

**Jindal International FZE**  
**Fujairah Free Zone**  
**Fujairah - United Arab Emirates**

**Independent auditors' report and financial statements**  
**For the period from July 08, 2015 (inception) to March 31, 2016**

**Jindal International FZE**  
Fujairah Free Zone  
Fujairah - United Arab Emirates

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**Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

General information

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Fujairah - United Arab Emirates  
T: +971 9 2282978  
F: +971 9 2282979

Website : [www.jindalsaw.com](http://www.jindalsaw.com)

The Directors	Name	Nationality
	Mr. Anil Kumar Kejriwal	Indian
	Mr. Ankit Shah Shailesh Ramanlal Shah	Indian

The Auditors : Horwath Mak  
P.O. Box: 262794  
Dubai - United Arab Emirates

The Bank : Bank of Baroda

Ref: JM/AR/16/9212

**Independent auditors' report**

To,

The Shareholders

**M/s. Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

**Report on the financial statements**

We have audited the accompanying financial statements of **M/s. Jindal International FZE**, Fujairah Free Zone, Fujairah - United Arab Emirates (the "Entity") which comprise the statement of financial position as at March 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the period from July 08, 2015 (inception) to March 31, 2016, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, applicable requirements of the UAE Laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **M/s. Jindal International FZE**, Fujairah Free Zone, Fujairah - United Arab Emirates as at March 31, 2016 and its financial performance and its cash flows for the period from July 08, 2015 (inception) to March 31, 2016 in accordance with International Financial Reporting Standards.

## Report on other legal and regulatory requirements

Further, as required by the Rules and Regulations framed pursuant to Emiri Decree no. 6 of 1987 issued in Fujairah in respect of the creation of Free Zone, amended by Emiri Decree no. 1 for the year 1992, we report that:

- i) we have obtained all the information which we considered necessary for the purposes of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the provisions of the above mentioned law;
- iii) the Entity has maintained proper books of account;
- iv) the Entity has not purchased or invested in shares during the period ended March 31, 2016;
- v) the Entity did not enter into any transactions with related parties; and
- vi) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened during the period ended March 31, 2016 any of the applicable provisions of the above mentioned law or of its Articles of Association which would materially affect its activities or its financial position as at March 31, 2016.

## For Horwath Mak

  
**James Mathew FCA, CPA (USA)**  
**Managing Partner**  
**Reg. No. 548**  
**May 11, 2016**



**Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Statement of financial position as at March 31, 2016

(In Arab Emirates Dirhams)

	<u>Notes</u>	<u>Mar 31, 2016</u>
<b>Assets</b>		
<i>Current assets</i>		
Advances, deposits and other receivables	4	16,368
Bank balance	5	70,922
<i>Total current assets</i>		<u>87,290</u>
<b>Total assets</b>		<u>87,290</u>
<b>Equity and liabilities</b>		
<i>Shareholder's equity</i>		
Share capital	6	150,000
Accumulated (loss)	7	(67,710)
<i>Total shareholder's equity</i>		<u>82,290</u>
<i>Current liabilities</i>		
Accrued expenses		5,000
<i>Total current liabilities</i>		<u>5,000</u>
<b>Total liabilities</b>		<u>5,000</u>
<b>Total shareholder's equity and liabilities</b>		<u>87,290</u>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages 2 and 3.

The financial statements on pages 4 to 18 were approved on May 10, 2016 and signed on behalf of the Entity, by:

  
Director



**Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Statement of profit or loss and other comprehensive income

For the period from July 08, 2015 (inception) to March 31, 2016

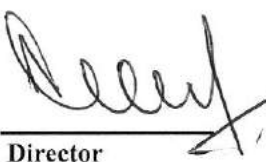
(In Arab Emirates Dirhams)

	Notes	Jul 08, 2015 to Mar 31, 2016
Administrative expenses	8	(67,710)
<b>(Loss) for the period</b>		<b>(67,710)</b>
Other comprehensive income		-
<b>Total comprehensive (loss) for the period</b>		<b>(67,710)</b>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages 2 and 3.

