

CREIXENT SPECIAL STEELS LIMITED

Regd. Office: QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh 496001

CIN: U27209CT2018PLC008397

Phone: 07762-291022; Website: www.jsw.in

NOTICE

NOTICE is hereby given that the 1st Annual General Meeting of the members of **CREIXENT SPECIAL STEELS LIMITED** ("the Company") will be held at Block A, Flat No. 612A, Om Sai Heights, Kotra Bypass Road, Near Dhimrapur Chowk, Raigarh-496001, Chhattisgarh on Friday, 27th December, 2019 at 11.00 a.m. at shorter notice to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Standalone audited financial statements of the Company for the period ended 31st March, 2019 together with the reports of the Board of Directors' and Auditor's thereon;
 - b. The consolidated audited financial statements of the Company for the period ended 31st March, 2019 together with the reports of the Auditor's thereon;
2. To appoint Statutory Auditors of the Company and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014 ("Auditor Rules"), and pursuant to the recommendations of the Audit Committee of the Board of Directors and approval of the Board of Directors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No 117366W/ W-100018) who have provided their eligibility certificate as per Rule 4 of the Auditor Rules, be and are hereby appointed as the Statutory Auditors of the Company ("Auditors"), to hold such office from the conclusion of this 1st Annual General Meeting ("AGM") until the conclusion of 6th AGM of the Company, on such remuneration payable to Auditors as may be mutually agreed between the Board of Directors of the Company in consultation with the Auditors plus applicable taxes and reimbursement of out of pocket expenses as may be incurred by the Auditors in connection with the audit of financial statements of the Company during their tenure as the Auditors;

RESOLVED FURTHER THAT Board of Directors of the Company (which includes any Committee of the Board) be and is hereby authorised to do all necessary acts, deeds, things and matters and execute all such documents, as may be necessary in this regard from time to time to give effect to this resolution."

SPECIAL BUSINESS

3. To appoint Mr. Seshagiri Rao M. V. S. (DIN: 00029136), as Non-Executive Director.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of

Directors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), Mr. Seshagiri Rao M.V.S. (DIN: 00029136), who was appointed as an Additional Director on the Board of the Company with effect from 11th October 2018 and who holds office till the date of ensuing Annual General Meeting in terms of Section 161 of the Act, who is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member signifying his intention to propose the candidature of Mr. Seshagiri Rao M.V.S. for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.

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

4. To appoint Mr. Kalpesh Kikani (DIN:03534772), as Non- Executive Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kalpesh Kikani (DIN:03534772), who was appointed as an Additional Director on the Board of the Company with effect from 31st August, 2018 and who hold office till the date of ensuing Annual General Meeting in terms of Section 161 of the Act, who is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member signifying his intention to propose the candidature of Mr. Kalpesh Kikani for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

5. To appoint Mr. Nikhil Gahrotra (DIN:01277756), as Non-Executive Director

To consider and if though fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Nikhil Gahrotra (DIN:01277756), who was appointed as an Additional Director on the Board of the Company with effect from 31st August, 2018 and who holds office till the date of ensuing Annual General Meeting in terms of Section 161 of the Act, who is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member signifying his intention to propose the candidature of Mr. Nikhil Gahrotra for the office of the Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

6. To appoint Mrs. Anuradha Bajpai (DIN:07128141), as a Non-Executive Independent Director

To consider and if though fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Anuradha Bajpai (DIN:07128141), who was appointed as an Additional Director of the Company in the category of Independent Director, by the Board of the Company with effect from 1st November, 2018, and who holds office till the date of ensuing Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member signifying its intention to propose Mrs. Anuradha Bajpai as a candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company in the category of Independent Director for a term up to 31st October, 2023, not liable to retire by rotation;

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

7. To appoint Mr. Chirag Bhansali (DIN:07395877), as a Non-Executive Independent Director


To consider and if though fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

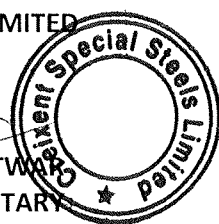
"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Chirag Bhansali (DIN:07395877), who was appointed as an Additional Director of the Company in the category of Independent Director, by the Board of the Company with effect from 23rd October, 2018, and who holds office till the date of ensuing Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member signifying its intention to propose Mr. Chirag Bhansali as a candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company in the category of Independent Director for a term up to 22nd October, 2023, not liable to retire by rotation."

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

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

Date: 19th December, 2019
Place: Mumbai


SHYAM DIKKATWAR
COMPANY SECRETARY
MEMBERSHIP NUMBER: ACS-33003



NOTES:

1. Consent for Shorter Notice: Members are requested to kindly accord their consent in writing for calling the AGM of the Company at shorter notice.
2. The Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013, setting out material facts in respect of the ordinary /special business items set out under item no. 3 to item no. 7 of the accompanying notice, and the details under clause 1.2.5 of Secretarial Standard on General Meeting (SS- 2) issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/ re-appointment as Director at the Annual General Meeting is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON POLL, INSTEAD OF HIMSELF / HERSELF AND A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT CREIXENT SPECIAL STEELS LIMITED ("THE COMPANY") WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND IN DEFAULT SHALL BE TREATED AS INVALID. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE.**

A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) per cent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. Corporate members intending to send their authorized representative(s) pursuant to section 113 of the Companies Act, 2013 to attend the meeting are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.
5. In case of joint holders attending the Annual General Meeting, only such joint holder whose name appears as first holder in the order of names as per Register of Members will be entitled to vote.
6. For proper conduct of the Annual General Meeting, Members/Proxies should fill the attendance slip for attending the Meeting. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
7. Members are requested to quote their Registered Folio Number/Client ID No. & Depository Participant (D.P) ID number on all correspondence with the Company.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office and Corporate Office of the Company on any working day between 11:00 A.M to 1:00 P.M, up to and including the date of this Annual General Meeting of the Company. Further, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts and Arrangements in which directors are interested maintained as per Section 189 of the Act, shall be made available at the commencement of AGM and shall remain open for inspection to the members during the continuance of the AGM.

9. The Members desirous of any information on the Accounts are requested to write to the Company at least seven days before the meeting so as to enable the management keep the desired information ready at the Annual General Meeting.
10. For the convenience of members of the Company the route map of the 01st Annual General Meeting along with prominent land mark is annexed to the Notice;

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

The following Statement set out all material facts relating to Item Nos. 3 to 7 mentioned in the accompanying Notice.

ITEM NO 3:

The Board at its meeting held on 11th October 2018 appointed Mr. Seshagiri Rao M.V.S. (DIN:00029136) as an additional director of the Company who holds office up to the ensuing Annual General Meeting of the Company.

Pursuant to section 160 of the Companies Act 2013, the Company has received a Notice in writing from a Member proposing the candidature of Mr. Seshagiri Rao M.V.S. for the office of Director.

Mr. Seshagiri Rao M.V.S., is not disqualified from being appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013. Pursuant to Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company.

The details of Mr. Seshagiri Rao M.V.S. containing brief profile, nature of expertise, etc. as required under Secretarial Standard -2 is annexed to the Notice as Annexure 1.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, is concerned or interested financially or otherwise in the resolution at Item No.3 of the Notice except that Mr. Seshagiri Rao M.V.S., in the capacity of director, is deemed to be concern or interested in this resolution.

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

ITEM NO 4:

The Board at its meeting held on 31 August, 2018 appointed Mr. Kalpesh Kikani (DIN:03534772) as Additional Director of the Company who holds office up to the ensuing Annual General Meeting of the Company.

Pursuant to section 160 of the Companies Act 2013, the Company has received a Notice in writing from a Member proposing the candidature of Mr. Kalpesh Kikani for the office of Director.

Mr. Kalpesh Kikani, is not disqualified from being appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013. Pursuant to Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company.

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

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, is concerned or interested financially or otherwise in the resolution at Item No.4 of the Notice except that Mr. Kalpesh Kikani, in the capacity of director, is deemed to be concern or interested in this resolution.

The Board recommends the resolution set forth at item no. 4 of the Notice for the approval of the members as an ordinary resolution.

ITEM NO 5:

The Board at its meeting held on 31st August, 2018 appointed Mr. Nikhil Gahrotra (DIN: 01277756) as Additional Director of the Company who holds office up to the ensuing Annual General Meeting of the Company.

Pursuant to section 160 of the Companies Act 2013, the Company has received a Notice in writing from a Member proposing the candidature of Mr. Nikhil Gahrotra for the office of Director.

Mr. Nikhil Gahrotra, is not disqualified from being appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013. Pursuant to Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company.

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

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, is concerned or interested financially or otherwise in the resolution at Item No.5 of the Notice except that Mr. Nikhil Gahrotra, in the capacity of director, is deemed to be concern or interested in this resolution.

The Board recommends the resolution set forth at item no. 5 of the Notice for the approval of the members as an ordinary resolution.

ITEM NO 6:

The Board at its meeting held on 23rd October, 2018 appointed Mrs. Anuradha Bajpai (DIN:07128141), as an Additional Director with effect from 1st November, 2018, pursuant to Section 161 of the Companies Act, 2013, she will hold office upto the date of the ensuing Annual General Meeting.

The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mrs. Anuradha Bajpai for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

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

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, is concerned or interested financially or otherwise in the resolution at Item No.6 of the Notice except that Mrs. Anuradha Bajpai, in the capacity of director, is deemed to be concern or interested in this resolution.

The Board recommends the resolution set forth at item no. 6 of the Notice for the approval of the members as an ordinary resolution.

ITEM NO 7:

The Board at its meeting held on 23rd October, 2018 appointed Mr. Chirag Bhansali (DIN 07395877), as an Additional Director, pursuant to Section 161 of the Companies Act, 2013, she will hold office upto the date of the ensuing Annual General Meeting.

The Company has received a Notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Chirag Bhansali for the Office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

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

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, is concerned or interested financially or otherwise in the resolution at Item No.7 of the Notice except that Mr. Chirag Bhansali, in the capacity of director, is deemed to be concern or interested in this resolution.

The Board recommends the resolution set forth at item no. 7 of the Notice for the approval of the members as an ordinary resolution.

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

Date: 19th December, 2019

Place: Mumbai


SHYAM DIKHATWAR
COMPANY SECRETARY

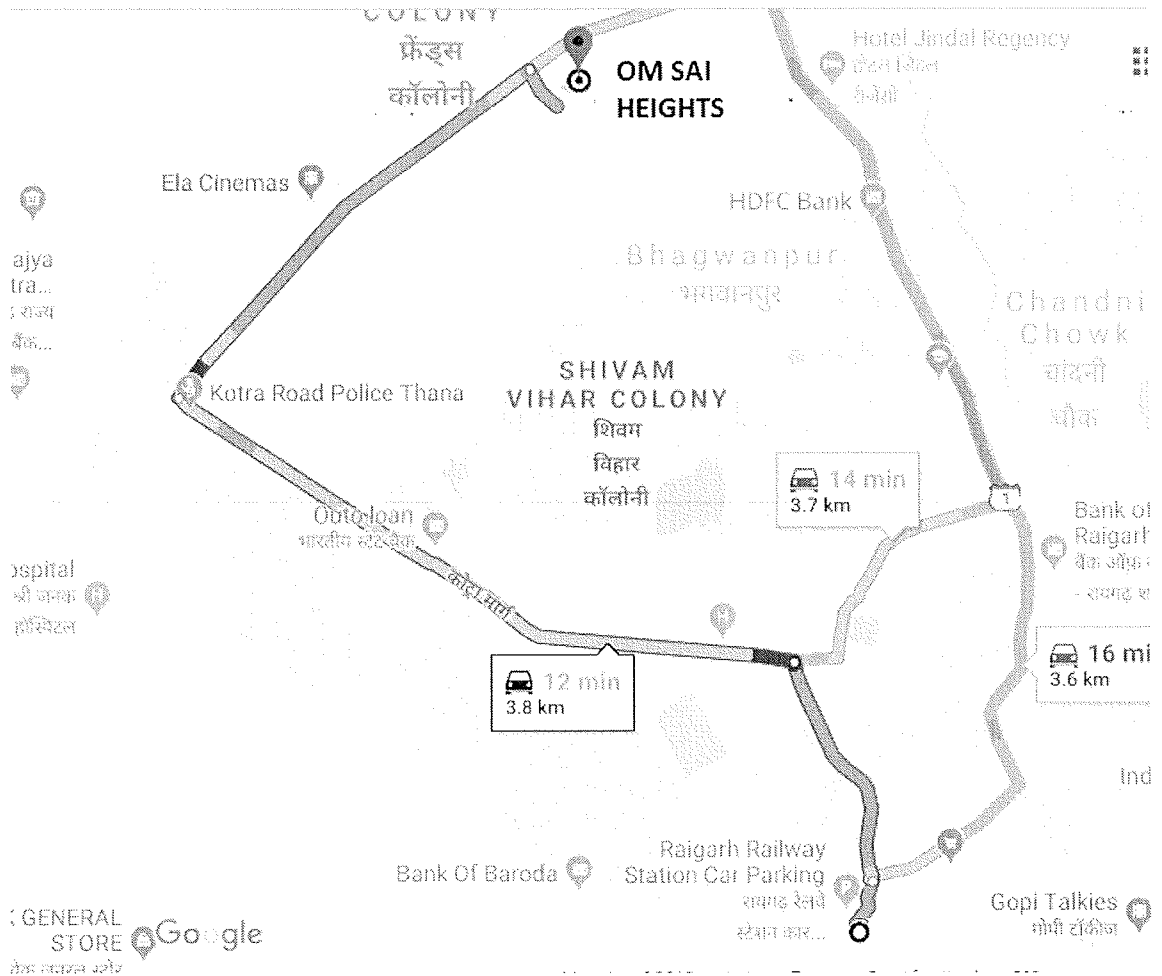


MEMBERSHIP NUMBER: ACS-33003

AGM Route Map:

Date of AGM: 27th December, 2019

Landmark: Near Central Excise Office, Division Raigarh, Darogapara, Chhattisgarh 496001



To,
The Board of Directors,
Creixent Special Steels Limited
QR No. 50-51, Park Avenue Colony,
Jindal Road, Dhimrapur,
Raigarh 496001

Consent to hold Annual General Meeting at Shorter Notice

Pursuant to section 101(1) and other applicable provisions of the Companies Act, 2013, I/we _____ holding _____ equity shares of Rs. 10/- each in Creixent Special Steels Limited (the Company), hereby give consent to hold the 1st Annual General Meeting of the Company at Block A, Flat No. 612A, Om Sai Heights, Kotra Bypass Road, Near Dhimrapur Chowk, Raigarh-496001, Chhattisgarh on Friday, 27th December, 2019 at 11.00 a.m. at a shorter notice or any adjournment thereof.

Signature

Name: _____

Date: _____

CREIXENT SPECIAL STEELS LIMITED

Regd. Office: QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh 496001

CIN: U27209CT2018PLC008397

Phone: 07762 291022; **Website:** www.jsw.in

ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id & Client Id / Regd. Folio No.*		No. of Shares	
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Name(s) and address of the member in full

I / we hereby record my / our presence at the 1st Annual General Meeting of Creixent Special Steels Limited held on Block A, Flat No. 612A, Om Sai Heights, Kotra Bypass Road, Near Dhimrapur Chowk, Raigarh-496001, Chhattisgarh on Friday, 27th December, 2019 at 11.00 a.m., at shorter notice.

Please (✓) in the box

☐ MEMBER

☐ PROXY

Signature of Member / Proxy

*Applicable for member holding shares in physical form.

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CREIXENT SPECIAL STEELS LIMITED

Regd. Office: QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh 496001

CIN: U27209CT2018PLC008397

Phone: 07762 291022; Website: www.jsw.in

Form No. MGT-11

PROXY FORM

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

Name of Member(s):	
Registered Address:	
Email Id:	
Folio No. /Client ID :	
DP ID :	

I/We, being the member (s) of shares of Creixent Special Steels Limited, hereby appoint

1. Name:.....Address:.....E-mail
Id:..... Signature:.....or failing him.
2. Name:.....Address:.....E-mail
Id:..... Signature:.....or failing him
3. Name:.....Address:.....E-mail
Id:..... Signature:.....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 1st Annual General Meeting of Creixent Special Steels Limited scheduled to be held on Block A, Flat No. 612A, Om Sai Heights, Kotra Bypass Road, Near Dhimrapur Chowk, Raigarh-496001, Chhattisgarh on Friday, 27th December, 2019 at 11.00 a.m. at shorter notice or / and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional**	
		For	Against
1.	Receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statement) for the period ended 31 st March, 2019 and the Reports of Directors and Auditors thereon;		
2.	To appoint Statutory Auditors of the Company and to fix their remuneration;		
3.	To appoint Mr. Seshagiri Rao M.V.S. (DIN 00029136), as Non-Executive Director.		
4.	To appoint Mr. Kalpesh Kikani (DIN:03534772), as Non- Executive Director		
5.	To appoint Mr. Nikhil Gahrotra (DIN:01277756), as Non-Executive Director		
6.	To appoint Mrs. Anuradha Bajpai (DIN:07128141), as an Independent Director		

7.	To appoint Mr. Chirag Bhansali (DIN 07395877), as Independent Director		
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*Applicable for investors holding shares in electronic form.

