

DIRECTORS REPORT

CREIXENT SPECIAL STEELS LIMITED

To the members,

Your Directors have pleasure in presenting their second Annual Report and audited financial statement of your Company for the financial year ended 31st March 2020.

1. FINANCIAL SUMMARY[@]

The financial summary of the Company, for the period under review are as follows;

(amount in Rs. thousands)

SI No.	Particulars		Audited Standalone		Audited Consolidated	
			Year Ended	* Period Ended	Year Ended	* Period Ended
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
I	Income					
	(a)	Revenue from Operations	12,826	13,301	26,394,400	11,310,200
	(b)	Other Income	-	-	262800	148,300
	Total income		12,826	13,301	26657200	11,458,500
II	Expenses					
	(a)	Cost of Materials consumed	-	-	19778400	1,233,700
	(b)	Purchase of stock in trade	12,794	13,271	12,800	13,300
	(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	(344,800)	(2,541,800)
	(d)	Employee benefits expense	-	-	1,170,000	557,100
	(e)	Finance Costs	658,411	354,065	3,191,800	1,476,100
	(f)	Depreciation and amortization expense	-	-	2,132,700	1,260,300
	(g)	Other expenses	13,177	6,679	6252300	2,342,700
	Total Expenses		684,382	374,015	32193200	14,341,400
III	Loss before tax and exceptional items (I-II)		(671,556)	(360,714)	(5536000)	(2,882,900)
IV	Exceptional Items				-	270,000
V	Loss before tax (III-IV)		(671,556)	(360,714)	(5536000)	(3,152,900)

SI No.	Particulars		Audited Standalone		Audited Consolidated		
			Year Ended	* Period Ended	Year Ended	* Period Ended	
			31.03.2020	31.03.2019	31.03.2020	31.03.2019	
VI	Tax expense:						
	(i)	Current tax	-	-	-	-	
		Adjustment of tax relating to earlier periods	-	-	-	-	
	(ii)	Deferred tax	(46,222)	(25,045)	(46,200)	(25,045)	
		MAT Credit Entitlement written back	-	-	-	-	
VII	Loss for the period (V-VI)		(625,334)	(335,669)	(5,489,800)	(3,127,855)	
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	-	-	(34,100)	2,900
		(b) Equity instruments through other comprehensive income	-	-	(2,300)	300	
		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	-	-	(256,900)	167,500	
		ii) Income tax relating to items that will be	-	-	-	-	
				-	-	-	-

SI No.	Particulars		Audited Standalone		Audited Consolidated	
			Year Ended	* Period Ended	Year Ended	* Period Ended
			31.03.2020	31.03.2019	31.03.2020	31.03.2019
		classified to profit or loss				
		Total other comprehensive income	-	-	(293,300)	170,700
		Total Comprehensive Loss (VII+VIII)	(625,334)	(335,669)	(5,783,100)	(2,957,155)
		Loss for the period attributable to:				
		Owners of the Company	-	-	(2,936,700)	(1,679,900)
		Non-controlling interests	-	-	(2,553,100)	(1,448,000)
		Other comprehensive income for the period attributable to:				
		Owners of the Company	-	-	(141,100)	82,200
		Non-controlling interests	-	-	(152,200)	88,500
		Total comprehensive loss for the period attributable to:				
		Owners of the Company	-	-	(3,077,800)	(160)
		Non-controlling interests	-	-	(2,705,300)	(136)
		Earnings Per Share (EPS) (not annualized)				
		(a) Basic	(62.53)	(61.89)	(293.68)	(309.76)
		(b) Diluted	(62.53)	(61.89)	(293.68)	(309.76)

@ The figures are not comparable. Current financial year of the Company ended on 31st March, 2020 covering a period of 12 months from 1st April, 2019 to 31st March, 2020 and previous financial year covered a period more than 13 months from 27th February 2018 to 31st March 2019.

2. FINANCIAL AND OPERATIONAL PERFORMANCE

During the year under review, on standalone basis the Company's revenue from operations was Rs. 12826 thousand as against Rs. 13,301 thousand in the previous period. The Company's loss before exceptional items and tax was Rs. 671,556 thousand in the financial year ended 31st March, 2020 as opposed to Rs. 360,714 thousand in the previous period. The Net loss after tax was Rs. 625,334 thousands as opposed to Rs. 335,669 thousand for previous period.

During the year under review, on consolidated basis the group's revenue from operations was Rs. 26,394,400 thousand as against Rs. 11,310,200 thousand in the previous period. The group's loss before exceptional items and tax was Rs. 5,536,000 thousand for the year ended 31st March, 2020 as opposed to a loss of Rs. 2,882,900 thousand in the previous period. The net loss after tax was Rs. 5,489,800 thousands as opposed to a loss of Rs. 3,127,855 thousand for previous period.

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 period 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, 2020, the Company has one direct subsidiary namely Monnet Ispat and Energy Limited) (MIEL) and 4 step down subsidiaries. There has been no change in the nature of business during the period under review of the Company or its subsidiaries.

MIEL 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, MIEL had taken shut down of the steel manufacturing operations, other than Pellet Plant and DRI Plant, at its Raigarh, Chhattisgarh plant, with effect from 21st June 2019, for necessary modifications and general maintenance. The integrated steel operations at the Raigarh Plant of the Company were re-started with effect from 2nd March, 2020.

During the financial year under review, in view of 21 days' nationwide lockdown advisory announced by the Government of India and other authorities to contain the spread of Corona Virus disease (COVID-19), MIEL temporarily suspended all the manufacturing operations of its plants situated at Raipur and Raigarh both located in the State of Chhattisgarh with effect from 25th March 2020.

MIEL restarted the integrated steel manufacturing operations at the Raigarh plant of the Company with effect from 02nd May 2020 and the manufacturing operations at Raipur plant were restarted with effect from 15th May 2020.

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 companies are open for inspection by any Shareholder or Debenture Trustee at the Company's Registered Office situated at QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh, Chhattisgarh-496001 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 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 2020, 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 2020, 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 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 2020 the Company has 1,863 Unsecured Non-Convertible Debentures (NCD) of Rs. 10,00,000 each. The said NCD's are listed on BSE Limited. Catalyst Trusteeship Limited is the Debenture Trustee.

8. CREDIT RATING:

During the financial year, 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. Such instruments carry moderate risk.

9. PUBLIC DEPOSITS

The Company has not accepted or renewed any fixed deposits during the period 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 period 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 56(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. 17 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 2020, the Board of Directors of the Company consists of the following Directors;

Sr. No.	Name of Director	Category
1.	Mr. Kalpesh Kikani (DIN: 03534772)	Non-Executive Director
2.	Mr. Nikhil Gahrotra (DIN:02177756)	Non-Executive Director
3.	Mr. Seshagiri Rao M.V.S. (DIN : 00029136)	Non-Executive Director
4.	Mr. Chirag Bhansali (DIN: 07395877)	Independent Director
5.	Mrs. Anuradha Bajpai (DIN: 07128141)	Independent Director

During the year under review, there was no change in the composition of the Board of Directors.

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

Brief profile, nature of expertise and directorship details of Mr. Nikhil Gahrotra is provided to the members in the note accompanying the notice convening the 2nd Annual General Meeting.

The Board recommends his appointment for the approval of the members at the ensuing 2nd Annual General Meeting.

There were no changes in the Key Managerial Personnel of the Company during the year under review.

13. BOARD PERFORMANCE 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 period under review, the performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. 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.

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the period Four (4) Board Meetings were convened and held. The intervening gap between these Meetings was within the period prescribed under the Companies Act, 2013.

During the period 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 16, 2020, and they, inter alia:

- 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 following are the Committees of the Board;

i) Audit Committee

In accordance with Section 177 of the Companies Act, 2013 the Board constituted Audit Committee, with effect from 24th January, 2019, 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 year under review there was no change in composition of Audit Committee.

ii) Nomination & Remuneration Committee:

In accordance with Section 178 of the Companies Act, 2013 the Board constituted Nomination & Remuneration Committee, with effect from 24th January, 2019, as detailed below:

- a) Mr. Seshagiri Rao M.V.S. - 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 year under review there was no change in composition of Nomination & Remuneration Committee.

17. NOMINATION AND REMUNERATION POLICY

During the year, pursuant to Section 178 of the Companies Act, 2013 the Board of Directors approved Board Evaluation Policy and the same were also noted by the Nomination and Remuneration Committee. This policy consists evaluation process of Board Member Self Evaluation and Overall Board & Committee Evaluation.

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 2020 and no fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report. 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.

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 22nd May, 2019 has appointed M/s S. Srinivasan & Co., a Company Secretaries Firm to conduct a secretarial audit of the Company for the financial year 2019-20. The Report of the Secretarial Audit carried out for the financial year 2019-20 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 18th May 2020 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 2020-21.

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 Period 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. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 and amendment thereto, the extract of the annual return in Form No. MGT – 9 is annexed as Annexure - 6 and hosted on the website of the Company and web link of the same is <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 of directors 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 period under review.

27. DIRECTORS 'RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Act your Directors state that;

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

28. OTHER DISCLOSURES / REPORTING

Your Directors state that during the period 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.

29. GENERAL INFORMATION FOR MEMBERS

The half-yearly Financial Results 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 results, are also posted on the Company's website, <https://www.jsw.in>.

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	umesh.salvi@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



Seshagiri Rao M.V.S.
Director
(DIN 00029136)



Nikhil Gahrotra
Director
(DIN: 01277756)

Place: Mumbai
Date: 18th May 2020.

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

Sl. No.	(Amount in ₹ crores)				
	1	2	3	4	5
Name of the subsidiary	^ Monnet Ispat and Energy Limited	*Monnet Cement Limited	@Monnet Sport Foundation	@Chomal Exports Private Limited	*Monnet Global Limited
Date since when subsidiary was acquired	31 st August 2018	29 November 2007	12 December 2011	31 December 2010	17 September 2005
Reporting period for the subsidiary concerned	Same	Same	Same	Same	Same
Reporting Currency and exchange rate as on last date of the financial year in case of foreign subsidiaries	Rupees	Rupees	Rupees	Rupees	US Dollar
Share capital	469.55	2.19	0.01	0.10	37.75
Reserves and surplus	982.27	(2.02)			(415.82)
Total asset	4,761.80	0.17			37.22
Total liabilities		0.00			415.28
Investments	0.75	-	-	-	-
Turnover	2660.86	-	-	-	-
Profit before taxation	(487.16)	(0.06)			(4.07)
Provision for taxation	-	-	-	-	-
Profit after taxation	(487.16)	(0.06)	-	-	-
Proposed Dividend	-	-	-	-	-
% of shareholding	48.12%	48.12%	30.87%	25.54%	48.12%

@subsidiary of Monnet Ispat and Energy Limited upto 15th January 2020.

*subsidiary of Monnet Ispat and Energy Limited
 ^ subsidiary of the Company.

Additional Disclosure	Name of Subsidiaries
Subsidiaries yet to commence operations	Monnet Cement Limited Monnet Global Limited
Subsidiaries Liquidated or Sold during the year	Monnet Sport Foundation w.e.f. 15 th January 2020 Chomal Exports Private Limited w.e.f. 15 th January 2020

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	
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	Not Applicable
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


Shyam Dikkatwar
Company Secretary
ACS: 33003


Rajkumar Sureka
Chief Executive Officer


Nikhil Gahotra
Director
DIN: 01277756


Seshagiri Rao M.V.S.
Director
DIN: 00029136

Place: Mumbai

Date: 18th May 2020



S. Srinivasan & Co.,
Company Secretaries

No. 5, 5th floor,
Tardeo, AC Market Building CHS Ltd.,
Tardeo Road, Tardeo, Mumbai – 400 034
Tel no.: 022-49712661/ 022-23517505
E-mail: mumbaissandco@yahoo.com

FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

*[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
QR No. 50-51, Park Avenue Colony,
Jindal Road, Dhimrapur, Raigarh,
Chhattisgarh - 496 001.

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: U27209CT2018PLC008397 (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, 2020 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.

Due to unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, we have examined in the best possible manner, through the virtual platform, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;



This forms part of our Secretarial Audit Report of CSSL dated 16-05-2020

- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996, and the Regulations and Bye-laws framed thereunder;
- 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, wherever applicable;
- 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:
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. The following regulations and guidelines prescribed under the SEBI Act are not applicable to the Company for the period under review:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
 - f. 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;
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.



This forms part of our Secretarial Audit Report of CSSL dated 16-05-2020

- 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 Secretarial Standards:

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

During the period under review the Company has complied with the aforesaid provisions of the acts, rules, regulations, guidelines, standards, etc. mentioned above to the extent where such records have been examined by us.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the year under review.

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.

Majority decision is carried through in the Board Meetings and that of its Committee and there were no dissenting members' view in any of the meetings.

We further report that:

Based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary/ Chief Financial Officer/ Chief Executive Officer 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.

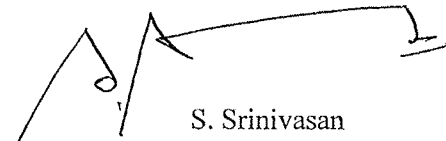
The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.



This forms part of our Secretarial Audit Report of CSSL dated 16-05-2020

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
UIN: S1984TN002200

Place: Chennai
Date: 16.05.2020

This forms part of our Secretarial Audit Report of CSSL dated 16-05-2020

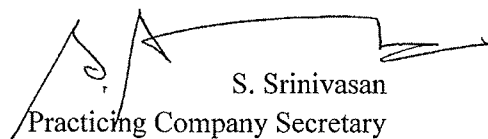
Annexure A

To,
The Members,
CREIXENT SPECIAL STEELS LIMITED
QR No. 50-51, Park Avenue Colony,
Jindal Road, Dhimrapur, Raigarh,
Chhattisgarh - 496 001.

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 partially limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.
7. 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
UIN: S1984TN002200

Place: Chennai
Date: 16.05.2020

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 2019 to 31 st March 2020
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Reimbursement of expenses Rs. 41.35 Lacs
e)	Date(s) of approval by the Board, if any:	22 nd May, 2019
f)	Amount paid as advances, if any:	Nil

By order of the Board
For Creixent Special Steels Limited


Seshagiri Rao M.V.S.
Director
(DIN 00029136)


Nikhil Gahrotra
Director
(DIN: 01277756)

Place: Mumbai
Date: 18th May 2020.

Annexure -4

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 2020 are as follow :-

(Rs. In thousand)

Total Foreign Exchange used and earned	2019-20	2018-19
- Used	Nil	Nil
- Earned	Nil	Nil

By order of the Board
For Creixent Special Steels Limited


Seshagiri Rao M.V.S.
Director
(DIN 00029136)


Nikhil Gahrotra
Director
(DIN: 01277756)

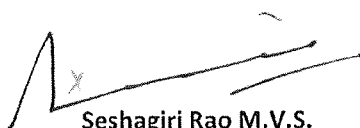
Place: Mumbai
Date: 18th May 2020.

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="603 884 1406 1160"> <thead> <tr> <th data-bbox="603 884 858 958">Name</th> <th data-bbox="858 884 1125 958">Designation</th> <th data-bbox="1125 884 1406 958">Percentage increase in remuneration</th> </tr> </thead> <tbody> <tr> <td data-bbox="603 958 858 1032">Raj Kumar Sureka</td> <td data-bbox="858 958 1125 1032">Chief Executive Officer</td> <td data-bbox="1125 958 1406 1032">Nil</td> </tr> <tr> <td data-bbox="603 1032 858 1106">Keshav Anand</td> <td data-bbox="858 1032 1125 1106">Chief Financial Officer</td> <td data-bbox="1125 1032 1406 1106">Nil</td> </tr> <tr> <td data-bbox="603 1106 858 1160">Shyam Dikkatwar</td> <td data-bbox="858 1106 1125 1160">Company Secretary</td> <td data-bbox="1125 1106 1406 1160">Nil</td> </tr> </tbody> </table> <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	Raj Kumar Sureka	Chief Executive Officer	Nil	Keshav Anand	Chief Financial Officer	Nil	Shyam Dikkatwar	Company Secretary	Nil
Name	Designation	Percentage increase in remuneration											
Raj Kumar Sureka	Chief Executive Officer	Nil											
Keshav Anand	Chief Financial Officer	Nil											
Shyam Dikkatwar	Company Secretary	Nil											
3. The percentage increase in the median remuneration of employees in the financial year:	Not Applicable, as the Company has no employees on the payroll of the Company.												
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	Not Applicable, as the Company has no employees on the payroll of the Company.												

