JINDAL STAINLESS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2020

JINDAL STAINLESS (MAURITIUS) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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JINDAL STAINLESS (MAURITIUS) LIMITED
CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS:	Rajiv **Rajvanshi**	9 January 2012	08 July 2019
	Indranathsingh **Seewooruttun**	15 May 2018	-
	Shah Ahmud Khalil **Peerbocus**	22 February 2019	-
	Mahabir Prashad **Gupta**	08 July 2019	-

REGISTERED OFFICE:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

ADMINISTRATOR, SECRETARY AND TAX AGENT:

SANNE Mauritius
IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

AUDITORS:

Crowe ATA
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

BANKER:

The Mauritius Commercial Bank Limited
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 2020

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 2020.

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 (2019: USD Nil).

DIRECTORS

The present membership of the Board is set out on page 2.

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 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.

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

AUDITORS

The auditors, **Crowe ATA,** have indicated their willingness to continue in office until the next annual meeting of the Company.

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 2020.

....
For **SANNE Mauritius**
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: **14 May 2020**

Crowe

Crowe ATA
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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 28, which comprise the statement of financial position as at 31 March 2020, 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 2020, 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.

Emphasis of Matters

(i) 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.

(ii) Events after the reporting date: The impact of the uncertainty of COVID-19

We draw attention to Note 18 in the financial statements, which deals with events after the reporting period and specifically the possible effects of the future implications of COVID-19 on the Company's future prospects, performance and cash flows. Our opinion is not modified in respect of this matter.

Crowe

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 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.

Crowe

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 ISAs, 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; 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

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 ATA

Crowe ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: 14 May 2020

Ebene, Mauritius

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	**2020**	2019
		USD	USD
INCOME			
Interest income		-	19
EXPENSES			
Professional fees		**15,983**	13,458
Licence fee		**2,450**	2,300
Audit fee		**1,438**	1,438
Bank charges		**1,209**	1,140
Interest on loan		-	3,065
TOTAL EXPENSES		**21,080**	21,401
LOSS FROM OPERATIONS		**(21,080)**	(21,382)
Loan payable written back		-	7,200
Receivable written off	*7*	-	(1)
LOSS BEFORE TAXATION		**(21,080)**	(14,183)
Taxation	*12*	-	-
LOSS FOR THE YEAR		**(21,080)**	(14,183)
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		**(21,080)**	(14,183)

The notes on pages 13 to 28 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	**2020 USD**	2019 USD
ASSETS			
Current assets			
Prepayments		**1,550**	1,500
Cash and cash equivalents		**4,142**	39,196
Total current assets		**5,692**	40,696
TOTAL ASSETS		**5,692**	40,696
EQUITY AND LIABILITIES			
Equity			
Stated capital	*8*	**10,700,000**	10,700,000
Accumulated losses		**(10,897,996)**	(10,876,916)
Total equity		**(197,996)**	(176,916)
Current liabilities			
Advance from shareholder	*9*	**-**	15,439
Loan from third party	*10*	**201,750**	200,000
Payables and accruals	*11*	**1,938**	2,173
Total current liabilities		**203,688**	217,612
TOTAL EQUITY AND LIABILITIES		**5,692**	40,696

Approved and authorised for issue by the Board of directors on **14 May 2020** and signed on its behalf by:

Director

Director

The notes on pages 13 to 28 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Stated capital USD	Accumulated losses USD	Total equity USD
At 1 April 2018	10,700,000	(10,862,733)	(162,733)
Total comprehensive loss for the year	-	(14,183)	(14,183)
At 31 March 2019	10,700,000	(10,876,916)	(176,916)
Total comprehensive loss for the year	**-**	**(21,080)**	**(21,080)**
At 31 March 2020	**10,700,000**	**(10,897,996)**	**(197,996)**

The notes on pages 13 to 28 form an integral part of these financial statements.

JINDAL STAINLESS (MAURITIUS) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 USD	2019 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(21,080)**	(14,183)
Adjustment for:		
Expenses borne on behalf of the Company by the third party	**1,750**	-
Loan payable written back	-	(7,200)
Receivable written off	-	1
Interest expense	-	3,065
Interest income	-	(19)
Operating loss before working capital changes	**(19,330)**	(18,336)
Changes in working capital:		
Increase in prepayment	**(50)**	-
Decrease in payables and accruals	**(235)**	(1,238)
Cash absorbed by operations	**(19,615)**	(19,574)
Interest income	-	19
Net cash used in operating activities	**(19,615)**	(19,555)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan to shareholder/third party	**(30,854)**	(149,139)
Loan from shareholder / third party	**15,415**	200,000
Interest paid	-	(3,065)
Net cash (used) / from financing activities	**(15,439)**	47,796
Net (decrease) / increase in cash and cash equivalents	**(35,054)**	28,241
Cash and cash equivalents at start of the year	**39,196**	10,955
Cash and cash equivalents at end of the year	**4,142**	39,196

The notes on pages 13 to 28 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 shareholder 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 2020.

