JINDAL STAINLESS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

JINDAL STAINLESS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS	PAGES

JINDAL STAINLESS (MAURITIUS) LIMITED
CORPORATE INFORMATION

		Date of appointment
DIRECTORS:	Couldiplall **Basanta Lala**	6 Jan 2000
	Ratan **Jindal**	6 Jan 2000
	Rajiv **Rajvanshi**	9 Jan 2012
	Yashwant Kumar **Beeharee**	19 Feb 2013

REGISTERED OFFICE:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

ADMINISTRATOR, SECRETARY AND MAURITIAN TAX AGENT:

International Financial Services Limited
IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

AUDITORS:

Crowe Horwath ATA
(Formerly known as Crowe Horwath (Mur) Co.)
Member Crowe Horwath International
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKER:

The Mauritius Commercial Bank Limited
Global Business | Corporate Banking SBU
MCB Head Office
9-15, Sir William Newton Street
Port Louis
Mauritius

JINDAL STAINLESS (MAURITIUS) LIMITED

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017

The directors present their commentary together with the audited financial statements of **JINDAL STAINLESS (MAURITIUS) LIMITED** (the "Company") for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

The directors did not declare any dividend during the year under review (2016: USD Nil).

DIRECTORS

The present membership of the Board is set out on page 2. All directors served office throughout the year.

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have. confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **JINDAL STAINLESS (MAURITIUS) LIMITED** under the Mauritius Companies Act 2001 during the financial year ended 31 March 2017.

....

For **International Financial Services Limited**
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 31 May 2017

Crowe Horwath™

Crowe Horwath ATA
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201, Mauritius
Telephone : (230) 467 8684 / 466 2992
Telefax : (230) 467 7478
www.crowehorwath.mu

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF JINDAL STAINLESS (MAURITIUS) LIMITED

Opinion

We have audited the accompanying financial statements of **JINDAL STAINLESS (MAURITIUS) LIMITED** (the "Company") which comprise of the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended as set out on pages 8 to 11, and a summary of significant accounting policies and other explanatory information as set out on pages 12 to 30.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption for non-consolidation provided by the Mauritius Companies Act 2001 for companies holding a category 1 Global Business Licence which are wholly owned subsidiaries of any company and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Inherent uncertainty regarding going concern

As explained in note 2, the directors state that the going concern basis is appropriate in the preparation of the financial statements on the basis that the Company has its continued support of its shareholders until such time as it is able to function financially independent. In view of the significance of this uncertainty, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF JINDAL STAINLESS (MAURITIUS) LIMITED

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001 and for designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Crowe Horwath

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF JINDAL STAINLESS (MAURITIUS) LIMITED

Report on legal matters and other regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA
Crowe Horwath ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: 31 May 2017

Ebene, Mauritius

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 USD	2016 USD
INCOME		-	-
EXPENSES			
Professional fees		**8,645**	10,671
Interest on loan	*11*	**3,414**	3,082
Licence fee		**2,100**	2,100
Audit fee		**1,265**	1,322
Bank charges		**293**	535
TOTAL EXPENSES		**15,717**	17,710
LOSS FROM OPERATIONS		**(15,717)**	(17,710)
Payables written back		**3,178**	-
LOSS BEFORE TAXATION		**(12,539)**	(17,710)
Taxation	*13*	-	-
LOSS FOR THE YEAR		**(12,539)**	(17,710)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(12,539)**	(17,710)

The notes on pages 12 to 30 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 USD	2016 USD
ASSETS			
Non-current assets			
Investment in subsidiary	*7*	**1**	1
Loan to subsidiary	*8*	**1**	1
Total non-current assets		**2**	2
Current assets			
Prepayments		**1,500**	1,500
Cash and cash equivalents		**9,833**	9,306
Total current assets		**11,333**	10,806
TOTAL ASSETS		**11,335**	10,808
EQUITY AND LIABILITIES			
Equity			
Stated capital	*9*	**10,700,000**	10,700,000
Accumulated losses		**(10,843,225)**	(10,830,686)
Total equity		**(143,225)**	(130,686)
Non-current liabilities			
Loan from shareholders	*10*	**15,439**	15,439
Loan from third party	*11*	**128,122**	112,312
Total non-current liabilities		**143,561**	127,751
Current liability			
Payables and accruals	*12*	**10,999**	13,743
TOTAL EQUITY AND LIABILITIES		**11,335**	10,808

Approved and authorised for issue by the Board of directors on 31 May 2017 and signed on its behalf by:

Director **Director**

The notes on pages 12 to 30 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital USD	Accumulated losses USD	Total equity USD
At 1 April 2015	10,700,000	(10,812,976)	(112,976)
Total comprehensive loss for the year	-	(17,710)	(17,710)
At 31 March 2016	10,700,000	(10,830,686)	(130,686)
Total comprehensive loss for the year	-	**(12,539)**	**(12,539)**
At 31 March 2017	**10,700,000**	**(10,843,225)**	**(143,225)**

The notes on pages 12 to 30 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 USD	2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(12,539)**	(17,710)
Adjustment for:		
Payables written back	**(3,178)**	-
Interest expense	**3,414**	3,082
Operating loss before working capital changes	**(12,303)**	(14,628)
Changes in working capital:		
Increase in payables and accruals	**434**	144
Net cash used in operating activities	**(11,869)**	(14,484)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from third party (net)	**12,396**	10,000
Net cash from financing activities	**12,396**	10,000
Net increase / (decrease) in cash and cash equivalents	**527**	(4,484)
Cash and cash equivalents at start of the year	**9,306**	13,790
Cash and cash equivalents at end of the year	**9,833**	9,306

JINDAL STAINLESS (MAURITIUS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. General information

The Company was incorporated in Mauritius on 5 January 2000 as a private company with liability limited by shares and has its registered office at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius. It holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The principal activity of the Company is that of investment holding.

The financial statements of the Company are expressed in United States dollar ("USD").

2. Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of the shareholders of the Company. The directors are of the opinion that this support will be forthcoming over the next twelve months. Hence, they consider that it is appropriate for the financial statements to be prepared on the going concern basis.

3. Accounting policies

The financial statements are prepared in accordance with applicable International Financial Reporting Standards ("IFRS") which comprise of International Accounting Standards Board ("IASB") approved by the International Accounting Standard Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") that remain in effect and comply with the Mauritius Companies Act 2001 as modified by the exemption for non-consolidation provided under the Mauritius Companies Act 2001 for Companies holding a Category 1 Global Business Licence which are wholly or virtually owned subsidiaries of any company.

A summary of the more important accounting policies, which have been applied consistently, is set out below. The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that could affect the reported amounts and disclosures in the financial statements. Actual results may differ from those estimates.

(a) Basis of preparation

The preparation of financial statements in conformity with IFRS requires the directors to make use of certain critical accounting estimates. It also requires directors to exercise its judgement in the process of applying the Company's accounting policies. There are no significant estimates or judgements made by the Company for the financial year ended 31 March 2017.

The financial statements are prepared under the historical cost convention. The historical cost convention is generally based on the four value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date, regardless of whether that price is directly observable or estimates using another valuation technique.

3. Accounting policies (Continued)

(b) Investment in subsidiary

Subsidiary undertakings are those entities in which the Company controls an investee if all three of the following elements are present:
- power over the investee,
- exposure to variable returns from the investee; and
- the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:-

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights,
- Substantive potential voting rights held by the Company and by other parties,
- Other contractual arrangements, and
- Historic patterns in voting attendance.

Investment in subsidiary is shown at cost less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured initially at fair value which is the value of consideration received or given plus transaction costs and subsequently at fair value or at amortised costs.

Financial instruments carried on the statement of financial position include loan to subsidiary, cash and cash equivalents, loan from shareholders, loan from third party, payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3. Accounting policies (Continued)

(c) Financial instruments (Continued)

(i) Loan to subsidiary

The loan to subsidiary is stated at amount granted less impairment.

(ii) Cash and cash equivalents

Cash equivalents comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(iii) Loan from shareholders and third party

The amounts due to shareholders and third party having no fixed maturity are stated at amounts received net of capital repayment.

(iv) Payables and accruals

Payables and accruals are stated at their nominal value.

(d) Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(e) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

(f) Expense recognition

All expenses are accounted for in the profit or loss on an accrual basis.

(g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The Board of directors consider USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

3. Accounting policies (Continued)

(g) Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in other comprehensive income within 'other (losses)/gains-net.'

(h) Related parties

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly to control the other party or exercise significant influence over the other party in making financial or operating decisions.

(i) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from proceeds.

Accumulated losses include all current and prior years' results as disclosed in the statement of profit or loss and other comprehensive income.

(k) Revenue

Dividend income is recognised when the Company's right to receive such payment is established. Interest income is accounted for on an accrual basis.

(l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

4. Changes in accounting standards and disclosures

(i) New and amended standards and interpretations

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2016.