<p>percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any:</p>	
<p>6. Affirmation that the remuneration is as per the remuneration policy of the Company:</p>	<p>It is hereby affirmed that the remuneration paid is as per the policy for Remuneration of the Directors, Key Managerial Personnel and Employees.</p>

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



Seshagiri Rao M.V.S.
Director
(DIN 00029136)



Nikhil Gahotra
Director
(DIN: 01277756)

Place: Mumbai
Date: 18th May, 2020.

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

For the financial year ended on 31st March, 2020

[Pursuant to section 92(3) and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	U27209CT2018PLC008397
ii.	Registration Date	27/02/2018
iii.	Name of the Company	Creixent Special Steels Limited
iv.	Category / Sub-Category of the Company	Indian Non-Government Company Limited by Shares
v.	Address of the Registered office and contact details	QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimirapur, Raigarh 496001 Contact no: 07762291022 Email ID: shyam.dikkatwar@isw.in Website: www.isw.in
vi.	Whether listed company Yes / No	Yes (Debt listed)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Kfin Technologies Private Limited (Formerly known as "Karvy Fintech Private Limited") Karvy Selenium, Tower- B, Plot No. 31 & 32., Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, 500032, India. Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Trading of Steel (TMT Bars)	46909	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of Companies	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1.	AION Investments Private II Limited GFin Corporate Services Ltd Level 6, GFin Tower, 42 Hotel Street, Cybercity, Ebene 72201, Mauritius	Registration No. 147433	Holding	51.91	Section 2(87)
2.	Monnet Ispat and Energy Limited Monnet Marg, MandirHasaud, Raipur, Chhattisgarh-492101	L02710CT1990PLC009826	Subsidiary	48.12	Section 2(87)
3.	#Monnet Cement Ltd. Monnet House 11, Masjid Moth, Greater Kailash, Part-II, New Delhi-110048	U26941DL2007PLC170880	Step down Subsidiary	100.00	Section 2(87)
4.	@ Monnet Sports Foundation 11, Masjid Moth Greater Kailash - II New Delhi-110048	U74900DL2011NPL228633	Step down Subsidiary	64.15	Section 2(87)
5.	@ Chomal Exports Pvt. Ltd. 4065, Sec-C, Pocket-IV,Vasant Kunj, New Delhi-110070.	U74899DL1990PTC042166	Step down Subsidiary	51.00	Section 2(87)
6.	# Monnet Global Ltd. LOB 15-117, PO Box-17870, Jebel Ali Freezone Authority, Dubai United Arab Emirates	Foreign Company	Step down Subsidiary	100.00	Section 2(87)

Subsidiaries of Monnet Ispat and Energy Limited.

@Subsidiaries of Monnet Ispat and Energy Limited upto 15th January 2020.

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

A) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year (01.04.2019)			No. of Shares held at the end of the year (31.03.2020)			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoter							
(1) Indian							
Individual/HUF	6	-	6	6	-	6	0.00^
Central Govt.	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-
Bodies Corp.	47,99,994	-	47,99,994	47,99,994	-	47,99,994	48.00
Banks / FI	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-
Sub-total (A)(1)	48,00,000	-	48,00,000	48,00,000	-	48,00,000	48.00
(2) Foreign							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	51,90,642	-	51,90,642	51,90,642	-	51,90,642	51.91
d) Banks / FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub-total (A)(2)	51,90,642	-	51,90,642	51,90,642	-	51,90,642	51.91

Category of shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
lakh									
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	9358	0	9358	0.09	9358	0	9358	0.09	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	9358	0	9358	0.09	9358	0	9358	0.09	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,00,00,000	-	1,00,00,000	100.00	1,00,00,000	-	1,00,00,000	100.00	-

^ Nominal % i.e. 0.0001%

B) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in share- -holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	JSW Steel Limited	4,799,994	48.00	-	4,799,994	48.00	-	-
2	AION Investments Private II Limited	51,90,642	51.91	-	51,90,642	51.91	-	-
3	*Rajeev Kumar Jain	1	0.00	-	1	0.00	-	-
4	*Vimal Singh	1	0.00	-	1	0.00	-	-
5	*Ashok Aggarwal	1	0.00	-	1	0.00	-	-
6	*Arun Maheshwari	1	0.00	-	1	0.00	-	-
7	*Lancy Varghese	1	0.00	-	1	0.00	-	-
8	*Sriram K S N	1	0.00	-	-	-	-	#
9	*Ajay Kadhao	-	-	-	1	0.00	-	#
	Total	9990642	99.91	-	9990642	99.91	-	-

* Shares held as nominee of the JSW Steel Limited to comply with the statutory provisions in respect of minimum number of Members.

Nominal change in % i.e. 0.000001.

C) Change in Promoters' and Promoters' Group Shareholding-

S. No.	Name of the Promoters' / Promoters' Group	Shareholding at the beginning of the year [01.04.2019]		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the Year	
		No. of shares held as on 01.04.2019	% of total shares of the company	@ Date of change in shareholding D/M/Y	* No. Of shares increased/ decreased	Reasons for change	No. of shares At the end of the year 31.03.2020	% of total shares of the company
1.	# Sriram K S N	1	0.00	18/12/2019	(1)	Change in the Nominee	0	0.00
2.	@ Ajay Kadhao	-	-	18/12/2019	1	Change in the Nominee	1	0.00

* Figures in bracket indicate reduction in the shares held.

Before the date of change in the shareholding, shares were held as nominee of the JSW Steel Limited and transfer of shares was executed in view of change in the nominee.

@ After the date of change in the shareholding shares held as nominee of the JSW Steel Limited in view of change in the nominee.

Note: During the year there was no change in the promoters' and Promoters' Group shareholding. There is only change in the Nominee of the beneficial owner (as given in the table above) for which the Company has duly filled form MGT- 6 with MCA.

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

During the year there was no change in the shareholding of top ten Shareholders (Other than Directors, Promoters and Holders, etc).

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [01.04.2019]		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the Year	
		No. of shares held as on 01.04.2019	% of total shares of the company	Date of change in shareholding D/M/Y	No. Of shares increased/ decreased	Reasons for change	No. of shares end of the year 31.03.2020	% of total shares of the company
1.	IDBI Trusteeship Services Ltd	9,358	0.09	-	-	-	9,358	0.09

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
		No. of shares held as on 01.04.2019	% of total shares of the company	Date of change in shareholding D/M/Y	No. Of shares increased/decreased	Reasons for change	No. of shares held as on 31.03.2020	% of total shares of the company
1.	Kalpesh Kikani	Nil	Nil	-	-	-	Nil	Nil
2.	Nikhil Gahrotra	Nil	Nil	-	-	-	Nil	Nil
3.	Seshagiri Rao M.V.S.	Nil	Nil	-	-	-	Nil	Nil
4.	Chirag Bhansali	Nil	Nil	-	-	-	Nil	Nil
5.	Anuradha Bajpai	Nil	Nil	-	-	-	Nil	Nil
6.	Raj Kumar Sureka (Chief Executive Officer)	Nil	Nil	-	-	-	Nil	Nil
7.	Keshav Anand (Chief Financial Officer)	Nil	Nil	-	-	-	Nil	Nil
8.	Shyam Dikkatwar (Company Secretary)	Nil	Nil	-	-	-	Nil	Nil

V. INDEBTEDNESS –

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(in Rupees thousand)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
i) Principal Amount	-	4,968,094	-	4,968,094
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	352	-	352
Total (i+ii+iii)	-	4,968,446	-	4,968,446
Change in Indebtedness during the financial year				
• Addition	-	8,000	-	8,000
• Reduction	-	-	-	-
• Exchange Difference	-	-	-	-
Net Change	-	8,000	-	8,000
Indebtedness at the end of the financial year (31st March, 2020)				
i) Principal Amount	-	4,976,694	-	4,976,694
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	988	-	988
Total (i+ii+iii)	-	4,977,682	-	4,977,682

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

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

B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
	Anuradha Bajpai	Chirag Bhansali		
# Independent Directors				
Fee for attending board & committee meetings (paid/Payable)	100000	100000		200000
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (1)	100000	100000		200000
Other Non-Executive Directors	*Seshagiri Rao M.V.S.	*Nikhil Gahrotra	*Kalpesh Kikani	
Fee for attending board & committee meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B)=(1+2)	100000	100000		200000
Total Managerial Remuneration(A+B)	Nil			200000
Overall Ceiling as per the Act	As per the Companies Act, 2013			

**Non-Executive Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings.*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD: -


Particulars of Remuneration	Key Managerial Personnel (KMP)			Total (in Rs.)
	^ Raj Kumar Sureka Chief Executive Officer	^ Keshav Anand Chief Financial Officer	# Shyam Dikkatwar Company Secretary	
Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,000,000	2,000,000	1135000	5,135,000
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
Stock Option	-	-	-	-
Sweat Equity	-	-	-	-
Commission - as % of profit - others, specify...	-	-	-	-
Others -Provident Fund	-	-	-	-
Total	2,000,000	2,000,000	1135000	5,135,000

^ Key Managerial Personnel of the Company are getting remuneration / salary from their employer i.e JSW Steel Limited. Your Company has paid the aggregate amount of Rs. 40,00,000 to the promoter, i.e. JSW Steel Limited as secondment charges as they are not the employees of the Company.

* Key Managerial Personnel of the Company is getting remuneration / salary from their employer i.e Subsidiary Company. Your Company has paid the aggregate amount of Rs. 11,35,000 to the subsidiary, i.e. Monnet Ispat and Energy Limited as secondment charges as the KMP is not the employee of the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

By order of the Board
For Creixent Special Steels Limited


Seshagiri Rao M.V.S.
Director
(DIN 00029136)


Nikhil Gahrotra
Director
(DIN: 01277756)

Place: Mumbai
Date: 18th May 2020

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 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Loss), 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 31 March 2020, 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 Matters

Key audit matters are those matters 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 matters to communicate in our report.

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

- The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors report but does not include the consolidated financial statements, 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 are 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 loss, 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

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 Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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.

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- 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



(Rakesh Sharma)
Partner

(Membership No. 102042)
(UDIN No. : 20102042AAAAAV4547)

Place: Mumbai
Date: 18.05.2020

Deloitte Haskins & Sells LLP

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 31 March, 2020 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 ("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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI 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 were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



(Rakesh Sharma)
Partner

(Membership No. 102042)
(UDIN No. : 20102042AAAAAV4547)

Place: Mumbai
Date: 18.05.2020

Deloitte Haskins & Sells LLP

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 hence reporting under paragraph 3(i) of the Order is not applicable.
- (ii) The Company does not have any inventory and hence reporting under paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not made any investments, granted any loans and provided guarantees or securities during the year and hence reporting under paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits as at 31 March, 2020 and accordingly, the provisions of sections 73 and 76 or any other relevant provisions of the Act are not applicable to the Company.
- (vi) Having regard to the nature of the Company's business/ activities, reporting under paragraph 3(vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities. As informed to us the provisions of Provident Fund, Employees' State Insurance, Excise Duty, Customs Duty, Sales Tax and Value Added Tax and Cess were not applicable to the Company during the current year.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax and other material statutory dues in arrears as at 31 March, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax and Goods and Service Tax as on 31 March, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. The Company has not taken any loans or borrowings from banks and financial institutions.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has neither raised any moneys by way of initial public offer/ further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.

Deloitte Haskins & Sells LLP

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration, in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary companies or any persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/ W-100018)



(Rakesh Sharma)
Partner

(Membership No. 102042)

(UDIN No. : 20102042AAAAAV4547)

Place: Mumbai

Date: 18.05.2020

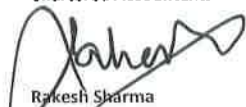
CREIXENT SPECIAL STEELS LIMITED
BALANCE SHEET AS AT 31 MARCH 2020

Rs. in thousands

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
(1) Non-current assets			
Financial assets			
(i) Investments	2	5,664,225	5,664,225
Total non-current assets		5,664,225	5,664,225
(2) Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	3	2,834	765
(b) Other current assets	4	1,312	2,501
Total current assets		4,146	3,266
TOTAL ASSETS		5,668,371	5,667,491
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	5	100,000	100,000
(b) Other equity	6	(536,868)	88,466
Total equity		(436,868)	188,466
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	7	4,976,694	4,968,694
(ii) Other financial liabilities	8	1,011,267	353,707
(b) Deferred tax liabilities		78,608	124,830
Total non-current liabilities		6,066,569	5,447,231
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	9		
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding of creditors other than micro enterprises and small enterprises		10,563	3,470
(ii) Other financial liabilities	10	26,534	25,897
(b) Other current liabilities	11	1,573	2,427
Total current liabilities		38,670	31,794
Total liabilities		6,105,239	5,479,025
TOTAL EQUITY AND LIABILITIES		5,668,371	5,667,491

See accompanying notes to the standalone financial statements

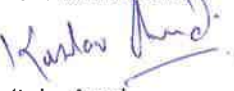
In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

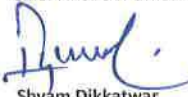

Rakesh Sharma
Partner

Place: Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikkarwar
Company Secretary
ICSI M No. ACS: 33003


Seshagiri Rao M.V.S.
Director
DIN: 00029136


Nikhil Gahrotra
Director
DIN: 01277756

CREIXENT SPECIAL STEELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Notes	Rs. in thousands, except per share data and as stated otherwise	
		For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
I. Revenue			
Revenue from operations	12	12,826	13,301
II. Expenses			
Purchases of traded goods		12,794	13,271
Finance costs	13	658,411	354,065
Other expenses	14	13,177	6,679
Total expenses		684,382	374,015
III. Loss before tax (I-II)		(671,556)	(360,714)
IV. Tax expense/ (credit)			
Current tax	18	-	-
Deferred tax		(46,222)	(25,045)
V. Loss for the year/ period (III-IV)		(625,334)	(335,669)
VI. Other comprehensive income		-	-
VII. Total comprehensive loss for the year/ period (V+VI)		(625,334)	(335,669)
VIII. Earnings per share (of Rs. 10/- each)	15		
Basic (Rs.)		(62.53)	(61.89)
Diluted (Rs.)		(62.53)	(61.89)

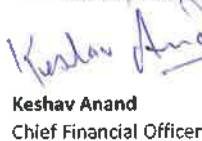
See accompanying notes to the standalone financial statements

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

For and on behalf of the Board of Directors



Rakesh Sharma
Partner


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikatar
Company Secretary
ICSI M No. ACS: 33003


Seshagiri Rao M.V.S.
Director
DIN: 00029136


Nikhil Gahrotra
Director
DIN: 01277756

Place: Mumbai
Date: 18 May 2020

CREIXENT SPECIAL STEELS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
A. Cash flow from operating activities :		
Loss before tax	(671,556)	(360,714)
Adjustments for :		
Interest expense	658,411	354,059
	(13,145)	(6,655)
Changes in working capital		
Decrease/ (increase) in other current assets	1,189	(2,501)
Increase in trade payables	7,093	3,470
Increase in other financial liabilities	-	25,545
(Decrease)/ increase in other current liabilities	(853)	2,427
Cash (used in)/ generated from operations	(5,716)	22,286
Direct taxes paid	-	-
Net cash (used in)/ generated from operating activities (A)	(5,716)	22,286
B. Cash flow from investing activities		
Investment in a subsidiary	-	(5,664,225)
Net cash used in investing activities (B)	-	(5,664,225)
C. Cash flow from financing activities :		
Expenses incurred on increase in authorised share capital	-	(25,491)
Proceeds from borrowings	8,000	5,568,195
Interest paid	(215)	-
Proceeds from issue of equity shares	-	100,000
Net cash flow generated from financing activities (C)	7,785	5,642,704
Net increase in cash and cash equivalents (A+B+C)	2,069	765
Cash and cash equivalents at the beginning of the year/ period	765	-
Cash and cash equivalents at the end of the year/ period	2,834	765

Note:

1. The statement of cash flows is prepared using the "indirect method" set out in Indian Accounting Standard 7 "Statement of Cash Flows".

