assets	21.96	0.26	22.22
Current tax assets (net)	4.31	-	4.31
Financial assets	66.41	-	66.41
Total	3,494.30	0.26	3,494.56

46. Dues to Micro and Small Enterprises

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Group is given below:

Particulars	31 March 2022	31 March 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	5.63	0.04
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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 the MSMED Act 2006	-	-

Creixent Special Steels Limited**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022****(Amount in Rupees crores, unless otherwise stated)****47. Financial Instruments****47.1 Capital risk management**

The Group, being a capital intensive industry, its objective is to maintain a strong credit rating, healthy capital ratios and establish a capital structure that would maximise the return to stakeholders through optimum mix of debt and equity.

The Group monitors its capital using gearing ratio which is net debt to total equity. Net debt includes interest bearing loans and borrowings less cash and cash equivalents and bank balances.

The objective of the Group's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Group monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Group manages its capital structure and makes adjustments to it, based on underlying macro economic factors affecting business environment, financial market conditions and interest rates environment.

Particulars	31 MARCH 2022	31 MARCH 2021
Long term borrowings (including current maturities)	2,870.30	2,817.20
Short term borrowings	301.88	224.73
Total borrowings	3,172.18	3,041.93
Less: Cash and cash equivalents	59.43	13.52
Less: Bank balances other than cash and cash equivalents	80.02	116.39
Less: Bank deposits (having maturity more than 12 months)	78.59	59.19
Net debts	2,954.14	2,852.83
Total equity	14.04	93.63
Gearing ratio (Net debts/total equity)	210.41	30.47

(i) Equity includes all capital and reserves of the Group that are managed as capital.

(ii) Debt is defined as long term borrowings , current maturities and short term borrowings, as described in note 21.

47.2 Categories of financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2022

Particulars	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
Financial assets					
Current investments	-	-	0.27	0.27	0.27
Non-current investments	-	1.40	-	1.40	1.40
Trade receivables	254.40	-	-	254.40	254.40
Cash and cash equivalents	59.43	-	-	59.43	59.43
Bank balances other than cash and cash equivalents	80.02	-	-	80.02	80.02
Derivative instrument	-	-	0.94	0.94	0.94
Other financial assets	124.45	-	-	124.45	124.45
Total	518.30	1.40	1.21	520.91	520.91
Financial Liabilities					
Long term borrowings (including accrued premium payable on redemption)	3,013.80	-	-	3,013.80	3,177.54
Short term borrowings	433.88	-	-	433.88	433.88
Trade payables	848.81	-	-	848.81	848.81
Lease liabilities	27.38	-	-	27.38	27.38
Derivative liabilities	-	-	0.87	0.87	0.87
Other financial liabilities	142.06	-	-	142.06	142.06
Total	4,465.93	-	0.87	4,466.80	4,630.54

As at 31 March 2021

Particulars	Amortised Cost	FVTOCI	FVTPL	Total carrying value	Total fair value
Financial assets					
Current investments	-	-	0.25	0.25	0.25
Non-current investments	-	0.92	-	0.92	0.92
Trade receivables	188.67	-	-	188.67	188.67
Cash and cash equivalents	13.52	-	-	13.52	13.52
Bank balances other than cash and cash equivalents	116.39	-	-	116.39	116.39
Derivative assets	-	-	0.23	0.23	0.23
Other financial assets	80.28	-	-	80.28	80.28
Total	398.86	0.92	0.48	400.26	400.26
Financial Liabilities					
Long term borrowings (including accrued premium payable on redemption)	3,005.20	-	-	3,005.20	3,166.36
Short term borrowings	224.73	-	-	224.73	224.73
Trade payables	780.65	-	-	780.65	780.65
Lease liabilities	27.62	-	-	27.62	27.62
Derivative liabilities	-	-	2.23	2.23	2.23
Other financial liabilities	137.81	-	-	137.81	137.81
Total	4,176.01	-	2.23	4,178.24	4,339.40

47.3 Financial risk management objectives and policies

The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures, wherever required. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

47.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and FVTOCI investments.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations. The analysis for contingent liabilities is provided in Note 41.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table provides a breakup of the Company's fixed and floating rate borrowings:

Particulars	31 MARCH 2022	31 MARCH 2021
Fixed rate borrowings	937.62	496.62
Floating rate borrowings	2,510.06	2,733.31
Total borrowings	3,447.68	3,229.93
Total net borrowings	3,447.68	3,229.93
Add: Upfront fees	16.39	18.30
Total borrowings	3,464.07	3,248.23

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The following table demonstrates the sensitivity to change in interest rates, all other variables held constant :

	Increase/decrease in basis points	Effect on profit before tax
	INR Crores	
31 March 2022		
INR	+50	(12.55)
INR	-50	12.55
31 March 2021		
INR	+50	(13.67)
INR	-50	13.67

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

B. Foreign currency risk management

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates.