Amendment to IAS 1 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income in associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company and should be separated into the share of items that, in accordance with other IFRSs:

(i) will not be reclassified subsequently to profit or loss; and

(ii) will be reclassified subsequently to profit or loss when specific conditions met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

Annual improvements 2012-2014 Cycle

IFRS 7 Financial Instruments: Disclosures

Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. These amendments are not expected to have any impact on the Company.

4. Changes in accounting standards and disclosures (Continued)

(i) New and amended standards and interpretations (Continued)

Annual improvements 2012-2014 Cycle (Continued)

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Company's financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

4. Changes in accounting standards and disclosures (Continued)

(ii) Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 April 2017 and earlier application is permitted. However, the Company has not early applied the following new or amended standards in preparing these financial statements.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the now requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flow, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting period. Debt instrument that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent changes in the fair value of an entity investment (that is not held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount to the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

4. Changes in accounting standards and disclosures (Continued)

(ii) Standards issued but not yet effective (Continued)

IFRS 9 Financial Instruments (Continued)

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Amendments to IAS 12 Income tax -Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;

2. When an entity assessed whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;

3. The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that is probable that the entity will achieve this; and

4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

4. Changes in accounting policies and disclosures (Continued)

(ii) Standards issued but not yet effective (Continued)

Amendments to IAS 7 Statement of Cash flows - Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the financial statements.

5. Critical accounting estimates and judgements

The following are the most significant management's judgement made in applying the accounting policies of the Company that have significant effects on the financial statements. Critical estimation uncertainties are described in note 6.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. As described in note 3(g)(i), the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually wholly owned subsidiary of any company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are therefore separate financial statements which contain information about JINDAL STAINLESS (MAURITIUS) LIMITED as an individual company and do not contain consolidated financial information as the parent of the group.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. There are no such indications of events having impact on future cash flows of the company. Therefore, no impairment provision is required to be made by the Company.

5. Critical accounting estimates and judgements (Continued)

Impairment of non-financial assets (Continued)

In assessing whether a full impairment test is required for the investment in the subsidiary, the Company has considered whether it has recognised a dividend from the investment and evidence is available that:

- the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the financial statements of the subsidiary's net assets; or

- the dividend exceeds the total comprehensive income of the subsidiary in the period in which the dividend is declared.

The directors have noted that the carrying amount of the investment in the separate financial statements is lower than the carrying amount in the financial statements of the subsidiary's net assets. Therefore, no further impairment provision, other than provisions made in previous years, is required to be made by the Company.

Contingencies

To the best of the knowledge and information available, the directors do not foresee any contingencies arising on JINDAL STAINLESS (MAURITIUS) LIMITED due to litigation or other factors of the US subsidiary, Massillon Stainless Inc, which may require any provisions or disclosures to the financial statements.

6. Estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual result may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

7. Investment in subsidiary

	2017	2016	**2017**	2016
	% Holding	% Holding	**USD**	USD
Name of subsidiary				
Massillon Stainless Inc	**61%**	61%	**1**	1

The subsidiary company, Massillon Stainless Inc., a company incorporated in Ohio, USA, is not operational and there is no plan for it to operate in the foreseeable future.

8. Loan to subsidiary

	2017 USD	2016 USD
Massillon Stainless Inc	**1**	1

9. Stated capital

	2017 USD	2016 USD
Issued and fully paid		
10,700,000 Ordinary shares of USD1 each	**10,700,000**	10,700,000

The issued share capital of the Company comprises of 10,700,000 ordinary shares with par value of USD1 per share. These shares are entitled to voting rights, dividend and return on capital. Shareholders have various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

10. Loan from shareholders

	2017 USD	2016 USD
Nalwa Sons Investments Limited	**15,439**	15,439

The loan is unsecured, interest free and has no fixed date of repayment.

11. Loan from third party

Elite Ventures Limited	2017 USD	2016 USD
At 1 April	**112,312**	99,230
Net advance received during the year	**12,396**	10,000
Interest on loan	**3,414**	3,082
At 31 March	**128,122**	112,312

The loan from Elite Ventures Limited (formerly known as "Elite Commodities Limited") is unsecured and bears a compounded interest of 3% per annum. The loan were received in tranches with different repayment dates as per the below table.

The loan agreements have been consolidated into a single loan agreement dated 20 March 2017 and a common repayment date being 5 years from the date of the consolidated loan agreement.