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

Particulars	Rs. in thousands		
	31-Mar-20	Cash flows (net)	31-Mar-19
Borrowings (non-current)	5,576,195	8,000	5,568,195

Particulars	Rs. in thousands		
	31-Mar-19	Cash flows (net)	27-Feb-18
Borrowings (non-current)	5,568,195	5,568,195	-

Non-cash investing transactions

During the previous period, the Company has received the 225,934,607 equity shares and 340,487,893 Compulsorily Convertible Preference Shares of Monnet Ispat & Energy Limited (MIEL), against Company's equity and preference share holding in Milloret Steel Limited (MSL), pursuant to merger of MSL the then subsidiary of the Company with MIEL.

See accompanying notes to the standalone financial statements


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



Rakesh Sharma
Partner

Place: Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikkarwar
Company Secretary
ICSI M No. ACS: 33003



Seshagiri Rao M.V.S.
Director
DIN: 00029136


Nikhil Gahrotra
Director
DIN: 01277756

CREIXENT SPECIAL STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

Rs. in thousands

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Equity share capital		
Balance at the beginning of the year/ period	100,000	-
Issuance of shares upon incorporation	-	200
Equity share capital issued during the year/ period	-	99,800
Balance at the end of the year/ period	100,000	100,000

Particulars	Rs. in thousands	
	Equity component of financial instruments	Retained earnings
Balance as at 27 February 2018	-	-
Loss for the period	-	(335,669)
Expenses incurred on increase in authorised share capital	-	(25,491)
Fair value difference on financial instruments issued to owners	599,502	-
Income tax relating to fair valuation difference on financial instruments	(149,876)	-
Balance as at 31 March 2019	449,626	(361,160)
Loss for the year	-	(625,334)
Balance as at 31 March 2020	449,626	(986,494)

See accompanying notes to the standalone financial statements

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


Rakesh Sharma
Partner

Place: Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikkarwar
Company Secretary
ICSI M No. ACS: 33003


Seshagiri Rao M.V.S.
Director
DIN: 00029136


Nikhil Gahrotra
Director
DIN: 01277756

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh – 496001, Chattisgarh.

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

1B. Significant Accounting policies

Amendments to Ind AS that are notified and adopted by the Company

- a. **Ind AS 116, Leases:** On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As a practical expedient, it is permitted to not apply this standard to contracts that were not previously identified as containing lease applying Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- i. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- ii. Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- i. Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- ii. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

There is no impact upon adoption of Ind AS 116.

- b. **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments, which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

There is no effect on adoption of Ind AS 12 Appendix C in the Financial Statements.

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- c. Amendment to Ind AS 12 – Income taxes – On 30 March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

There is no effect on adoption of amendment to Ind AS 12 in the Financial Statements.

- d. Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On 30 March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- i. to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- ii. to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

There is no impact of adoption of this amendment.

1C. 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 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

These standalone financial statements are approved by the Board of Directors on 18 May 2020.

1D. 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 careful consideration to the liquidity of the Company having regard to its negative net-worth of Rs. 436,868 thousand and current liabilities exceeding current assets by Rs. 34,524 thousand, as at 31 March 2020. The Company plans to meet the said deficit for the forthcoming year by receiving the continual unconditional financial support committed by a 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.

Previous year's Standalone financial statements had been prepared for the period starting from 27 February 2018 i.e. the date of incorporation of the Company to 31 March 2019 and accordingly, the figures of current year are not comparable with the corresponding figures of the preceding period.

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

1E. 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 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.

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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
- 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.

CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

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.

- 1F.** The outbreak of Corona Virus pandemic globally and in India has caused significant impact on the economic activity. In many countries including India, businesses have been forced to limit their operations resulting in economic slowdown.

The Company based on its assessments expects to recover the carrying value of the assets. In assessing the recoverability of the Company's assets, the Company has considered internal and external information upto the date of approval of these standalone financial statements.

1G. Key sources of estimation uncertainty

In the course of applying the policies outlined in all notes under section 1E 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 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.

2. Non-current investments

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Investments in subsidiary (at cost)		
Quoted:		
225,934,607 equity shares (31 March 2019 : 225,934,607 equity shares) of Rs. 10/- each of Monnet Ispat and Energy Limited	2,259,346	2,259,346
Unquoted:		
340,487,893 preference shares (31 March 2019 : 340,487,893 preference shares) of Rs. 10/- each of 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	2,078,598	6,337,466
Unquoted :		
Aggregate book value	3,404,879	3,404,879

The Resolution Plan in relation to MIEL under the Insolvency Bankruptcy Code, 2016, submitted by the Consortium of JSW Steel Limited and AION Investments Private II Limited, was approved by the National Company Law Tribunal on 24 July 2018, with modifications.

Pursuant to such approval, Milloret Steel Limited (MSL), the Company's then subsidiary entity, was merged with MIEL and in consideration, the Company received 225,934,607 equity shares and 340,487,893 Compulsorily Convertible Preference Shares of MIEL, against its equity and preference share holding in MSL.

3. Cash and cash equivalents

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Balances with banks - in current accounts	2,834	765
	2,834	765

4. Other current assets

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	-	-
Indirect taxes balances/ recoverables	1,312	2,501
	1,312	2,501

5. Equity share capital

Particulars	Rs. in thousands			
	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised:				
Equity shares of the par value Rs. 10 each	14,980,000	149,800	14,980,000	149,800
(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/ period				
At the beginning of the year/ period	10,000,000	100,000	-	-
Issuance of shares upon incorporation	-	-	20,000	200
Add: Issued during the year/ period	-	-	9,980,000	99,800
Outstanding at the end of the year/ period	10,000,000	100,000	10,000,000	100,000

(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 2020		As at 31 March 2019	
	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	5,200,000	52.00%	5,200,000	52.00%

6. Other equity

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Retained earnings	(986,494)	(361,160)
Equity component of compound financial instruments	449,625	449,626
	(536,868)	88,466

a) Retained earnings

Retained earnings are the profits/ 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) during the period ended 31 March 2019. The Company 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.

CREIKENT SPECIAL STEELS LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
7. Borrowings

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
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 17 C)	10,500	2,500
	4,976,694	4,968,694

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 28-08-2025 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 27-08-2038 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 27-08-2038 at a variable premium such that yield on the redemption principal is equal to the redemption YTM of 10% p.a.

Loan from a related party:

A. Loan from a related party amounting to Rs. 2,500 thousands bearing an interest rate of MCLR plus 200 basis points and is repayable on 26-02-2022.

B. Loan from a related party amounting to Rs. 8,000 thousands bearing an interest rate of MCLR plus 200 basis points and is repayable after three years from disbursement.

B. Other financial liabilities (Non-current)

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Premium on redemption of non-convertible debentures	381,854	133,045
Premium on redemption of preference shares	629,413	220,662
	1,011,267	353,707

9. Trade payables

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Creditors other than micro enterprises and small enterprises	10,563	3,470
	10,563	3,470

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 based on the information available with the Company and relied upon by the auditors.

10. Other financial liabilities (current)

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Payable to a related party (refer note 17 C)	25,545	25,545
Interest accrued but not due on borrowings	988	352
	26,533	25,897

11. Other current liabilities

Particulars	Rs. in thousands	
	As at 31 March 2020	As at 31 March 2019
Statutory liabilities	1,573	2,427
	1,573	2,427

12. Revenue from operations

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
Sales of products		
Sale of traded goods	12,826	13,301
	12,826	13,301

Product wise turnover

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
TMT Re-bars	12,826	13,301
Total	12,826	13,301

The Company has assessed and determined the following categories for disaggregation of revenue in addition to that provided under segment disclosure:

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
Revenue from contracts with customer - Sale of products	12,826	13,301
Other operating revenue	-	-
Total revenue from contracts with customers	12,826	13,301
Within India	12,826	13,301
Outside India	-	-
Total revenue from contracts with customers	12,826	13,301
Timing of revenue recognition		
At a point in time	12,826	13,301
Over a period of time	-	-
Total revenue from contracts with customers	12,826	13,301

Performance obligation

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

13. Finance costs

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
Interest on debentures	187	111
Interest on preference shares	371	220
Premium on redemption of debentures	248,809	133,045
Premium on redemption of preference shares	408,752	220,662
Other borrowing cost	292	27
	658,411	354,065

14. Other expenses

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
Rates and taxes	-	2,500
Reimbursement of remuneration of managerial personnel	5,135	-
Audit fees		
- As statutory audit fees	5,700	3,800
- As tax audit fees	100	-
- As limited review fees	300	-
- As out of pocket expenses	530	-
Legal and professional fees	1,022	175
Miscellaneous expenses	390	204
	13,177	6,679

15. Earnings per share

Particulars	Rs. in thousands	
	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
Net loss for the year/ period (A)	(625,334)	(335,669)
Equity shares at the beginning of the year/ period	Nos. 10,000,000	-
Equity shares issued upon incorporation of the Company	Nos. -	20,000
Equity shares issued during the year/ period	Nos. -	9,980,000
Equity shares at the end of the year/ period	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	5,423,216
Earnings per share - basic and diluted (face value of Rs. 10/- each) (A/B)	Rs. (62.53)	(61.89)

16. 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.

CREIRENT SPECIAL STEELS LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17. 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

2. Subsidiary Company

Willorot Steel Limited (merged with Monnet Ispat & Energy Limited w.e.f. 31 August 2018)

Monnet Ispat And Energy Limited (w.e.f. 31 August 2018)

Monnet Global Limited (w.e.f. 31 August 2018)

Monnet Enterprises Pte. Limited (from 31 August 2018 upto 4 December 2018)

Monnet Cement Limited (w.e.f. 31 August 2018)

Chornal Exports Private Limited (w.e.f. 31 August 2018 upto 15 January 2020)

Monnet Sports Foundabon (w.e.f. 31 August 2018 upto 15 January 2020)

Pt. Sarwa Sembada Kanya Bumi (w.e.f. 31 August 2018)

LLC Black Sea Natural Resources (w.e.f. 31 August 2018)

Khasjanda Mining Company (w.e.f. 31 August 2018 upto 5 October 2019)

3. Joint Ventures

Mandaikant Coal Company Limited (w.e.f. 31 August 2018)

Urutan North Mining Company Limited (w.e.f. 31 August 2018)

MP Monnet Mining Company Limited (w.e.f. 31 August 2018)

Monnet Ecomaster Enviro Private Limited (w.e.f. 31 August 2018)

Solacca Land Holding Limited (w.e.f. 31 August 2018)

4. Associate

Monnet Power Company Limited (w.e.f. 31 August 2018 upto 23 October 2019)

5. Key Management Personnel (KMP)

Mr. Nikhil Gajrotra - Director (w.e.f. 31 August 2018)

Mr. Seshagiri Rao M.V.S. - Director (w.e.f. 11 October 2018)

Mr. Kalpesh Kikani - Director (w.e.f. 31 August 2018)

Mrs. Anuradha Bajpai (w.e.f. 01 November 2018)

Mr. Chirag Bhansali (w.e.f. 23 October 2018)

Mr. Rajkumar Sureka - Chief Executive Officer (w.e.f. 27 March 2019)

Mr. Keshav Anand - Chief Finance Officer (w.e.f. 27 March 2019)

Mr. Shyam Dikkatwar - Company Secretary (w.e.f. 27 March 2019)

* these entities have become subsidiaries/ joint ventures/ associate of the Company consequent to acquisition of MIEL (refer footnote to note no.2)

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 2020	For the period from 27 February 2018 to 31 March 2019	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
JSW Steel Limited						
Loan received	8,000	2,500	-	-	-	-
Other payables	-	25,491	-	-	-	-
Interest on loan	291	22	-	-	-	-
Reimbursement of expenses incurred on Company's behalf	4,235	84	-	-	-	-
Issue of preference shares	-	3,103,194	-	-	-	-
Premium on redemption of preference shares	408,752	220,662	-	-	-	-
Interest on preference shares	371	220	-	-	-	-
Issue of equity shares	-	48,000	-	-	-	-
Millorex Steel Limited (refer note-2)						
Investment in equity share capital	-	-	-	2,259,346	-	-
Investment in preference shares	-	-	-	3,404,879	-	-
Expenses incurred by the Company	-	-	-	25,495	-	-
Recovery of expenses incurred by the Company	-	-	-	25,495	-	-
Monnet Ispat & Energy Limited						
Expenses incurred on Company's behalf	-	-	935	-	-	-
Reimbursement of expenses incurred on Company's behalf	-	-	935	-	-	-
AION Investments Private II Limited						
Issue of debentures	-	1,863,000	-	-	-	-
Premium on redemption of debentures	248,809	133,045	-	-	-	-
Interest on debentures	187	111	-	-	-	-
Issue of equity shares	-	52,000	-	-	-	-

Rs. in thousands

Nature of transaction	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
	Sitting fees	240
Total	240	20

C. Balances with related parties

Particulars	The investing party in respect of which the reporting enterprise is a joint venture		Subsidiary Companies		Key Management Personnel	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
JSW Steel Limited						
Trade and other payables	26,000	25,545	-	-	-	-
Interest payable	284	22	-	-	-	-
Long term borrowing	10,500	2,500	-	-	-	-
Payable for premium on redemption of preference shares not due	629,413	220,662	-	-	-	-
Equity share capital	48,000	48,000	-	-	-	-
Preference share capital	3,103,194	3,103,194	-	-	-	-
Monnet Ispat and Energy Limited						
Other payables	262	-	-	-	-	-
AION Investments Private II Limited						
Equity share capital	52,000	52,000	-	-	-	-
Debentures	1,863,000	1,863,000	-	-	-	-
Payable for premium on redemption of debentures not due	381,854	133,045	-	-	-	-

18. 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 Tax issued by Ministry of Law and Justice 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 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 years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

a) Income tax expense/(benefit)-

There is no current tax for the year ended 31 March 2020, and deferred tax benefit is Rs. 46,222 thousand (previous period – Rs.25,045 thousand).

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	For the year ended 31 March 2020	For the period from 27 February 2018 to 31 March 2019
Loss before tax	(6,71,556)	(3,60,714)
Enacted tax rate in India	27.82%	27.82%
Expected income tax benefit at statutory rate	(1,86,827)	(100,351)
Deferred tax assets on losses not recognized	1,40,605	75,306
Total tax benefit	(46,222)	(25,045)

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:

Rs. in thousands

Particulars	As at 31 March 2019	Recognised/ (reversed) through profit or loss/ other comprehensive income	As at 31 March 2020
Equity component of financial instruments	1,46,173	(6,362)	1,39,811
Premium accrued on liability component of financial instruments	(21,343)	(39,860)	(61,203)
Total	1,24,830	(46,222)	78,608

Particulars	Rs. in thousands		
	As at 27 February 2018	Recognised/ (reversed) through profit or loss/ other comprehensive income	As at 31 March 2019
Equity component of financial instruments	-	1,46,173	1,46,173
Premium accrued on liability component of financial instruments	-	(21,343)	(21,343)
Total	-	1,24,830	1,24,830

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

Expiry of losses	AY 2027-28	AY 2028-29	Total
Business loss	6,377	13,437	19,814

19. 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 2020	As at 31 March 2019
Long term borrowings (including accrued premium payable on redemption of debentures)	5,987,961	5,322,401
Less: Cash and cash equivalents	(2,834)	(765)
Net debt	5,985,127	5,321,636
Total equity	(436,868)	188,466
Gearing ratio	(13.70)	28.24

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 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets (measured at amortised cost)				
Cash and cash equivalents	2,834	2,834	765	765
Total financial assets	2,834	2,834	765	765
Financial liabilities (measured at amortised cost)				
Non-current borrowings				
- Non- convertible debentures (including accrued premium payable on redemption of debentures)	2,244,854	3,760,397	1,996,045	4,916,786
- Preference shares and loan (including accrued premium payable on preference shares at maturity)	3,732,607	3,732,607	3,323,856	3,323,856
- Loan from a related party	10,500	10,500	2,500	2,500
Trade payables	10,563	10,563	3,470	3,470
Other current financial liabilities	26,534	26,534	25,897	25,897
Total financial liabilities	6,025,058	7,540,601	5,351,768	8,272,509

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	3,760,397	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 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 10.15%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by Rs. 84,200 thousands / (Rs. 86,500 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 aims 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.