The financial statements are prepared under the historical cost convention, except for the measurement at fair values of financial instruments carried on the statement of financial position.

The historical cost convention is generally based on the fair 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) 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 expired, 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.

Classification and initial measurement of financial assets

The classification of financial instruments at initial recognition depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics.

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit and loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVTOCI) (in terms of the Company's business model and contractual cash flows or designated as such), as appropriate. In the periods presented, the Company does not have any financial assets categorised as FVTPL or FVTOCI. Financial assets carried on the statement of financial position include cash and cash equivalents.

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or amortised cost, as appropriate. All financial liabilities are recognized initially at fair value. Financial liabilities carried on the statement of financial position include advance from shareholder, loan from third party and payables and accruals.

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

(i) 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.

(ii) Advance from shareholder/Loan from third party

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

(iii) Payables and accruals

Payables and accruals are stated at their fair value.

3. Accounting policies (Continued)

(c) 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.

(d) Income tax

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

(e) Expense recognition

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

(f) 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.

(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.'

(g) 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.

3. Accounting policies (Continued)

(h) 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.

(i) 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 current year's and prior years' results as disclosed in the statement of profit or loss and other comprehensive income.

(j) 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.

(k) 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 standards and interpretation that are effective for the current year

The following new standards and interpretation apply to financial reporting periods commencing on or after 1 April 2019:

IFRIC 23 Uncertainty over Income Tax Treatments

The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

- if yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- if not, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

4. Changes in Accounting Standards and Disclosures (Continued)

(i) New standards and interpretation that are effective for the current year (Continued)

Prepayment Features with Negative Compensation – Amendments to IFRS 9

The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

Annual Improvements to IFRS Standards 2015-2017 Cycle

The Company has adopted the amendments included in the Annual Improvements IFRS Standards 2015-2017 Cycle for the first time in the current year.

IAS 12 Income Taxes

The amendments clarify that the Company should recognise the Income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributed profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

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 cost becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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

The following standards, amendments to standards and interpretations had been issued but were not mandatory for annual reporting periods beginning on or after 1 April 2019.

The changes in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

- modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;

- are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;

4. Changes in Accounting Standards and Disclosures (Continued)

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

The changes in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (Continued)

- are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and

- require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

Amendments to the References to the Conceptual Framework in IFRS Standards

Together with the revised *Conceptual Framework*, which became effective upon publication on 29 March 2018, the IASB has also issued *Amendments to References to the* Conceptual Framework in *IFRS Standards.* The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references and quotes from the framework so that they refer to the revised *Conceptual Framework.* Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised *Framework* of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework.*

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 April 2020, with early application permitted.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term 'material' to ensure consistency.

4. Changes in Accounting Standards and Disclosures (Continued)

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

Amendments to IAS 1 and IAS 8 Definition of material (Continued)

The amendments are applied prospectively for annual periods beginning on or after 1 April 2020, with earlier application permitted.

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(f)(i), the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

6. Estimation uncertainty

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

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

7. Investment in subsidiary

The Company had a subsidiary company, Massillon Stainless Inc. ("MSI"), a company incorporated in Ohio, USA, which was not operational. Pursuant to a Share Purchase Agreement ("SPA") entered into by the Company, MSI and the buyer, the investment in MSI was disposed of on 29 March 2019 for a consideration of USD 1. At 31 March 2019, the USD 1 receivable from the buyer has been written off in the books of the Company.

8. Stated capital

	2020	2019
	USD	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 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.

9. Advance from shareholder

	2020	2019
	USD	USD
Nalwa Sons Investments Limited	-	15,439

The advance was unsecured, interest free and was fully repaid during the year.

10. Loan from third party

	2020	2019
JSL Overseas Limited	USD	USD
At 1 April	**200,000**	-
Expenses borne on behalf of the Company	**1,750**	200,000
At 31 March	**201,750**	200,000

The loan is unsecured, interest free and repayable on demand.

11. Payables and accruals

	2020	2019
	USD	USD
Accrued expenses	**1,938**	2,173
	1,938	2,173

12. Taxation

Mauritius

The Company holds a Category 1 Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

Post 30 June 2021 and under the new tax regime, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to interest income and foreign source dividends, subject to meeting certain conditions, which includes:

a) The Company carries out its core income generating activities in Mauritius;
b) The Company employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
c) The Company incurs a minimum expenditure proportionate to its level of activities.

