JINDAL STAINLESS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

JINDAL STAINLESS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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JINDAL STAINLESS (MAURITIUS) LIMITED
CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS:			
	Couldiplall **Basanta Lala**	6 Jan 2000	-
	Ratan **Jindal**	6 Jan 2000	-
	Rajiv **Rajvanshi**	9 Jan 2012	-
	Yashwant Kumar **Beeharee**	19 Feb 2013	21 Dec 2017
	Kooshal Ashley **Torul**	21 Dec 2017	-

REGISTERED OFFICE:
IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

ADMINISTRATOR, SECRETARY AND MAURITIAN TAX AGENT:
SANNE Mauritius
(formerly known as International Financial Services Limited)
IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

AUDITORS:
Crowe Horwath ATA
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 2018

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 2018.

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 (2017: 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 Section 166(d) of Mauritius Companies Act 2001 during the financial year ended 31 March 2018.

....

For **SANNE Mauritius**
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 15 May 2018

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 SHAREHOLDER OF JINDAL STAINLESS (MAURITIUS) LIMITED

Report on the audit of financial statements

Opinion

We have audited the financial statements of **JINDAL STAINLESS (MAURITIUS) LIMITED** set out on pages 9 to 29, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018, and its performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Mauritius Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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.

Other Matter

As stated in note 5 to the financial statements, the Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly or virtually owned parent holding a category 1 Global Business License not to present consolidated financial statements.

Emphasis of Matter

Inherent uncertainty regarding going concern

As explained on 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 the continued financial support of its shareholder 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 SHAREHOLDER OF JINDAL STAINLESS (MAURITIUS) LIMITED

Report on the audit of financial statements (Continued)

Other information

Directors are responsible for the other information. The other information comprises the Commentary of the directors, the Company Secretary's certificate, which we obtained prior to the date of this auditors' report. Other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 auditors' 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 ISA 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.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDER OF JINDAL STAINLESS (MAURITIUS) LIMITED

Report on the audit of financial statements (Continued)

Auditors' responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit 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;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- Conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 deficiency in internal control that we identify during our audit.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDER OF JINDAL STAINLESS (MAURITIUS) LIMITED

Report on the audit of financial statements (Continued)

Report on other legal and 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 shareholder 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 shareholder those matters we are required to state to the shareholder 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 shareholder for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA

Crowe Horwath ATA
Public Accountants

K.S. Sewraz, FCCA
Signing Partner
Licensed by FRC

Date: 15 May 2018

Ebene, Mauritius

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	**2018 USD**	2017 USD
INCOME			
Interest income		**16**	-
EXPENSES			
Professional fees		**11,303**	8,645
Interest on loan	*11*	**4,017**	3,414
Licence fee		**2,100**	2,100
Audit fee		**1,265**	1,265
Bank charges		**838**	293
TOTAL EXPENSES		**19,523**	15,717
LOSS FROM OPERATIONS		**(19,507)**	(15,717)
Payables written back		**-**	3,178
Receivables written off	*8*	**(1)**	-
LOSS BEFORE TAXATION		**(19,508)**	(12,539)
Taxation	*13*	**-**	-
LOSS FOR THE YEAR		**(19,508)**	(12,539)
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		**(19,508)**	(12,539)

The notes on pages 13 to 29 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018 USD	2017 USD
ASSETS			
Non-current assets			
Investment in subsidiary	*7*	**1**	1
Loan to subsidiary	*8*	**-**	1
Total non-current assets		**1**	2
Current assets			
Prepayments		**1,500**	1,500
Cash and cash equivalents		**10,955**	9,833
Total current assets		**12,455**	11,333
TOTAL ASSETS		**12,456**	11,335
EQUITY AND LIABILITIES			
Equity			
Stated capital	*9*	**10,700,000**	10,700,000
Accumulated losses		**(10,862,733)**	(10,843,225)
Total equity		**(162,733)**	(143,225)
Non-current liabilities			
Loan from shareholder	*10*	**15,439**	15,439
Loan from third party	*11*	**149,139**	128,122
Total non-current liabilities		**164,578**	143,561
Current liability			
Payables and accruals	*12*	**10,611**	10,999
TOTAL EQUITY AND LIABILITIES		**12,456**	11,335

Approved and authorised for issue by the Board of directors on 15 May 2018 and signed on its behalf by:

Director

Director

The notes on pages 13 to 29 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Stated capital USD	Accumulated losses USD	Total equity USD
At 1 April 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)
Total comprehensive loss for the year	**-**	**(19,508)**	**(19,508)**
At 31 March 2018	**10,700,000**	**(10,862,733)**	**(162,733)**

The notes on pages 13 to 29 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 USD	2017 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(19,508)	(12,539)
Adjustment for:		
Payables written back	-	(3,178)
Receivables written off	1	-
Interest expense	4,017	3,414
Operating loss before working capital changes	(15,490)	(12,303)
Changes in working capital:		
(Decrease)/increase in payables and accruals	(388)	434
Net cash used in operating activities	(15,878)	(11,869)
CASH FLOWS FROM FINANCING ACTIVITY		
Loan from third party	17,000	12,396
Net cash from financing activity	17,000	12,396
Net increase in cash and cash equivalents	1,122	527
Cash and cash equivalents at start of the year	9,833	9,306
Cash and cash equivalents at end of the year	10,955	9,833

The notes on pages 13 to 29 form an integral part of these financial statements.

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 International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee approved by the International Accounting Standards Board ('IASB') that remain in effect and comply with the Mauritius Companies Act 2001.

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 2018.

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 shareholder, 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 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 shareholder and third party

The amounts due to shareholder 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 which approximate its fair 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 year's 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 that are mandatorily effective for the current year.

The Company applied certain standards and amendments to standards, which are effective for annual periods beginning on or after 1 April 2017.

Amendments to IAS 7 Disclosure Initiative

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments are intended to provide information to help investors better understand in the Company's debt.

The application of these amendments did not have a material impact on the financial statements.

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

The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Company's financial statements the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

(ii) New and revised standards and interpretations issued but not yet effective

A number of new standards and amendments to standards and interpretations 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 and interpretations 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.

4. Changes in accounting standards and disclosures (Continued)

(ii) New and revised standards and interpretations issued but not yet effective (Continued)

IFRS 9 Financial Instruments (Continued)

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.

- 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.

IFRS 9 is effective for annual periods beginning on or after 1 April 2018, with early adoption permitted. However the Company has not early adopted the above standard

4. Changes in accounting standards and disclosures (Continued)

(ii) New and revised standards and interpretations issued but not yet effective (Continued)

Annual Improvements to IFRS 2015 – 2017 Cycle

In December 2017, the IASB published Annual Improvements to IFRS Standards 2015–2017 Cycle, containing the following amendments to IFRSs:

IAS 12 Income Taxes — The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.

IAS 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 above amendments are effective for annual periods beginning on or after 1 January 2019. The directors of the Company do not anticipate that the application of the amendments in the future will have any impact on the Company's financial statements as the Company is neither a first-time adopter of IFRS nor a venture capital organisation.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or liability (e.g. a non-refundable deposit or deferred revenue).

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the interpretation either retrospectively or prospectively. Specific transition provisions apply to prospectively application.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements. This is because the Company already accounts for transactions involving the payment or receipt of advance consideration in a foreign currency in a way that is consistent with amendments.

4. Changes in accounting policies and disclosures (Continued)

(ii) New and revised standards and interpretations issued but not yet effective (Continued)

IFRIC 23 Uncertainty Over Income Tax Treatments

IFRIC 23 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

An entity is required to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty.

An entity is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

An entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity has to use 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. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

An entity has to reassess its judgements and estimates if facts and circumstances change. IFRIC 23 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. However, the Company has not early adopted the above standard.

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.

5. Critical accounting estimates and judgements (Continued)

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.

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

	2018	2017	**2018**	2017
	% 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.

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8. Loan to subsidiary

	2018 USD	2017 USD
Massillon Stainless Inc	-	1

The loan receivable of USD 1 has been written back in the books of the Company during the year given that the Directors are in the view that same is not recoverable.

9. Stated capital

	2018 USD	2017 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. Shareholder has various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. The shareholder is also required to attend and vote at meeting of shareholder.

10. Loan from shareholder

	2018 USD	2017 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	2018 USD	2017 USD
At 1 April	**128,122**	112,312
Net advance received during the year	**17,000**	12,396
Interest on loan	**4,017**	3,414
At 31 March	**149,139**	128,122

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.

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11. Loan from third party (Continued)

The loan agreements, except for the latest agreement dated 20 November 2017, 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.