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

CREIXENT SPECIAL STEELS LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020****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 2020				
Financial assets				
Cash and cash equivalents	2,834	-	-	2,834
Total	2,834	-	-	2,834
Financial liabilities				
Non-current borrowings (including accrued premium payable on redemption)	-	10,500	5,977,461	5,987,961
Trade payables	10,563	-	-	10,563
Other current financial liabilities	26,534	-	-	26,534
Premium payout liability	186	744	733,533	734,463
Total	37,283	11,244	6,710,994	6,759,521

Rs. in thousands				
Particulars	< 1 Year	1-5 Years	> 5 Years	Total
As at 31 March 2019				
Financial assets				
Cash and cash equivalents	765	-	-	765
Total	765	-	-	765
Financial liabilities				
Non-current borrowings (including accrued premium payable on redemption)	-	2,500	5,319,901	5,322,401
Trade payables	3,470	-	-	3,470
Other current financial liabilities	25,897	-	-	25,897
Interest and premium payout liability	186	745	728,485	729,416
Total	29,553	3,245	6,048,386	6,081,184

CREIXENT SPECIAL STEELS LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2020****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 2020 Carrying amount	As at 31 March 2019 Carrying amount
Fixed rate borrowings	4,966,194	4,966,194
Floating rate borrowings	10,500	2,500
Total borrowings	4,976,694	4,968,694

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 period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period 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 2020 would increase / decrease by Rs. 105 thousands (previous period – Rs. 25 thousand), respectively. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

For and on behalf of the Board of Directors

Rajkumar Sureka
Chief Executive Officer



Keshav Anand
Chief Financial Officer



Shyam Dikkarwar
Company Secretary
ICSI M No. ACS: 33003



Seshagiri Rao M.V.S.
Director
DIN: 00029136



Nikhil Gahotra
Director
DIN: 01277756

Place: Mumbai
Date: 18 May 2020

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 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 associate and joint venture entities, which comprise the Consolidated Balance Sheet as at 31 March 2020, and 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 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 31 March 2020, 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, its associate and joint venture entities 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Recoverable value assessment of Property, plant and equipment</p> <p>The Group to revamp its manufacturing facilities, temporarily shut-down some of its plants at Raigarh location. In view of operating losses under such stabilisation phase, sluggish demand and pricing pressures, 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 3(II) to the consolidated financial statements]</p>	<p>Our procedures included but not limited to:</p> <ul style="list-style-type: none"> - Evaluating the design and implementation, and testing the operating effectiveness of the relevant controls over determination of recoverable value of property, plant and equipment - Assessing the accuracy and completeness of the information shared with the independent expert engaged by the management - Evaluating 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 - Assessing the competence and independence of the valuation expert engaged by the Group for determining the replacement cost of property, plant and equipment - Verification of accounting implications, if any, and appropriateness of disclosures in the consolidated financial statements

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

- The Parent's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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- 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 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, 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 regard²⁴.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors are 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 loss, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint venture entities 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 associate and joint venture entities 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 associate and its joint venture entities 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 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 associate and joint venture entities 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 have no realistic alternative but to do so.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture entities 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 associate and joint venture entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by 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 2 subsidiaries, whose financial statements reflect total assets of Rs. 5.04 crore as at 31 March, 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.47 crore for the year ended on that date, as considered in the consolidated financial statements, whose financial statements have not been audited by us. 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 subsection (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.

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(b) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of Rs.32.34 crore as at 31 March, 2020, total revenues of Rs. Nil and net cash inflows of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. Nil for the year ended 31 March, 2020, as considered in the consolidated financial statements, in respect of 5 joint venture entities, whose financial statements have not been audited by us. These financial statements 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 these subsidiaries and joint venture entities, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

We have been informed by the Management that upon initiation of the Liquidation proceedings in respect of an associate under the provisions of the Insolvency and Bankruptcy Code, 2016, it has ceased to be an associate of the Group and accordingly the financial statements of this entity have not been furnished to us. However, in view of the last audited financial statements and other financial information available, the Company has written off its investment in the aforesaid entity and Management has represented to us that there is no continuing obligation to bear further losses by the Company. Accordingly, in our opinion and according to the information and representations given to us by the Management, non-receipt of these financial statements will have no impact on the consolidated financial statements of 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 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 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, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, 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 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.

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- 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, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2020 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 to whom internal financial controls over financial reporting is applicable. 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 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) The Group 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 and its subsidiary companies, incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)


(Rakesh Sharma)
Partner

(Membership No. 102042)

(UDIN No. : 20102042AAAAAW5884)

Place: Mumbai
Date: 18.05.2020

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2020, we have audited the internal financial controls over financial reporting of Creixent Special Steels Limited (hereinafter referred to as "Parent") and 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 ICAI 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 were 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.

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We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of a subsidiary company, which is a company incorporated in India, in terms of their report 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report 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 31 March, 2020, based on the 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 issued by the ICAI.

Other Matters

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 a subsidiary company, which is a company incorporated in India, is based solely on the corresponding report of the auditors of such company incorporated in India.

**Deloitte
Haskins & Sells LLP**

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)



(Rakesh Sharma)

Partner

(Membership No. 102042)

(UDIN No. : 20102042AAAAAW5884)

Place: Mumbai
Date: 18.05.2020

Creixent Special Steels Limited
Consolidated Balance Sheet as at 31 March 2020
(Amount in Rupees crores, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
A. ASSETS			
1. Non-current assets			
a. Property, plant and equipment	3	3,235.99	3,384.92
b. Capital work-in-progress		234.21	178.73
c. Right of use assets	40	29.58	-
d. Other intangible assets	4	37.50	37.50
e. Investments in joint venture and associate	5	-	-
f. Financial assets			
i. Investments	6	0.75	0.99
ii. Other financial assets	7	24.35	18.58
g. Current tax assets (Net)	8	3.25	2.13
h. Other non-current assets	9	21.35	6.36
Total non-current assets		3,586.98	3,629.21
2. Current assets			
a. Inventories	10	857.49	658.81
b. Financial assets			
i. Trade receivables	11	51.77	32.98
ii. Cash and cash equivalents	12 a	36.11	165.55
iii. Bank Balance other than above	12 b	130.23	48.12
iv. Derivative assets	13	7.75	-
v. Loans	14	0.36	9.72
vi. Other financial assets	15	1.45	9.45
c. Other current assets	16	135.16	163.07
d. Assets classified as held for sale	36	38.47	3.31
Total current assets		1,258.79	1,091.01
TOTAL ASSETS		4,845.77	4,720.22
EQUITY AND LIABILITIES			
Equity			
a. Share capital	17	10.00	10.00
b. Other equity	18	50.66	358.44
Equity attributable to equity holders of the parent		60.66	368.44
Non-controlling interests		535.69	806.22
Total Equity		596.35	1,174.66
LIABILITIES			
1. Non-current liabilities			
a. Financial liabilities			
i. Borrowings	19	2,749.20	2,540.97
ii. Lease liabilities	20	28.85	-
iii. Other financial liabilities	25	101.13	35.37
b. Provisions	21	4.64	3.23
c. Deferred tax liabilities (net)	22	20.96	25.58
Total non-current liabilities		2,904.78	2,605.15
2. Current liabilities			
a. Financial liabilities			
i. Borrowings	19	367.63	154.21
ii. Trade payables			
- total outstanding dues of micro and small enterprises;		1.35	3.36
- total outstanding dues of creditors other than micro and small enterprises		488.63	396.72
iii. Lease liabilities	20	0.98	-
iv. Derivative liabilities	24	0.20	-
v. Other financial liabilities	25	448.85	355.09
b. Other current liabilities	26	32.87	30.72
c. Provisions	21	0.84	0.31
d. Liabilities classified as held for sale	36	3.29	-
Total current liabilities		1,344.64	940.41
Total Equity and liabilities		4,845.77	4,720.22

See accompanying notes to the consolidated financial statements

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

Rajesh Sharma
Partner

Place: Mumbai
Date: 18 May 2020

For and on behalf of the Board of Directors

Rajkumar Sureka
Chief Executive Officer

Keshav Anand
Chief Financial Officer

Shyam Dikkatwar
Company Secretary
ICSI M No. ACS: 33003

Seshagiri Rao M.V.S.
Director
DIN: 00029136

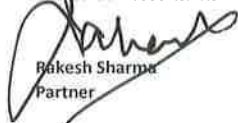
Nikhil Gahrotra
Director
DIN: 01277756

Creixent Special Steels Limited
 Consolidated Statement of Profit and Loss for the year ended 31 March 2020
 (Amount in Rupees crores, unless otherwise stated)
 Particulars

Notes	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019	
INCOME			
Revenue from operations			
Gross sales	27	2,609.04	1,125.37
Other operating income	27	30.40	5.65
Total revenue from operations		2,639.44	1,131.02
Other Income	28	26.28	14.83
Total Income (I)		2,665.72	1,145.85
EXPENSES			
Cost of material consumed		1,977.84	1,107.68
Purchase of stock-in-trade		1.28	1.33
Changes in inventories of finished goods, stock in trade and work-in-progress	29	(34.48)	(238.49)
Employee benefits expense	30	117.00	55.71
Finance costs	31	319.18	147.61
Depreciation and amortisation expense	32	213.27	126.03
Power and fuel expense		287.27	116.61
Other expenses	33	337.96	117.66
Total Expenses (II)		3,219.32	1,434.14
Loss before exceptional items and tax (I-II)		(553.60)	(288.29)
Exceptional items (Net)	34	-	27.00
Loss before tax		(553.60)	(315.29)
Tax expense / (credit):			
Current Tax		-	-
Deferred Tax		(4.62)	(2.50)
Loss for the year / period		(548.98)	(312.79)
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement gains (losses) on defined benefit plans		(3.41)	0.29
Equity instruments through other comprehensive income		(0.23)	0.03
Items that will be reclassified to profit or loss in subsequent periods			
Exchange differences in translating the financial statements of foreign operations		(25.69)	16.75
Total other comprehensive (loss) / income for the year / period		(29.33)	17.07
Total comprehensive loss for the year / period		(578.31)	(295.72)
Total comprehensive loss for the year / period attributable to:			
Owners of the Parent		(307.78)	(159.77)
Non controlling interests		(270.53)	(135.95)
Loss for the year / period attributable to:			
Owners of the Parent		(293.67)	(167.99)
Non controlling interests		(255.31)	(144.80)
Other comprehensive (loss) / income for the year / period attributable to:			
Owners of the Parent		(14.11)	8.22
Non controlling interests		(15.22)	8.85
Earnings per equity share of Rs.10 each:	35		
(1) Basic		(293.67)	(309.76)
(2) Diluted		(293.67)	(309.76)

See accompanying notes to the consolidated financial statements

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


 Rakesh Sharma
 Partner

Place: Mumbai
 Date: 18 May 2020

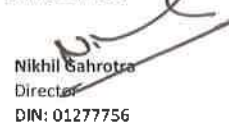
For and on behalf of the Board of Directors


 Rajkumar Sureka
 Chief Executive Officer


 Keshav Anand
 Chief Financial Officer


 Shyam Dikkarwar
 Company Secretary
 ICSI M No. ACS: 33003


 Seshagiri Rao M.V.S.
 Director
 DIN: 01277756


 Nikhil Sahrotra
 Director
 DIN: 01277756

Creikent Special Steels Limited
 Consolidated Statement of Cash Flows for the year ended 31 March 2020
 (Amount in Rupees crores, unless otherwise stated)

Particulars	For the year ended 31 March 2020		For the period from 27 February 2018 to ended 31 March 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		(553.60)		(315.29)
<i>Adjusted for:</i>				
Depreciation and amortization expenses	213.27		126.03	
Interest income	(11.55)		(8.52)	
Interest expenses	319.18		147.61	
Loss on sale of fixed assets	(0.01)		-	
Unrealised exchange loss/ (gain)	3.59		(1.72)	
Gain arising of financial instruments designated as FVTPL	(7.55)		-	
Provision/ liability written back	(4.68)		-	
Provision on inventories	36.68		50.04	
Gain on sale of investments	(0.09)		-	
Provision for non recoverable advances	1.80		-	
Operating profit before working capital changes		550.64		313.44
<i>Working capital adjustments:</i>		(2.96)		(1.85)
Increase in inventories	(235.36)		(475.02)	
Increase in trade and other receivables	(70.49)		(30.79)	
Increase in trade and other liabilities	114.00		267.37	
(Decrease)/ increase in provisions	(1.47)		1.67	
Cash flows used in operations		(193.32)		(236.77)
Income taxes paid (net)		(196.28)		(238.62)
Net cash used in operating activities		(1.12)		(1.11)
		(197.40)		(239.73)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment including under development	(128.91)		(27.60)	
Payment for purchase of debt instrument	-		(199.85)	
Proceeds from sale of property, plant and equipment	0.28		-	
Net cash outflow on acquisition of subsidiaries	-		(345.46)	
Proceeds from sale of subsidiaries	-		-	
Purchase of investments	(31.50)		-	
Proceeds from sale of investments	31.59		-	
Interest received	10.47		9.78	
Net cash used in investing activities		(110.07)		(563.13)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(234.24)		(111.87)	
Payment of lease liabilities	(1.04)		-	
Proceeds from disposal of partial interest in a subsidiary that does not involve loss of control	-		308.58	
Proceeds of long term borrowings	207.89		619.16	
Repayments of long term borrowings	-		(9.12)	
Proceeds of short term borrowings (net)	213.42		154.21	
Expenses incurred on increase in authorised share capital	-		(2.55)	
Proceeds from issue of equity share capital	-		10.00	
Net cash generated from financing activities		186.03		968.41
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(129.44)		165.55
Cash and cash equivalents at the beginning of the year / period		165.55		-
Cash and cash equivalents at the end of the year / period		36.11		165.55

* Rs. 2

1. The cash flow statement is 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 2020	Acquired on business combination	Cash flows	other adjustments	As at 31 March 2019
Long term borrowings	3,050.74	-	207.89	25.19	2,817.66
Short term borrowings	367.63	-	213.42	-	154.21
Interest accrued but not due on borrowings (including premium payable on redemption of debentures)	169.07	-	(234.24)	319.88	83.43

Particulars	As at 31 March 2019	Acquired on business combination	Cash flows	other adjustments	As at 27 February 2018
Long term borrowings	2,817.66	2,003.07	610.04	(5,430.77)	-
Short term borrowings	154.21	94.57	154.21	(402.99)	-
Interest accrued but not due on borrowings (including premium payable on redemption of debentures)	83.43	47.69	(111.87)	147.61	-

See accompanying notes to the consolidated financial statements

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


 Rajkesh Sharma
 Partner

For and on behalf of the Board of Directors


 Rajkumar Sureka
 Chief Executive Officer


 Seshagiri Rao M.V.S.
 Director
 DIN: 01277756


 Keshav Anand
 Chief Financial Officer


 Nikhil Gahrotia
 Director
 DIN: 01277756

Place: Mumbai
 Date: 18 May 2020


 Shyam Dikhatwar
 Company Secretary
 ICSI M No. ACS: 33003

Creixent Special Steels Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2020
(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Issuance of shares upon incorporation	0.02
Equity share capital issued during the period	9.98
Balance as at 31 March 2019	10.00
Changes during the year	-
Balance as at 31 March 2020	10.00

B. Other equity

Particulars	Reserves and surplus					Total equity	Non-controlling interest	Total equity
	Capital reserve on bargain purchase	Retained earnings	Fair valuation difference on financial instruments	Foreign exchange translation reserve (net)	Equity instruments through OCI			
As at 27 February 2018	-	-	-	-	-	-	-	-
Net loss for the period	-	(167.99)	-	-	-	(167.99)	(144.80)	(312.79)
Other comprehensive income for the period (net of tax)	-	-	-	8.05	0.03	8.22	8.85	17.07
Acquisition of business	475.80	-	-	-	-	475.80	633.59	1,109.39
Disposal of partial interest in a subsidiary that does not involve loss of control	-	-	-	-	-	-	308.58	308.58
Fair valuation difference on financial instruments issued to owners	-	-	59.95	-	-	59.95	-	59.95
Income tax relating to fair valuation difference on financial instruments	-	-	(14.99)	-	-	(14.99)	-	(14.99)
Expenses incurred on increase in authorized share capital	-	(2.55)	-	-	-	(2.55)	-	(2.55)
As at 31 March 2019	475.80	(170.54)	44.96	8.05	0.03	358.44	806.22	1,164.66
Net loss for the year	-	(293.67)	-	(12.36)	(0.11)	(293.67)	(255.31)	(548.98)
Other comprehensive income for the year (net of tax)	-	-	-	(4.31)	(0.08)	(14.11)	(15.22)	(29.33)
As at 31 March 2020	475.80	(464.21)	44.96	(4.31)	(0.08)	50.66	535.69	586.35

See accompanying notes to the consolidated financial statements

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

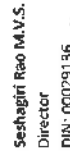

Rakesh Sharma
Partner

For and on behalf of the Board of Directors


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikkarwar
Company Secretary
ICSI M No. ACS:35003


Seshagiri Rao M.V.S.
Director
DIN: 00029136


Nikhil Ganrotra
Director
DIN: 01277756

Place: Mumbai
Date: 18 May 2020

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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 QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh – 496001, Chattisgarh.