The Group's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies. Consequently, exposure to exchange rate fluctuations arises. Volatility in exchange rates affects the Company's revenue from export markets and the cost of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade portfolio.

A reasonably possible strengthening/weakening of the foreign currencies (USD / Euro) against INR would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit and loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates remain constant.

Exposure to currency risk

The carrying amounts of the Company's monetary assets and liabilities at the end of the reporting period are:

Currency Exposure as at 31 March 2022

Particulars	USD	EURO	INR	Total
Financial assets				
Current investments	-	-	0.27	0.27
Non current investments	-	-	1.40	1.40
Trade receivables	-	-	254.40	254.40
Cash and cash equivalents	9.42	-	50.01	59.43
Bank balances other than cash and cash equivalents	-	-	80.02	80.02
Derivative assets	0.94	-	-	0.94
Loans	-	-	-	-
Other financial assets	-	-	124.45	124.45
Total financial assets	10.36	-	510.55	520.91
Financial Liabilities				
Long term borrowings (including accrued premium payable on redemption)	-	-	3,013.80	3,013.80
Short term borrowings	-	-	433.88	433.88
Trade payables	278.33	0.10	570.38	848.81
Lease liabilities	-	-	27.38	27.38
Derivative liabilities	0.81	0.06	-	0.87
Other financial liabilities	0.30	10.78	130.98	142.06
Total financial liabilities	279.44	10.94	4,176.42	4,466.80

Currency Exposure as at 31 March 2021

Particulars	USD	EURO	INR	Total
Financial assets				
Current investments	-	-	0.25	0.25
Non current investments	-	-	0.92	0.92
Trade receivables	44.29	1.88	142.50	188.67
Cash and cash equivalents	1.83	-	11.69	13.52
Bank balances other than cash and cash equivalents	-	-	116.39	116.39
Derivative assets	0.23	-	-	0.23
Loans	-	-	-	-
Other financial assets	-	-	80.28	80.28
Total financial assets	46.35	1.88	352.03	400.26
Financial Liabilities				
Long term borrowings (including accrued premium payable on redemption)	-	-	3,005.20	3,005.20
Short term borrowings	-	-	224.73	224.73
Lease liabilities	180.31	-	600.34	780.65
Trade payables	-	-	27.62	27.62
Derivative liabilities	2.22	0.01	-	2.23
Other financial liabilities	2.44	27.26	108.11	137.81
Total financial liabilities	184.97	27.27	3,966.00	4,178.24

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The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Particulars	Increase		Decrease	
	31 MARCH 2022	31 MARCH 2021	31 MARCH 2022	31 MARCH 2021
Receivables				
USD/INR	0.47	0.46	(0.47)	(0.46)
Payables				
USD/INR	(0.58)	(0.41)	0.58	0.41
EURO/INR	-	(1.36)	-	1.36

The forward exchange contracts entered into by the Company and outstanding are as under:

a) USD

As at	Nature	No of contracts	Type	USD equivalent (\$ in million)	INR equivalent	MTM
31 March 2022	Liabilities	12	Buy	1.93	146.07	(0.81)
	Assets	9	Buy	1.59	120.68	0.67
	Assets	2	Sell	0.20	15.16	0.27
31 March 2021	Liabilities	11	Buy	1.88	138.04	(1.97)
	Assets	8	Buy	0.51	37.47	0.11
	Liabilities	8	Sell	0.64	47.34	(0.25)
	Assets	4	Sell	0.29	21.32	0.12

b) EURO

As at	Nature	No of contracts	Type	EURO equivalent (€ in million)	INR equivalent	MTM
31 March 2022	Liabilities	7	Buy	0.14	11.42	(0.06)
31 March 2021	Liabilities	1	Sell	0.02	1.88	(0.01)