Signed thisday of2019

Signature of Shareholder(s)

Affix the
revenue
stamp of
Re 1/-

Note

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company situated at QR No. 50-51, Park Avenue Colony, Jindal Road, Dhimrapur, Raigarh 496001, not later than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. **This is only optional please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN 01st ANNUAL GENERAL MEETING

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

Name of Director	Seshagiri Rao MVS	Nikhil Gahrotra	Kalpesh Kikani	Anuradha Bajpai	Chirag Bhansali
Date of Birth	15 th January, 1958	8 th July, 1979	9 th September, 1972	15 th June, 1967	24 th January, 1977
Date of first appointment on Board	11 th October, 2018	31 st August, 2018	31 st August, 2018	1 st November, 2018 [@]	23 rd October, 2018
Brief Profile/Experience/ Expertise in specific functional area	Mr. Seshagiri Rao M.V.S., is the Joint Managing Director & Group CFO, JSW Steel Limited, responsible for the overall operations of JSW Steel including Strategy formulations related to business development, expansion of existing businesses, joint ventures, mergers and acquisitions and Cost management. He possesses rich experience spanning over three decades in Steel Sector and in the areas of Corporate Finance and Banking.	Mr. Nikhil Gahrotra, aged 40 years, is a Principal at AION India Investment Advisors Private Limited. He joined the firm in February 2016 from Banyan Tree Growth Capital, an India-focused structured private equity fund, where he was a Director. Mr. Gahrotra has over 14 years of financial services experience and 12 years of private equity investment experience including over 5 years with the growth capital team at 3i Group Plc in India and as a founding member of the India office of Q Investments, a US based hedge fund. Prior to Q Investments, Mr. Gahrotra was with Citigroup's investment banking team where he advised on M&A and equity/equity-linked capital raising of over \$2 billion for some of India's largest companies.	Mr. Kalpesh Kikani, aged 47 years, BE, MBA, CFA, serves as the Managing Director and Senior Partner of AION India Investment Advisors Private Limited. Mr. Kikani has been investing in India for over 20 years. Previously, he was a part of ICICI Bank's senior management team, as the Global Head of Special Situations & Structured Finance, where he was responsible for running India focused investment teams based in Mumbai, Singapore and London. Prior to this, Mr. Kikani established and headed the corporate and investment banking business for ICICI Bank UK PLC focusing on leveraged and structured finance transactions with teams based in the United Kingdom, Germany and Belgium. Over the course of his career, Mr. Kikani has deep experience in investing in Indian enterprises in the area of distress, structured	Mrs. Anuradha Bajpai Graduated from R.A.Podar College of Commerce and Economics and qualified as a Chartered Accountant in 1987. She is practising in individual capacity since April 2014. Her assignments include statutory audit, tax audit, diagnostic testing, identifying and strengthening controls over financial reporting, strengthening process controls, third -party assessment of the strengths and weaknesses of the organisation and the like. She has completed the Prevention of Money Laundering Course organised by the Institute of Chartered Accountants. She worked on a flexi-schedule basis for 17 years with Deloitte, Haskins & Sells, one of the Big-4 in the professional services industry. During the course of these years she had a vast and unparalleled exposure to nearly every industry, the	Mr. Chirag Bhansali is a practicing Chartered Accountant having an overall post qualification experience of about 12 years. He is the partner of MM & Co. LLP, Mumbai. His main area of practice is management of accounts & taxation, statutory audit, advising on Goods & Service Tax, representation for assessment and other proceeding in the tax department.

Name of Director	Seshagiri Rao MVS	Nikhil Gahrotra	Kalpesh Kikani	Anuradha Bajpai	Chirag Bhansali
			equity and credit investments.	chief of them being Companies involved in the highly regulated finance sector (NBFC's, investment banking companies, broking companies, depository participants, primary market operations etc), the advertising industry, the telecommunication sector, retail industry and the iron and steel industry. Companies she worked with include the Merrill Lynch group of Companies, the Morgan Stanley Group of Companies, The J M Financial Group of Companies, Caspian Broking, Rentworks India, Shoppers' Stop, Mindshare, HTA, Ogilvy & Mather, Tata Teleservices etc. She worked in various positions for 5 years with DSP Merrill Lynch Private Limited. As a Senior Manager handling MIS reporting, revenue recognition and taxation reported to the CFO. She worked as a sub-broker on the Mumbai Stock Exchange for two years. She worked in the Audit Department of M.L. Bhuwania and A.F. Fergussons, both being firms of Chartered Accountants post	

Name of Director	Seshagiri Rao MVS	Nikhil Gahrotra	Kalpesh Kikani	Anuradha Bajpai	Chirag Bhansali
				qualification for a period of 3 years.	
Qualifications	He is a member of the Institute of Cost and Works Accountants of India and a licentiate member of the Institute of Company Secretaries of India. He is also a Certified Associate of the Indian Institute of Bankers and a diploma holder in Business Finance awarded by the Institute of Chartered Financial Analysts of India.	Mr. Gahrotra completed his MBA in the Dean's List from the Indian School of Business and his Bachelor of Engineering in Electronics with a Distinction, from VJTI Mumbai, University of Bombay.	BE, MBA, CFA	Graduate in Commerce and Economics and qualified as a Chartered Accountant in 1987	Chartered Accountant
Terms and conditions of appointment/ re-appointment	Tenure as a Director is subject to retirement by rotation in terms of Section 152 of the Companies Act 2013.	Tenure as a Director is subject to retirement by rotation in terms of Section 152 of the Companies Act 2013	Tenure as a Director is subject to retirement by rotation in terms of Section 152 of the Companies Act 2013	As per the resolution proposed at Item No. 6 of the Notice of the 01 st Annual General Meeting read together with the explanatory statement.	As per the resolution proposed at Item No. 7 of the Notice of the 01 st Annual General Meeting read together with the explanatory statement.
Remuneration last drawn by such person, if applicable	N.A.	N.A.	N.A.	N.A.	N.A.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not inter se related to any other Director or Key Managerial Personnel. The Company do not have a Manager.	Not inter se related to any other Director or Key Managerial Personnel. The Company do not have a Manager.	Not inter se related to any other Director or Key Managerial Personnel. The Company do not have a Manager.	Not inter se related to any other Director or Key Managerial Personnel. The Company do not have a Manager.	Not inter se related to any other Director or Key Managerial Personnel. The Company do not have a Manager.
Number of Meetings of the Board attended during the year	4 of 4	4 of 5	3 of 4	2 of 2	1 of 2
Directorship held in other companies	1. JSW Steel Limited 2. Monnet Ispat and Energy Limited	1. Gold Wind Properties Private Limited 2. Monnet Ispat and Energy Limited	1. AION India Investment Advisors Private Limited	1. JSW Steel Coated Products Limited 2. Brahmani Rivers Pellets Limited	JTPM Atsali Limited

Name of Director	Seshagiri Rao MVS	Nikhil Gahrotra	Kalpesh Kikani	Anuradha Bajpai	Chirag Bhansali
		3. JTPM Atsali Limited 4. Planetcast Media Services Limited 5. Agm Capital India Private Limited 6. Igt Solutions Private Limited 7. Ritvika Trading Private Limited	2. Clix Capital Services Private Limited 3. ARCION Revitalization Private Limited 4. Clix Finance India Private Limited 5. Monnet Ispat and Energy Limited 6. JTPM Atsali Limited 7. Planetcast Media Services Limited 8. Cloudcast Digital Limited 9. Planetcast Technologies Limited 10. Planetcast Broadcasting Services Limited	3. JSW Severfield Structures Limited 4. JTPM Atsali Limited 5. JSW Investments Private Limited 6. Gagan Trading Company Limited 7. Monnet Ispat and Energy Limited	
Membership/ Chairmanship of committees of other companies*	Member of Audit Committee: JSW Steel Limited	Member of Audit Committee: 1. Monnet Ispat and Energy Limited 2. JTPM Atsali Limited Member of Stakeholder Relationship Committee: Monnet Ispat and Energy Limited	NIL	Member of Audit Committee: Monnet Ispat and Energy Limited JTPM Atsali Limited Gagan Trading Ltd. Chairman of Audit Committee: JSW Steel Coated Products Limited Brahmani River Pellets Limited JSW Severfield Structures Limited Chairman of Stakeholder Relationship Committee: Monnet Ispat and Energy Limited	NIL

Name of Director	Seshagiri Rao MVS	Nikhil Gahrotra	Kalpesh Kikani	Anuradha Bajpai	Chirag Bhansali
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL

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

@ Appointment approved at the Board meeting held on 23rd October, 2018 with effect from 1st November, 2018.

DIRECTORS REPORT
CREIXENT SPECIAL STEELS LIMITED

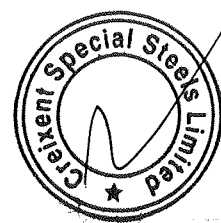
To the Members,

The Board of Directors present the first Annual Report along with financial statements for the period 27th February 2018 to 31st March 2019.

1. FINANCIAL SUMMARY

The financial summary of the Company and the group, for the period under review is as follows;
(amount in Rs. thousands)

Sr. No.	Particulars	Period Ended 27th February 2018 to 31st March 2019	
		Audited (Standalone)	Audited (Consolidated)
I	Income		
	a. Revenue from operations	13,301	11,310,200
	b. Other income	-	148,300
	Total income (I)	13,301	11,458,500
II	Expenses		
	a. Cost of material consumed	-	11,233,700
	b. Purchase of stock-in-trade	13271	13,300
	c. Changes in inventories of finished goods, stock in trade and work-in-progress	-	(2,541,800)
	d. Employee benefits expense	-	557,100
	e. Finance costs	354065	1,476,100
	f. Depreciation and amortisation expense	-	1,260,300
	g. Other expenses	6679	2,342,700
	Total expenses (II)	374,015	14,341,400
III	Loss before tax and exceptional items (I-II)	(360,714)	(2,882,900)
IV	Exceptional items	-	270,000
V	Loss before tax (III-IV)	(360,714)	(3,152,900)
VI	Tax expense:		
	a. Current tax	-	-
	Adjustment of tax relating to earlier periods	-	-
	b. Deferred tax	(25,045)	(25,045)
	MAT Credit Entitlement written back	-	-
VII	Loss for the period (V-VI)	(335,669)	(3,127,855)
VIII	Other comprehensive income		
A	i) Items that will not be reclassified to profit or loss in subsequent periods	-	-



Sr. No.	Particulars	Period Ended 27th February 2018 to 31st March 2019	
		Audited (Standalone)	Audited (Consolidated)
	(a) Re-measurement gains on defined benefit plans	-	2,900
	(b) Equity instruments through other comprehensive income	-	300
	ii) Income tax relating to items that will not be classified to profit or loss	-	-
B	i) Items that will be reclassified to profit or loss in subsequent periods	-	-
	(a) Exchange differences in translating the financial statements of foreign operations	-	167,500
	ii) Income tax relating to items that will be classified to profit or loss	-	-
	Total other comprehensive income	-	170,700
IX	Total comprehensive loss (VII+VIII)	(335,669)	(2,957,155)
	Loss for the period attributable to:		
	- Owners of the Company	-	(1,679,900)
	- Non controlling interests	-	(1,448,000)
	Other comprehensive income for the period attributable to:		
	- Owners of the Company	-	82,200
	- Non controlling interests	-	88,500
	Total comprehensive loss for the period attributable to:		
	- Owners of the Company	-	(160)
	- Non controlling interests	-	(136)
X	Earnings per equity share of Rs.10 each		
	Basic	(61.89)	(309.76)
	Diluted	(61.89)	(309.76)

2. FINANCIAL AND OPERATIONAL PERFORMANCE

The Company was incorporated on 27th February 2018, and pursuant to section 2(41) of the Companies Act 2013 the first financial statements of the Company are prepared for the period 27th February 2018 to 31st March 2019.

During the period under review, on standalone basis the Company's revenue from operations was Rs. 13,301 thousands. The Company's profit before exceptional items and tax was Rs.



360,714 thousands for the period ended 31st March, 2019. The net loss after tax was Rs. 335,669 thousands, for the said period.

During the period under review, on consolidated basis the group's revenue from operations was Rs. 11,310,200 thousand. The group's loss before exceptional items and tax was Rs. 2,882,900 thousand for the period ended 31st March, 2019. The net loss after tax was Rs. 3,127,900 thousands.

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 period, no amount has been transferred to reserves.

5. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Pursuant to Insolvency and Bankruptcy Code, 2016 and order dated 18th July, 2017 passed by National Company Law Tribunal, Mumbai, (NCLT), Corporate Insolvency Resolution Process ("CIRP") was commenced against Monnet Ispat and Energy Limited (MIEL) by the Financial Creditors.

A consortium comprising of AION Investments Private II Limited ("AION") and JSW Steel Limited ("JSW") (the "Consortium") submitted a resolution plan for the MIEL (i.e., resolution plan dated 1st March, 2018).

During the period under review, as per the terms of Resolution Plan, the Company incorporated a Special Purpose Vehicle (SPV) in the name of Milloret Steel Limited (MSL) on 8th March, 2018 as a wholly owned subsidiary for the purpose of acquiring a strategic stake in MIEL.



The NCLT on 24th July, 2018 (Order date) approved (with modifications), the Resolution Plan submitted by the consortium of AION and JSW. Thereafter on 25th August, 2018, a) AION b) JSW and c) the Company entered into Investment and Shareholders Agreement (“ISA”) executed between to govern their investment rights in MIEL and control over the affairs of MIEL.

As per the terms of the Resolution Plan, MSL was merged with MIEL with effect from 31st August 2018, in consequence of such merger MIEL issued and allotted following securities;

- a) 22,59,34,607 equity shares of MIEL to the Company.
- b) 34,04,87,893 compulsorily convertible preference shares having a face value of Rs. 10 each (CCPS) of the MIEL to the Company.

In view of the control of the Company over affairs of MIEL as per the ISA, MIEL became subsidiary of the Company with effect from 31st August 2018 as per section 2(87) (i) of the Companies Act 2013.

As on 31st March, 2019, the Company has one direct subsidiary and 6 step down subsidiaries. There has been no change in the nature of business during the period under review of the Company or its subsidiaries.

A gist of financial performance of subsidiary companies, is 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 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 of the Company and its subsidiaries, for the period under review are 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

The Authorised share capital of the Company as on 27th February, 2018 (date of incorporation) was Rs. 200,000/- (Rupees two lacs only), divided into 20,000 (Twenty thousand) equity shares of Rs 10/- (Rupees ten only).

During the period under review, the members of the Company at the first Extra ordinary General Meeting held on 13th July 2018 approved the proposal of increase in authorised share capital of the Company to 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.

During the period under review, the Company has issued and allotted 99,80,000 (Ninety nine lacs eighty thousand) equity shares of Rs. 10 each (Rupees ten only) and 37,02,69,610 (thirty seven crores two lacs sixty nine thousand six hundred and ten) Redeemable Preference Shares of Rs. 10 each (Rupees ten only).

Accordingly, the paid up capital of the Company for the period ended 31st March 2019 stands increased to 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.

7. NON-CONVERTIBLE DEBENTURES

During the period under review, the Company has issued and allotted 1,863 Unsecured Non-Convertible Debentures (NCD) of Rs. 10,00,000 each on preferential basis to AION and are outstanding as on 31st March, 2019. The said NCD's are listed on BSE Limited. Catalyst Trusteeship Limited is the Debenture Trustee.

8. CREDIT RATING:

On August 1, 2018 the Company's NCD were assessed 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. During the Period under review there was no revision in the credit rating.

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 and hence disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required and does not form part of this report. The information in respect of 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.

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

During the period under review, there are no significant or material orders passed by the Regulators/ Courts/ Tribunals that could impact the going concern status of the Company and its future operations.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Directors

Pursuant to Section 152 of the Companies Act 2013, by virtue of their names having being mentioned in the Articles of Association of the Company Mr. Ashok Kumar Aggarwal (DIN 03628781), Mr. Arun Maheshwari (DIN 01380000) and Mr. Vimal Singh (DIN: 08059827), were appointed as first Directors of the Company.

During the period under review Mr. Arun Maheshwari resigned as Director of the Company with effect from 3rd April 2018. Further Mr. Ashok Kumar Aggarwal and Mr. Vimal Singh, resigned Directors of the Company with effect from 31st August, 2018.

Further Mr. Bhushan Prasad (DIN: 05351746) who was appointed as an additional Director of Company with effect from 3rd April 2018 resigned with effect from 31st August, 2018. Similarly, Mr. Nagarajan Jambunathan (DIN: 08066275), who was appointed as an additional Director of Company with effect from 31st August, 2018 resigned with effect from 11th October, 2018.

As on 31st March 2019, the Board of Directors of the Company consists of the following Directors;



Sr. No.	Name of Director	Category	Date of appointment
1.	Mr. Kalpesh Kikani (DIN: 03534772)	Non-Executive Director	31.08.2018
2.	Mr. Nikhil Gahrotra (DIN:02177756)	Non-Executive Director	31.08.2018
3.	Mr. Seshagiri Rao M.V.S. (DIN : 00029136)	Non-Executive Director	11 .10.2018
4.	Mr. Chirag Bhansali (DIN: 07395877)	Independent Director	23 .10.2018
5.	Mrs. Anuradha Bajpai (DIN: 07128141)	Independent Director	01 .11.2018*

* Appointed at the Board meeting held on 23rd October, 2018 with effect from 1st November, 2018.
(Hereinafter referred as "appointees")

Pursuant to the provisions of Section 161 of the Companies Act 2013, appointees will hold office up to the date of the ensuing 1st Annual General Meeting ("AGM") and are eligible to be appointed as Director of the Company.

The Company has received from appointees respective (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act, as applicable.

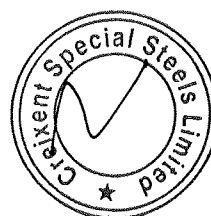
Brief profile, nature of expertise and directorship details of the appointees are furnished to the members in the note accompanying the notice convening the 1st Annual General Meeting.

The Board recommends the appointment of above appointees for the approval of the members at the ensuing 1st Annual General Meeting.

Key Managerial Personnel

During the period under review, the following changes took place in Key Managerial Personnel of the Company;

- Appointment of Mr. Rajkumar Sureka as Chief Executive Officer of the Company w.e.f. 27th March 2019
- Appointment of Mr. Keshav Anand as Chief Financial Officer of the Company w.e.f. 27th March 2019.
- Appointment of Mr. Shyam Dikkarwar as the Company Secretary and Compliance Officer of the Company w.e.f. 27th March 2019.



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.

Based on the review of responses from directors and discussion, Nomination and Remuneration Committee and the Board affirmed that performance of the directors, Independent Directors, the Chairperson as well as that of the Board as Whole and its Committees.

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the period sixteen (16) Board Meetings were convened and held. The intervening gap between these Meetings was within the period prescribed under the Companies Act, 2013.

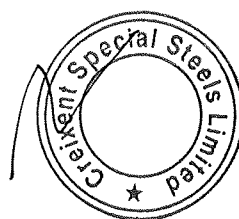
During the period under review the Company was in compliance with Secretarial Standards i.e. SS- 1 and SS- 2 relating to “Meetings of Board of Directors” and “General Meetings” respectively.

15. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In Compliance with the provision of the Companies Act, 2013 the Independent Directors held a Meeting on March 27, 2019, and they, inter alia considered the following:

- 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 is as per Section 177 of the Companies Act 2013. All the recommendations of the Audit Committee were accepted by the Board during the period under review.

ii) Nomination & Remuneration Committee:

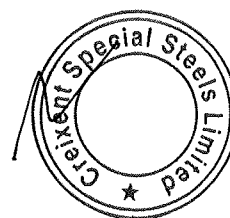
In accordance with Section 178 of the Companies Act, 2013 the Board constituted Nomination & Remuneration Committee, with effect from 24th January, 2019, as detailed below:

- 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

17. NOMINATION AND REMUNERATION POLICY

During the period, 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

The Board at the meeting held on 28th March 2018, has appointed Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Registration No.117366W/W-100018), as a first statutory Auditors until the conclusion of the 1st Annual General Meeting of the Company.

The Board of Directors at the meeting held on 24th July 2019, on recommendation of the Audit Committee, subject to approval of the shareholders, approved and recommended to the shareholders, the proposal of appointment Deloitte Haskins & Sells LLP as statutory auditor for the term of 5 years i.e. from the conclusion of 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting.

In terms of provisions of section 139 (1) of the Companies Act, 2013 M/s. Deloitte Haskins & Sells LLP, Chartered Accountants have furnished a certificate that their appointment, if made, will be within the limits prescribed under the said section of the Act.

The Auditors have audited standalone and consolidated financial statements of the Company for the period ended 31st March 2019 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 24th January, 2019 has appointed M/s S. Srinivasan & Co., a Company Secretaries firm to conduct a secretarial audit of the Company for the period ended 31st March 2019.

In terms of Section 204 of The Companies Act, 2013, the company is required to conduct Secretarial Audit. M/s. S. Srinivasan & Co. a Company Secretary firm was appointed as the



Secretarial Auditors of the Company for the period ended 31st March 2019. The Report of the Secretarial Audit carried out for period ended 31st March 2019 is annexed herewith as **Annexure 2**.

With regard to observations reported in the Secretarial Auditors' Report with respect to appointment of Key Managerial Personnel, your Directors' wish to respond/state as under:

Post increase in the paid-up share capital i.e. 27th August, 2018, during the period the Company initiated the process of searching suitable candidates for the positions of whole-time Key Management Personnel and conducted interviews. Accordingly, the Board at its Meeting held on 27th March, 2019 appointed Key Management Personnel of the Company.

During the period under review, the Company has complied with the applicable Secretarial Standards notified by the Institute of Company Secretaries of India.

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 - 3** 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 financial statement).

22. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There are no employees drawing remuneration in excess of the limits specified in Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 further amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016. The details of the top ten employees in terms of remuneration drawn and details thereof is not applicable as there are no employees on the roll of the Company.

The ratio of remuneration of each Director to the median employees' remuneration and other details in terms of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (I) of the



Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as **Annexure 4**.

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 - 5** and hosted on the website of the Company and web link of the same is as given below; <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.

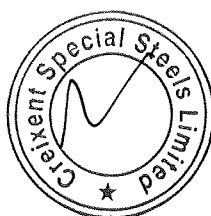
26. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

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, during the period under review the Company has not received any complaints pertaining to sexual harassment.

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 period and of the profit 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.

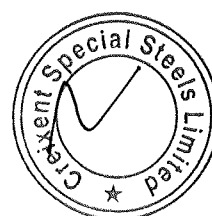
29. GENERAL INFORMATION FOR MEMBERS

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	Windsor, 6th floor, Office No. 604, C.S.T Road, Kalina, Santacruz (East) Mumbai 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 and Shareholders for their unstinted support, assistance and co-operation. The Directors place on record their deep appreciation to all stakeholders for their support and confidence reposed on your Company.

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: 24th July, 2019

Annexure-1**FORM NO. AOC -1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in ₹ crores)

Sl. No.		1	2	3	4	5
Name of the subsidiary	Monnet Ispat and Steel Limited *	Monnet Cement Ltd *	Monnet Sport Foundation *	Chomal Exports Pvt Ltd *	Monnet Global Ltd.*	Monnet Enterprises PTE Ltd. #
Date since when subsidiary was acquired	31/08/2018	31/08/2018	31/08/2018	31/08/2018	31/08/2018	31/08/2018
Reporting period for the subsidiary concerned	Same	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	Rupees	US Dollar
Share capital	469.55	2.19	0.01	0.09	34.64	0.50
Reserves and surplus	982.27	(1.96)	(0.02)	(0.16)	(371.94)	(5.38)
Total asset	4,643.59	0.23	@	@	40.26	0.58
Total liabilities	3,191.77	0.23	@	@	40.26	0.58
Investments	0.99	-	-	-	-	-
Turnover	1,879.41	-	-	-	-	-
Profit before taxation	(3,461.11)	@	@	(0.26)	(160.36)	(2.32)
Provision for taxation	-	-	-	-	-	-
Profit after taxation	(3,461.11)	@	@	(0.26)	(160.36)	(2.32)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	48.12%	48.11%	30.87%	24.54%	48.12%	48.12%

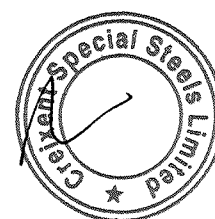
@ less than Rs. 0.50 Lakhs.

* The financial statements are for the period from 1 April 2018 to 31 March 2019.

was subsidiary till 04 December 2018.

Additional Disclosure	Name of Subsidiaries
Subsidiaries yet to commence operations	Monnet Cement Limited Monnet Sport Foundation Chomal Exports Private Limited Monnet Global Limited
Subsidiaries Liquidated or Sold during the year	Monnet Enterprises PTE Ltd. (The company's name was voluntarily strike off by concerned Singapore authority w.e.f. 4 th December, 2018).

Note: Milloret Steel Limited (wholly owned subsidiary of the Company) was merged with Monnet Ispat and Energy Limited with effect from 31st August 2018.



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	Not Applicable
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	
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	

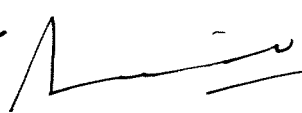
Additional Disclosure	Name of Associates/Joint ventures
Associates/Joint ventures yet to commence operations	-----
Associates/Joint ventures Liquidated or Sold during the year	-----


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


Keshav Anand
Chief Financial Officer


Shyam Dikkarwar
Company Secretary
ICSI M No. ACS: 33003


Nikhil Gahrotra
Director
DIN: 01277756


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


Rajkumar Sureka
Chief Executive Officer

Place: Mumbai
Date: 24th July, 2019



FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[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- 496001.

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 here by report that in our opinion, the Company has, during the audit period covering the period ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956, (‘SCRA’) 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as may be appropriately applicable for the period under review:
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - 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 Securities and Exchange Board of India Act, 1992 ('SEBI Act') which are not applicable to the Company:
 - 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) Regulations, 2014;
 - e. 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;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- vii. All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the management.

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

The Secretarial Standards namely, SS- 1 & 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 year under review the Company has complied with the aforesaid provisions of the Act, Rules, Regulations, Standards, etc. mentioned above subject to the observation mentioned below:

The paid-up share capital of the Company was increased w.e.f 27th August 2018 and accordingly the Company was required to appoint Key Managerial Personnel as per provisions of Section 203(1) of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, the Company has appointed whole-time key managerial personnel belatedly in compliance with the said provisions at its Board Meeting held on 27th March, 2019.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is 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' views in any of the meetings.

We further report that:

- i) 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 / Whole-time Director taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- ii) The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

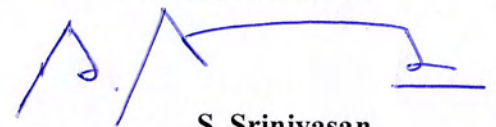
We further report that, during the audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

1. The Company incorporated a SPV in the name of Milloret Steel Limited to make it a wholly owned subsidiary and thereafter to acquire a strategic stake in Monnet Ispat & Energy Limited.
2. The Company has made following allotments during the year under review:
 - a. 47,80,000 Equity shares of Rs. 10/- each to M/s. JSW Steel Limited;
 - b. 52,00,000 Equity shares of Rs. 10/- each to M/s. AION Investments Private II Limited;
 - c. 17,19,69,200, 0.01% Redeemable Preference shares of Rs. 10/- each to M/s. JSW Steel Limited("RPS I");

(This forms part of our Secretarial Audit Report of CSSL dated 17.05.2019)

- d. 19,83,00,410, 0.01% Redeemable Preference shares of Rs.10/- each to M/s JSW Steel Limited("RPS II"); and
- e. 1,863 listed, rated, unsecured non-convertible debentures of Rs. 10,00,000/- each to M/s. AION Investments Private II Limited.

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



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

Place: Mumbai
Date:17.05.2019

To,

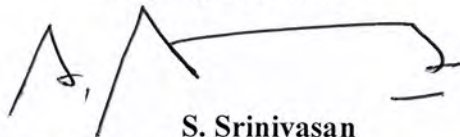
Annexure A

The Members,
CREIXENT SPECIAL STEELS LIMITED,
QR No. 50-51, Park Avenue Colony,
Jindal Road, Dhimrapur, Raigarh,
Chhattisgarh- 496001.

Our Secretarial Audit Report of even date is to be read alongwith 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's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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


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

Place: Mumbai
Date : 17.05.2019

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. CONSERVATION OF ENERGY

Alternative source of energy: Not Applicable

Capital investment on energy conservation equipment's: N.A.

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 -The details of technology imported -The year of import -whether the technology been fully absorbed -if not fully absorbed, areas where absorption has not taken place, the reasons thereof	Not Applicable
Expenditure incurred on Research and Development.	Not Applicable

C. 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 the period ended 31st March 2019 are as follow: -

Total Foreign Exchange used and earned (in Rs.)

- Used -
- Earned -

By Order of the Board
For Creixent Special Steels Limited

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


Parag Mehta
Director
DIN: 01277756

Date: 24th July, 2019
Place: Mumbai

Annexure-4

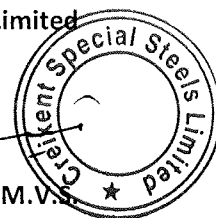
The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

The ratio of the remuneration of each director to the median remuneration of the employees of the Company	Not Applicable. Non-Executive Non-Independent Directors neither received any remuneration from the Company nor were paid any sitting fees for attending the meetings. Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and committees.
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Not Applicable being the first financial year of the Company.
The percentage increase in the median remuneration of employees in the financial year	Not Applicable the Company has no employees on the rolls of the Company.
The number of permanent employees on the rolls of Company	Nil
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable the Company has no employees on the rolls of the Company.
Affirmation that Remuneration paid by the company is as per the Remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for the Company.

By Order of the Board
For Creixent Special Steels Limited


Nikhil Gahrotra
Director
DIN: 01277756


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



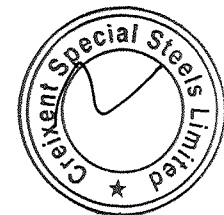
Place: Mumbai
Date: 24th July, 2019

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
For the period ended on 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U27209CT2018PLC008397
ii.	Registration Date	27 th February, 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, Dhimrapur, Raigarh- 496001 (Chhattisgarh) Contact no: 077-62291022; Email ID: deepti.walawalkar@jsw.in ; Website: www.jsw.in
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited (Formerly known as Karvy Computershare 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: -

S. 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 the Company	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, Cyber City, Ebène 72201, Mauritius.	Registration No. 147433	Holding Company	51.91	Section 2(87)
2	Monnet Ispat and Energy Limited Monnet Marg, Mandir Hasaud, Raipur-492101 (Chhattisgarh)	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	99.97	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)

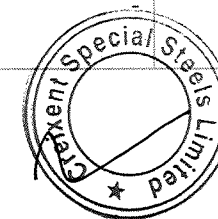
subsidiaries of Monnet Ispat and Energy Limited



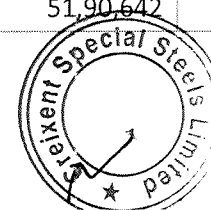
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

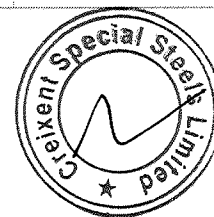
Category of shareholders	No. of Shares held at the beginning of the period (at the time of incorporation 27.02.2018)				No. of Shares held at the end of the period (31.03.2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoter									
(1) Indian									
Individual/HUF	-	6	6	0.03	6	-	6	0.00	0.03
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	19,994	19,994	99.97	47,99,994	-	47,99,994	48.00	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	20,000	20,000	100	47,99,994	-	47,99,994	48.00	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =	-	-	-	-	-	-	-	-	-



Category of shareholders	No. of Shares held at the beginning of the period (at the time of incorporation 27.02.2018)				No. of Shares held at the end of the period (31.03.2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)(1)+(A)(2)									
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others - Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions		-	-	-		-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	9,358	-	9,358	0.09	-
ii) Overseas	-	-	-	-	51,90,642	-	51,90,642	51.91	-



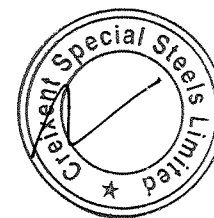
Category of shareholders	No. of Shares held at the beginning of the period (at the time of incorporation 27.02.2018)				No. of Shares held at the end of the period (31.03.2019)				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	20,000	20,000	100	1,00,00,000	-	1,00,00,000	100	-



B. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the period(at the time of Incorporation on 27.02.2018)			Shareholding at the end of the period (31.03.2019)			% 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	19,994	99.94	-	47,99,994	48.00	-	(51.94)
2	*Mr. Rajeev Kumar Jain	1	0.01	-	1	0.00	-	(0.01)
3	*Mr. Vimal Singh	1	0.01	-	1	0.00	-	(0.01)
4	*Mr. Ashok Aggarwal	1	0.01	-	1	0.00	-	(0.01)
5	*Mr. Sriram K S N	1	0.01	-	1	0.00	-	(0.01)
6	*Mr. Arun Maheshwari	1	0.01	-	1	0.00	-	(0.01)
7	*Mr. Sanjay Jayram	1	0.01	-	-	-	-	(0.01)
8	*Mr. Lancy Varghese	-	-	-	1	0.00	-	0.00
	Total	20,000	100.00	-	48,00,000	48.00		52.00

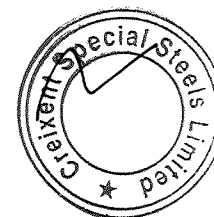
* shares held as a nominee of JSW Steel Limited to comply with the statutory provisions in respect of minimum number of members.



C. Change in Promoters' and Promoters' Group Shareholding:

S. No	Shareholder's Name	Shareholding at the beginning of the year		Remarks				Cumulative Shareholding during the year	
		No. of Shares held as on 27.02.2018	% of total shares of the company	Date	Increase/ Decrease in Shareholding	No. of shares	Reason	No. of shares held as on 31.03.2019	% of total shares of the company during the year
1.	JSW Steel Limited	19,994	99.94	27.08.2019	Increase	47,80,000	Preferential Allotment	47,99,994	48.00
2.	*Mr. Rajeev Kumar Jain	1	0.01	No Change				1	0.00
3.	*Mr. Vimal Singh	1	0.01	No Change				1	0.00
4	*Mr. Ashok Aggarwal	1	0.01	No Change				1	0.00
5	*Mr. Sriram K S N	1	0.01	No Change				1	0.00
6	*Mr. Arun Maheshwari	1	0.01	No Change				1	0.00
7	*Mr. Sanjay Jayram	1	0.01	31.08.2018	Decrease	1	Change in nominee	-	-
8	*Mr. Lancy Varghese	-	-	31.08.2018	Increase	1	Change in nominee	1	0.00
	Total	20,000	100.00	-	-		-	48,00,000	48.00

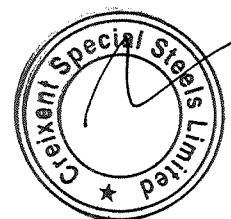
* shares held as a nominee of JSW Steel Limited to comply with the statutory provisions in respect of minimum number of members.



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

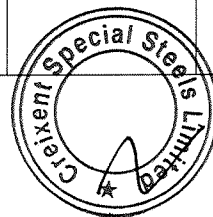
S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [27.02.2018]		Remarks				Cumulative Shareholding during the Year	
		No. of shares held	% of total shares of the company	Date	Increase/ Decrease in Shareholding	No. of shares	Reason	No. of shares	% of total shares of the company
1.	AION Investments	-	-	28.08.2018	Increase	52,00,000	Private Placement	52,00,000	
	Private II Limited	-	-	15.10.2018	Decrease	9,358	Transfer	51,90,642	51.91
	At the end of the period 31.03.2019	51,90,642	51.91	-	-	-	-	-	-
2.	*IDBI Trusteeship Services Ltd.	-	-	15.10.2018	Increase	9,358	Transfer	9,358	0.09
	At the end of the period 31.03.2019	9,358	0.09	-	-	-	-	-	-

* Shares held as trustee for ICICI Venture Employee Welfare Trust who holds a beneficial interest in such shares.