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 2020 were approved by the board of directors in the meeting held on 18 May 2020.

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 for the previous year had been prepared for the period starting from 27 February 2018, i.e. the date of incorporation of the Company to 31 March 2019. Also, the Company acquired Monnet Ispat and Energy Limited, its subsidiary, on 31 August 2018 hence consolidated financial statements of previous year comprised figures of the acquired subsidiary/ Group from 31 August 2018, i.e., the acquisition date to 31 March 2019. Accordingly, the figures of current year are not comparable with the corresponding figures of the preceding period.

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 2020

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.

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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.

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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.

Creixent Special Steels Limited

Notes to the consolidated financial statements for the year ended 31 March 2020

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 2020

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 2020

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 2020

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 2020

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

Policy applicable prior to 01 April 2019

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset, other than lease hold land, is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Policy applicable from 01 April 2019

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.

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Notes to the consolidated financial statements for the year ended 31 March 2020

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.

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

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Notes to the consolidated financial statements for the year ended 31 March 2020

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.

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.

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Notes to the consolidated financial statements for the year ended 31 March 2020

- **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.

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.

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Notes to the consolidated financial statements for the year ended 31 March 2020

- **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.

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.

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Notes to the consolidated financial statements for the year ended 31 March 2020

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.

2.8 Estimation of uncertainties relating to the global health pandemic from COVID-19:

On 11 March 2020, the World Health Organization characterized the outbreak of a strain of the new coronavirus ("COVID-19") as a pandemic. The Group's operations were impacted due to shutdown of its plants following nationwide lockdown by the Government of India in view of COVID-19. With easing of some restrictions, the Group restarted the integrated steel making operations in May 2020.

Based on initial assessment, the Management does not expect any significant medium to long term impact on the business of the Group due to the COVID-19 pandemic. The Group has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Group's liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

2.9 Recent Indian Accounting Standards (Ind AS): -

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

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Notes to the Consolidated Financial Statements as at and for the year ended 31 March 2020
(Amount in Rupees crores, unless otherwise stated)

3. Property, Plant And Equipment

Particulars	Freehold Land & Site Development	Other Buildings	Plant and equipment	Office Equipments	Furniture and Fixtures	Vehicles	Aircraft	Total
Cost / fair value								
As at February 27, 2018	-	-	-	-	-	-	-	-
Additions	-	-	3.62	-	-	-	-	3.62
Acquired pursuant to business combination	346.79	239.13	2,907.13	1.21	2.77	0.99	9.31	3,507.33
As at March 31, 2019	346.79	239.13	2,910.75	1.21	2.77	0.99	9.31	3,510.95
Additions	-	2.32	56.32	1.35	0.19	3.34	-	63.52
Disposals	-	-	-	-	-	0.32	-	0.32
Translation reserve	-	0.11	-	-	0.02	-	0.37	0.50
Transfer to held for sale	0.16	-	0.003	-	-	-	-	0.16
As at March 31, 2020	346.63	241.56	2,967.07	2.56	2.98	4.01	9.68	3,574.49
Accumulated depreciation								
As at February 27, 2018	-	-	-	-	-	-	-	-
Depreciation charge for the period	1.70	5.54	117.05	0.42	0.35	0.10	0.27	126.03
As at March 31, 2019	1.70	5.54	117.05	0.42	0.35	0.10	0.27	126.03
Depreciation charge for the year	-	9.59	201.37	0.34	0.56	0.28	0.30	212.44
Disposals	-	-	-	-	-	0.04	-	0.04
Translation reserve	-	0.003	-	-	-	-	0.07	0.07
Transfer to held for sale	-	-	0.003	-	-	-	-	0.003
As at March 31, 2020	1.70	15.13	318.42	0.76	0.91	0.34	1.24	338.50
Net carrying value :								
As at March 31, 2020	344.93	226.43	2,648.65	1.80	2.07	3.67	8.44	3,235.99
As at March 31, 2019	345.09	233.59	2,793.70	0.79	2.42	0.89	8.44	3,384.92

Notes:

- Property, plant and equipment pledged as security
Refer to note 19 for information on property, plant and equipment pledged as security by the Group.
- During the current year, in view of operating losses and temporary shut down of plants, the management has assessed the recoverable value of property, plant and equipment of Raigarh and Rajpur locations with the help of independent valuation expert and concluded that no additional provision for impairment is necessary.

4. Intangible assets

Particulars	Rights under operation & Maintenance contract
Cost / fair value	
As at February 27, 2018	-
Additions	-
Acquired pursuant to business combination	37.50
As at March 31, 2019	37.50
Additions	-
Disposals	-
As at March 31, 2020	37.50
Amortisation	
As at February 27, 2018	-
Amortisation for the period	-
As at March 31, 2019	-
Amortisation for the period	-
As at March 31, 2020	-
Net carrying value :	
As at March 31, 2020	37.50
As at March 31, 2019	37.50

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Notes to the Consolidated Financial Statements as at and for the year ended 31 March 2020
(Amount in Rupees crores, unless otherwise stated)

5. Investments in joint ventures and associates

	31 March 2020	31 March 2019
a. Investments in equity shares		
Investments In Joint ventures (unquoted)		
Monnet Ecomaister Enviro Private Limited	-	-
14,211,363 (March 31, 2019 : 14,211,363) Equity shares of Rs.10 each fully paid up		
Mandakini Coal Company Limited	-	-
39,299,800 (March 31, 2019 : 39,299,800) Equity shares of Rs.10 each fully paid up		
MP Monnet Mining Company Limited	-	-
980,000 (March 31, 2019 : 980,000) Equity shares of Rs.10 each fully paid up		
Urtan North Mining Company Limited	-	-
5,751,347 (March 31, 2019 : 5,751,347) Equity shares of Rs.10 each fully paid up		
Investments In associate companies (quoted)		
Monnet Power Co Limited (refer note iii below)	-	-
220,101,460 (March 31, 2019 : 220,101,460) Equity shares of Rs.10 each fully paid up		
Less: investments classified as held for sale (refer note ii below)		
Monnet Ecomaister Enviro Private Limited	-	-
14,211,363 (March 31, 2019 : 14,211,363) Equity shares of Rs.10 each fully paid up		
Aggregate book value of quoted Investments	-	-
Aggregate market value of quoted Investments	-	-
Aggregate value of unquoted investments	-	-
Note:		

i. The investments in equity shares of joint ventures and associates are acquired consequent to acquisition of Monnet Ispat and Energy Limited during the previous year, the fair value of which is determined to be Rs.Nil.

ii. Post board approval, investment in Monnet Ecomaister Enviro Private Limited has been classified as held for sale for detailed information refer note 36.

iii. These consolidated financial statement does not include financial information of Monnet Power Company Limited (MPCL), which ceased to be an associate of the Group upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor. No adjustment is required in respect of losses if any, of MPCL since carrying value of investments is nil and there is no continuing obligation to bear further losses by the Group.

6. Investments

a. Investments at fair value through OCI (quoted)		
Interactive Financial Services Limited (IFSL)	0.05	*
1,300,000 (March 31, 2019 : 1,300,000) Equity shares of Re.1 each fully paid up		
Aditya Birla Capital Limited	0.01	0.02
2,100 (March 31, 2019 : 2,100) Equity shares of Rs.10 each fully paid up		
Aditya Birla Fashion & Retail Limited	0.08	0.11
5,200 (March 31, 2019 : 5,200) Equity shares of Rs.10 each fully paid up		
Grasim Industries Limited	0.07	0.13
1,500 (March 31, 2019 : 1,500) Equity shares of Rs.10 each fully paid up		
XL Energy Limited (formerly XL Telecom Limited)	*	0.01
166,808 (March 31, 2019 : 166,808) Equity shares of Rs.10 each fully paid up		
Kamanwala Housing Construction Limited	0.03	0.07
63,343 (March 31, 2019 : 63,343) Equity shares of Rs.10 each fully paid up		
Indiabulls Real Estate Limited	0.10	0.23
25,000 (March 31, 2019 : 25,000) Equity shares of Rs.10 each fully paid up		
RattanIndia Infrastructure Limited	0.02	0.02
73,750 (March 31, 2019 : 73,750) Equity shares of Rs.10 each fully paid up		
Neueon Towers Limited (formerly known as Sujana Towers Limited)	#	##
12,500 (March 31, 2019 : 12,500) Equity shares of Rs.10 each fully paid up		
Indiabull Integrated Services Limited (formerly known as Soril Holdings and Ventures Limited)	0.01	0.10
3,125 (March 31, 2019 : 3,125) Equity shares of Rs.10 each fully paid up		
Bellary Steel Limited	0.15	-
803,243 (March 31, 2019 : 803,243) Equity shares of Re.1 each fully paid up		
Pioneer Investment Limited	0.07	0.07
23,392 (March 31, 2019 : 23,392) Equity shares of Rs.10 each fully paid up		
Orrisa Sponge Iron & Steel Limited (refer note i below)	-	-
1,994,633 (March 31, 2019 : 1,994,633) Equity shares of Rs.10 each fully paid up		
Nu Tek India Limited	-	0.01
480,000 (March 31, 2019 : 480,000) Equity shares of Rs.5 each fully paid up		
	0.59	0.77
(b) Investment In Mutual Funds (quoted)		
SBI MF Magnum Tax Gain	0.16	0.22
55,123 (March 31, 2019 : 55,123) units		
Nippon India Mutual fund ETF liquid BeES	-	-
25 (March 31, 2019 : 25) units		
	0.75	0.99
* Rs.41,702 # Rs. 3,750 ## Rs. 10,875		
Aggregate book value of quoted Investments		
Aggregate market value of quoted Investments	0.75	0.99
Aggregate value of unquoted Investments	0.75	0.99
	-	-

i. Basis Board resolution, investment in Orrisa Sponge Iron & Steel Limited has been classified as held for sale for detailed information refer note 36.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020
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7. Other financial assets (Non current)

	31 March 2020	31 March 2019
Bank deposits (having maturity more than 12 months)*	4.69	0.68
Other receivables	12.73	12.73
Security Deposits (unsecured, considered good)	6.93	5.17
	24.35	18.58
*Lien marked bank deposits	4.69	0.27

8. Non Current tax assets (Net)

	31 March 2020	31 March 2019
Income tax paid (net of provision for tax)	3.25	2.13
	3.25	2.13

9. Other non-current assets

	31 March 2020	31 March 2019
Capital advances		
Unsecured, considered good	18.51	5.98
Other loans and advances (Unsecured, considered good)		
Security deposits	3.39	
Prepaid expenses	-	0.34
Advance to gratuity fund	-	0.04
	21.90	6.36
Less: Provision for Impairment	(0.55)	-
Total	21.35	6.36

10. Inventories

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

	31 March 2020	31 March 2019
Raw Materials (Includes goods in transit Rs. 15.01 crores (31 March 2019: Rs. 39.37 crores))	337.72	227.23
Work-in-progress	4.95	5.73
Finished Goods	369.97	350.40
Stores and spares (Includes goods in transit Rs. 0.69 crores (31 March 2019: Rs. NIL))	146.17	75.45
	858.81	658.81
Less : Provision for impairment of inventory	(1.32)	-
Total	857.49	658.81

Note:

II. Inventory of finished goods includes inventory aggregating to Rs.314.51 crores (PY Rs. 253.94 crores) valued at net realisable value. Write-down of inventories arising out of the above amounting to Rs.36.68 crores (PY Rs. 50.04 crores) has been recognised as an expense during the year.

II. Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 19.

11. Trade receivables

	31 March 2020	31 March 2019
Trade receivables - Unsecured, considered good	51.77	32.98
Trade Receivables which have significant increase in Credit Risk	-	-
Less: Allowance for doubtful debts	-	-
Trade Receivables – credit impaired	0.15	-
Less: Allowance for doubtful debts	(0.15)	-
Total	51.77	32.98

Dues from directors or companies where directors are interested

The Credit period on sale of goods ranges from 30 to 90 days.

Ageing of receivables that are past due but not impaired

Particulars	31 March 2020	31 March 2019
90-180 days	4.79	1.99
> 180 days	1.19	14.28
Total	5.98	16.27

Part of trade receivables have been given as collateral towards borrowings details relating to which has been described in note 19.

Credit risk management regarding trade receivables has been described in note 45 (5).

Trade receivables from related parties details has been described in note 42.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020
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12. Cash and bank balances

	31 March 2020	31 March 2019
12 a. Cash and cash equivalents :		
Balances with banks		
On current accounts	35.01	23.29
On Bank deposits with upto three months maturity	1.04	142.20
Cash on hand	0.06	0.06
	36.11	165.55

12 b. Bank balances other than above

Earmarked bank balances *	0.11	0.17
Other bank deposits with maturity more than 3 months but less than 12 months at inception	73.46	
Other bank deposits with maturity more than 3 months but less than 12 months at inception (lien marked) #	56.66	47.95
	130.23	48.12

Notes:

* Earmarked bank balances pertaining to unclaimed dividend.

Other bank deposits are provided as collateral against credit facilities.

13. Derivative Assets

	31 March 2020	31 March 2019
Forward contracts (refer note 45.4)	7.75	-
	7.75	-

14. Loans

	31 March 2020	31 March 2019
Loans		
- to related parties* (Refer Note 42)	0.14	-
- to Others #	0.36	9.72
Less: Provision for Impairment	(0.14)	-
Total	0.36	9.72

* Loans are given for business purpose

It includes advance for properties, which upon approval of plan to sale these properties in their present condition by the Board of directors, the management has regarded the sale to be highly probable and has initiated the process to locate a buyer. Accordingly, these properties have been classified as held for sale at estimated fair value less cost to sale of Rs.5.96 crores based on the recent comparable transaction and the resultant impairment loss of Rs.1.8 crores has been recognised.