The Company will also need to demonstrate that its central management and control is in Mauritius.

12. Taxation (Continued)

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 2020, the Company did not have any income tax liability. The Company had accumulated tax losses of **USD 85,037** (2019: USD 81,168) available for set off against taxable profits by the following dates:

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;
Tax loss of USD 19,507 for year ended 31 March 2018: up to year ending 31 March 2023;
Tax loss of USD 14,201 for year ended 31 March 2019: up to year ending 31 March 2024; and
Tax loss of USD 21,080 for year ended 31 March 2020: up to year ending 31 March 2025

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:-

	2020 USD	2019 USD
Loss before taxation	**(21,080)**	(14,183)
Less: Exempt income	-	(19)
Adjustment for items outside scope of taxation	-	1
Tax loss for the year	**(21,080)**	(14,201)
Tax calculated at 15%	**(3,162)**	(2,130)
Tax loss not utilised in the current year	**3,162**	2,130
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.

13. 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 2020 is as follows:-

Currency profile

	Financial asset 2020 USD	**Financial liabilities 2020 USD**	Financial asset 2019 USD	Financial liabilities 2019 USD
United States dollar (USD)	**4,142**	**203,688**	39,196	217,612

(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 2020	**Floating USD**	**Interest Sensitive USD**	**Non-interest sensitive USD**
Financial asset	**4,142**	-	-
Financial liabilities	-	-	**203,688**
Year ended 31 March 2019			
Financial asset	39,196	-	-
Financial liabilities	-	-	217,612

13. Financial risk management (Continued)

Financial risk factors (Continued)

(b) Credit risk

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

Financial asset	2020 USD	2019 USD
Cash and cash equivalents	**4,142**	39,196
Total financial asset	**4,142**	39,196

The Company does not have any 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.

(c) Liquidity risk

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

As at 31 March 2020, its main liabilities comprise of loan from third party and payables and accruals.

13. Financial risk management (Continued)

Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	Due 3-12 months USD	Due 1-5 years USD	Total USD
Year ended 31 March 2020			
Non-Interest bearing liabilities:			
Loan from third party	**201,750**	**-**	**201,750**
Payables and accruals	**1,938**	**-**	**1,938**
	203,688	**-**	**203,688**
Year ended 31 March 2019			
Non-interest bearing liabilities:			
Loan from third party	200,000	-	200,000
Advance from shareholder	15,439	-	15,439
Payables and accruals	2,173	-	2,173
	217,612	-	217,612

14. 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.

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14. Capital management (Continued)

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 2020, the Company was highly geared but support will be available from the shareholder to enable the Company to meet its debt commitment.

Externally imposed capital requirements

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

15. Fair value measurement

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

	2020 USD	2019 USD
Asset		
Cash and cash equivalents	**4,142**	39,196
	4,142	39,196
Liabilities		
Advance from shareholder	-	15,439
Loan from third party	**201,750**	200,000
Payables and accruals	**1,938**	2,173
	203,688	217,612

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 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'):

15. Fair value measurement (Continued)

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
Assets				
Cash and cash equivalents	-	-	4,142	4,142
Total	-	-	4,142	4,142

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Liabilities				
Loan from third party	-	-	201,750	201,750
Payables and accruals	-	-	1,738	1,738
Total	-	-	203,688	203,688

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

16. Related party transactions

During the year ended 31 March 2020, the Company had transactions with related parties. The nature, volume of the transactions and the balances are as follows:

Name of related party	Nature of relationship	Nature of transactions	Debit/(credit) balances at 31 March 2020 USD	Volume of transaction USD	Debit/(credit) balances at 31 March 2019 USD
Nalwa Sons Investments Limited	Shareholder	Repayment of advance	-	**(15,439)**	(15,439)
SANNE Mauritius	Administrator/ Secretary	Administration, Secretarial and Directors fees	**(454)**	**346**	(800)

During the year under review, the Company has incurred expenses amounting to **USD 15,799** (2019: USD13,351) for the services provided by administrator and secretary of the Company, SANNE Mauritius.

17. Holding and ultimate holding company

The directors consider Nalwa Sons Investments Limited, incorporated in India and listed on Bombay Stock Exchange Ltd / National Stock Exchange Ltd in India, as the Company's holding and ultimate holding company.

18. Events after the reporting period

The Coronavirus Disease 2019 ("COVID-19") outbreak has caused extensive disruptions to businesses operation around the globe. On 11 March 2020, COVID-19 was labelled as pandemic by the World Health Organisation. The directors are in the opinion that it is difficult to predict the overall outcome and impact of COVID-19 on the financial statements at this stage.

Except for the above, there have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2020.