The financial statements on pages 4 to 18 were approved on May 10, 2016 and signed on behalf of the Entity, by:

  
Director



**Jindal International FZE**  
**Fujairah Free Zone**  
**Fujairah - United Arab Emirates**

Statement of changes in shareholder's equity for the period from July 08, 2015 (inception) to March 31, 2016  
(In Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Accumulated (loss)</u>	<u>Total shareholder's equity</u>
Share capital introduced	150,000	-	150,000
(Loss) for the period	-	(67,710)	(67,710)
<b>Balance as at March 31, 2016</b>	<b>150,000</b>	<b>(67,710)</b>	<b>82,290</b>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages 2 and 3.

**Jindal International FZE**  
Fujairah Free Zone  
Fujairah - United Arab Emirates

Statement of cash flows for the period from July 08, 2015 (inception) to March 31, 2016  
(In Arab Emirates Dirhams)

	<u>Jul 08, 2015 to</u> <u>Mar 31, 2016</u>
<b>Cash flows from operating activities</b>	
(Loss) for the period	(67,710)
<i>(Increase)/decrease in current assets</i>	
Advances, deposits and other receivables	(16,368)
<i>Increase/(decrease) in current liabilities</i>	
Accrued expenses	5,000
<b>Net cash (used in) operating activities</b>	<u>(79,078)</u>
<b>Cash flows from financing activities</b>	
Share capital introduced	150,000
<b>Net cash from financing activities</b>	<u>150,000</u>
<b>Net increase in cash and cash equivalents</b>	<u>70,922</u>
<b>Cash and cash equivalents, end of the period</b>	<u><u>70,922</u></u>
<b>Represented by:</b>	
Cash at bank	<u><u>70,922</u></u>

The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on pages 2 and 3.

## **Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

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### **1 Legal status and business activities**

- 1.1 **M/s. Jindal International FZE**, Fujairah Free Zone, Fujairah - United Arab Emirates (the "Entity") was registered on July 08, 2015, as a Free Zone Establishment and operates in the United Arab Emirates under a commercial license issued by the Fujairah Free Zone Authority, Government of Fujairah, Fujairah - United Arab Emirates.
- 1.2 The principal activities of the Entity consist of general trading.
- 1.3 The registered address of the Entity is P.O. Box: 50326, Fujairah Free Zone, Fujairah - United Arab Emirates.
- 1.4 The management and control are vested with the Director, Mr. Anil Kumar Kejriwal (Indian national).
- 1.5 These financial statements incorporate the operating results of the Commercial license no. 3728.
- 1.6 These financial statements incorporate the operating results of the Entity from July 08, 2015 (date of inception) to March 31, 2016.

### **2 Application of new and revised International Financial Reporting Standards (IFRS)**

#### **2.1 New and revised IFRSs applied with no material effect on the financial statements**

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycles

- IFRS 1 "First-time Adoption of International Financial Reporting Standards": Clarifies that an entity, in its first IFRS financial statements, has the choice between applying an existing and currently effective IFRS or applying early a new or revised IFRS that is not yet mandatorily effective.
- IFRS 2 "Share Based Payments": Clarified the definition of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition' (which were previously part of the definition of 'vesting condition').
- IFRS 3 "Business Combinations": Clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.
- IFRS 3 "Business Combinations": Clarifies that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.
- IFRS 8 "Operating Segments": Requires to disclose the judgements made by management in applying the aggregation criteria to operating segments and clarifies that a reconciliations of the total of the reportable segments' assets must only be disclosed if the segment assets are reported regularly.
- IFRS 13 "Fair Value Measurement": Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting if the effect of not discounting is immaterial and also clarifies that the scope of the portfolio exception defined in IFRS 13 applies to all contracts accounted for within the scope of IAS 39 and IFRS 9.
- IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets": Clarifies that when an item of property, plant and equipment or intangible assets is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.