Date of Loan Agreement	Amount (USD)	Repayment Date	Amount outstanding (USD)
20 March 2017	128,122	20 March 2022	**128,122**
20 November 2017	17,000	31 March 2021	**21,017**
Total			**149,139**

12. Payables and accruals

	2018 USD	2017 USD
Loan from related party (see note below)	**7,200**	7,200
Accrued expenses	**3,411**	3,799
	10,611	10,999

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

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.

At 31 March 2017, the Company did not have any income tax liability. The Company had accumulated tax losses of **USD87,603** (2017: USD77,247) available for set off against taxable profits by the following dates:

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;
Tax loss of USD 12,539 for year ended 31 March 2017: up to year ending 31 March 2022; and
Tax loss of USD19,507 for year ended 31 March 2018: up to year ending 31 March 2023.

13. Taxation (Continued)

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:-

	2018 USD	2017 USD
Loss before taxation	(19,508)	(12,539)
Less: Exempt income	(16)	-
Adjustment for items outside scope of taxation	1	-
Add: Unauthorised deduction	16	-
Tax loss for the year	(19,507)	(12,539)
Tax calculated at 15%	(2,926)	(1,881)
Tax loss not utilised in the current year	2,926	1,881
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.

14. Financial risk management (Continued)

Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Foreign exchange risk (Continued)

The currency profile of the Company's financial asset and liabilities at 31 March 2018 is as follows:-

Currency profile

	Financial asset 2018 USD	**Financial liabilities 2018 USD**	Financial assets 2017 USD	Financial liabilities 2017 USD
United States dollar (USD)	10,955	175,189	9,834	154,560

(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.

Year ended 31 March 2018	**Floating USD**	**Interest Sensitive USD**	**Non-interest sensitive USD**
Financial asset	10,955	-	-
Financial liabilities	-	149,139	26,050
Year ended 31 March 2017			
Financial assets	9,833	-	1
Financial liabilities	-	128,122	26,438

(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	**2018 USD**	2017 USD
Loan to subsidiary	-	1
Cash and cash equivalents	10,955	9,833
Total financial assets	10,955	9,834

14. Financial risk management (Continued)

Financial risk factors (Continued)

(b) Credit risk (Continued)

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. 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 2018, its main liabilities comprise of loan from shareholder, loan from third party and payables and accruals.

	Due 3-12 months USD	Due 1-5 years USD	Total USD
Year ended 31 March 2018			
Interest bearing liability:			
Loan from third party	-	**149,139**	**149,139**
Non-Interest bearing liabilities:			
Loan from shareholder	-	**15,439**	**15,439**
Payables and accruals	**10,611**	**-**	**10,611**
	10,611	**164,578**	**175,189**
Year ended 31 March 2017			
Interest bearing liability:			
Loan from third party	-	128,122	128,122
Non-interest bearing liabilities:			
Loan from shareholder	-	15,439	15,439
Payables and accruals	10,999	-	10,999
	10,999	143,561	154,560

15. Capital management

Internally imposed capital requirements

The Company's objectives when managing capital are:
- to provide an adequate return to shareholder 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 shareholder 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 shareholder, 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 2018, 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.

	2018 USD	2017 USD
Assets		
Loan to subsidiary	-	1
Cash and cash equivalents	10,955	9,833
	10,955	9,834
Liabilities		
Loan from shareholder	15,439	15,439
Loan from third party	149,139	128,122
Payables and accruals	10,611	10,999
	175,189	154,560

16. Fair value measurement (Continued)

A number of asset 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 asset 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 asset 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
Asset				
Cash and cash equivalents	-	-	10,955	10,955
Total	-	-	10,955	10,955

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Liabilities				
Loan from shareholders	-	-	15,439	15,439
Loan from third party	-	-	149,139	149,139
Payables and accruals	-	-	10,611	10,611
Total	-	-	175,189	175,189

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

17. Related party transactions

During the year ended 31 March 2018, 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 2018 USD**	**Volume of transaction USD**	Debit/(credit) balances at 31 March 2017 USD
Subsidiary	Loan granted	-	**(1)**	1
Shareholder	Loan received	**(15,439)**	-	(15,439)
Sister company	Loan received	**(7,200)**	-	(7,200)
SANNE Mauritius	Administration, Secretarial and Directors fees	**(2,000)**	**500**	(2,500)

During the year under review, the Company has incurred expenses amounting to **USD 10,843** (2017: USD8,445) for the services provided by administrator and secretary of the Company, SANNE Mauritius.

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 2018.