Note :

Loans Receivable - Unsecured, considered good	0.50	9.72
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15. Other financial assets (current)

	31 March 2020	31 March 2019
Interest accrued on deposits and loans	1.45	0.39
Advance for property *	-	9.06
	1.45	9.45

* Upon approval of plan to sale these properties in their present condition by the Board of directors, the management has regarded the sale to be highly probable and has initiated the process to locate a buyer. Accordingly, these properties have been classified as held for sale at estimated fair value less cost to sale of Rs.5.96 crores based on the recent comparable transaction and the resultant impairment loss of Rs.1.8 crore has been recognised.

16. Other current assets

	31 March 2020	31 March 2019
Advance to employees	0.52	0.32
Prepaid expenses	10.68	10.21
Advances to suppliers	101.98	134.60
Balances with GST/ Excise Authorities	13.94	17.94
Indirect tax balances Refund due	8.04	-
Total	135.16	163.07

CREIXENT SPECIAL STEELS LIMITED

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020

(Amount in Rupees crores, unless otherwise stated)

17. Equity share capital

Particulars	31 March 2020		31 March 2019	
	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

Issuance of shares upon incorporation		20,000	0.02
Add: Issued during the period		9,980,000	9.98
Outstanding as at the 31 March 2019		10,000,000	10.00
Add: Issued during the period		-	-
Outstanding as at the 31 March 2020		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.

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

Particulars	31 March 2020		31 March 2019	
	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	5,200,000	52.00%	5,200,000	52.00%

CREIXENT SPECIAL STEELS LIMITED**Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020****(Amount in Rupees crores, unless otherwise stated)**

18. Other equity	31 March 2020	31 March 2019
I. Reserves and surplus		
a) Retained earnings	(464.21)	(170.54)
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) Re-measurement gains on defined benefit plans	(1.50)	0.14
b) Foreign currency translation reserve	(4.31)	8.05
c) Equity instruments through other comprehensive income	(0.08)	0.03
	50.66	358.44

a) Retained earnings

Retained earnings are the (losses)/ profit 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) Capital reserve on bargain purchase

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

c) Re-measurement gains on defined benefit plans

This amount represents the impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumptions, experience adjustments, etc. recognised through other comprehensive income.

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.

f) 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.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020
(Amount in Rupees crores, unless otherwise stated)

19. Borrowings
(measured at amortized cost)

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
a. Term Loan				
i. Secured				
Loans from Banks	2,428.07	2,195.79	-	-
Less: current maturities of long term debt (refer note 25)	(301.54)	(276.69)	-	-
ii. Unsecured				
-from related parties	126.05	125.25	89.50	-
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		
d. Working capital facility				
Secured				
From Banks	-	-	278.13	154.21
	2,749.20	2,540.97	367.63	154.21

Type of loan	Loan outstanding		Rate of interest	Security Guarantee	Repayment terms
	31 March 2020	31 March 2019			
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	2,126.53	1,919.10	3 month MCLR + 10 bps	Secured by first charge on all immovable and movable fixed assets (present & future) of the company and second charge on all assets of a subsidiary of the Group.	Secured by first charge on all immovable and movable fixed assets (present & future) of the company and second charge on all immovable and movable fixed assets of a subsidiary of the Group.	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement, i.e. 31 August 2018.
Short term loan from Companies (Unsecured)	126.05	125.25	SBI 1 year MCLR + 200 bps	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.0.25 crores is repayable on 26 February 2022. C. Loan amounting to Rs.0.80 crores is repayable on 7 November 2022.	
Short term loan from Companies (Unsecured)	89.50	-	SBI 1 year MCLR + 200 bps	N.A.	On demand	
Working capital facility	278.13	154.21	1 Year MCLR	Secured by first charge on entire current assets (both present and future) and second charge on all immovable and movable fixed assets of a subsidiary of the Group.	Secured by first charge on entire current assets (both present and future) and second charge on all immovable and movable fixed assets of a subsidiary of the Group.	
Term Loan-Bank Loan	301.54	276.69	3 Month Libor + 3.5%	1)First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Group. 2)Assignment and charge over the coal sale contract entered into between the Group and PT Sarwa Sembada Karya Bumi.	1)First and exclusive pledge of shares of PT Sarwa Sembada Karya Bumi held by the Group. 2)Assignment and charge over the coal sale contract entered into between the Group and PT Sarwa Sembada Karya Bumi.	

20. Lease liabilities

Lease liabilities (refer note-40)

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	28.85	-	0.98	-
	28.85	-	0.98	-

21. Provisions

Provision for employee benefits

Provision for gratuity (Refer note 39)

Provision for compensated absences (Refer note 39)

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	-	-	0.06	-
	4.64	3.23	0.78	0.31
	4.64	3.23	0.84	0.31

22. Income Taxes

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") subsequently amended in Finance Tax issued by Ministry of Law and Justice 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 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 years succeeding the fiscal year in which MAT credit arises subject to the limits prescribed.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year indicated are as follows:

Particulars	For the year ended 31 March 2020	For the period ended 31 March 2019
Loss before tax	(553.60)	(315.29)
Enacted tax rate in India	34.94	34.94
Expected tax benefit at statutory tax rate	(188.82)	(111.24)
Effect of different tax rates of subsidiaries in other jurisdictions	6.56	3.52
Expenses not deductible in determining taxable profits	0.01	-
Income exempt from taxation	1.42	-
Adjustments in respect of current income tax of previous years	-	-
Deferred tax assets not recognised	176.21	29.64
Effect of recognition of deferred tax assets on unused tax losses to the extent of deferred tax liability recognised on temporary differences of property, plant and equipment	-	81.58
Total	(4.62)	(2.50)
Effective tax rate	0.83%	0.79%

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.

Deferred tax balance in relation to	As at 31 March 2019	Acquired pursuant to business combination	Recognised / (reversed) through profit and loss	Recognised / (reversed) through other comprehensive loss	As at 31 March 2020
Property, plant and equipment	124.73	-	(46.30)	-	78.43
Intangible assets	(13.10)	-	-	-	(13.10)
Carried forward business loss / unabsorbed depreciation	(141.83)	-	34.33	-	(107.50)
Equity component of financial instruments	(14.61)	-	-	0.64	(13.97)
Derivatives	-	-	(2.64)	-	(2.64)
Provisions for Impairment of Inventory/Trade receivables	-	-	(0.20)	-	(0.20)
Premium accrued on liability component of financial instruments	2.13	-	3.98	-	6.11
Others- IND AS adjustments	17.10	-	14.81	-	31.91
Total deferred tax (liabilities)/ assets	(25.58)	-	3.98	0.64	(20.96)

Deferred tax balance in relation to	As at 27 February 2018	Acquired pursuant to business combination	Recognised / (reversed) through profit and loss	Recognised / (reversed) through other comprehensive loss	As at 31 March 2019
Property, plant and equipment	-	124.73	-	-	124.73
Intangible assets	-	(13.10)	-	-	(13.10)
Carried forward business loss / unabsorbed depreciation	-	(141.83)	-	-	(141.83)
Equity component of financial instruments	-	-	-	(14.61)	(14.61)
Premium accrued on liability component of financial instruments	-	-	2.13	-	2.13
Others- IND AS adjustments	-	17.10	-	-	17.10
Total deferred tax (liabilities)/ assets	-	(13.10)	2.13	(14.61)	(25.58)

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

Expiry of losses (as per local tax laws)	2021-22	2022-23	2023-24	Beyond 5 Years	Indefinite	Total
Business losses	-	-	482.70	1,928.32	-	2,411.02
Unabsorbed depreciation	-	-	-	-	4,480.97	4,480.97
Long term capital losses	3.20	-	-	316.39	-	319.59
Total	3.20	-	482.70	2,244.71	4,480.97	7,211.58

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 2020

(Amount in Rupees crores, unless otherwise stated)

23. Trade payables

	31 March 2020	31 March 2019
Acceptances	258.20	134.16
Other than acceptances	-	-
- total outstanding dues of micro and small enterprises (refer note 44);	1.35	3.36
- total outstanding dues of creditors other than micro and small enterprises	230.43	262.56
Total	489.98	400.08

Note:

Disclosure with respect to related party transactions is given in note 42.

Terms and conditions of the above financial liabilities:

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

For explanations on the Company's credit risk management processes, refer to Note 45.

24. Derivative Liabilities

	31 MARCH 2020	31 MARCH 2019
Forward contracts (refer note - 45.4)	0.20	-
	0.20	-

25. Other financial liabilities (Current)

(at amortised cost):

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Current maturities of long term debt (refer note 19)	-	-	301.54	276.69
Interest payable:	-	-	-	-
Interest accrued but not due on borrowings	-	-	67.94	48.06
Unclaimed dividends	-	-	0.11	0.17
Security deposits and retention money	-	-	11.06	1.51
Payable for capital expenditures	-	-	19.05	19.14
Premium on redemption of non-convertible debentures	38.19	13.30	-	-
Premium on redemption of preference shares	62.94	22.07	-	-
Acceptances for capital goods	-	-	27.11	-
Others	-	-	22.04	9.52
	101.13	35.37	448.85	355.09

The Group has opted to avail moratorium on payment of interest falling due between 01 April 2020 to 31 May 2020 and 01 March 2020 to 31 May 2020 on term loan and cash credit respectively, from a bank on account of COVID-19 under the RBI guidelines and accordingly, interest accrued as on 31st March 2020 is payable after completion of moratorium period.

26. Other current liabilities

	31 March 2020	31 March 2019
Advance from customers	16.97	20.13
Statutory dues	12.07	10.59
Export Obligation deferred Income	3.83	-
	32.87	30.72

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020
(Amount in Rupees crores, unless otherwise stated)

27. Revenue From Operations

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Sale of products	2,611.67	1,130.02
Sale of services	0.25	-
Less: rebate & discounts	(2.88)	(4.65)
	2,609.04	1,125.37
Other operating revenues		
Sale of scrap	23.49	4.81
Export incentives	6.91	0.84
Total	2,639.44	1,131.02

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

Particulars	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Revenue from contracts with customer - Sale of products (including freight income)	2,609.04	1,125.37
Other operating revenue	30.40	5.65
Total revenue from contracts with customers	2,639.44	1,131.02
India	2,392.97	1,054.73
Outside India	246.47	76.29
Total revenue from contracts with customers	2,639.44	1,131.02
Timing of revenue recognition		
At a point in time	2,639.44	1,131.02
Over a period of time	-	-
Total revenue from contracts with customers	2,639.44	1,131.02

Product Wise	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Sponge Iron	1,176.82	726.55
Billets	228.58	35.21
Ferro Alloys	144.89	91.15
Pellets	503.37	49.71
Structure/ TMT	452.87	183.87
Pig Iron	93.87	21.39
Others	39.04	23.14
Total	2,639.44	1,131.02

Contract Balances

Particulars	For the year ended	
	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Trade Receivables	51.77	32.98
Contract liabilities (Advance from customers)	16.97	20.13

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

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

There is no warranty clause for goods sold by the Group.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year Rs. 20.13 crores (previous year Rs. 11.10 crores).

28. Other income

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Interest Income earned on financial assets that are not designated as FVTPL		
Bank deposits	9.35	7.58
Other interest income	2.20	0.94
Rent received	1.51	1.13
Fair value gain arising from financial instruments designated as FVTPL	7.55	4.43
Liabilities written back	4.68	-
Other miscellaneous income	0.99	0.75
Total	26.28	14.83

Creixent Special Steels Limited

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020

(Amount in Rupees crores, unless otherwise stated)

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

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Inventories at the beginning of the year / period		
Finished goods	334.71	-
Work-in-process	5.73	-
Total Inventories at the beginning of the year / period	340.44	-
Acquired pursuant to business combination		
Finished goods	-	98.58
Work-in-process	-	3.37
	-	101.95
Inventories at the end of the year / period		
Finished Goods	369.97	334.71
Work-in-process	4.95	5.73
Total Inventories at the end of the year / period	374.92	340.44
Total	(34.48)	(238.49)

30. Employee benefits expense

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Salaries, wages and amenities	107.24	51.38
Contribution to provident fund and other funds (refer note 39)	7.72	2.66
Staff welfare expenses	2.04	1.67
Total	117.00	55.71

31. Finance Costs

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Interest on debt and borrowings	244.51	109.70
Other ancillary borrowing costs	5.68	1.06
Premium on redemption of debentures	24.88	13.30
Premium on redemption of preference shares	40.88	22.07
Bank Charges	0.05	-
Interest expense on lease liability	0.45	-
Unwinding of discount on financial liabilities	2.73	1.48
Total	319.18	147.61

32. Depreciation and amortisation expense

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Depreciation of property, plant and equipments (refer note 4)	212.43	126.03
Depreciation of Right of use assets	0.84	-
	213.27	126.03

Creixent Special Steels Limited

Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020

(Amount in Rupees crores, unless otherwise stated)

33. Other expenses

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Stores and spares consumed	124.09	27.91
Distribution expenses	79.50	4.41
Other manufacturing expenses	44.39	23.08
Repairs & maintenance		
- Machinery	18.46	16.69
- Building	2.38	2.25
- Others	2.02	9.63
Legal & professional charges	12.79	6.15
Water charges	9.01	5.23
Insurance charges	8.68	3.09
Security service charges	8.06	4.70
Rent	1.90	0.24
Rates & taxes	0.57	0.46
Directors sitting fees	0.10	0.13
Loss from partnership firm	-	0.34
Bank charges	-	1.85
Provision For Doubtful Debts	1.80	-
Loss on sale of fixed assets	4.24	-
Miscellaneous expenses	19.97	11.50
	337.96	117.66

Creixent Special Steels Limited

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(Amount in Rupees crores, unless otherwise stated)

34. Exceptional Items (Net)

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Plant Startup Expenses	-	27.00
	-	27.00

Exceptional items for the period ended 31 March 2019 comprise of:

(d) Plant Startup Expenses of Rs 27.00 crores which comprise of various revenue expenses incurred to restart and make operational, facilities at Raigarh plant of the Company

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(Amount in Rupees crores, unless otherwise stated)

35. Earnings Per Share (EPS)

Particulars	31 March 2020	31 March 2019
Loss for the year as per Statement of Profit & Loss attributable to equity shareholders [A] (Rs. in crores)	(293.67)	(167.99)
Weighted average number of equity shares in calculating basic EPS (In Nos.)	10,000,000	5,423,216.08
Effect of dilution: [B]	-	-
Weighted average number of equity shares in calculating diluted EPS [C]	10,000,000	5,423,216.08
Earnings per equity share in Rs.		
Basic [A/B]	(293.67)	(309.76)
Diluted [A/C]	(293.67)	(309.76)
Face Value of each equity share in Rs.	10	10

36. Assets Held for Sale

Particulars	31 March 2020	31 March 2019
Preference shares in Orissa Sponge Iron & Steel Ltd (refer note I below)	-	2.92
Loan to Orissa Sponge Iron & Steel Ltd	-	0.39
Investment in equity shares of Monnet Ecomaister Enviro Pvt Ltd (refer note II below)	0.001	0.001
Assets of Monnet Cements Limited (refer note III below)	0.17	-
Assets of PT Sarwa Sembada Karya Bumi (refer note IV below)	32.34	-
Advance for properties	5.96	-
	38.47	3.31
Liabilities		
Liabilities of Monnet Cements Limited (refer note III below)	0.003	-
Liabilities of PT Sarwa Sembada Karya Bumi (refer note IV below)	3.29	-
Total liabilities	3.29	-

I. Post Board approval dated 27 March 2019, a subsidiary of the Group has entered into an agreement for sale of its investment in preference shares and loan given to Orissa Sponge Iron and Steel Ltd. Accordingly, these amounts have been reclassified as held for sale at that time at lower of its carrying amount and fair value less cost to sell, however upon receipt of consideration thereafter on 16 April 2019 the same stands settled.

II. A subsidiary of the Group has entered into an MOU with Ecomaister Company Limited, South Korea for transfer of its holding in JV company Monnet Ecomaister Enviro Private Limited having an initial 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. 10000 (Rupees Ten Thousand). Accordingly, the Group has measured the said investment at lower of its carrying amount and fair value less costs to sell and classified it as held-for-sale.