E. Shareholding of Directors and Key Managerial Personnel:

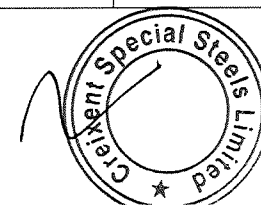
S. No.	Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
		No. of shares held as on 27.02.2018	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No. of shares held as on 31.03.2019	% of total shares of the Company
1	Nikhil Omprakash Gahrotra (w.e.f 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
2	Kalpesh Kikani (w.e.f 31/08/2018)	Nil	Nil	-	-	-	Nil	Nil
3	Seshagriri Rao MVS (w.e.f 11/10/2018)	Nil	Nil	-	-	-	Nil	Nil
4	Chirag Bhansali (w.e.f 23/10/2018)	Nil	Nil	-	-	-	Nil	Nil
5	Anuradha Ambar Bajpai (w.e.f 01/11/2018)	Nil	Nil	-	-	-	Nil	Nil
6	Raj Kumar Sureka (Chief Executive Officer w.e.f 27/03/2019)	Nil	Nil	-	-	-	Nil	Nil
7	Keshav Anand (Chief Financial Officer w.e.f 27/03/2019)	Nil	Nil	-	-	-	Nil	Nil
8	Shyam Dikkatwar (Company Secretary w.e.f 27/03/2019)	Nil	Nil	-	-	-	Nil	Nil



V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(in Rs. Thousands)

Indebtedness at the beginning of the financial year	Secured deposits	Loans excluding	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-	-
* Addition	-	-	4,968,694	-	4,968,694
* Reduction	-	-	-	-	-
Net Change	-	-	4,968,694	-	4,968,694
Indebtedness at the end of the financial year	-	-	-	-	-
i) Principal Amount	-	-	4,968,694	-	4,968,694
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	352	-	352
Total (i+ii+iii)	-	-	4,969,046	-	4,969,046

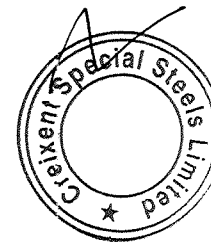


VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
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	Gratuity		
5	Commission - as % of profit - others, specify...		
6	Others (Provident Fund)		
	Total (A)		
	Ceiling as per the Act		



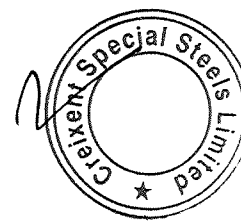
B. REMUNERATION TO OTHER DIRECTORS:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	@Chirag Bhansali w.e.f. 23/10/2018	@Anuradha Ambar Bajpai w.e.f. 01/11/2018		
	Fee for attending board & committee meetings (paid/payable)	20,000	40,000		60,000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (1)	20,000	40,000		60,000
2	Other Non-Executive Directors	*Seshagiri Rao MVS w.e.f 11/10/2018	*Nikhil Omprakash Gahrotra w.e.f 31/08/2018	*Kalpesh Kikani w.e.f 31/08/2018	
	Fee for attending board & committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	60,000
	Total Managerial Remuneration(A+B)	-	-	-	60,000
	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.

@Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and committees.



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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		@Rajkumar Sureka Chief Executive Officer	@Keshav Anand Chief Financial Officer	@Shyam Dikkatwar Company Secretary	Total
1	Gross salary				
	(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 -Provident Fund	-	-	-	-
	Total	-	-	-	-

@Appointed as Key Managerial Personnel at respective positions w.e.f 27.03.2019.



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER THE COMPANIES ACT, 1956 AND COMPANIES ACT, 2013 – NIL

Place: Mumbai
Date: 24th July, 2019

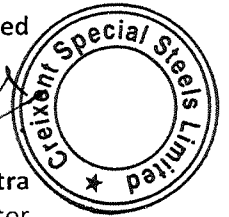


Seshagiri Rao M.V.S.
Director
DIN 00029136

By order of the Board
For Creixent Special Steels Limited



Nikhil Gahotra
Director
DIN: 01277756



INDEPENDENT AUDITOR'S REPORT

To the Members of Creixent Special Steels Limited

Report on the Audit of the Standalone Ind AS Financial Statements

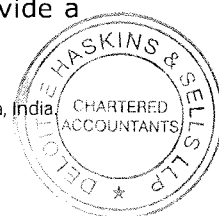
Opinion

We have audited the accompanying standalone Ind AS financial statements of Creixent Special Steels Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS 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 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 2019, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

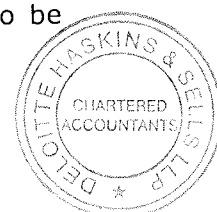


Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matter	Our response
<p>Assessment of fair value at inception of cumulative non-convertible redeemable preference shares ('RPS') issued to owners of the Company</p> <p>The Company during the year has issued RPS to its owners involving fair value estimates for its recognition at inception. There is a risk that the methodology adopted and estimates used in the valuation may not be appropriate / reasonable.</p> <p>[Refer Note 1E to the standalone financial statements, which sets out the Company's accounting policy for recognition of financial instruments].</p>	<p>Our procedures included but were 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 assessment of the fair value of the RPS at inception. - Involving the internal experts to independently assess the valuation methodology adopted, reasonability of estimates regarding credit spread to be considered over relevant G-Sec rates and mathematical accuracy of the fair valuation determined by the management using an independent expert. - Assessment of the competence and independence of the valuation expert engaged by the Parent for determining the fair value of RPS at inception.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the corporate overview and directors report but does not include the standalone Ind AS financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report.
- Our opinion on the standalone Ind AS 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 Ind AS 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 on the other information, 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows 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 Ind AS 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 Ind AS 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.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.



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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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS 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 Ind AS 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 Ind AS 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 books of account.
 - d) In our opinion, the aforesaid standalone Ind AS 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 Company as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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.



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- 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, no remuneration is paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
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)

Mumbai, 22 May 2019

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, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.



Deloitte Haskins & Sells LLP

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, 2019, 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 Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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



Rakesh Sharma

Partner

(Membership No. 102042)

Mumbai, 22 May 2019

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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of making investments, as applicable. The Company has not granted any loans and provided guarantees or securities during the year.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- (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, 2019 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, 2019 on account of disputes.



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- (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) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(ix) of the Order is not applicable.
- (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 not paid/ provided managerial remuneration during the year and hence reporting under paragraph 3(xi) of the Order is not applicable to the Company.
- (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 in subsidiary companies or 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)

Mumbai, 22 May 2019

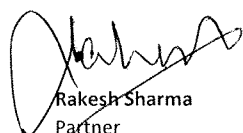
CREIXENT SPECIAL STEELS LIMITED
BALANCE SHEET AS AT 31 MARCH 2019

Rs. in thousands

Particulars	Notes	As at 31 March 2019
I. ASSETS		
(1) Non-current assets		
Financial assets		
(i) Investments	2	5,664,225
Total non-current assets		5,664,225
(2) Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	3	765
(b) Other current assets	4	2,501
Total current assets		3,266
TOTAL ASSETS		5,667,491
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	5	100,000
(b) Other equity	6	88,466
Total equity		188,466
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	7	4,968,694
(ii) Other financial liabilities	8	353,707
(b) Deferred tax liabilities		124,830
Total non-current liabilities		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		3,470
(ii) Other financial liabilities	10	25,897
(b) Other current liabilities	11	2,427
Total current liabilities		31,794
Total liabilities		5,479,025
TOTAL EQUITY AND LIABILITIES		5,667,491

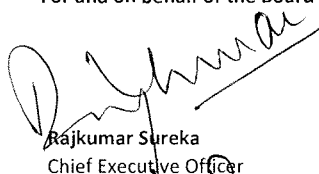
See accompanying notes to the standalone financial statements

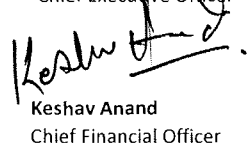
In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


Rakesh Sharma
Partner

Place: Mumbai
Date: 22 May 2019

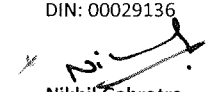
For and on behalf of the Board of Directors


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

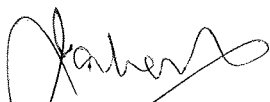
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2019

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

Particulars	Notes	For the period from 27 February 2018 to 31 March 2019
I. Revenue		
Revenue from operations	12	13,301
II. Expenses		
Purchases of traded goods		13,271
Finance costs	13	354,065
Other expenses	14	6,679
Total expenses		374,015
III. Loss before tax (I-II)		(360,714)
IV. Tax credit	18	(25,045)
V. Loss for the period (III-IV)		(335,669)
VI. Other comprehensive income		-
VII. Total comprehensive loss for the period (V+VI)		(335,669)
VIII. Earnings per share (of Rs. 10/- each)	15	
Basic (Rs.)		(61.89)
Diluted (Rs.)		(61.89)


See accompanying notes to the standalone financial statements

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


Rakesh Sharma
Partner

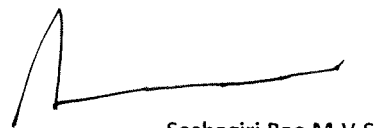
Place: Mumbai
Date: 22 May 2019

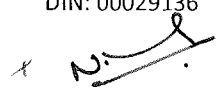
For and on behalf of the Board of Directors


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 CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019

Particulars	Rs. in thousands	
	For the period from 27 February 2018 to 31 March 2019	
A. Cash flow from operating activities :		
Loss before tax		(360,714)
Adjustments for :		
Interest expense		354,059
		(6,655)
Changes in working capital		
Other current assets		(2,501)
Trade payables		3,470
Other financial liabilities		25,545
Other current liabilities		2,427
Cash generated from operations		22,286
Direct taxes paid		-
Net cash generated from operating activities (A)		22,286
B. Cash flow from investing activities (B)		
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		5,568,195
Proceeds from issue of equity shares		100,000
Net cash flow generated from financing activities (C)		5,642,704
Net increase in cash and cash equivalents (A+B+C)		765
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		765

Note:

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

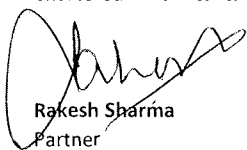
Particulars	Rs. in thousands		
	31-Mar-19	Cash flows (net)	27-Feb-18
Borrowings (non-current)	5,568,195	5,568,195	-

3 Non-cash investing transactions

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.

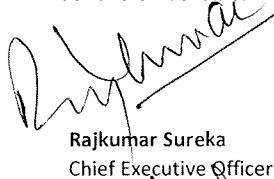
See accompanying notes to the standalone financial statements

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



Rakesh Sharma
Partner

Place: Mumbai
Date: 22 May 2019


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

Rs. in thousands

Particulars

As at 31 March 2019

(a) Equity share capital

Balance at the beginning of the period	-
Issuance of shares upon incorporation	200
Equity share capital issued during the period	99,800
Balance at the end of the period	100,000

(b) Other equity

Rs. in thousands

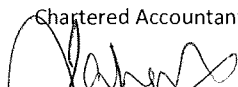
Particulars	Fair valuation difference on financial instruments	Retained earnings
Balance at the beginning of the period	-	-
Loss for the period	-	(335,669)
Expenses incurred on increase in authorised share capital	-	(25,491)
Fair valuation difference on financial instruments issued to owners	599,502	-
Income tax relating to fair valuation difference on financial instruments	(149,876)	-
Balance at the end of the period	449,626	(361,160)

See accompanying notes to the standalone financial statements


In terms of our report attached


For DELOITTE HASKINS & SELLS LLP

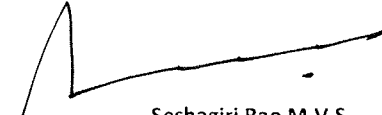
Chartered Accountants


Rakesh Sharma
Partner

For and on behalf of the Board of Directors


Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


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


Nikhil Gahotra
Director
DIN: 01277756

Place: Mumbai
Date: 22 May 2019


Shyam Dikkatwar
Company Secretary
ICSI M No. ACS: 33003



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. Applicability of new and revised IND AS

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

The Ministry of Corporate Affairs on 28 March 2018 vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the "Rules") notified new revenue standard Ind AS 115, Revenue from Contracts with Customers, and other amendments to certain existing Ind AS effective from the period beginning on or after 1 April 2018.

- a. Ind AS 115 modifies the determination of how much revenue to recognise, and when, and introduces a single principle based five-step model to be applied to all the contracts with the customers. Ind AS 115 replaces the separate models for goods, services and construction contracts currently included in Ind AS 18 and Ind AS 11.

As per Ind AS 115, the Company recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

- b. The application of Appendix B, (Foreign Currency Transactions and Advance Considerations) to Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" does not have any impact, as the Company has not entered into any transaction denominated in foreign currency.

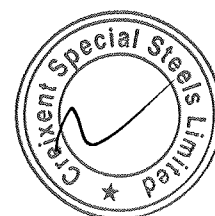
New Standards issued but not yet effective:

- 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.



CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

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.

- 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.

The amendment will be effective from 1 April 2019. 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:

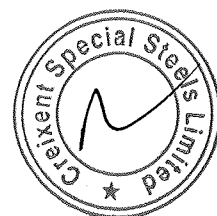
- i. to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- ii. to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even 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

These Standalone 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.

These standalone financial statements are approved by the Board of Directors on 22 May 2019.



1D. Basis of preparation and presentation

The 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 directors of the Company has given careful consideration to the liquidity of the Company having regard to the fact that its current liabilities exceeded its current assets as at 31 March 2019 by Rs. 28,528 thousands. The Company plans to meet the said deficit in the forthcoming year by taking long term loan from the investing party. Having regard to the above, the special purpose financial statement have been prepared on a going concern basis.

The Standalone financial statements have been prepared for the period starting from 27 February 2018 i.e. the date of incorporation of the Company to 31 March 2019 and hence, there are no comparatives information.

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.

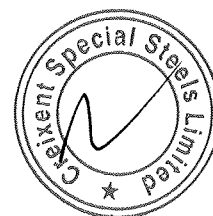
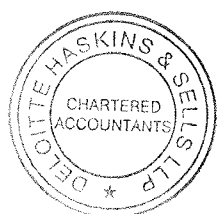
Revenue is adjusted for variable consideration such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items as per the terms of the contract.

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.

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.

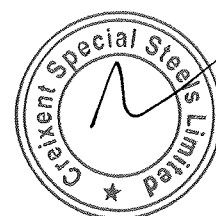
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.



CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

Cost of inventories are determined on first in first out 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.

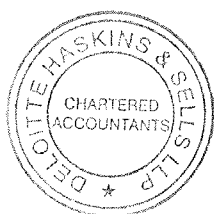
VI. Investment in subsidiary

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.

c) 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

d) Equity instruments

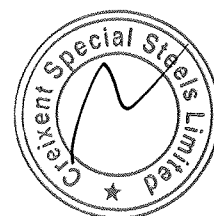
An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

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. 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.

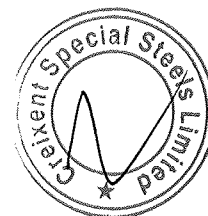
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and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



Key sources of estimation uncertainty

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.



CREIXENT SPECIAL STEELS LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

2. Non-current investments

Particulars	Rs. in thousands	
	As at 31 March 2019	
Investments in subsidiary (at cost)		
Quoted:		
225,934,607 equity shares of Rs. 10/- each of Monnet Ispat and Energy Limited		2,259,346
Unquoted:		
340,487,893 preference shares of Rs. 10/- each of Monnet Ispat and Energy Limited		3,404,879
		<u>5,664,225</u>
Quoted :		
Aggregate book value		2,259,346
Aggregate market value		6,337,466
Unquoted :		
Aggregate book value		3,404,879

The Company incorporated a wholly owned subsidiary Milloret Steel Limited (MSL) on 8 March, 2018.

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, MSL 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 2019	
Balances with banks - in current accounts		765
		<u>765</u>

4. Other current assets

Particulars	Rs. in thousands	
	As at 31 March 2019	
Unsecured, considered good		
Indirect taxes balances/ recoverables		2,501
		<u>2,501</u>

5. Equity share capital

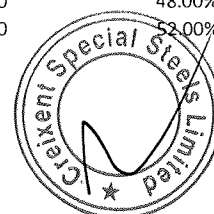
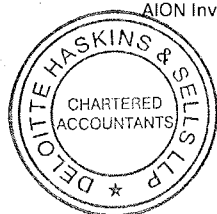
Particulars	Rs. in thousands	
	As at 31 March 2019	
	No. of shares	Amount
(a) Authorised:		
Equity shares of the par value Rs. 10 each	15,000,000	150,000
(b) Issued and subscribed		
Equity shares of Rs. 10 each, fully paid up	10,000,000	100,000
	<u>10,000,000</u>	<u>100,000</u>
(c) Reconciliation of number of shares outstanding at the beginning and at the end of the period		
Issuance of shares upon incorporation	20,000	200
Add: Issued during the period	9,980,000	99,800
Outstanding at the end of the period	<u>10,000,000</u>	<u>100,000</u>

(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 2019	
	No. of Shares	% of shares
JSW Steel Limited	4,800,000	48.00%
AION Investments Private II Limited	5,200,000	52.00%



CREIXENT SPECIAL STEELS LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

6. Other equity

	Rs. in thousands
Particulars	As at 31 March 2019
Retained earnings	(361,160)
Fair valuation difference on financial instruments	449,626
	<u>88,466</u>

7. Borrowings

	Rs. in thousands
Particulars	As at 31 March 2019
Non-convertible debentures (unsecured)	1,863,000
Liability component of financial instruments (unsecured)	3,103,194
Loan from a related party (unsecured) (refer note 17 C)	2,500
	<u>4,968,694</u>

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 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 redeemable on 26-02-2022.

8. Other financial liabilities (Non-current)

	Rs. in thousands
Particulars	As at 31 March 2019
Premium on redemption of non-convertible debentures	133,045
Premium on redemption of preference shares	220,662
	<u>353,707</u>

9. Trade payables

	Rs. in thousands
Particulars	As at 31 March 2019
Creditors other than micro enterprises and small enterprises	3,470
	<u>3,470</u>

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

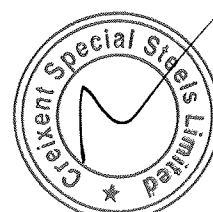
Amount payable to micro enterprises and small enterprises is Rs. Nil based on information available with the Company and relied upon by the auditors.

10. Other financial liabilities (current)

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

11. Other current liabilities

	Rs. in thousands
Particulars	As at 31 March 2019
Statutory liabilities	2,427
	<u>2,427</u>



CREIXENT SPECIAL STEELS LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019
12. Revenue from operations

	Rs. in thousands
Particulars	For the period from 27 February 2018 to 31 March 2019
Sales of products	
Sale of traded goods	13,301
	<u>13,301</u>
Product wise turnover	Rs. in thousands
Particulars	For the period from 27 February 2018 to 31 March 2019
TMT Re-bars	13,301
Total	<u>13,301</u>

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

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

Performance obligation

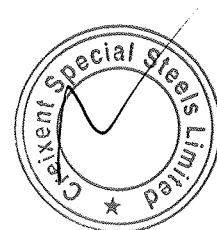
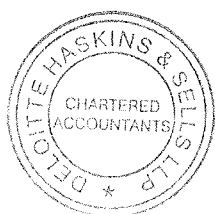
The performance obligation is satisfied upon delivery of the goods and payment is due within 60 days from delivery.