JINDAL STAINLESS (MAURITIUS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. Loan from third party (Continued)

Date of Loan Agreement	Amount (USD)	Repayment Date	Amount outstanding (USD)
Original Agreement: 20 May 2011 First extension for further 3 years on 31 March 2014 Second extension for further 5 years on 20 March 2017	25,000	Initial: 31 March 2014 1st extension: 31 March 2017 2nd extension: 20 March 2022	26,639
Original Agreement: 1 March 2012 First extension for further 2 years on 31 March 2015 Second extension for further 5 years on 20 March 2017	17,250	Initial: 31 March 2015 1st extension: 31 March 2017 2nd extension: 20 March 2022	20,342
Original Agreement: 1 September 2012 Extended for further 5 years on 20 March 2017	4,970	Initial: 31 March 2016 New: 20 March 2022	5,679
Original Agreement: 4 June 2013 Extended for further 5 years on 20 March 2017	15,000	Initial: 31 March 2016 New: 20 March 2022	16,796
Original Agreement: 23 June 2014 Extended for further 5 years on 20 March 2017	15,000	Initial: 31 March 2018 New: 20 March 2022	16,281
Original Agreement: 12 March 2015 Extended for further 5 years on 20 March 2017	15,000	Initial: 31 March 2018 New: 20 March 2022	15,938
Original Agreement: 23 November 2015 Extended for further 5 years on 20 March 2017	10,000	Initial: 31 March 2019 New: 20 March 2022	10,408
Original Agreement: 8 December 2016 Extended for further 5 years on 20 March 2017	15,900	Initial: 31 March 2020 New: 20 March 2022	16,039
Total			**128,122**

12. Payables and accruals

	2017	2016
	USD	USD
Loan from related party (see note below)	**7,200**	7,200
Accrued expenses	**3,799**	6,543
	10,999	13,743

The loan from related party is unsecured, interest-free and is repayable within one year.

JINDAL STAINLESS (MAURITIUS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

13. Taxation

The Company is, under current laws and regulations, liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%.

The Company has obtained a tax residence certificate from the Mauritius Revenue Authority, which is renewable annually subject to meeting certain conditions and considers such certification is determinative of its residence status for treaty purposes.

The certificate entitles the Company to certain relief pursuant to the treaties concluded between Mauritius and the treaty countries for the avoidance of double taxation. No capital gains tax is payable on profits arising from the sale of securities in Mauritius, and any dividends and redemption proceeds paid by the Company to its shareholders will be exempt in Mauritius from any withholding tax. The foregoing is based on current interpretation and practice and is subject to any future changes in the tax laws of Mauritius and of the other countries and in the tax treaties between Mauritius and the other countries.

At 31 March 2017, the Company did not have any income tax liability. The Company had accumulated tax losses of **USD 77,247** (2016: USD 79,432) available for set off against taxable profits by the following dates:

Tax loss of USD 9,151 for year ended 31 March 2013: up to year ending 31 March 2018;
Tax loss of USD 20,636 for year ended 31 March 2014: up to year ending 31 March 2019;
Tax loss of USD 17,211 for year ended 31 March 2015: up to year ending 31 March 2020;
Tax loss of USD 17,710 for year ended 31 March 2016: up to year ending 31 March 2021; and
Tax loss of USD 12,539 for year ended 31 March 2017: up to year ending 31 March 2022.

Income tax reconciliation

The tax charge of the Company's loss differs from the theoretical amount that would arise using the tax rate of 15% as follows:-

	2017 USD	2016 USD
Loss before taxation	**(12,539)**	(17,710)
Tax calculated at 15%	**(1,881)**	(2,657)
Tax loss not utilised in the current year	**1,881**	2,657
Tax charge	**-**	-

Deferred tax

Deferred tax asset has not been recognised in respect of the tax loss carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax loss can be utilised.

14. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, concentration risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes currency risk, interest rate risk and other price risk.

(i) Foreign exchange risk

All the financial assets and financial liabilities of the Company is denominated in USD. The Company is, therefore, not exposed to the risk of adverse movement in currency exchange rates.

The currency profile of the Company's financial assets and liabilities at 31 March 2017 is as follows:-

Currency profile

	Financial assets 2017 USD	**Financial liabilities 2017 USD**	Financial assets 2016 USD	Financial liabilities 2016 USD
United States dollar	**9,834**	**154,560**	9,307	141,494

(ii) Interest rate risk

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market interest rates.

JINDAL STAINLESS (MAURITIUS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Financial risk management (Continued)

Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

The Company's exposure to interest rate risk is limited to its bank balance and the interest thereon is based on market interest rates.