Unhedged currency risk position

I) Amounts receivable in foreign currency

a) USD

	As at 31 March 2022		As at 31 March 2021	
	USD equivalent	INR equivalent	USD equivalent	INR equivalent
Cash & cash equivalents	0.12	9.42	0.02	1.83
Other recoverable	0.00004	0.003	0.10	7.39

II) Amounts payable in foreign currency

b) USD

	As at 31 March 2022		As at 31 March 2021	
	USD equivalent	INR equivalent	USD equivalent	INR equivalent
Trade Payables and other financial liabilities	0.15	11.58	0.10	7.25
Other Payables	-	-	0.01	1.01

b) EURO

	As at 31 March 2022		As at 31 March 2021	
	USD equivalent	INR equivalent	USD equivalent	INR equivalent
Other payables	-	-	0.32	27.26

The unhedged foreign currency exposure disclosed in table above does not include receivable/ payable in foreign currency, to the extent, covered by the outstanding derivative contracts.

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47.5 Credit risk management:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the Treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and/or other criteria, and are only made within approved limits. The management continually re-assess the Group's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the Balance Sheet date.

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Group does not have any significant concentrations of bad debt risk other than that disclosed in note 11.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as at the balance sheet date. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

B. Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties.

47.6. Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

Maturity pattern of financial assets and liabilities:

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 March 2022

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Current investment	0.27	-	-	0.27
Non current investment	-	-	1.40	1.40
Trade receivables	254.40	-	-	254.40
Cash and cash equivalents	59.43	-	-	59.43
Bank balances other than cash and cash equivalents	80.02	-	-	80.02
Derivative assets	0.94	-	-	0.94
Loans	-	-	-	-
Other financial assets	19.57	87.25	17.63	124.45
Total financial assets	414.63	87.25	19.03	520.91
Financial liabilities				
Long term borrowings (including accrued premium payable on redemption)	-	1,015.80	1,998.00	3,013.80
Short term borrowings	433.88	-	-	433.88
Lease liabilities	0.45	1.71	25.22	27.38
Trade payables	848.81	-	-	848.81
Derivative liabilities	0.87	-	-	0.87
Other financial liabilities	92.94	46.12	3.00	142.06
Interest and premium payout liability	204.40	1,010.15	2,762.57	3,977.12
Interest payout liability on leases	0.23	0.88	9.85	10.96
Total financial liabilities	1,581.58	2,074.66	4,798.64	8,454.88

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(Amount in Rupees crores, unless otherwise stated)

As at 31 March 2021

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Current investment	0.25	-	-	0.25
Non current investment	-	-	0.92	0.92
Trade receivables	188.67	-	-	188.67
Cash and cash equivalents	13.52	-	-	13.52
Bank balances other than cash and cash equivalents	116.39	-	-	116.39
Derivative assets	0.23	-	-	0.23
Loans	-	-	-	-
Other financial assets	14.79	59.19	6.30	80.28
Total financial assets	333.85	59.19	7.22	400.26
Financial liabilities				
Long term borrowings (including accrued premium payable on redemption)	44.47	834.78	2,125.95	3,005.20
Short term borrowings	224.73	-	-	224.73
Lease liabilities	0.46	1.71	25.45	27.62
Trade payables	780.65	-	-	780.65
Derivative liabilities	2.23	-	-	2.23
Other financial liabilities	103.63	-	34.18	137.81
Interest and premium payout liability	192.28	806.69	3,239.74	4,238.71
Interest payout liability on leases	0.23	0.88	10.06	11.17
Total financial liabilities	1,348.68	1,644.06	5,435.38	8,428.12

47.7. Level wise disclosure of financial instruments

Particulars	31 MARCH 2022	31 MARCH 2021	Level	Valuation Technique
Quoted investments in equity shares measured at FVTOCI	1.40	0.92	1	Quoted bid prices in an active market
Quoted Investments at fair value through profit or loss	0.27	0.25	2	The mutual funds are valued using the closing NAV.
Derivative assets	0.94	0.23	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date.
Derivative liabilities	0.87	2.23	2	
Long term borrowings	3,177.54	3,166.36	3	Discounted cash flow. Future cash flows are discounted at a rate that reflects market risk.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

There are no transfers between level I and level II during the year.