13. Finance costs

	Rs. in thousands
Particulars	For the period from 27 February 2018 to 31 March 2019
Interest on debentures	111
Interest on preference shares	220
Premium on redemption of debentures	133,045
Premium on redemption of preference shares	220,662
Other borrowing cost	27
	<u>354,065</u>

14. Other expenses

	Rs. in thousands
Particulars	For the period from 27 February 2018 to 31 March 2019
Rates and taxes	2,500
Audit fees	3,800
Legal and professional fees	175
Miscellaneous expenses	204
	<u>6,679</u>



CREIXENT SPECIAL STEELS LIMITED

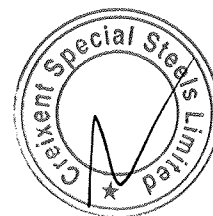
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

15. Earnings per share

Particulars	For the period from 27 February 2018 to 31 March 2019	
Net loss for the period (A)	Rs. in thousands	(335,669)
Equity shares issued upon incorporation of the Company	Nos.	20,000
Equity shares issued during the period	Nos.	9,980,000
Equity shares at the end of the period	Nos.	10,000,000
Weighted average number of equity shares for the purpose of calculating basic and diluted earnings per share (B)	Nos.	5,423,216
Earnings per share - basic and diluted (face value of Rs. 10/- each) (A/B)	Rs.	<u><u>(61.89)</u></u>

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.



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 Companies

Milloret 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 to 4 December 2018)*

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

Chomal Exports Private Limited (w.e.f. 31 August 2018)*

Monnet Sports Foundation (w.e.f. 31 August 2018)*

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

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

Khasjamda Mining Company (w.e.f. 31 August 2018)*

3. Joint Ventures

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

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

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

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

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

4. Associate

Monnet Power Company Limited (w.e.f. 31 August 2018)*

5. Key Management Personnel (KMP)

Mr. Nikhil Gahrotra - 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)

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)

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

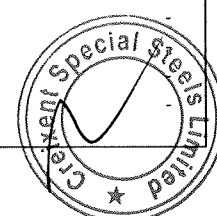
Mr Chirag Bhansali (w.e.f. 23 October 2018)

* 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 for the period from 27 February 2018 to 31 March 2019

Rs. in thousands

Particulars	The investing party in respect of which the reporting enterprise is a joint venture	Subsidiary Companies	Key Management Personnel
JSW Steel Limited			
Loan received	2,500	-	-
Other payables	25,491	-	-
Interest on loan	22	-	-
Reimbursement of expenses incurred on Company's behalf	84	-	-
Issue of preference shares	3,103,194	-	-
Premium on redemption of preference shares	220,662	-	-
Interest on preference shares	220	-	-
Issue of equity shares	48,000	-	-
Milloret Steel Limited (refer note-2)			
Investment in equity share capital	-	2,259,346	-
Investment in preference shares	-	3,404,879	-
Expenses incurred by us on their behalf	-	25,495	-
Recovery of expenses incurred by us on their behalf	-	25,495	-
AION Investments Private II Limited			
Issue of debentures	1,863,000	-	-
Premium on redemption of debentures	133,045	-	-
Interest on debentures	111	-	-
Issue of equity shares	52,000	-	-

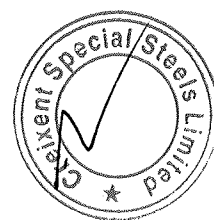


Compensation to KMP

Nature of transaction	Rs. in thousands
Sitting fees	20

C. Balances with related parties as at 31 March 2019

Particulars	The investing party in respect of which the reporting enterprise is a joint venture	Subsidiary Companies	Key Management Personnel
JSW Steel Limited			
Other payables	25,545	-	-
Interest payable	22	-	-
Long term borrowing	2,500	-	-
Payable for premium on redemption of preference shares not due	220,662	-	-
Equity share capital	48,000	-	-
Preference share capital	3,103,194	-	-
AION Investments Private II Limited			
Equity share capital	52,000	-	-
Debentures	1,863,000	-	-
Payable for premium on redemption of debentures not due	133,045	-	-



18. Taxation

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").

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 period ended 31 March 2019 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 period ended 31 March 2019, and deferred tax benefit is Rs. 25,045 thousands.

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 period indicated are as follows:

Particulars	For the period from 27 February 2018 to 31 March 2019
Loss before tax	(360,714)
Enacted tax rate in India	25%
Expected income tax benefit at statutory rate	(90,179)
Deferred tax assets on losses not recognized	65,134
Total tax credit	(25,045)

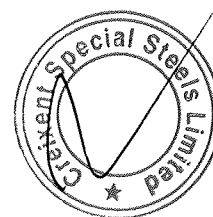
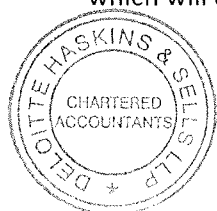
There are no income-tax related legal proceedings which are pending against the Company.

c) **Deferred tax assets /(liabilities)-**

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

Particulars	As at 27 February 2018	Recognised/ (reversed) through profit or loss/ other comprehensive income	Rs. in thousands
			As at 31 March 2019
Equity component of financial instruments	-	1,49,875	1,49,875
Premium accrued on liability component of financial instruments	-	(25,045)	(25,045)
Total	-	1,24,830	1,24,830

The Company has not recognised deferred tax asset on the business loss of Rs. 260,534 thousands which will expire in AY 2027-28.



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.

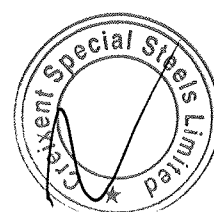
The Company monitors its capital gearing ratio, which is net debt divided by total equity. Net debt includes, interest bearing borrowings less cash and cash equivalents.

Rs. in thousands	
Particulars	As at 31 March 2019
Long term borrowings (including accrued premium payable on redemption)	5,322,401
Less: Cash and cash equivalents	(765)
Net debt	5,321,636
Total equity	188,466
Gearing ratio	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 2019	
	Carrying value	Fair value
Financial assets (measured at amortised cost)		
Cash and cash equivalents	765	765
Total financial assets	765	765
Financial liabilities (measured at amortised cost)		
Non-current borrowings		
- Non-convertible debentures (including accrued premium payable on redemption)	1,996,045	4,916,786
- Liability component of financial instruments (including accrued premium payable on redemption)	3,323,856	3,323,856
- Loan from a related party	2,500	2,500
Trade payables	3,470	3,470
Other current financial liabilities	25,897	25,897
Total financial liabilities	5,351,768	8,272,509



CREIXENT SPECIAL STEELS LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019**

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

Rs. in thousands			
Particulars	Fair value	Level	Valuation techniques and key input
Financial liability (measured at amortised cost)			
Non- current borrowings – Non convertible debentures	4,916,786	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.

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 risks faced by the Company.

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

- Market risk
- Credit risk; and
- Liquidity risk

D. Market Risk

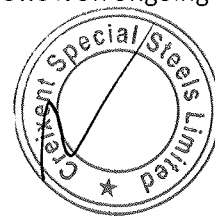
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates. The Company seeks to minimize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

E. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and risk of deterioration of creditworthiness as well as concentration risk. 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 PERIOD ENDED 31 MARCH 2019

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.

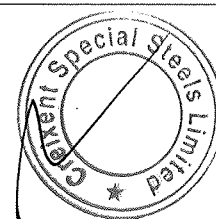
Rs. in thousands				
Particulars	< 1 Year	1-5 Years	> 5 Years	Total
As at 31 March 2019				
Financial assets				
Cash and cash equivalents	765	-	-	765
Total	765	-	-	765
Financial liabilities				
Non-current borrowings (including accrued premium payable on redemption)	-	-	5,322,401	5,322,401
Trade payables	3470	-	-	3470
Other current financial liabilities	25,897	-	-	25,897
Interest and Premium payout liability	186	745	728,485	729,416
Total	29,553	745	6,050,886	6,081,184

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:

Rs. in thousands	
Particulars	As at 31 March 2019
	Carrying amount
Fixed rate borrowings	4,966,194
Floating rate borrowings	2,500
Total borrowings	4,968,694



CREIXENT SPECIAL STEELS LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

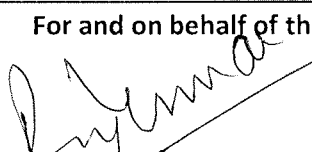
Interest rate sensitivity analysis

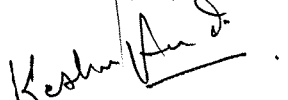
The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was 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 period ended 31 March 2019 would increase / decrease by Rs. 25 thousands, respectively. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

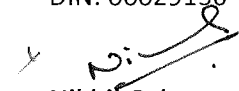
For and on behalf of the Board of Directors




Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


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


Nikhil Gahrotra
Director
DIN: 01277756

Place: Mumbai
Date: 22 May 2019


Shyam Dikkatwar
Company Secretary
ICSI M No. ACS: 33003



INDEPENDENT AUDITOR'S REPORT

To the Members of Creixent Special Steels Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS 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 profit in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the period from 27 February 2018 to 31 March 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters paragraph below, the aforesaid Consolidated Ind AS 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 Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31 March 2019, of its consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the period from 27 February 2018 to 31 March 2019.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical



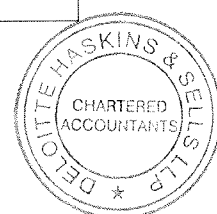
Deloitte Haskins & Sells LLP

requirements that are relevant to our audit of the consolidated Ind AS 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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS 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 Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matter	Our response
<p>Business combination:</p> <p>Pursuant to the National Company Law Tribunal ("NCLT") order under the Insolvency and Bankruptcy Code, 2016, the Parent during the period completed the acquisition of Monnet Ispat And Energy Limited Group.</p> <p>Accounting for business combination is an area of focus as it involves judgements and estimates such as cash flow forecasts, pricing curves, discounting rates in relation to the values of assets and liabilities that are recognised on</p>	<p>Our procedures for testing the business combination accounting followed by the management included:</p> <ul style="list-style-type: none"> - Evaluation of the design, implementation and testing of operating effectiveness of the relevant internal controls pertaining to identification and valuation of assets and liabilities acquired under the business combination. - Reading the NCLT Order and evaluating implications, if any, in determination of the effective date of acquiring control. - Reading and evaluation & interpretation of relevant paras of the NCLT Order basis the external legal opinion / advice sought by the Parent from an independent expert. - Evaluation and identification of the assets and liabilities acquired and corroboration of their fair values with the underlying supporting documents. - Assessment of appropriateness of the valuation method and reasonableness of the fair valuation by the Parent engaging the external valuation experts with the help of our internal valuation specialists. - Performing sensitivity analysis over certain assumptions such as sales volume, product pricing, raw material pricing and discount rate.



Description of key audit matter	Our response
<p>acquisition pursuant to the aforementioned NCLT order.</p> <p>[Refer Note 42 to the consolidated Ind AS financial statements].</p>	<ul style="list-style-type: none"> - Examination of the Business Combination accounting entries prepared by the management in light of supporting evidences and assessment of adequacy of the disclosures made in the consolidated financial statements. - Assessment of the competence and independence of the valuation expert engaged by the Parent for determining the fair values of assets and liabilities acquired.
<p>Assessment of fair value at inception of cumulative non-convertible redeemable preference shares ('RPS') issued to owners of the Parent</p> <p>The Parent during the period has issued RPS to its owners involving fair value estimates for its recognition at inception. There is a risk that the methodology adopted and estimates used in the valuation may not be appropriate / reasonable.</p> <p>[Refer Note 2.7 to the consolidated financial statements, which sets out the Group's accounting policy for recognition of financial instruments].</p>	<p>Our procedures included but were 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 assessment of the fair value of the RPS at inception. - Involving the internal experts to independently assess the valuation methodology adopted, reasonability of estimates regarding credit spread to be considered over relevant G-Sec rates and mathematical accuracy of the fair valuation determined by the management using an independent expert. - Assessment of the competence and independence of the valuation expert engaged by the Parent for determining the fair value of RPS at inception.



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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the corporate overview and directors' report but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design,



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implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS 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 Ind AS Financial Statements by the Directors of the Parent , as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS 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.



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- 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 ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS 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 ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the Consolidated Ind AS 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 Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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.



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We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Ind AS 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 the 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 Ind AS 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 4 subsidiaries, whose financial statements reflect total assets of Rs. 4,679.21 crore as at 31 March, 2019, total revenues of Rs. 1,144.52 crore and net cash outflows amounting to Rs. 164.22 crore for the period ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also includes the Group's share of profit of Rs. Nil and total comprehensive profit of Rs. Nil for the period ended 31 March, 2019 as considered in the Consolidated Ind AS Financial Statements, in respect of 2 joint ventures, 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 Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 5 subsidiaries, whose financial information reflect total assets of Rs. Nil as at 31 March, 2019, total revenues of Rs. Nil and net cash outflows amounting to Rs. 0.08 crore for the period ended on



that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of profit of Rs. Nil and total comprehensive profit of Rs. Nil for the period ended 31 March, 2019, as considered in the Consolidated Ind AS Financial Statements, in respect of 3 joint ventures, whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

The financial information of an associate have not been furnished. Corporate Insolvency Resolution Process (CIRP) has been initiated in respect of this associate under the provisions of the Insolvency and Bankruptcy Code, 2016. However, in view of the last audited financial statements and other financial information available, the Parent has written off its investment in the aforesaid entity. In our opinion and according to the information and explanations given to us by the Management, non-receipt of these financial information will have no impact on the consolidated financial statements of the Group.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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 subsidiary companies and joint ventures incorporated in India, referred in the Other Matters paragraph 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 Ind AS Financial Statements.



- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed 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, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of these entities is disqualified as on 31 March, 2019 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 and joint ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Parent to its directors during the period.
- (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:



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- i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures;
- ii. Provision has been made in the Consolidated Ind AS Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There 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, an associate and joint ventures incorporated in India.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

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

Mumbai, July 24, 2019



Rakesh Sharma
Partner

(Membership No. 102042)

UDIN : 19102042AAAAAY9998

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 Creixent Special Steels Limited (hereinafter referred to as "the "Parent") as of and for the period ended 31 March 2019, we have audited the internal financial controls over financial reporting of the Parent and its subsidiary companies and joint ventures, 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, its subsidiary companies and joint ventures, 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 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.

Auditors' Responsibility

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



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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that (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.



Deloitte Haskins & Sells LLP

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, 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 2019, 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 issued by the Institute of Chartered Accountants of India.

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 4 subsidiary companies and 2 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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 : 19102042AAAAAY9998

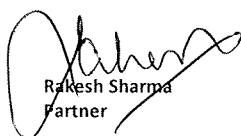
Mumbai, July 24, 2019

CREIXENT SPECIAL STEELS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2019
A. ASSETS		
1. Non-current assets		
a. Property, plant and equipment	3	3,384.92
b. Capital work-in-progress		178.73
c. Other intangible assets	4	37.50
d. Investments in joint ventures and associate	5	-
e. Financial assets		
i. Investments	6	0.99
ii. Other financial assets	7	5.85
f. Current tax assets (net)	29	2.13
g. Other non-current assets	8	6.36
Total non-current assets		3,616.48
2. Current assets		
a. Inventories	9	658.81
b. Financial assets		
i. Trade receivables	10	45.71
ii. Cash and cash equivalents	11 a	165.55
iii. Bank balances other than 'ii' above	11 b	48.12
iv. Loans	12	18.78
v. Other financial assets	7	0.39
c. Other current assets	8	163.07
d. Assets classified as held for sale	13	3.31
Total current assets		1,103.74
TOTAL ASSETS		4,720.22
B. EQUITY AND LIABILITIES		
Equity		
a. Equity share capital	14	10.00
b. Other equity	15	358.44
Equity attributable to owners of the Company		368.44
Non-controlling interests		806.22
Total equity		1,174.66
Liabilities		
1. Non-current liabilities		
a. Financial liabilities		
i. Borrowings	16	2,540.97
ii. Other financial liabilities	20	35.37
b. Provisions	17	3.23
c. Deferred tax liabilities (net)	21	25.58
Total non-current liabilities		2,605.15
2. Current liabilities		
a. Financial liabilities		
i. Borrowings	16	154.21
ii. Trade payables	19	
- total outstanding dues of micro and small enterprises;		3.36
- total outstanding dues of creditors other than micro and small enterprises		396.72
iii. Other financial liabilities	20	355.09
b. Other current liabilities	18	30.72
c. Provisions	17	0.31
Total current liabilities		940.41
Total liabilities		3,545.56
TOTAL EQUITY AND LIABILITIES		4,720.22

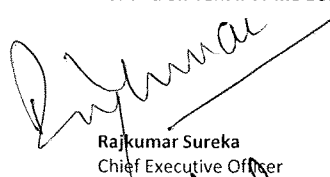
See accompanying notes to the consolidated financial statements.

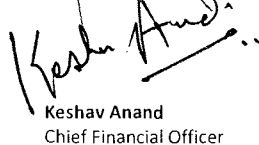
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Rakesh Sharma
Partner

Place: Mumbai
Date: 24 July 2019

For and on behalf of the Board of Directors

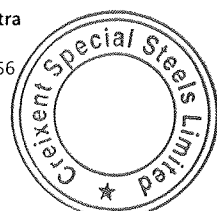

Rajkumar Sureka
Chief Executive Officer


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

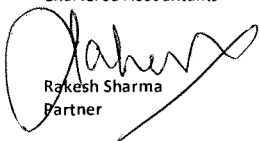


CREIXENT SPECIAL STEELS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

Particulars	Notes	For the period ended 31 March 2019
I Income		
a. Revenue from operations	22	1,131.02
b. Other income	23	14.83
Total income (I)		1,145.85
II Expenses		
a. Cost of material consumed		1,123.37
b. Purchase of stock-in-trade		1.33
c. Changes in inventories of finished goods, stock in trade and work-in-progress	24	(254.18)
d. Employee benefits expense	25	55.71
e. Finance costs	26	147.61
f. Depreciation and amortisation expense	3	126.03
g. Other expenses	27	234.27
Total expenses (II)		1,434.14
III Loss before tax and exceptional items (I-II)		(288.29)
IV Exceptional items	28	27.00
V Loss before tax (III-IV)		(315.29)
VI Tax expense:		
a. Current tax		-
b. Deferred tax		(2.50)
VII Loss for the period (V-VI)		(312.79)
VIII Other comprehensive income		
A i) Items that will not be reclassified to profit or loss in subsequent periods		
(a) Re-measurement gains on defined benefit plans		0.29
(b) Equity instruments through other comprehensive income		0.03
ii) Income tax relating to items that will not be classified to profit or loss		-
B i) Items that will be reclassified to profit or loss in subsequent periods		
(a) Exchange differences in translating the financial statements of foreign operations		16.75
ii) Income tax relating to items that will be classified to profit or loss		-
Total other comprehensive income		17.07
IX Total comprehensive loss (VII+VIII)		(295.72)
Loss for the period attributable to:		
- Owners of the Company		(167.99)
- Non controlling interests		(144.80)
Other comprehensive income for the period attributable to:		
- Owners of the Company		8.22
- Non controlling interests		8.85
Total comprehensive loss for the period attributable to:		
- Owners of the Company		(159.77)
- Non controlling interests		(135.95)
X Earnings per equity share of Rs.10 each		
Basic	30	(309.76)
Diluted		(309.76)

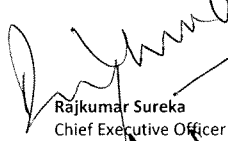
See accompanying notes to the consolidated financial statements.