**Jindal International FZE**

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Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

**2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)**

**2.1 New and revised IFRSs applied with no material effect on the financial statements (continued)**

Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycles (continued)

- IAS 24 "Related Party Disclosures": Clarifies that when an entity receives management personnel services from a third party, the fees paid for those services must be disclosed by the reporting entity.
- IAS 40 "Investment property": Clarifies that the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Amendments to IAS 19 "Employee Benefits": The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

**2.2 New and revised IFRSs in issue but not yet effective**

**New and revised IFRSs**

**Effective for annual periods**

**beginning on or after**

Amendments to IFRS 7 "Financial Instruments": Disclosures relating to disclosures about the initial application of IFRS 9.

Applies when IFRS 9 is applied

IFRS 7 "Financial Instruments: Disclosures": Additional Hedge Accounting Disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.

Applies when IFRS 9 is applied

IFRS 9 "Financial Instruments": IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). IFRS 9 (2014) supersedes all previous versions of the standard. The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets; (2) the classification and measurement requirements for both financial assets and financial liabilities; (3) the classification and measurement requirements and the hedge accounting requirements provided that the relevant date of the initial application is before 1 February 2015.

January 1, 2018

IFRS 15 "Revenue from Contracts with Customers": IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

January 1, 2018

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures ": Clarifies that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.

January 1, 2016

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures ": Clarifies the exception from preparing consolidated financial statements available to intermediate parent entities which are subsidiaries of investments entities.

January 1, 2016

## Jindal International FZE

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

### 2 Application of new and revised International Financial Reporting Standards (IFRS) (continued)

#### 2.2 New and revised IFRSs in issue but not yet effective (continued)

##### New and revised IFRSs

##### Effective for annual periods beginning on or after

Amendments to IAS 27 "Separate Financial Statements" which allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost or as financial asset in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements. The amendments introduce the equity method as a third option. January 1, 2016

Amendments to IFRS 11 "Joint Arrangements" clarify accounting for acquisitions of an Interests in Joint Operations where the activities of the operation constitute a business. January 1, 2016

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" clarify that revenue-based method of depreciation or amortisation is generally not appropriate. January 1, 2016

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16. January 1, 2016

Amendments to IAS 1 "Presentation of Financial Statements" to address perceived impediments to preparers exercising their judgment in presenting their financial reports. January 1, 2016

Annual Improvements to IFRS 2012 - 2014 Cycle January 1, 2016

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations": Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

- IFRS 7 "Financial Instruments: Disclosures": additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. IFRS 7 also clarifies the additional disclosures relating to the offsetting of financial assets and financial liabilities to be included in interim reports required by IAS 34.

- IAS 19 "Employee Benefits": Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

- IAS 34 "Interim Financial Reporting": Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the financial statements in the period of initial application.

## **Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

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### **3 Significant accounting policies**

#### **3.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards and applicable requirements of the UAE Laws. These financial statements are presented in United Arab Emirates Dirhams (AED) which is the Entity's functional and presentation currency .

#### **3.2 Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out below.

#### **3.3 Current/Non current classification**

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or Expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

It is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

#### **3.4 Foreign currency**

In preparing the combined financial statements of the Entity, transactions in currencies other than the Entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise:

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

## **Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

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### **3 Significant accounting policies (continued)**

#### **3.5 Financial instruments**

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

#### **3.6 Financial assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", "due from related parties", "shareholders' loan" and "loan from related parties" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

##### Impairment of financial assets

###### *Assets carried at amortised cost*

The Entity assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### **3 Significant accounting policies (continued)**

#### **3.6 Financial assets (continued)**

##### Impairment of financial assets (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

##### Derecognition of financial assets

The Entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognise the financial asset.

#### **3.7 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, due to and loans from related parties.

##### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

##### Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **3.8 Offsetting financial instruments**

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

## **Jindal International FZE**

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Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

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### **3 Significant accounting policies (continued)**

#### **3.9 Borrowing cost**

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

#### **3.10 Provisions**

Provisions are recognised when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **3.11 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

##### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when goods are delivered and legal title is passed.