Year ended 31 March 2017	**Floating USD**	**Interest Sensitive USD**	**Non-interest sensitive USD**
Financial assets	**9,833**	**-**	**1**
Financial liabilities	**-**	**128,122**	**26,438**
Year ended 31 March 2016			
Financial assets	9,306	-	1
Financial liabilities	-	112,312	29,182

(b) Credit risk

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Financial assets	**2017 USD**	2016 USD
Loan to subsidiary	**1**	1
Cash and cash equivalents	**9,833**	9,306
Total financial assets	**9,834**	9,307

The Company does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics as if they are related parties.

The carrying amount of financial risks recorded in the financial statements represents the Company's maximum exposure to credit risk.

JINDAL STAINLESS (MAURITIUS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Financial risk management (Continued)

Financial risk factors (Continued)

(b) Credit risk (Continued)

The credit risk for the bank balance is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

None of the above financial assets are secured by collaterals or other credit enhancements.

(c) Liquidity risk

The Company manages its liquidity risk by calling funds from its holding company and third party.

As at 31 March 2017, its main liabilities comprise of loan from shareholders, loan from third party and payables and accruals.

	Due 3-12 months USD	Due 1-5 years USD	Total USD
Year ended 31 March 2017			
Interest bearing liability			
Loan from third party	-	**128,122**	**128,122**
Non-Interest bearing liabilities			
Loan from shareholders	-	**15,439**	**15,439**
Payables and accruals	**10,999**	-	**10,999**
	10,999	**143,561**	**154,560**
Year ended 31 March 2016			
Interest bearing liability			
Loan from third party	-	112,312	112,312
Non-interest bearing liabilities			
Loan from shareholders	-	15,439	15,439
Payables and accruals	13,743	-	13,743
	13,743	127,751	141,494

15. Capital management

Internally imposed capital requirements

The Company's objectives when managing capital are:
- to provide an adequate return to shareholders by pricing services commensurate with the level of risk;
- to comply with the capital requirements set out by the regulators;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong asset base to support the development of business;

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's Board of directors reviews the capital structure on an annual basis. As part of this review the Board considers the cost of capital and the risks associated with the class of capital. The Company monitors capital on the basis of the gearing ratio. This ratio is determined as the proportion of net debt to total capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises of all components of equity (stated capital and retained earnings). There has not been any change in the way the Company manages its capital. At 31 March 2017, the Company was not geared.

Externally imposed capital requirements

The Company is not exposed to any externally imposed capital requirements.

16. Fair value measurement

The carrying amount of the Company's assets and liabilities approximate their fair values.

	2017 USD	2016 USD
Assets		
Loan to subsidiary	**1**	1
Cash and cash equivalents	**9,833**	9,306
	9,834	9,307
Liabilities		
Loan from shareholders	**15,439**	15,439
Loan from third party	**128,122**	112,312
Payables and accruals	**10,999**	13,743
	154,560	141,494

16. Fair value measurement (Continued)

A number of assets and liabilities included in the Company's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs; and

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the year they occur.

The following tables set out the fair values of assets and liabilities that are analysed by the level in the fair value hierarchy into which each fair value measurement is categorised.

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Loan to subsidiary	-	-	1	1
Cash and cash equivalents	-	-	9,833	9,833
Total	-	-	9,834	9,834

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Liabilities				
Loan from shareholders	-	-	15,439	15,439
Loan from third party	-	-	128,122	128,122
Payables and accruals	-	-	10,999	10,999
Total	-	-	154,560	154,560

The fair values of cash and cash equivalents, payables and accruals approximate their carrying values due to their short-term nature.

JINDAL STAINLESS (MAURITIUS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

17. Related party transactions

During the year ended 31 March 2017, the Company had transactions with related parties. The nature, volume of the transactions and the balances are as follows:

Nature of relationship	Nature of transactions	Debit/ (credit) balances at 31 March 2017 USD	Volume of transaction USD	Debit/(credit) balances at 31 March 2016 USD
Subsidiary	Loan granted	**1**	-	1
Shareholder	Loan received	**(15,439)**	-	(15,439)
Sister company	Loan received	**(7,200)**	-	(7,200)
International Financial Services Limited	Administration, Secretarial and Directors fees	**(2,500)**	**(500)**	(2,000)

During the year under review, the Company has incurred expenses amounting to **USD 8,445** (2016: USD 8,995) for the services provided by administrator and secretary of the Company, International Financial Services Limited.

18. Holding and ultimate holding company

The directors consider Nalwa Sons Investments Limited, incorporated in India and listed on BSE/NSE in India, as the Company's holding and ultimate holding company.

19. Events after the reporting period

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2017.