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


Rakesh Sharma
Partner

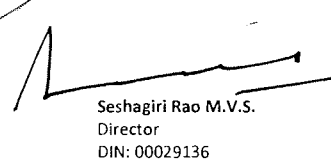
Place: Mumbai
Date: 24 July 2019

For and on behalf of the Board of Directors

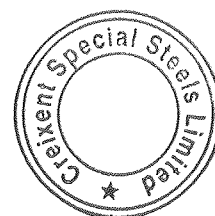

Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikhatwar
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 CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

Particulars	For the period ended 31 March 2019
A. Cash flow from operating activities	
Loss before tax	(315.29)
Adjusted for :	
Depreciation and amortisation expense	126.03
Interest income	(8.52)
Interest expense	147.61
Write down of inventories to net realisable value	50.04
Unrealised exchange gain	(1.72)
Operating profit before working capital changes	(1.85)
Working capital adjustments:	
Increase in inventories	(475.02)
Increase in trade and other receivables	(30.79)
Increase in trade and other payables	267.37
Increase in provisions	1.67
Cash flow from operations	(238.62)
Direct taxes paid	(1.11)
Net cash used in operating activities	(239.73)
B. Cash flow from investing activities	
Purchase of property, plant and equipment (including CWIP, capital advances and capital creditors)	(27.60)
Payment for purchase of debt instrument (refer note 42)	(199.85)
Net cash outflow on acquisition of subsidiaries (refer note 42)	(345.46)
Interest received	9.78
Net cash used in investing activities	(563.13)
C. Cash flow from financing activities	
Interest paid	(111.87)
Proceeds from long term borrowings	619.16
Repayments of long term borrowings	(9.12)
Proceeds/ (Repayments) from short term borrowings (net)	154.21
Proceeds from disposal of partial interest in a subsidiary that does not involve loss of control	308.58
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	968.41
Net Increase in cash and cash equivalents (A+B+C)	165.55
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents as at the end of the period	165.55

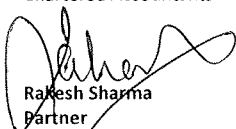
Note:

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

Particulars	As at 31-03-2019	Acquired on business combination	Cash flows	Other adjustments	As at 27-02-2018
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)	-

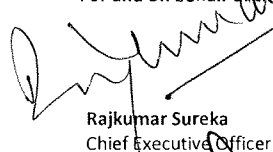
See accompanying notes to the consolidated financial statements.

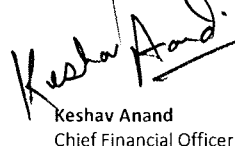
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Rakesh Sharma
Partner

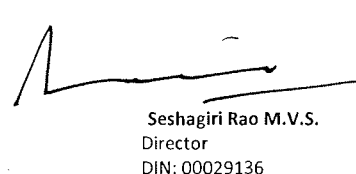
Place: Mumbai
Date: 24 July 2019

For and on behalf of the Board

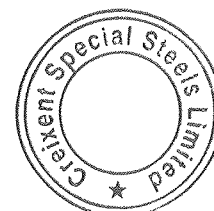

Rajkumar Sureka
Chief Executive Officer


Keshav Anand
Chief Financial Officer


Shyam Dikhatwar
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 CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

A. Equity share capital

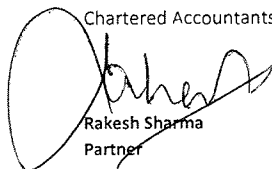
Particulars	As at 31 March 2019
Issuance of shares upon incorporation	0.02
Equity share capital issued during the period	9.98
Balance at the end of the period	10.00

B. Other equity

Particulars	Reserves and surplus			Other comprehensive income			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	Re-measurement gains/ (losses) on defined benefit plans			
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	0.14	8.22	8.85	17.07
Acquisition of business (refer note 42)	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	0.14	358.44	806.22	1,164.66

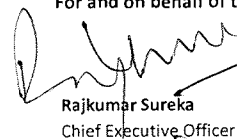
See accompanying notes to the consolidated financial statements.

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


Rakesh Sharma
Partner

Place: Mumbai
Date: 24 July 2019

For and on behalf of the Board of Directors

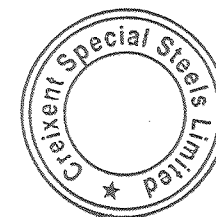

Rajkumar Sureka
Chief Executive Officer


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



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 Applicability of new and revised Ind AS

Amendments to Ind AS that are notified and early adopted by the Group

The Ministry of Corporate Affairs on 28 March 2018 vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the "Rules") notified new revenue standard Ind AS 115, Revenue from Contracts with Customers, and other amendments to certain existing Ind AS effective from the period beginning on or after 1 April 2018.

- a. Ind AS 115 modifies the determination of how much revenue to recognise, and when, and introduces a single principle based five-step model to be applied to all the contracts with the customers. Ind AS 115 replaces the separate models for goods, services and construction contracts currently included in Ind AS 18 and Ind AS 11.

As per Ind AS 115, the Group recognises revenue when control over the promised goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

- b. The application of Appendix B, (Foreign Currency Transactions and Advance Considerations) to Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2018 does not have any impact.

New Standards issued, which are not yet effective

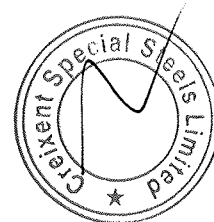
Ind AS 116 - Leases

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.

As the Group does not have any material leases, wherein the Group is a lessee, the adoption of this standard is not likely to have a material impact at transition date and for the ensuing financial year.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments):

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 Consolidated Financial Statements.

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.

The amendment will be effective from 1 April 2019. There is no effect on adoption of amendment to Ind AS 12 in the Financial Statements.

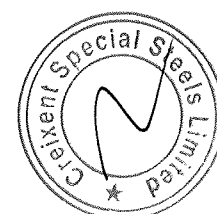
Ind AS 19 – Plan Amendment, Curtailment or Settlement

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.

The Group does not expect this amendment to have any significant impact on its Consolidated Financial Statements.



Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such long-term interests in associates and joint ventures to which equity method is not applied.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group presently does not have control/ joint control of a business that is a joint operation.

2.2 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 period ended 31 March 2019 were approved by the board of directors in the meeting held on 24 July 2019.

2.3 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 have been prepared for the period starting from 27 February 2018 i.e. the date of incorporation of the Company to 31 March 2019 and hence, there are no comparatives information.

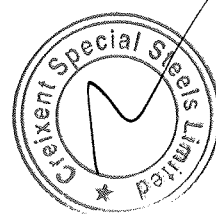
The Consolidated financial statements are presented in INR and all values are rounded to the nearest crore, except when otherwise indicated.

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.

2.4 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 reassess 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;

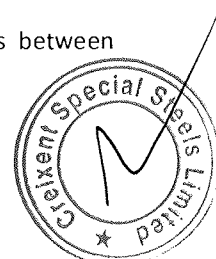
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances 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.

2.5 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.

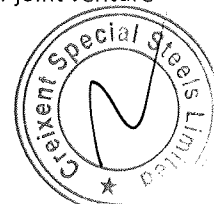
2.6 Investments in associates and joint ventures

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.

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.

2.7 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.

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. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lease. All other leases are classified as operating leases.

The Group as lessee:

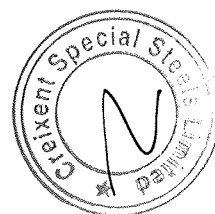
Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

c. 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).



d. 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.

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.

i) Retirement benefit costs and termination benefits:

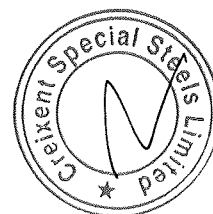
Defined contribution plans:

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.

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.

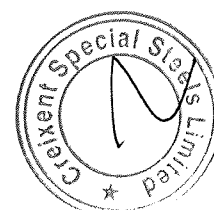
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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.

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
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.

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. Inventories

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

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

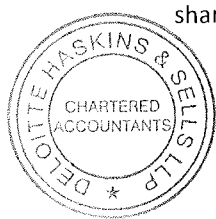
Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

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

l. Earnings per share

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

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the



weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

m. 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.

n. Financial instruments

Financial assets and financial liabilities are recognised when the Group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

- **Cash and cash equivalents**

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

- **Financial assets carried at amortised cost**

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



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

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

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

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

- **Equity instruments**

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

- **Financial liabilities at amortised cost**

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

- **Compound financial instruments**

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

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

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

- **Impairment**

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

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



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

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

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

- **Fair value of financial instruments**

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

2.8 Key sources of estimation uncertainty and critical accounting judgements

In the course of applying the policies outlined in all notes under section 2.7 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.

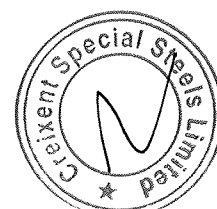
Key sources of estimation uncertainties

Business combination

The acquisition is accounted for as a business combination (Ind AS 103) and required management to apply a number of significant and complex judgments, assumptions and estimates in the determination of the fair value of the assets and liabilities acquired, and the resulting capital reserve; and for the purposes of purchase price allocation. As part of the purchase price allocation, the fair values of the assets and liabilities were determined using valuation reports from valuation professional. Judgments were used to measure property, plant and equipment, especially with regard to the valuation method to be used and the inputs to be considered, which depend on the use of appropriate pricing curves, current market environment etc. Details of fair value of assets acquired and liabilities assumed are given in note 42 to the Consolidated Financial Statements.

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.



Creixent Special Steels Limited**Consolidated financial statements for the period ended 31 March 2019****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 Company used significant judgment, basis the legal opinion from an independent expert, with regards to interpretation of the National Company Law Tribunal's order for establishing extinguishment of contingent liabilities.

Fair value measurements

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



CREIXENT SPECIAL STEELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

3. Property, plant and equipment

Particulars	Freehold land & site development	Buildings	Plant and equipment	Office equipments	Furniture and fixtures	Vehicles	Aircraft	Total
Cost/ Fair value								
As at 27 February 2018	-	-	-	-	-	-	-	-
Additions	-	-	3.62	-	-	-	-	3.62
Acquired pursuant to business combination (refer note - 42)	346.79	239.13	2,916.34	0.04	0.22	4.24	0.57	3,507.33
As at 31 March 2019	346.79	239.13	2,919.96	0.04	0.22	4.24	0.57	3,510.95
Accumulated depreciation								
As at 27 February 2018	-	-	-	-	-	-	-	-
Depreciation charge for the period	1.70	5.54	118.07	-	0.02	0.64	0.06	126.03
As at 31 March 2019	1.70	5.54	118.07	-	0.02	0.64	0.06	126.03
Net carrying value								
As at 31 March 2019	345.09	233.59	2,801.89	0.04	0.20	3.60	0.51	3,384.92

Notes:

Refer to note 16 for information on property, plant and equipment pledged as security by the Group.

4. Intangible assets

Particulars	Rights under operation & maintenance contract
Cost / Fair value	
As at 27 February 2018	-
Additions	-
Acquired pursuant to business combination (refer note 42)	37.50
As at 31 March 2019	37.50
Amortisation	
As at 27 February 2018	-
Amortisation charge for the period	-
As at 31 March 2019	-
Net carrying value :	
As at 31 March 2019	37.50



Note:

The above intangibles represent the rights of the Group under a Built-Operate-Maintain contract entered into with Bharat Coking Coal Limited for setting up and operating the 5 MTPA Patherdih Coal Washery. The management expects the commencement of operations at the Washery in near future which shall subsist for a period of ten years from the commencement of such operations.



5. Investments in joint ventures and associate

As at 31 March 2019

(a) Investments in equity shares

Investments in Joint Ventures (unquoted)

Monnet Ecomaister Enviro Private Limited	-
14,211,363 Equity shares of Rs.10 each fully paid up	
Mandakini Coal Company limited	-
39,299,800 Equity shares of Rs.10 each fully paid up (refer footnote i below)	
MP Monnet Mining Company Limited	-
980,000 Equity shares of Rs.10 each fully paid up	
Urtan North Mining Company Limited	-
5,751,347 Equity shares of Rs.10 each fully paid up	

Investments in Associate Companies (quoted)

Monnet Power Company Limited	-
220,101,460 Equity shares of Rs.10 each fully paid up	

Less : Investments classified as held for sale (refer footnote ii below)

Monnet Ecomaister Enviro Private Limited	-
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:

- The investments in Mandakini Coal Company Limited (2,00,42,999 shares) have been pledged for availment of credit facilities of joint venture.
- The investments in equity shares of joint ventures and associates are acquired consequent to acquisition of Monnet Ispat and Energy Limited, the fair value of which is determined to be Rs. NIL.
- Post Board approval dated 21 January 2019, 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 for a total consideration of Rs. 10,000 (Rupees Ten Thousand). Accordingly, the investment has been classified as held for sale. The post impairment carrying value of this investment was Rs. NIL.

6. Investments (Non-current)

As at 31 March 2019

(a) Investments at fair value through OCI (quoted)

Aditya Birla Capital Limited	0.02
2,100 Equity shares of Rs.10 each fully paid up	
Aditya Birla Fashion & Retail Limited	0.11
5,200 Equity shares of Rs.10 each fully paid up	
Grasim Industries Limited	0.13
1,500 Equity shares of Rs.10 each fully paid up	
XL Energy limited (formerly XL Telecom Limited)	0.01
166,808 Equity shares of Rs.10 each fully paid up	
Kamanwala Housing Construction Limited	0.07
63,343 Equity shares of Rs.10 each fully paid up	
Indiabulls Real Estate Limited	0.23
25,000 Equity shares of Rs.10 each fully paid up	
Rattan India Infrastructure Limited	0.02
73,750 Equity shares of Rs.10 each fully paid up	
Soril Holdings and Ventures Limited (formerly Indiabulls Wholesale Services Limited)	0.10
3,125 Equity shares of Rs.10 each fully paid up	
Bellary Steel Limited	-
803,243 Equity shares of Re.1 each fully paid up	
Pioneer Investment Limited	0.07
23,392 Equity shares of Rs.10 each fully paid up	
Orissa Sponge Iron and Steel Limited	-
1,994,633 Equity shares of Rs.10 each fully paid up	
Nu Tek India Limited	0.01
480,000 Equity shares of Rs.5 each fully paid up	
	0.77

(b) Investment in mutual funds (quoted) (at fair value through profit or loss)

SBI MF Magnum Tax Gain	0.22
55,123 units	
	0.99

Aggregate book value of quoted investments
Aggregate market value of quoted investments
Aggregate value of unquoted investments



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

7. Other financial assets

Unsecured, considered good

Bank deposits (having maturity of more than 12 months)*

Security deposits (unsecured, considered good)

Interest accrued on deposits

*Lien marked bank deposits

As at 31 March 2019	
Non Current	Current
0.68	-
5.17	-
-	0.39
5.85	0.39
0.27	

8. Other assets

Capital advances

Unsecured, considered good

Other loans and advances (Unsecured, considered good)

Advances to employees

Prepaid expenses

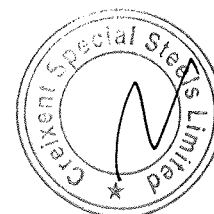
Advances to suppliers

Balances with government authorities

Advance to gratuity fund (refer note 33)

Total

As at 31 March 2019	
Non Current	Current
5.98	-
-	0.32
0.34	10.21
-	134.60
-	17.94
0.04	-
6.36	163.07



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

9. Inventories (at lower of cost and net realisable value)

	Non Current
Raw materials	187.86
Work-in-progress	5.73
Finished goods	350.40
Stock in transit (raw materials)	39.37
Stores and spares	75.45
Total	658.81

Note:

Inventory of finished goods includes inventory aggregating to Rs.253.94 crores valued at net realisable value. Write down of inventories arising out of the above amounting to Rs 50.04 crores has been recognised as an expense during the period. Raw materials have been valued at cost only considering the fact that they can be used interchangeably for the production of finished goods wherein the net realisable value is more than the cost.

Inventories have been pledged as security against certain bank borrowings, the details relating to which have been described in Note 16.

10. Trade receivables

	Non Current
Unsecured, considered good	45.71
Total	45.71
Due from company where a director is interested	0.03
Considered good, secured	-
Considered good, unsecured	45.71
Which have significant increase in credit risk	-
Credit impaired	-

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

Trade receivables have been given as collateral towards borrowings, the details relating to which has been described in note 16.

Ageing of trade receivables that are past due but not impaired

Particulars	Non Current
90-180 days	1.99
> 180 days	14.28
Total	16.27

The Group has had no history of credit default and accordingly no amount has been recognised towards allowance for expected credit loss.

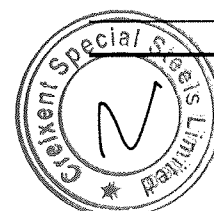
11. Cash and bank balances

	Non Current
11 a. Cash and cash equivalents :	
Balances with banks	
in current accounts	23.29
in deposit accounts with maturity less than 3 months at inception	142.20
Cash on hand	0.06
	165.55
11 b. Bank balances other than cash and cash equivalents	
Earmarked bank balances	0.17
Other bank deposits with maturity of more than 3 months at inception	47.95
	48.12

Notes:

Earmarked bank balances pertains to unclaimed dividend.

Other bank deposits are provided as collateral against credit facilities.