Sensitivity analysis of Level 3:

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Non- current borrowings – Non convertible debentures	DCF Method	Discounting rate 10.85%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by Rs.6.00 crores / (Rs.6.11 crores)

Reconciliation of Level III fair value measurement:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	186.30	186.30
Purchase / (Sale) (net)	-	-
Gain / (loss) recognized in the Statement of profit and loss	-	-
Gain / (loss) recognized in the Other comprehensive income	-	-
Closing balance	186.30	186.30

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48. Qualitative disclosures pertaining to Schedule III

- (i) The Group do not have Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Group do not have any significant transactions with companies struck off during current and previous year.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto or Virtual Currency during the year ended 31 March 2022.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries);
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group have 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 Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries);
 - provide any guarantee, security or the like on the behalf of the Ultimate Beneficiaries.
- (vii) The Group have not 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 any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Group is not declared willful defaulter by and bank or financials institution or lender during the period.
- (x) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- (xi) The tittle deeds of immovable properties are in the name of Group.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2022
(Amount in Rupees crores, unless otherwise stated)

49. Disclosure of additional information pertaining to the Parent Company and Subsidiaries as per Schedule III of Companies Act, 2013

Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive loss	Amount	As % of consolidated total comprehensive loss	Amount
Parent Company								
Creixent Special Steels Limited	(31.96)	(212.23)	113.60	(88.68)	-	-	111.31	(88.68)
Subsidiaries								
Indian								
JSW Ispat Special Products Limited	111.73	741.92	(5.66)	4.42	47.83	(0.77)	(4.58)	3.65
Monnet Cement Limited	(0.31)	(2.07)	-	-	-	-	-	-
Mivaan Steels Limited	-	-	-	-	-	-	-	-
Foreign								
Monnet Global Limited - Group	(10.32)	(68.50)	0.32	(0.25)	-	-	0.31	(0.25)
Non-controlling interest in all the subsidiaries	97.89	650.00	(0.99)	0.77	52.17	(0.84)	0.09	(0.07)
Joint Ventures								
Indian								
Mandakini Coal Company Limited	-	-	-	-	-	-	-	-
Urtan North Mining Company Limited	-	-	-	-	-	-	-	-
MP Monnet Mining Company Limited	-	-	-	-	-	-	-	-
Monnet Ecomaister Enviro Private Limited	-	-	-	-	-	-	-	-
Solace Land Holding Limited	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	(67.03)	(445.08)	(7.28)	5.68	-	-	(7.13)	5.68
Total	100.00	664.04	100.00	(78.06)	100.00	(1.61)	100.00	(79.67)

50. The President has given his assent to the Code on Social Security, 2020 ("Code") in September 2020. On 13 November, 2020 the Ministry of Labour and Employment has released draft rules for the Code. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact once the subject rules are notified and will give appropriate impact to its financial statements in the period in which the Code becomes effective.

51. The figures for the previous year have been restated / regrouped wherever necessary to make them comparable.

For and on behalf of the Board of Directors

Suresh N Prasad
Chief Executive Officer

Naresh Lalwani
Director
DIN: 01277756

Keshav Anand
Chief Financial Officer

Nikhil Gahrotra
Director
DIN: 01277756

Date: 19 May 2022
Place: Mumbai

Snigdha Tripathi
Company Secretary
ICSI M No. ACS: 47758

RELEVANT DETAIL FORMING PART OF ANNUAL REPORT

Board of Directors (as on March 31, 2022):

Mr. Nikhil Omprakash Gahrotra
Mrs. Anuradha Ambar Bajpai (Independent Director)
Mr. Chirag Ashwin Bhansali (Independent Director)
Mr. Kaushik Subramaniam
Mr. Naresh Lalwani (w.e.f. January 19, 2022)

Key Managerial Personnel (as on March 31, 2022):

CFO- Mr. Keshav Anand
CEO- Mr. Suresh Prasad
Company Secretary: Ms. Snigdha Tripathi (w.e.f October 19, 2021)

Statutory Auditors: Deloitte Haskins & Sells LLP, Chartered Accountants

Secretarial Auditors: S. Srinivasan & Co., Company Secretaries

Debenture Trustee:

Catalyst Trusteeship Limited

Address: Office No. 213,
2nd Floor, Navrang House,
21 Kasturba Gandhi Marg,
New Delhi – 110 001.
Tel : +91 (011) 43029101
website : www.catalysttrustee.com

Registrar and Share Transfer Agent: KFIN Technologies Limited

Registered office address:

JSW Centre, Bandra Kurla Complex, Bandra East, Mumbai 400051

Website: www.jsw.in (<https://www.jsw.in/groups/creixent-special-steels-limited>)

Contact: 022 4286 5068