III. In board meeting held on 20 January 2020, resolution was passed to sale entire stake in Monnet Cement Limited. Accordingly, the Group has re-classified its assets and liabilities as held for sale.

IV. In 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.

Creixent Special Steels Limited
Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020
{Amount in Rupees crores, unless otherwise stated}

37. Material partly-owned subsidiaries

Name	Country of Incorporation	Ownership Interest of Creixent Special Steels Limited		Principal Activity
		As at 31 March 2020	As at 31 March 2019	
Monnet Global Limited	U.A.E.	48.12%	48.12%	Manufacturing company
Monnet Enterprise Pte Limited	Singapore	NA	Untill dissolution on 4 December 2018	Manufacturing company
Monnet Ispat and Energy Limited	India	48.12%	48.12% (w.e.f August 31, 2018)	Manufacturing company
Monnet cement Limited	India	48.11%	48.11%	Manufacturing company
Chomal Exports Private limited	India	24.54% (upto January 15, 2018)	24.54%	Mining Company
Pt. Sarwa kembada Karya bumi	Indonesia	48.12%	48.12%	Mining Company
LLC Black sea Natural resources	Republic of Abkhazia	48.12%	48.12%	Mining Company
Khasjameda Mining Company	India	47.64% (upto October 5, 2019)	47.64%	Mining Company
Monnet Sports Foundation	India	30.87% (upto January 15, 2018)	30.87%	Promotion of exports
Milloret Steel Limited	India	NA	100% (from March 8, 2018 upto August 31, 2018, i.e amalgamated with MIEL)	Manufacturing Company

Accumulated balances of Non-controlling Interests

	As at 31 March 2020	As at 31 March 2019
Monnet Ispat and Energy Limited	551.00	806.15
Pt. Sarwa Sembada Karya Bumi (subsidiary of Monnet Global Limited)	(0.08)	0.04

Total comprehensive Income allocated to material Non-controlling Interests

Monnet Ispat and Energy Limited	(255.15)	(137.85)
Monnet Global Limited	(0.12)	(0.13)

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

Summarised Statement of Profit & loss for the year ended 31 March 2020

	Monnet Global Limited 31-Mar-20	Monnet Ispat and Energy Limited 31-Mar-20	Monnet Global Limited 31-Mar-19	Monnet Ispat and Energy Limited 31-Mar-19
Revenue	-	2,698.16	-	1,129.69
Expenses	4.07	3,152.29	1.99	1,397.73
Loss for the year / period	(4.07)	(488.15)	(1.99)	(280.21)
Total comprehensive loss	(4.07)	(491.81)	(1.99)	(283.14)
Attributable to non-controlling interests	(0.12)	(255.15)	(0.13)	(137.85)
Dividends paid to non-controlling interests	-	-	-	-

Summarised Balance sheet as at 31 March 2020

	Monnet Global Limited 31-Mar-20	Monnet Ispat and Energy Limited 31-Mar-20	Monnet Global Limited 31-Mar-19	Monnet Ispat and Energy Limited 31-Mar-19
Current assets	33.06	1,225.22	1.26	1,102.08
Non-current assets	4.22	3,536.58	34.09	3,541.51
Current liabilities	350.87	989.81	282.98	618.46
Non-current liabilities	55.95	2,286.00	92.23	2,047.33
Total equity	(369.47)	1,485.99	(339.86)	1,977.80
Attributable to:				
Equity holders of parent	(369.39)	934.99	(339.90)	1,171.65
Non-controlling interest	(0.08)	551.00	0.04	806.15

Summarised Cash flow statement as at 31 March 2020

	Monnet Global Limited 31-Mar-20	Monnet Ispat and Energy Limited 31-Mar-20	Monnet Global Limited 31-Mar-19	Monnet Ispat and Energy Limited 31-Mar-19
Operating	0.53	(197.28)	-	(201.94)
Investing	-	(118.99)	-	(50.42)
Financing	-	185.56	-	76.31
Net Increase/(decrease) in cash and cash equivalents	0.53	(130.11)	-	(175.45)

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Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020

(Amount in Rupees crores, unless otherwise stated)

38. Disclosure of significant investments in joint ventures and associates:

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 2020	31 March 2019	
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) Disclosure of investment in the following associates :

S.No.	Name	Country of Incorporation	Ownership Interest of Creixent Special Steels Limited (%)	
			31 March 2020	31 March 2019
1	Monnet Power Company Limited *	India	13.62%	13.62%

*Monnet Power Company Limited (MPCL), ceased to be an associate of the Company upon initiation of its liquidation as per Insolvency and Bankruptcy Code for liquidation of the Corporate Debtor.

3) The group has no material joint ventures, associates or non controlling interests. Hence, the financial information of such joint ventures, associates or subsidiaries that have non controlling interests has not been disclosed.

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39. Employee benefit plansDefined Contribution Plans - General Description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund. The Group's contribution to the provident fund and ESIC is Rs.7.72 crores (31 March 2019 Rs. 1.93 crores) (refer note - 30).

Defined Benefit Plans - General Description**Gratuity:**

The Group has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Gratuity plan for the Company is a defined benefit scheme where annual contributions are deposited to an insurer to provide gratuity benefits by taking a scheme of Insurance, whereby these contributions are transferred to the insurer. The Group makes provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method. Plan assets also include investments and bank balances used to deposit premiums until due to the insurance company.

Compensated Absences:

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation of the group due to death, retirement, superannuation or resignation, at the rate of daily salary, as per the current accumulation of leave days.

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 2020 by M/s. K A Pandit Consultants & Actuaries. 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.

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

	31 March 2020	31 March 2019
Defined benefit obligation ('DBO') at the beginning of the period	13.13	-
Acquired pursuant to business combination	-	12.86
Current service cost	1.11	0.72
Interest cost	1.02	0.62
Benefits paid	(1.23)	(1.49)
Actuarial (gain)/ loss on obligations - OCI	3.24	0.42
Defined benefit obligation at the end of the period	17.27	13.13

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Notes to Consolidated Financial Statements as at and for the year ended 31 March 2020

(Amount in Rupees crores, unless otherwise stated)

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

	31 March 2020	31 March 2019
Fair value of plan assets at the beginning of the period	13.17	0.00
Acquired pursuant to business combination	0.00	13.85
Contribution by employer	3.81	0.04
Benefits paid	(0.62)	(1.46)
Expected Interest Income on plan assets	1.02	0.61
Actuarial gain/(loss) on plan asset	(0.17)	0.13
Fair value of plan assets at the end of the period	17.21	13.17

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

	31 March 2020	31 March 2019
Fair value of plan assets	17.21	13.17
Defined benefit obligation	17.27	13.13
Amount recognised in the balance sheet (refer note 21)	0.06	(0.04)

Amount recognised in Statement of Profit and Loss:

	31 March 2020	31 March 2019
Current service cost	1.11	0.72
Interest expense	1.02	0.62
Expected return on plan asset	(1.02)	(0.61)
Amount recognised in Statement of Profit and Loss (refer note 30)	1.11	0.73

Amount recognised in other comprehensive income:

	31 March 2020	31 March 2019
Actuarial changes arising from changes in demographic assumptions	(1.41)	-
Actuarial changes arising from changes in financial assumptions	(1.83)	(0.21)
Return on plan assets (excluding amounts included in net interest expense)	(0.17)	(0.13)
Amount recognised in other comprehensive income	(3.41)	(0.34)

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

Gratuity Investment Details	31 March 2020	31 March 2019
	Funded	Funded
Investment with Insurance fund	100%	100%

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

	31 March 2020	31 March 2019
Discount rate	6.89%	7.79%
Expected rate of return on Plan assets	6.89%	7.79%
Future salary increases	7.00%	7.00%
Attrition Rate	2.00%	2.00%
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 2020	31 March 2019	31 March 2020	31 March 2019
Assumptions				
Discount rate	+ 1%	+ 0.25%	(1.59)	(0.32)
	- 1%	- 0.25%	1.85	0.33
Future salary increases	+ 1%	+ 0.25%	1.83	0.34
	- 1%	- 0.25%	(1.60)	(0.32)
Withdrawal rate	+ 1%	+ 0.25%	(0.04)	0.02
	- 1%	- 0.25%	0.04	(0.02)

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.

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The following are the maturity analysis of projected benefit obligations:

	<u>31 March 2020</u>	<u>31 March 2019</u>
Within the next 12 months (next annual reporting year)	1.10	0.80
Between 2 and 5 years	3.29	2.65
Beyond 5 years	35.07	30.65
Total expected payments	39.46	34.10

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.0.29 crores to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

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

	<u>31 March 2020</u>	<u>31 March 2019</u>
Present value of unfunded obligation (Rs. in crores)	5.42	3.54
Expenses recognised in Statement of profit and loss (Rs. in crores)	1.46	0.99
Discount rate (p.a.)	6.89%	7.79%
Salary escalation rate (p.a.)	7.00%	7.00%

40. Leases

Operating Lease commitments - Group as lessee

Lease payments of Rs. 0.78 crores have been recognized as an expense in the statement of profit and loss during previous year.

The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2019
Not later than one year	1.05
Later than one year and not later than five years	4.23
Later than five years	37.40
Total	42.68

Transition Impact to Ind AS 116

(a) Lease - Group as a Lessee

Effective April 1, 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. April 1, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS 116. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at with right-of-use asset recognised at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet immediately before the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs 30.42 crore and a lease liability of Rs 30.42 crore. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The leases that the Group has entered with lessors are generally long term in nature and no changes in terms of those leases are expected due to the COVID-19.

	31 MARCH 2020
a. Right of Use Asset recognised in the Balance Sheet	29.58
b. Lease liability recognised in the Balance Sheet	29.83
c. Depreciation charged to PL account	
- Land	0.34
- Building	0.50
d. Interest charged to Profit & Loss Account	0.45
e. Lease payments recognised as expense for the underlying asset is of low value	-
f. Lease payments recognised as expense for short term leases	1.90
g. Total cash flow for leases	1.04
h. Carrying value of the right of use assets	
- Land	27.75
- Building	1.83
i. Amounts of lease commitments for leases covered other than in point 5 & 6 above	
- Not later than one year	0.98
- Later than one year and not later than five years	3.02
- Later than five years	25.83
j. Amounts of lease commitments for leases covered in point 5 & 6 above	
- Not later than one year	1.86
- 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%.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of practical expedients exercised for short term leases, as at adoption of the standard, in measuring lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Reconciliation of Operating Lease commitments to Lease liabilities as on April 1, 2019 :

Particulars	Amount
Operating lease commitments as at March 31, 2019	42.68
(Less): Impact of discounting on opening lease liability	(12.26)
(Less): Short-term leases not recognized as a liability	-
Lease liability recognized as at April 1, 2019	30.42

41. Commitments and contingencies

(b) Commitments

(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) of Rs. 26.55 crores (March 31, 2019 - Rs. 144.42 crores)

(ii) Rupee equivalent of export obligation to be completed by 23th December, 2021 under EPCG Scheme Rs. 19.99 crores (March 31, 2019 - Rs. NIL crores)

(c) Contingent Liabilities

	31 March 2020	31 March 2019
Performance bank guarantees	107.13	69.95
Claim against the Company not acknowledge as debt	52.00	-

42. 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
(b) Joint ventures	1	Mandakani Coal Company Limited (w.e.f. 31 August 2018)
	2	Urtan North Mining Company Limited (w.e.f. 31 August 2018)
	3	MP Monnet Mining Company Limited (w.e.f. 31 August 2018)
	4	Monnet Ecomaister Enviro Private Limited (w.e.f. 31 August 2018)
	5	Solace Land Holding Limited (w.e.f. 31 August 2018)
(c) Associate	1	Monnet Power Company Limited (w.e.f. 31 August 2018 to 23 October 2019)
(d) Key managerial personnel (KMP) :- i) Director	1	Mr. Nikhil Gahotra - Director (w.e.f. 31 August 2018)
	2	Mr. Seshagiri Rao M.V.S. - Director (w.e.f. 11 October 2018)
	3	Mr. Kalpesh Kikani - Director (w.e.f. 31 August 2018)
	4	Mrs. Anuradha Bajpai - Independent director (w.e.f. 01 November 2018)
	5	Mr. Chirag Bhansali - Independent director (w.e.f. 23 October 2018)
ii) Chief Executive Officer		Mr. Rajkumar Sureka - (w.e.f. 27 March 2019)
iii) Chief Financial Officer		Mr. Keshav Anand - (w.e.f. 27 March 2019)
iv) Company Secretary		Mr. Shyam Dikkarwar - (w.e.f. 27 March 2019)
(e) Enterprises over which KMP or their relatives or investing entity are able to exercise significant influence	1	JSW Steel Coated Products Limited (w.e.f. 31 August 2018)
	2	GSI Lucchini S.P.A (w.e.f. 31 August 2018)
	3	Amba River Coke Limited (w.e.f. 31 August 2018)

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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	Enterprises over which KMP or their relatives are able to exercise significant influence
Sales of goods				
JSW Steel Limited	31st March 2020	33.59	-	-
	31st March 2019	9.53	-	-
Loan taken				
JSW Steel Limited	31st March 2020	90.30	-	-
	31st March 2019	136.92	-	-
Loan repaid				
JSW Steel Limited	31st March 2020	-	-	-
	31st March 2019	9.12	-	-
Loan given				
Mandakini Coal Company Limited	31st March 2020	-	0.14	-
	31st March 2019	-	-	-
MP Monnet Mining Company Limited	31st March 2020	-	#	-
	31st March 2019	-	-	-
Interest accrued on Loan				
JSW Steel Limited	31st March 2020	16.46	-	-
	31st March 2019	7.52	-	-
Purchase of raw material / stores / fixed assets				
JSW Steel Limited	31st March 2020	145.58	-	-
	31st March 2019	67.38	-	-
JSW Steel Coated Products Limited	31st March 2020	-	-	2.70
	31st March 2019	-	-	0.42
GCI Lucchini SPA	31st March 2020	-	-	4.37
	31st March 2019	-	-	-
Reimbursement of expenses incurred on our behalf				
JSW Steel Limited	31st March 2020	0.48	-	-
	31st March 2019	9.74	-	-
Reimbursement of expenses incurred by the Group				
JSW Steel Limited	31st March 2020	2.53	-	-
	31st March 2019	-	-	-
Issue of debentures				
AION Investments Private II Limited	31st March 2020	-	-	-
	31st March 2019	186.30	-	-
Issue of preference shares				
JSW Steel Limited	31st March 2020	-	-	-
	31st March 2019	310.32	-	-
Premium on redemption of preference shares				
JSW Steel Limited	31st March 2020	40.88	-	-
	31st March 2019	22.07	-	-
Premium on redemption of debentures				
AION Investments Private II Limited	31st March 2020	24.88	-	-
	31st March 2019	13.30	-	-
Interest on debentures				
AION Investments Private II Limited	31st March 2020	0.02	-	-
	31st March 2019	0.01	-	-
Interest on preference shares				
JSW Steel Limited	31st March 2020	0.04	-	-
	31st March 2019	0.02	-	-
Issue of equity shares				
JSW Steel Limited	31st March 2020	-	-	-
	31st March 2019	4.80	-	-
AION Investments Private II Limited	31st March 2020	-	-	-
	31st March 2019	5.20	-	-

C. Balances with related parties

Loan given					
MP Monnet Mining Company Limited*	31st March 2020			0.22	
	31st March 2019			0.21	
Mandakini Coal Company Limited*	31st March 2020			6.41	
	31st March 2019			3.09	
Monnet Ecomaister Enviro Private Limited.*	31st March 2020			7.88	
	31st March 2019			6.76	
Loan taken					
JSW Steel Limited - Loan	31st March 2020	215.55			
	31st March 2019	125.25			
Trade and other payables					
JSW Steel Limited	31st March 2020	35.54			
	31st March 2019	90.19			
Amba River Coke Limited	31st March 2020				0.20
	31st March 2019				
Interest payables					
JSW Steel Limited	31st March 2020	0.03			
	31st March 2019				
Trade receivables					
JSW Steel Limited	31st March 2020	5.91			
	31st March 2019	0.03			
JSW Steel Coated Products Limited	31st March 2020				0.03
	31st March 2019				0.08
Payable for premium on redemption of preference shares not due					
JSW Steel Limited	31st March 2020	62.94			
	31st March 2019	22.07			
Payable for premium on redemption of debentures not due					
AION Investments Private II Limited	31st March 2020	38.19			
	31st March 2019	13.30			
Equity share capital					
JSW Steel Limited	31st March 2020	4.80			
	31st March 2019	4.80			
AION Investments Private II Limited	31st March 2020	5.20			
	31st March 2019	5.20			
Preference share capital					
JSW Steel Limited	31st March 2020	310.32			
	31st March 2019	310.32			
Debentures					
AION Investments Private II Limited	31st March 2020	186.30			
	31st March 2019	186.30			

- Rs.40,000

* Balances receivables from these related parties had been provided in books of accounts.