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

12. Loans (current)

	Non Current
Unsecured, considered good	
Loans to related parties (refer note - 36) #	10.06
Loan to others	8.72
Total	18.78
Considered good, secured	-
Considered good, unsecured	18.78
Which have significant increase in credit risk	-
Credit impaired	-

for business purpose

13. Assets held for sale

	Non Current
Preference shares in Orissa Sponge Iron & Steel Limited (refer note below)	2.92
Loan to Orissa Sponge Iron & Steel Limited (refer note below)	0.39
Investment in equity shares of Monnet Ecomaister Enviro Private Limited (refer footnote (iii) to note no. 5)	0.001
	3.31

Note:

Post Board approval dated 27 March 2019, the Group has entered into an agreement for sale of its investment in preference shares and loan given to Orissa Sponge Iron and Steel Limited. Accordingly, these amounts have been reclassified as held for sale and the difference has been recognised in the Consolidated Statement of Profit and Loss for the period.



CREIXENT SPECIAL STEELS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019****(Amount in Rupees crores, unless otherwise stated)****14. Equity share capital**

Particulars	Non Current	
	No. of shares	Amount
(a) Authorised:		
Equity shares of the par value Rs. 10 each	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

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

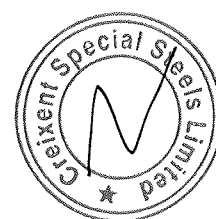
Issuance of shares upon incorporation	20,000	0.02
Add: Issued during the period	9,980,000	9.98
Outstanding at the end of the period	10,000,000	10.00

(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	Non Current	
	No. of Shares	% of shares
JSW Steel Limited	4,800,000	48.00%
AION Investments Private II Limited	5,200,000	52.00%



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

15. Other equity	As at 31 March 2019
I. Reserves and surplus	
a) Retained earnings	(170.54)
b) Fair valuation difference on financial instruments	44.96
c) Capital reserve on bargain purchase	475.80
II. Other comprehensive income	
a) Re-measurement gains on defined benefit plans	0.14
b) Foreign currency translation reserve	8.05
c) Equity instruments through other comprehensive income	0.03
As at 27 February 2018	-
Add: Acquired on business combination	-
Changes during the period	0.03
As at 31 March 2019	0.03
	358.44

a) Retained earnings

Retained earnings are the profits 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

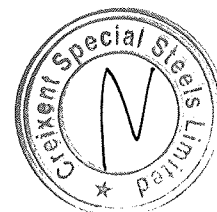
Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian rupees) are recognised directly in other comprehensive income and accumulated in the foreign currency translation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



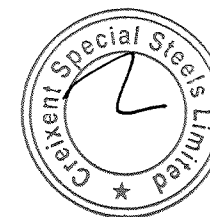
CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

16. Borrowings

	As at 31 March 2019	
	Non Current	Current
Measured at amortised cost		
(a) Debentures		
Unsecured		
Non-convertible debentures redeemable at par	186.30	-
(b) Liability component of financial liabilities - unsecured		
0.01% cumulative non convertible redeemable preference shares	310.32	-
(c) Term loan		
(i) Secured		
Loan from banks	2,195.79	
Less: current maturities of long term debt (refer note 20)	(276.69)	-
(ii) Unsecured		
-from a related party	125.25	-
(d) Working capital facility		
Secured		
From banks	-	154.21
	2,540.97	154.21



CREIXENT SPECIAL STEELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

(a) Terms of borrowings

Type of loan	Loan outstanding As at 31 March 2019	Rate of interest	Security	Repayment terms
Non-convertible debentures	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 28-08-2025 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	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 27-08-2038 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 27-08-2038 at a variable premium such that yield on the redemption principal is equal to the redemption YTM of 10% p.a.
Rupee loan from bank	1,919.10	3 months MCLR plus 10 bps	Secured by first charge on all immovable and movable assets (present & future) of a subsidiary of the Group (subject to prior charges on movables in favour of working capital banks).	Repayable in 36 structured quarterly instalments, starting from the end of 39th month from the date of first disbursement, i.e. 31 August 2018.
Loan from a related party	125.25	SBI 1 year MCLR plus 200 bps	N.A.	A. Loan amounting to Rs. 125 crores repayable in 9 equal annual installments of Rs. 13.89 crores, starting from 31 August 2024 and ending at 31 August 2032. B. Loan amounting to Rs. 0.25 crores bearing an interest rate of MCLR plus 200 basis points and is redeemable on 26-02-2022.
Working capital facility	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.	On demand
Term loan from bank	276.69	3 months Libor plus 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.	Repayable in installments from FY 14-15 to FY 19-20. Refer note (b) below.

(b) As at 31 March, 2019, in respect of borrowing amounting to Rs. 276.69 crores classified as current, certain financial covenants have not been met resulting into loan being payable on demand by the lender. Based on an on-going discussion with the lender, management believes that the probability of lenders demanding the accelerated repayment is remote.



17. Provisions

	Non-current	Current
	As at 31 March 2019	As at 31 March 2019
Provision for compensated absences (Refer note 33)	3.23	0.31
	3.23	0.31

18. Other current liabilities

	Current
	As at 31 March 2019
Advances from customers	20.13
Statutory dues	10.59
	30.72

19. Trade payables

	As at 31 March 2019
Acceptances	134.16
Other than acceptances	
- total outstanding dues of micro and small enterprises;	3.36
- total outstanding dues of creditors other than micro and small enterprises	262.56
Total	400.08

Note:

Disclosure with respect to related party transactions is given in note 36.

Terms and conditions:

Trade payables other than acceptances are non-interest bearing and are normally settled within 90 days except for Small and Medium Enterprises which are settled within 45 days.

For explanations on the Group's credit risk management processes, refer to Note 39.

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

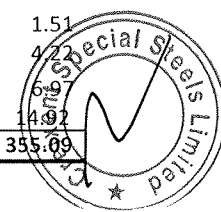
Disclosure under Micro, Small and Medium Enterprises Development Act:

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31 March, 2019
1. Principal amount outstanding	3.36
2. Principal amount due and remaining unpaid	-
3. Interest due on (2) above and the unpaid interest	-
4. Interest paid on all delayed payments under the MSMED Act.	-
5. Payment made beyond the appointed day during the period	-
6. Interest due and payable for the period of delay other than (4) above	-
7. Interest accrued and remaining unpaid	-
8. Amount of further interest remaining due and payable in succeeding years	-

20. Other financial liabilities

	Non- Current	Current
	As at 31 March 2019	As at 31 March 2019
Premium on redemption of debentures	13.30	-
Premium on redemption of preference shares	22.07	-
Current maturities of long term debt	-	276.69
Interest accrued but not due on borrowings	-	48.06
Payable to a related party	-	2.55
Unclaimed dividends	-	0.17
Security deposits and retention money	-	1.51
Payable for capital expenditures	-	4.22
Creditors for expenses	-	14.92
Acceptances for capital goods	-	355.09
	35.37	355.09



CREIXENT SPECIAL STEELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

21. Income Taxes

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019:

	For the period ended 31 March 2019
Loss before tax	(315.29)
Enacted tax rate in India	34.94
Expected tax benefit at statutory tax rate	(111.24)
Effect of different tax rates of subsidiaries in other jurisdictions	3.52
Adjustments in respect of current income tax of previous years	-
Deferred tax assets not recognised	23.64
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	(2.50)
Effective tax rate	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.

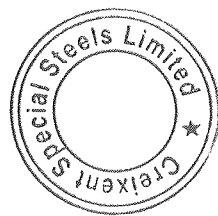
Deferred tax balance in relation to	Acquired pursuant to business combination	Recognised / (reversed) through profit and loss	Recognised / (reversed) through other comprehensive loss	As at 31 March 2019
Property, plant and equipment	124.73	-	-	124.73
Intangible assets	(13.10)	-	-	(13.10)
Carried forward business loss / unabsorbed depreciation	(141.83)	-	-	(141.83)
Equity component of financial instruments	-	-	(14.98)	(14.98)
Premium accrued on liability component of financial instruments	-	2.50	-	2.50
Others- IND AS adjustments	17.10	-	-	17.10
Total deferred tax (liabilities)/ assets	(13.10)	2.50	(14.98)	(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)	2019-20	2020-21	2021-22	2022-23	Beyond 5 Years	Indefinite	Total
Business losses	-	-	-	483.67	1,792.85	-	2,276.52
Unabsorbed depreciation	-	-	-	-	-	4,131.30	4,131.30
Long term capital losses	-	-	3.20	-	294.28	-	297.48
Short term capital losses	2.60	-	-	-	-	-	2.60
Total	2.60	-	3.20	483.67	2,087.13	4,131.30	6,707.90

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 Rescution 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 PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

22. Revenue from operations

For the period ended 31 March 2019	
Sale of products	1,130.02
Less: Rebate and discounts	(4.65)
	1,125.37
Other operating revenues	
- Sale of scrap	4.81
- Export incentives	0.84
Total	1,131.02

Implementation of Ind AS 115

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The application of Ind AS 115 did not have any impact on the Consolidated Statement of Profit and Loss for the Group.

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

For the period ended 31 March 2019	
Particulars	
Revenue from contracts with customer - sale of products	1,125.37
Other operating revenue	5.65
Total revenue from contracts with customers	1,131.02
India	1,054.73
Outside India	76.29
Total revenue from contracts with customers	1,131.02
Timing of revenue recognition	
At a point in time	1,131.02
Over a period of time	-
Total revenue from contracts with customers	1,131.02

For the period ended 31 March 2019	
Product Wise	
Sponge Iron	726.55
Billets	35.21
Ferro Alloys	91.15
Pellets	49.71
Structure/ TMT	183.87
Pig Iron	21.39
Others	23.14
Total	1,131.02

Contract balances

For the period ended 31 March 2019	
Particulars	
Trade receivables	45.71
Contract liabilities (advances from customers)	20.13

The Group does not have any significant adjustments between the contracted price and revenue recognised in the Consolidated Statement of Profit and Loss.

The performance obligation is satisfied based on terms of the contract, in most cases however, 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.



23. Other income**Interest Income earned on financial assets that are not designated as FVTPL**

	For the period ended 31 March 2019
On bank deposits	7.58
On other financial assets	0.94
Rent income	1.13
Net gain on foreign currency transactions	4.43
Miscellaneous income	0.75
Total	14.83

24. Changes in inventories of finished goods, stock in trade and work-in-progress**(a) Inventories at the beginning of the period**

	For the period ended 31 March 2019
Finished goods	-
Work-in-progress	-
Total inventories at the beginning of the period	-

(b) Acquired pursuant to business combination

Finished goods	98.58
Work-in-progress	3.37
Total	101.95

(c) Inventories at the end of the period

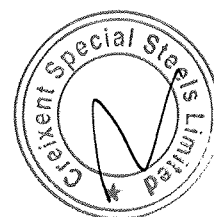
Finished goods	350.40
Work-in-progress	5.73
Total inventories at the end of the period	356.13
Total (a+b-c)	(254.18)

25. Employee benefits expense

	For the period ended 31 March 2019
Salaries and wages	51.38
Contribution to provident and other funds (refer note - 33)	2.66
Staff welfare expenses	1.67
Total	55.71

26. Finance costs

	For the period ended 31 March 2019
Interest expense on borrowings	109.70
Premium on redemption of debentures	13.30
Premium on redemption of preference shares	22.07
Other ancillary borrowing costs	1.06
Unwinding of interest on financial liabilities carried at amortised costs	1.48
Total	147.61



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

27. Other expenses

	For the period ended 31 March 2019
Stores and spares consumed	27.91
Power and fuel	116.61
Water charges	5.23
Manpower hire charges	23.08
Rent	0.24
Rates and taxes	0.46
Insurance charges	3.09
Legal and professional charges	6.15
Directors sitting fees	0.13
Loss from partnership firm	0.34
Bank charges	1.85
Security service charges	4.70
Distribution and marketing expenses	4.41
Repair and maintenance	
- Machinery	16.69
- Building	2.25
- Others	9.63
Miscellaneous expenses	11.50
	234.27

28. Exceptional Items

	For the period ended 31 March 2019
Plant startup expenses	27.00
	27.00

Plant startup expenses of Rs. 27 crores comprise of various one time revenue expenses incurred for startup of manufacturing facilities at Raigarh plant of the Group which were non operational for a long period of time.

29. Current tax assets (net)

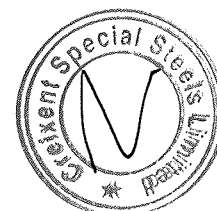
Particulars	For the period ended 31 March 2019
Advance tax	-
Tax deducted at source	2.13
Less: Provision for tax	-
	2.13

30. Earnings Per Share (EPS)

Particulars	For the period ended 31 March 2019
Loss attributable to equity shareholders (A)	(167.99)
Weighted average number of equity shares for calculating basic and diluted EPS (B)	5,423,216.08

**Earnings per equity share in Rs.
Basic and diluted (A/B)**

(309.76)



CREIXENT SPECIAL STEELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

31. Material partly-owned subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Sr.No.	Name	Country of Incorporation	Ownership Interest of Creixent Special Steels Limited (%)	Principal activity
			As at 31 March 2019	
1	Monnet Global Limited*	U.A.E.	48.12%	Manufacturing company
2	Monnet Enterprises Pte. Limited*	SINGAPORE	Until dissolution on 4 December 2018	Manufacturing company
3	Monnet Ispat and Energy Limited	INDIA	48.12% (w.e.f. August 31, 2018)	Manufacturing company
4	Monnet Cement Limited*	INDIA	48.11%	Manufacturing company
5	Chomal Exports Private Limited*	INDIA	24.54%	Mining Company
6	Pt. Sarwa Sembada Karya Bumi*	Indonesia	48.12%	Mining Company
7	LLC Black Sea Natural Resources*	Republic of Abkhazia	48.12%	Mining Company
8	Khasjamda Mining Company*	INDIA	47.64%	Mining Company
9	Monnet Sports Foundation*	INDIA	30.87%	Promotion of exports
10	Millorete Steel Limited	INDIA	100% (from 8 March 2018 until 31 August 2018 i.e. until amalgamated with MIEL) (refer note 42)	Manufacturing company

* with effect from 31 August, 2018 consequent to acquisition of MIEL (refer note 42).

Accumulated balances of non-controlling interest:		As at 31 March 2019
Monnet Ispat & Steel Limited		806.15
Monnet Global Limited		0.04
Total comprehensive loss allocated to material non-controlling interest:		
Monnet Ispat and Steel Limited		(137.85)
Monnet Global Limited		(0.13)

The summarised financial information of non-controlling interests is set out below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the period ended 31 March 2019:

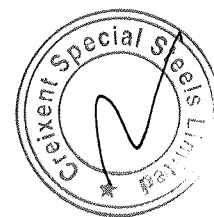
Particulars	Monnet Global Limited	Monnet Ispat and Energy Limited
Revenue	-	1,129.69
Expenses	1.99	1,397.73
Loss for the period	(1.99)	(280.21)
Total comprehensive loss	(1.99)	(263.14)
Attributable to non-controlling interests	(0.13)	(137.85)
Dividends paid to non-controlling interests	-	-

Summarised balance sheet as at 31 March 2019:

Particulars	Monnet Global Limited	Monnet Ispat and Energy Limited
Current assets	1.26	1,102.08
Non-current assets	34.09	3,541.51
Current liabilities	282.98	618.46
Non-current liabilities	92.23	2,047.33
Total equity	(339.86)	1,977.80
Attributable to:		
Equity holders of parent	(339.90)	1,171.65
Non-controlling interest	0.04	806.15

Summarised cash flow information For the period ended 31 March 2019

Particulars	Monnet Global Limited	Monnet Ispat and Energy Limited
Cash used in operating activities	-	(201.34)
Cash used in investing activities	-	(50.42)
Cash generated from financing activities	-	76.31
Net decrease in cash and cash equivalents	-	(175.45)



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

32. Disclosure of significant investments in joint ventures and associate:

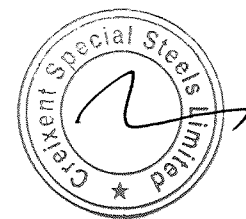
1) Disclosure of investment in the following joint ventures :

Sr.No.	Name	Country of Incorporation	Ownership Interest of Creixent Special Steels Limited (%)	Principal activity
			As at 31 March 2019	
1	Mandakini Coal Company Limited	India	16.04%	Mining company
2	Urtan North Mining Company Limited	India	16.04%	Mining company
3	MP Monnet Mining Company Limited	India	23.58%	Mining company
4	Monnet Ecomaister Enviro Private Limited (refer footnote ii to note 5)	India	24.06%	Manufacturing of PS Balls
5	Solace Land Holding Limited	India	16.04%	Mining company

2) Disclosure of investment in the following associate :

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

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



33. Employee benefits plans

Defined Contribution Plans - General description

Retirement benefits like provident fund etc 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 is Rs. 1.93 crores.

Defined Benefit Plans - General description

Gratuity:

The Group provides for gratuity to employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years, or on their retirement or resignation. However, in case of death of an employee, the minimum period of 5 years shall not be required. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service completed. The gratuity plan is a funded plan administered by a separate fund that is legally separated from the entity and the group makes contribution to the insurer (Kotak Mahindra Life Insurance Company Limited).

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 determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and 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 assets.
Asset liability matching (ALM) risk	The plan faces the ALM risk as to the matching of cash flows. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan doesn't have any longevity risk. An increase in the life expectancy of the plan participants will increase the plan's liability.
Concentration risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants 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 2019 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 2019
Defined benefit obligation ('DBO') at the beginning of the period	-
Acquired on business combination	12.86
Current service cost	0.72
Interest cost	0.62
Benefits paid	(1.49)
Actuarial (gain)/ loss on obligations	0.42
Defined benefit obligation at the end of the period	13.13



CREIXENT SPECIAL STEELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

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

	31 MARCH 2019
Fair value of plan assets at the beginning of the period	-
Acquired on business combination	13.85
Contribution by employer	0.04
Benefits paid	(1.46)
Expected Interest income on plan assets	0.61
Actuarial gain/(loss) on plan asset	0.13
Fair value of plan assets at the end of the period	13.17

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

	31 MARCH 2019
Fair value of plan assets	13.17
Defined benefit obligation	13.13
Amount recognised in the balance sheet (refer note 8)	(0.04)

Amount recognised in the Consolidated Statement of Profit and Loss:

	31 MARCH 2019
Current service cost	0.72
Interest expense	0.62
Expected return on plan asset	(0.61)
Amount recognised in Consolidated Statement of Profit and Loss (refer note 25)	0.73

Amount recognised in other comprehensive income:

	31 MARCH 2019
Actuarial changes arising from changes in financial assumptions	(0.21)
Return on plan assets (excluding amounts included in net interest expense)	(0.13)
Experience adjustments	0.63
Amount recognised in other comprehensive income	0.29

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

	31 MARCH 2019
Gratuity	Funded
Investment details	100%
Investment with insurance fund	

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

	31 MARCH 2019
Discount rate	7.79%
Future salary increases	7.00%
Attrition rate	2.00%
Retirement age	60 years

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 2019	31 MARCH 2019
Assumptions		
Discount rate	+ 0.25%	(0.32)
	- 0.25%	0.33
Future salary increases	+ 0.25%	0.34
	- 0.25%	(0.32)
Withdrawal rate	+ 0.25%	0.02
	- 0.25%	(0.02)

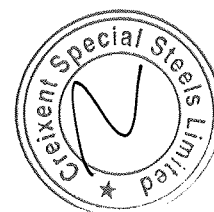
The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that change in assumption would occur in isolation of the another as some of the assumptions may be correlated.