#### **3.12 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

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**3 Significant accounting policies (continued)**

**3.12 Critical accounting judgements and key sources of estimation uncertainty (continued)**

The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

**Critical judgements in applying accounting policies**

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgement that has the most significant effect on the amounts recognised in the financial statements.

*Revenue recognition*

Under normal circumstances, in recognising the revenue the management is of the view that in line with the requirement of IAS 18 "Revenue", the risk and reward of ownership is transferred to the buyers of the goods and services and that revenue is reduced for the estimated returns, rebate and other allowances (if any).

**Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

(In Arab Emirates Dirhams)

				<u>Mar 31, 2016</u>
<b>4 Advances, deposits and other receivables</b>				
Prepayments				<u>16,368</u>
<b>5 Bank balance</b>				
Cash at bank				<u>70,922</u>
<b>6 Share capital</b>				
Authorized, issued and paid up capital of the Entity is AED 150,000 divided into 1,000 fully paid up shares of AED 150 each.				
The details of the shareholding as at the reporting date are as follows:				
<u>Name of shareholder</u>	<u>Nationality</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>Mar 31, 2016</u>
M/s. Jindal Saw Holdings FZE (Represented by Mr. Anil Kumar Kejriwal, Indian national)	U.A.E.	100	1,000	<u>150,000</u>
<b>7 Accumulated (loss)</b>				<u>Mar 31, 2016</u>
(Loss) for the period				<u>(67,710)</u>
Balance at the end of the period				<u>(67,710)</u>
				<u>Jul 08, 2015 to</u>
				<u>Mar 31, 2016</u>
<b>8 Administrative expenses</b>				
Legal, visa, professional and related expenses				67,510
Bank charges				200
				<u>67,710</u>

**9 Financial instruments**a) *Significant accounting policies*

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 3 to the financial statements.

b) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.*

		<u>As at March 31, 2016</u>	
		<u>Carrying amount</u>	<u>Fair value</u>
<i>Financial assets</i>			
Bank balance		<u>70,922</u>	<u>70,922</u>
<i>Financial liabilities</i>			
Accrued expenses		<u>5,000</u>	<u>5,000</u>

**Jindal International FZE**

Fujairah Free Zone

Fujairah - United Arab Emirates

Notes to the financial statements for the period from July 08, 2015 (inception) to March 31, 2016

(In Arab Emirates Dirhams)

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**9 Financial instruments (continued)**

b) *Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis (continued)*

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balance. Financial liabilities consist of accrued expenses.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties.

As at the reporting date, financial assets and financial liabilities approximate their carrying values.

**10 Financial risk management objectives**

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

a) *Foreign currency risk management*

The Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in U.A.E. Dirhams.

b) *Interest rate risk management*

As at the reporting date, there are no significant interest rate risks as there are no borrowings at period end.

c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Entity has access to interest free loans from its shareholder at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the financial position date based on contractual repayment arrangements were as follows:

**10 Financial risk management objectives (continued)**

c) *Liquidity risk management (continued)*

*Liquidity and interest risk tables (continued)*

Particulars	Interest bearing			Non Interest bearing			Total
	On demand or less than 3 months	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
<b>As at March 31, 2016</b>							
<b>Financial assets</b>							
Bank balance	-	-	-	70,922	-	-	70,922
<b>Financial liabilities</b>							
Accrued expenses	-	-	-	-	5,000	-	5,000

d) *Credit risk management*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity's credit exposure is continuously monitored and regularly reviewed by the management and the Entity.

Other receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of other receivables. Further details of credit risks on other receivables are disclosed in note 4 to the financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

**11 Capital risk management**

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance.

The capital structure of the Entity consists of equity comprising issued capital and accumulated (loss) as disclosed in the financial statements.

**12 Contingent liabilities**

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability on the financial statements as of the reporting date.

**13 Commitments**

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on the Entity's financial statements as of the reporting date.

**14 Comparative amounts**

This being the first period of audit, no comparative figures are included in the above financial statements.