D. Details relating to remuneration of Key Managerial Personnel

i) Remuneration of Key Managerial Personnel

	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Short term employee benefits	3.55	0.52
Post Employee benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
Share based payment	-	-
	3.55	0.52

ii) Directors Sitting fees

Name of KMP	For the year ended 31 March 2020	For the period from 27 February 2018 to ended 31 March 2019
Ms. Anuradha Ambar Bajpai	0.04	0.12
Mr. Chirag Bhansali	0.02	-

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43. 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 2020	For the period ended 31 March 2019
Within India	2,392.97	1,054.73
Outside India	246.47	76.29
Total	2,639.44	1,131.02

Non current assets of the Group as at 31 March 2020 are located as follows:

Particulars	Within India	Outside India	Total
Property, plant and equipment	3,231.77	4.22	3,235.99
Capital work-in-progress	234.21	-	234.21
Right of Use assets	29.58	-	29.58
Other Intangible assets	37.50	-	37.50
Other non-current assets	48.91	0.79	49.70
Total	3,581.97	5.01	3,586.98

Non current assets of the Group as at 31 March 2019 are located as follows:

Particulars	Within India	Outside India	Total
Property, plant and equipment	3,378.92	6.00	3,384.92
Capital work-in-progress	150.20	28.53	178.73
Other Intangible assets	37.50	-	37.50
Other non-current assets	6.32	-	6.32
Total	3,572.94	34.53	3,607.47

44. 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 company is given below:

Particulars	31 March 2020	31 March 2019
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	1.35	3.36
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 2020

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45. Financial Instruments**45.1 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, in light of changes to economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate.

Particulars	31 MARCH 2020	31 MARCH 2019
Long term borrowings	2,749.20	2,540.97
Short term borrowings	367.63	154.21
Current maturities	301.54	276.69
Total borrowings	3,418.37	2,971.87
Less: Cash and cash equivalents	36.11	165.55
Bank balances other than cash and cash equivalents	130.23	48.12
Net debts	3,252.03	2,758.20
Total equity	60.66	368.44
Gearing ratio (%)	53.61	7.49

(i) Equity includes all capital and reserves of the company that are managed as capital.

(ii) Debt is defined as long term borrowings and short term borrowings.

45.2 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 2020

Particulars	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
Financial assets					
Investment	-	0.75	-	0.75	0.75
Trade receivable	51.77	-	-	51.77	51.77
Cash and cash equivalents	36.11	-	-	36.11	36.11
Bank balances other than cash and cash equivalents	130.23	-	-	130.23	130.23
Derivative Instrument	-	-	7.75	7.75	7.75
Loans	0.36	-	-	0.36	0.36
Other financial assets	25.80	-	-	25.80	25.80
Total	244.27	0.75	7.75	252.77	252.77
Financial Liabilities					
Long term borrowings (including accrued premium payable on redemption)	3,151.87	-	-	3,151.87	3,303.42
Short term borrowings	367.63	-	-	367.63	367.63
Trade payables	489.98	-	-	489.98	489.98
Lease liabilities	29.83	-	-	29.83	29.83
Derivative liabilities	-	-	0.20	0.20	0.20
Other financial liabilities	147.31	-	-	147.31	147.31
Total	4,186.62	-	0.20	4,186.82	4,338.37

As at 31 March 2019

Particulars	Amortised Cost	FVTOCI	FVTPL	Total Carrying value	Total fair value
Financial assets					
Investment	-	0.99	-	0.99	0.99
Trade receivable	32.98	-	-	32.98	32.98
Cash and cash equivalents	165.55	-	-	165.55	165.55
Bank balances other than cash and cash equivalents	48.12	-	-	48.12	48.12
Derivative assets	-	-	-	-	-
Loans	9.72	-	-	9.72	9.72
Other financial assets	28.03	-	-	28.03	28.03
Total	284.40	0.99	-	285.39	285.39
Financial Liabilities					
Long term borrowings (including accrued premium payable on redemption)	2,853.03	-	-	2,853.03	2,868.41
Short term borrowings	154.21	-	-	154.21	154.21
Trade payables	400.08	-	-	400.08	400.08
Other financial liabilities	78.40	-	-	78.40	78.40
Total	3,485.72	-	-	3,485.72	3,501.10

45.3 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, employee liabilities. The Company's principal financial assets include trade and other receivables, loans given and cash and short-term deposits/ loan that derive directly from its operations. The company also holds FVTOCI investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by the Finance department that advises on financial risks and the appropriate financial risk governance framework for the Company. The finance function provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

45.4 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 2020 and 31 March 2019.

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 2020 and 31 March 2019.

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 2020	31 MARCH 2019
Fixed rate borrowings	496.62	496.62
Floating rate borrowings	3,022.88	2,475.25
Total borrowings	3,519.50	2,971.87
Total net borrowings	3,519.50	2,971.87
Add: Upfront fees	20.56	20.90
Total borrowings	3,540.06	2,992.77

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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 2020		
INR	+50	(17.60)
INR	-50	17.60
31 March 2019		
INR	+50	(14.86)
INR	-50	14.86

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/ AED) 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.

The Group basis its assessment believes that there is no significant impact on the Group due to fluctuation in foreign currency due to COVID-19 as the Group has appropriately hedged its exposure to currency risk by way of forward contracts.

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 2020

Particulars	USD	EURO	AED	INR	Total
Financial assets					
Non current investment	-	-	-	0.75	0.75
Trade Receivable	20.11	-	-	31.66	51.77
Cash and cash equivalents	0.63	-	-	35.48	36.11
Bank balances other than cash and cash equivalents	-	-	-	130.23	130.23
Derivative Assets	7.75	-	-	-	7.75
Loans	-	-	-	0.36	0.36
Other financial assets	-	-	-	25.80	25.80
Total financial assets	28.49	-	-	224.28	252.77
Financial Liabilities					
Long term borrowings (including accrued premium payable on redemption)	-	-	-	3,151.87	3,151.87
Short term borrowings	-	-	-	367.63	367.63
Lease liabilities	-	-	-	29.83	29.83
Trade payables	103.52	-	-	386.46	489.98
Derivative liabilities	0.04	0.16	-	-	0.20
Other financial liabilities	-	29.29	-	118.02	147.31
Total financial liabilities	103.56	29.45	-	4,053.81	4,186.82

Currency Exposure as at 31 March 2019

Particulars	USD	EURO	AED	INR	Total
Financial assets					
Non current investment	-	-	-	0.99	0.99
Trade Receivable	14.76	-	-	18.22	32.98
Cash and cash equivalents	0.09	-	-	165.46	165.55
Bank balances other than cash and cash equivalents	0.02	-	-	48.10	48.12
Derivative Instrument	-	-	-	-	-
Loans	-	1.27	0.24	8.21	9.72
Other financial assets	1.38	-	-	26.65	28.03
Total financial assets	16.25	1.27	0.24	267.63	285.39
Financial Liabilities					
Long term borrowings (including accrued premium payable on redemption)	276.69	-	-	2,576.34	2,853.03
Short term borrowings	-	-	-	154.21	154.21
Trade payables	130.10	-	-	269.98	400.08
Other financial liabilities	42.19	-	-	36.21	78.40
Total financial liabilities	448.98	-	-	3,036.74	3,485.72

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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 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019
Receivables				
USD/INR	0.12	0.81	(0.12)	(0.81)
EURO/INR	0.02	0.06	(0.02)	(0.06)
AED/INR	-	0.01	-	(0.01)
Payable				
USD/INR	(15.08)	(22.45)	15.08	22.45

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 2020	Assets	10	Buy	25.21	190.04	7.75
	Liabilities	6	Sell	2.42	18.24	0.04

b) EURO

As at	Nature	No of contracts	Type	EURO equivalent (€ in million)	INR equivalent	MTM
31 March 2020	Liabilities	1	Buy	3.4	27.82	0.16

Unhedged currency risk position

I) Amounts receivable in foreign currency

a) USD

	As at 31 March 2020		As at 31 March 2019	
	USD equivalent (in million)	INR equivalent	USD equivalent (in million)	INR equivalent
Trade receivables	0.30	1.87	2.13	14.76
Other recoverable	-	-	0.20	1.38
Cash & cash equivalents	0.10	0.63	0.003	0.09
Term deposits	-	-	0.001	0.02

b) EURO

	As at 31 March 2020		As at 31 March 2019	
	EURO equivalent (in million)	INR equivalent	EURO equivalent (in million)	INR equivalent
Trade payables	0.001	0.43	0.16	1.27

c) AED

	As at 31 March 2020		As at 31 March 2019	
	AED equivalent (in million)	INR equivalent	AED equivalent (in million)	INR equivalent
Other recoverable	-	-	0.13	0.24

II) Amounts payable in foreign currency

	As at 31 March 2020		As at 31 March 2019	
	USD equivalent (in million)	INR equivalent	USD equivalent (in million)	INR equivalent
Short term borrowings	40.00	301.54	40.00	276.69
Trade Payables	-	-	18.81	130.10
Other Payables	-	-	6.10	42.19

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45.5 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.

For financial assets in the form of cash and cash equivalents, bank deposits, investments, loans and other financial assets, the Group has assessed the change in counterparty credit risk due to COVID-19 and believe that the same are fully recoverable.

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.

45.6. 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 2020

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investment	-	-	0.75	0.75
Trade Receivable	51.77	-	-	51.77
Loans	0.36	-	-	0.36
Cash and cash equivalents	36.11	-	-	36.11
Bank balances other than cash and cash equivalents	130.23	-	-	130.23
Derivative assets	7.75	-	-	7.75
Other financial assets	1.45	24.31	0.04	25.80
Total financial assets	227.67	24.31	0.79	252.77
Financial liabilities				
Long term borrowings (including accrued premium payable on redemption)	301.54	612.05	2,238.28	3,151.87
Short term borrowings	367.63	-	-	367.63
Lease liabilities	0.98	3.02	25.83	29.83
Trade payables	489.98	-	-	489.98
Derivative liabilities	0.20	-	-	0.20
Other financial liabilities	147.31	-	-	147.31
Interest payout liability on borrowings	219.44	828.69	544.90	1,593.03
Interest payout liability on leases	0.10	0.57	11.13	11.80
Total financial liabilities	1,527.18	1,444.33	2,820.14	5,791.65

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As at 31 March 2019

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investment	-	-	0.99	0.99
Trade receivable	32.98	-	-	32.98
Loans	9.72	-	-	9.72
Cash and cash equivalents	165.55	-	-	165.55
Bank balances other than cash and cash equivalents	48.12	-	-	48.12
Other financial assets	22.18	0.68	5.17	28.03
Total financial assets	278.55	0.68	6.16	285.39
Financial liabilities				
Long term borrowings (including accrued premium payable on redemption)	276.69	281.30	2,295.04	2,853.03
Short term borrowings	154.21	-	-	154.21
Trade payables	400.08	-	-	400.08
Other financial liabilities	78.40	-	-	78.40
Interest and premium payout liability	282.64	1,048.73	847.08	2,178.45
Total financial liabilities	1,192.02	1,330.03	3,142.12	5,664.17

45.7. Level wise disclosure of financial Instruments

Particulars	31 MARCH 2020	31 MARCH 2019	Level	Valuation Technique
Quoted investments in equity shares measured at FVTOCI	0.75	0.99	1	Quoted bid prices in an active market
Derivative assets	7.55	-	2	The fair value of forward contracts is determined using forward exchange rate as at the balance sheet date.
Derivative liabilities	0.20	-	2	
Long term borrowings	3,303.42	3,145.10	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.

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 10.15%	0.50%	0.50% Increase / (decrease) in the discount would decrease / (increase) the fair value by Rs.8.42 crores / (Rs.8.65 crores)

Reconciliation of Level III fair value measurement:

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	186.30	-
Purchase / (Sale) (net)	-	186.30
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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46. Disclosure of additional information pertaining to the Parent Company and Subsidiaries as per Schedule III of Companies Act, 2013

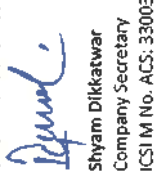
Name of entity in the group	Net assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated loss	Amount	As % of consolidated other comprehensive loss	Amount	As % of consolidated total comprehensive loss	Amount
Parent Company								
Creixent Special Steels Limited	(7.33)	(43.69)	11.39	(62.55)	-	-	10.82	(62.55)
Subsidiaries								
Indian								
Monnet Ispat and Energy Limited	159.34	950.22	39.66	(217.75)	12.41	(3.64)	38.28	(221.39)
Monnet Cement Limited	(0.34)	(2.02)	0.01	(0.06)	-	-	0.01	(0.06)
Chomal Exports Private Limited	-	-	(0.05)	0.27	-	-	(0.05)	0.27
Monnet Sports Foundation	-	-	-	0.02	-	-	-	0.02
Khasjamada Mining Company	-	-	-	-	-	-	-	-
Foreign								
Monnet Global Limited - Group	(65.41)	(390.07)	0.72	(3.95)	-	-	0.68	(3.95)
Non-controlling interest in all the subsidiaries	89.83	535.69	49.28	(270.53)	-	-	46.78	(270.53)
Joint Ventures								
Indian								
Mandakini Coal Company Limited	-	-	-	-	-	-	-	-
Urtan North Mining Company Limited	-	-	-	-	-	-	-	-
MP Monnet Mining Company Limited	-	-	-	-	-	-	-	-
Monnet Ecomaster Enviro Private Limited	-	-	-	-	-	-	-	-
Solace Land Holding Limited	-	-	-	-	-	-	-	-
Adjustment arising out of consolidation	(76.09)	(453.78)	(1.01)	5.57	-	-	(0.96)	5.57
Foreign exchange translation reserve	-	-	-	-	87.59	(25.69)	4.44	(25.69)
Total	100.00	596.35	100.00	(548.98)	100.00	(29.33)	100.00	(578.31)

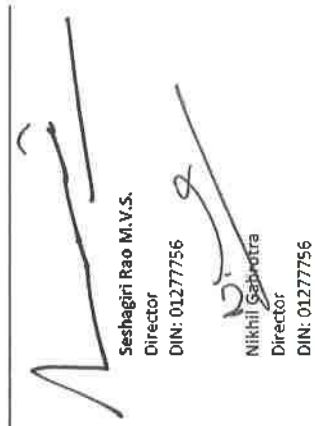
47. The figures for the corresponding previous periods have been restated / regrouped wherever necessary to make them comparable.

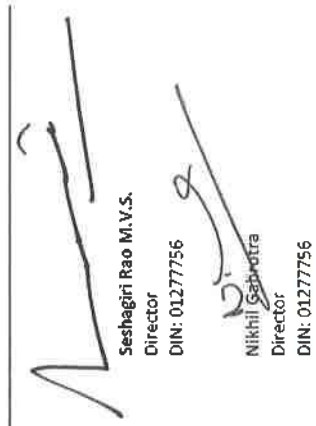
For and on behalf of the Board of Directors


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikkatwar
Company Secretary
ICSI M No. ACS: 33003


Seshagiri Rao M.V.S.
Director
DIN: 01277756


Nikhil Sabotra
Director
DIN: 01277756