The following are the maturity analysis of projected benefit obligations:

	31 MARCH 2019
Within the next 12 months (next annual reporting year)	0.80
Between 2 and 5 years	2.65
Beyond 5 years	30.65
Total expected payments	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 expects to contribute Rs.1.07 crores to its gratuity plan for the next year. The weighted average duration of the plan is 12 years.

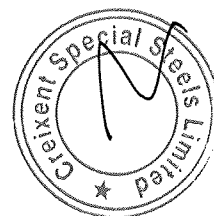


CREIXENT SPECIAL STEELS LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019
(Amount in Rupees crores, unless otherwise stated)

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.

	<u>31 MARCH 2019</u>
Present value of unfunded obligation (Rs. in crores)	3.54
Expenses recognised in Consolidated Statement of Profit and Loss (Rs. in crores)	0.40
Discount rate (p.a.)	7.79%
Salary escalation rate (p.a.)	7.00%



CREIXENT SPECIAL STEELS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019****(Amount in Rupees crores, unless otherwise stated)****34. Leases****Operating lease commitments - Group as lessee**

Lease rentals of Rs. 0.24 crores for the office premises have been recognized as an expense in the Consolidated Statement of Profit and Loss during the period.

The agreements are executed on non-cancellable basis for a period of 5 years, which are renewable on expiry with mutual consent.

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

Particulars	As at 31 March 2019
Not later than one year	0.57
Later than one year and not later than five years	2.41
Later than five years	-
TOTAL	2.98

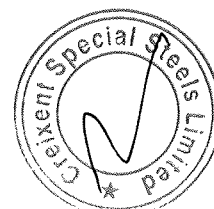
35. Contingent liabilities and commitments**(a) Contingent liabilities**

Counter guarantees issued in respect of guarantees issued by Group's bankers - Rs. 69.95 crores.

All the litigations of MIEL pertaining to the period prior to commencement of Company Insolvency Resolution Process ("CIRP") have not been evaluated for their probability of devolvement upon the Group, as in view of the management, basis the legal opinion from an independent expert on interpretation of NCLT order, the said litigations stands abated.

(b) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs. 144.42 crores.

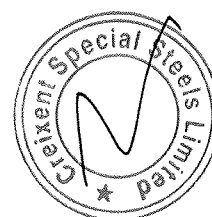


36. Related party disclosures

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)*
(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)
iii) Chief Executive Officer		Mr. Rajkumar Sureka- (w.e.f. 27 March 2019)
iv) Chief Financial Officer		Mr. Keshav Anand - (w.e.f. 27 March 2019)
v) Company Secretary		Mr. Shyam Dikkatwar - (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

* these entities have become joint ventures / associate of the Company consequent to acquisition of MIEL (refer note no. 42.)



B. Transactions with related parties for the period ended 31 March 2019

Particulars	The investing party in respect of which the reporting enterprise is a joint venture	Joint Ventures	Enterprises over which KMP or their relatives or investing entity are able to exercise significant influence
Sales of goods			
JSW Steel Limited	9.53	-	-
Loan taken			
JSW Steel Limited	136.92	-	-
Loan repaid			
JSW Steel Limited	9.12	-	-
Interest on loan			
JSW Steel Limited	7.52	-	-
Purchase of raw material / stores			
JSW Steel Limited	67.38	-	-
JSW Steel Coated Products Limited	-	-	0.42
Reimbursement of expenses			
JSW Steel Limited	9.74	-	-
Issue of debentures			
AION Investments Private II Limited	186.30	-	-
Issue of preference shares			
JSW Steel Limited	310.32	-	-
Premium on redemption of preference shares			
JSW Steel Limited	22.07	-	-
Premium on redemption of debentures			
AION Investments Private II Limited	13.30	-	-
Interest on debentures			
AION Investments Private II Limited	0.01	-	-
Interest on preference shares			
JSW Steel Limited	0.02	-	-
Issue of equity shares			
JSW Steel Limited	4.80	-	-
AION Investments Private II Limited	5.20	-	-

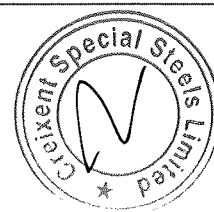
Compensation to KMP

Nature of transaction	For the period ended 31 March 2019
Sitting fees	0.12
Short term benefits	0.52
Total	0.64

C. Balances with related parties as at 31 March 2019

Particulars	The investing party in respect of which the reporting enterprise is a joint venture	Joint Ventures	Enterprises over which KMP or their relatives or investing entity are able to exercise significant influence
Loans given #:			
MP Monnet Mining Company Limited	-	0.21	-
Mandakini Coal Company Limited	-	3.09	-
Monnet Ecomaster Enviro Private Limited	-	6.76	-
Trade receivables:			
JSW Steel Limited	0.03	-	-
Payable for premium on redemption of preference shares not due			
JSW Steel Limited	22.07	-	-
Payable for premium on redemption of debentures not due			
AION Investments Private II Limited	13.30	-	-
Trade and other payables:			
JSW Steel Limited	80.11	-	-
JSW Steel Coated Products Limited	-	-	0.08
Loan payable:			
JSW Steel Limited	125.25	-	-
Equity Share capital			
JSW Steel Limited	4.80	-	-
AION Investments Private II Limited	5.20	-	-
Preference Share capital			
JSW Steel Limited	310.32	-	-
Debentures			
AION Investments Private II Limited	186.30	-	-

Consequent to acquisition of MIEL (refer note 42)



CREIXENT SPECIAL STEELS LIMITED**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019**

(Amount in Rupees crores, unless otherwise stated)

37. Segment information

The Group is in the business of manufacturing and trading of steel products having similar economic characteristics, primarily operated in India and regularly reviewed by Chief Operating Decision Maker for assessment of Group's performance and resource allocation.

The Group has revenue from operations based on the location of the customer as follows :

Revenue from operations:		Rs. in crores
Particulars		For the period ended 31 March 2019
Within India		1,054.73
Outside India		76.29
Total		1131.02

Non current assets of the Group as at 31 March 2019 are located as follows:			Rs. in crores
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



CREIXENT SPECIAL STEELS LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE PERIOD ENDED 31 MARCH 2019

(Amount in Rupees crores, unless otherwise stated)

38. Categories of financial instruments

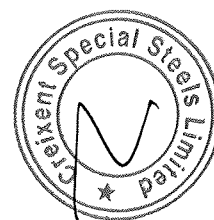
As at 31 March 2019

Particulars	Amortised Cost	FVTOCI	Carrying value	Fair value
Financial assets				
Non-current investments	-	0.99	0.99	0.99
Trade receivables	45.71	-	45.71	45.71
Cash and cash equivalents	165.55	-	165.55	165.55
Bank balances other than cash and cash equivalents	48.12	-	48.12	48.12
Loans	18.78	-	18.78	18.78
Other financial assets	6.24	-	6.24	6.24
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	3,145.10
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	3,777.79

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

Particulars	Fair value	Level	Valuation techniques and key input
Financial liability (measured at amortised cost)			
Long term borrowings	3,145.10	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.



39. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise of borrowings, trade and other payables, security deposits, employee liabilities. The main purpose of financial liabilities is to finance the group's operations and to provide guarantees to its operations. The Group'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 group also holds FVTOCI investments and enters into derivative transactions.

The Group's management oversees the management of the risks. The Group's senior management is supported by the Finance department that ensures timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against the risks, monitor to the risks and their limits, improve risk awareness and transparency. Risk management systems are reviewed regularly to reflect changes in the market conditions and the Group'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 Group.

The risk management aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

I. 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. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the management on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees with a mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

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

Particulars	Net balance	Unamortised transaction cost	Gross balance
Fixed rate borrowings	496.62	-	496.62
Floating rate borrowings	2,475.25	20.90	2,496.15
Total borrowings	2,971.87	20.90	2,992.77

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the corresponding liability outstanding at the year-end was outstanding for the whole year.

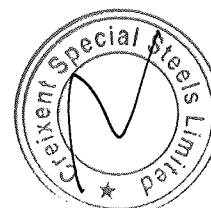
If interest rates had been 50 basis points higher / lower and all other variables were being constant, the Group's loss for the period ended 31 March 2019 would increase / decrease by Rs.7.80 crores. This is mainly attributable to the group's exposure to interest rates on its variable rate borrowings.

B. Foreign currency risk

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 Group undertakes transactions denominated in foreign currencies; consequently, exposure to

Adverse movements in the exchange rate between the rupee and any relevant foreign currency results in increase in the Group's overall debt position in rupee terms without the Group having incurred additional debt. In order to hedge exchange rate risk, the Group hedges its payables as and when the exposure arises. Short term exposures are hedged progressively based on their maturity.



All hedging activities are carried out in accordance with the internal risk management system and in accordance with the applicable regulations where the

The carrying amounts of the Group's monetary assets and liabilities at the end of the reporting period are:

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	-	-	30.95	45.71
Cash and cash equivalents	0.09	-	-	165.46	165.55
Bank balances other than cash and cash equivalents	0.02	-	-	48.10	48.12
Loans		1.27	0.21	17.27	18.78
Other financial assets	1.38	-	-	4.86	6.24
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

Foreign currency sensitivity

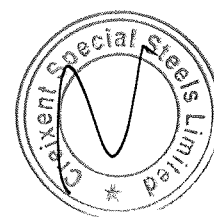
The following table details the Group's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible 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 decrease in loss 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 loss or equity, and the balances below would be negative.

	Change in USD rate	Effect on loss before tax
		INR in crores
31-Mar-19	+5%	(21.64)
	-5%	21.64
	Change in EURO rate	Effect on loss before tax
		INR in crores
31-Mar-19	+5%	0.06
	-5%	(0.06)
	Change in AED rate	Effect on loss before tax
		INR in crores
31-Mar-19	+5%	0.01
	-5%	(0.01)

II. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group 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 maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.



A. Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment.

The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

B. Cash and cash equivalents

Credit risk from balances with banks and financial institutions are managed by the Group's treasury department in accordance with the Group's policy. For financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit - rating agencies.

III. 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 meeting the requirement of financing.

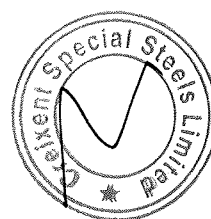
The following table detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up for the cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

Maturity pattern of financial assets and liabilities:

As at 31 March 2019

(Rs. In crores)

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Non current investments	-	-	0.99	0.99
Trade receivables	45.71	-	-	45.71
Cash and cash equivalents	165.55	-	-	165.55
Bank balances other than cash and cash equivalents	48.12	-	-	48.12
Loans	18.78	-	-	18.78
Other financial assets	0.39	0.68	5.17	6.24
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



40 . Capital Management

The Group, being operating into 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's capital requirement is mainly to fund its routine capital investment and payment of interest on its borrowings. The principal source of funding of the Group 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 Group is not subject to any externally imposed capital requirements.

The Group regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital extension projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Group monitors its capital gearing ratio, which is net debt divided by total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents & bank balances other than cash and cash equivalents.

Particulars	As at 31 March 2019
Long term borrowings	2,540.97
Short term borrowings	154.21
Current maturities	276.69
Total borrowings	2,971.87
Less: Cash and cash equivalents	165.55
Bank balances other than cash and cash equivalents	48.12
Net debts	2,758.20
Total equity	368.44
Gearing ratio	7.49

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

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

41. Unhedged foreign currency exposure

The Group has no outstanding derivative instrument at the year end. The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under -

	31 MARCH 2019	
	Foreign currency (Amount in Million)	Amount (Rs. Crores)
Foreign trade payables		
USD	18.81	130.10
Foreign other payables		
USD	6.10	42.19
Borrowings		
USD	40.00	276.69
Foreign advances recoverable		
EURO	0.16	1.27
AED	0.13	0.24
Foreign term deposits receipts		
USD	0.003	0.02
Foreign cash & cash equivalents		
USD	0.01	0.09
Foreign other receivables		
USD	0.20	1.38
Foreign trade receivables		
USD	2.13	14.76



42 Business combinations

Pursuant to the Corporate Insolvency Resolution process under the Insolvency Bankruptcy Code, 2016 initiated on 18 July 2017, the National Company Law Tribunal ('NCLT') on 24 July 2018 (Order date) approved (with modifications) the resolution plan submitted by the consortium of JSW Steel Limited and AION Investments Private II Limited for Monnet Ispat & Energy Limited ("MIEL"). The consortium completed the acquisition of MIEL through their jointly controlled entity Creixent Special Steels Limited ("CSSL" or "Company") on 31 August 2018.

According to the Order, Milloret Steel Limited, the then wholly owned subsidiary of the Group, amalgamated with MIEL, with effect from 31 August 2018, and in return the Company acquired 225,934,607 nos. of equity shares of Rs. 10 each and 340,487,893 nos. of Compulsorily Convertible Preference Shares of Rs. 10 each of MIEL in exchange for corresponding equity and compulsorily convertible preference shares held in Milloret Steel Limited.

MIEL has steel plants in the state of Chhattisgarh and is engaged in manufacturing and marketing of Sponge Iron, Steel and Ferro Alloys, with Blast furnace and DRI facility of 1.5 MTPA. The Company acquired MIEL to expand the Group's activities.

As per Ind AS 103, purchase consideration has been allocated to the fair value of the assets acquired and liabilities assumed (including contingent liabilities) and the resulting differential has been accounted as capital reserve. The Consolidated financial statements of the Group include the results of MIEL for the period from the acquisition date to 31 March 2019.

Details of the assets and liabilities acquired, consideration transferred and resulting capital reserve are as follows:

Particulars	
Assets	
Property, plant and equipment	3,507.33
Capital work in progress	144.03
Intangible assets	37.50
Investments	0.95
Inventories	233.83
Trade receivables	55.96
Cash and cash equivalents	329.69
Other bank balances	11.77
Loans and other receivables	189.37
Total (A)	4,510.43
Liabilities	
Long term borrowings	2,003.07
Short term borrowings	94.54
Trade payables and other current liabilities	415.33
Deferred tax liabilities	13.10
Total (B)	2,526.04
Total identifiable net assets acquired at fair value (C) = (A-B)	1,984.39
Transfer of MIEL debt instruments held by the Group	199.85
Non-Controlling Interest accounted at fair value determined using income approach (D)	633.59
Purchase consideration transferred in cash (E)	675.15
Capital reserve arising on acquisition (F)	475.80

Net cash outflow on acquisition of subsidiaries

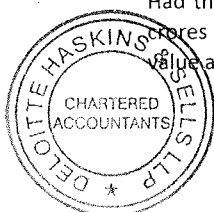
Consideration paid in cash	675.15
Less : Cash and cash equivalents acquired	329.69
Net cash outflow on acquisition of subsidiaries	345.46

Acquisition related cost amounting to Rs. 2.01 crores has been excluded from the consideration transferred and has been recognised as expense of the current period, within the "Other expenses" in the Consolidated Statement of Profit and Loss and is part of an operating cash flows in the Consolidated Statement of Cash Flows.

Impact of acquisition on the results of the Group

From the date of acquisition, MIEL has contributed Rs. 1,129.69 crores of revenue and Rs. 282.93 crores to the net loss after tax of the Group.

Had this business combination been effected from 1 April, 2018, the consolidated revenue from operation would have been Rs. 1,879.41 crores and the net loss after tax would have been Rs. 737.70 crores. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2018.



43 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 profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
PARENT COMPANY								
Creixent Special Steels Limited	1.60	18.84	10.73	(33.57)	-	-	11.35	(33.57)
SUBSIDIARIES								
INDIAN								
Monnet Ispat and Energy Limited	60.66	712.17	39.41	(123.22)	48.15	8.22	38.89	(115.00)
Monnet Cement Limited	(0.17)	(1.96)	-	-	-	-	-	-
Chomal Exports Private Limited	(0.04)	(0.44)	(0.01)	0.02	-	-	(0.01)	0.02
Monnet Sports Foundation	-	(0.02)	-	-	-	-	-	-
Khasjamada Mining Company	-	-	(0.11)	0.34	-	-	(0.11)	0.34
FOREIGN								
Monnet Global Limited - Group	(30.69)	(360.43)	(0.89)	2.77	-	-	(0.94)	2.77
Monnet Enterprises PTE Limited	(0.01)	(0.06)	4.58	(14.33)	-	-	4.85	(14.33)
NON-CONTROLLING INTEREST IN ALL SUBSIDIARIES	68.65	806.22	46.29	(144.80)	51.85	8.85	45.97	(135.95)
JOINT VENTURES								
INDIAN								
Mandakini Coal Company Limited	-	-	-	-	-	-	-	-
Urtan North Mining Company Limited	-	-	-	-	-	-	-	-
MP Monnet Mining Company Limited	-	-	-	-	-	-	-	-
Monnet Ecomaister Enviro Private Limited	-	-	-	-	-	-	-	-
Solace Land Holding Limited	-	-	-	-	-	-	-	-
ASSOCIATE								
INDIAN								
Monnet Power Company Limited	-	-	-	-	-	-	-	-
Total	100.00	1,174.32	100.00	(312.79)	100.00	17.07	100.00	(295.72)



For and on behalf of the Board of Directors

Rajkumar Sureka
Chief Executive Officer

Keshav Anand
Chief Financial Officer

Shyam Dikhatwar
Company Secretary
ICSI M No. ACS: 33003

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

Nikhil Gahrotra
Director
DIN: 01277756

