

**Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates**

**Independent auditors' report and financial statements
For the year ended March 31, 2017**

Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

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Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

General information

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

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

The Banks : Deutsche Bank
Bank of Baroda

Ref: JM/AR/17/10199

Independent auditors' report

To,

The Shareholder
M/s. Jindal Saw Holdings FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **M/s. Jindal Saw Holdings FZE**, Fujairah Free Zone, Fujairah - United Arab Emirates (the "Entity") which comprise the statement of financial position as at March 31, 2017 and the statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, in compliance with the applicable provisions 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 and explanations which we consider necessary for our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the above mentioned law and the Memorandum and Articles of Association of the Entity;
- iii) proper books of accounts have been maintained by the Entity;

Report on other legal and regulatory requirements (continued)

- iv) the financial information included in the Directors' report is consistent with the books of account of the Entity;
- v) note 4 to the financial statements reflects the disclosures relating to material investments made in shares during the year ended March 31, 2017;
- vi) note 5 to the financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted; and
- vii) 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 financial year ended March 31, 2017, any of the applicable provisions of the above mentioned law or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at March 31, 2017.

For Horwath Mak

James Mathew FCA, CPA (USA)
Senior Partner
Reg. No. 548
May 22, 2017



Jindal Saw Holdings FZE

Fujairah Free Zone

Fujairah - United Arab Emirates

Statement of financial position as at March 31, 2017

(In Arab Emirates Dirhams)

	Notes	2017	2016
Assets			
<i>Non-current assets</i>			
Investment in subsidiaries	4	80,957,877	97,239,603
Long term loan to a related party	5	106,231,144	88,121,590
<i>Total non-current assets</i>		<u>187,189,021</u>	<u>185,361,193</u>
<i>Current assets</i>			
Due from related parties	5	19,756,437	22,637,589
Prepayments and other receivables	6	132,331	142,981
Cash and bank balances	7	1,051,908	259,325
<i>Total current assets</i>		<u>20,940,676</u>	<u>23,039,895</u>
Total assets		<u><u>208,129,697</u></u>	<u><u>208,401,088</u></u>
Equity and liabilities			
<i>Shareholder's equity</i>			
Share capital	8	97,650,000	97,650,000
Accumulated (losses)	9	(44,770,954)	(40,031,214)
Shareholder's current account	10	-	45,400
<i>Total shareholder's equity</i>		<u>52,879,046</u>	<u>57,664,186</u>
<i>Non-current liabilities</i>			
Long term loan from related parties	5	39,388,890	69,947,479
Bank borrowings - non-current portion	11	-	41,800,000
<i>Total non-current liabilities</i>		<u>39,388,890</u>	<u>111,747,479</u>
<i>Current liabilities</i>			
Short term loan from related parties	5	61,900,533	28,011,890
Due to a related party	5	2,954,350	-
Bank borrowings - current portion	11	39,300,000	-
Provision and other payable	12	11,706,878	10,977,533
<i>Total current liabilities</i>		<u>115,861,761</u>	<u>38,989,423</u>
<i>Total liabilities</i>		<u>155,250,651</u>	<u>150,736,902</u>
Total shareholder's equity and liabilities		<u><u>208,129,697</u></u>	<u><u>208,401,088</u></u>

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

The report of the auditors is set out on pages 2 to 4.

The financial statements on pages 3 to 35 were approved on May 21, 2017 and signed on behalf of the Entity, by:

Director



Jindal Saw Holdings FZE
 Fujairah Free Zone
 Fujairah - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2017
 (In Arab Emirates Dirhams)

	Notes	2017	2016
Income			
Hedging income	13	14,064,963	-
Expenses			
Administrative expenses	14	(3,286,663)	(4,618,478)
Impairment loss and dissolution cost	15	(11,333,694)	(24,927,482)
Finance cost	16	(6,100,815)	(3,040,917)
Other income	17	1,916,469	2,685,410
(Loss) for the year		(4,739,740)	(29,901,467)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(4,739,740)	(29,901,467)

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

The report of the auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 25 were approved on May 21, 2017 and signed on behalf of the Entity, by:


 Director



Jindal Saw Holdings FZE
 Fujairah Free Zone
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Statement of changes in shareholder's equity for the year ended March 31, 2017
 (In Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Accumulated (losses)</u>	<u>Shareholder's current account</u>	<u>Total shareholder's equity</u>
Balance as at March 31, 2015	90,500,000	(10,129,747)	6,277,900	86,648,153
Additional share capital introduced	7,150,000	-	-	7,150,000
(Loss) for the year	-	(29,901,467)	-	(29,901,467)
Net movements during the year	-	-	(6,232,500)	(6,232,500)
Balance as at March 31, 2016	97,650,000	(40,031,214)	45,400	57,664,186
(Loss) for the year	-	(4,739,740)	-	(4,739,740)
Net movements during the year	-	-	(45,400)	(45,400)
Balance as at March 31, 2017	97,650,000	(44,770,954)	-	52,879,046

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

The report of the auditors is set out on pages 2 to 4.

Jindal Saw Holdings FZE
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Statement of cash flows for the year ended March 31, 2017
(In Arab Emirates Dirhams)

	2017	2016
Cash flows from operating activities		
(Loss) for the year	(4,739,740)	(29,901,467)
<i>Adjustments for:</i>		
Balance written off	1,618,720	3,070,806
Foreign exchange gain	(1,251,381)	-
Impairment of long term investment	11,113,494	14,137,682
Operating profit/(loss) before changes in operating assets and liabilities	6,741,093	(12,692,979)
<i>(Increase)/decrease in current assets</i>		
Prepayments and other receivables	10,650	1,872,675
Due from related parties	13,813	(22,100,619)
<i>Increase/(decrease) in current liabilities</i>		
Provision and other payable	729,345	10,970,033
Due to a related party	2,954,350	(294,291)
Net cash from/(used in) operating activities	10,449,251	(22,245,181)
Cash flows from investing activities		
Investments in subsidiaries	5,168,232	(2,128,130)
Long term loan to a related party	(18,109,554)	(88,121,590)
Net cash (used in) investing activities	(12,941,322)	(90,249,720)
Cash flows from financing activities		
Share capital introduced	-	7,150,000
Short term loans from related parties	3,330,054	-
Long term loan from a related party	-	69,947,479
Proceeds from bank borrowings	-	41,800,000
Shareholder's current account	(45,400)	(6,232,500)
Net cash from financing activities	3,284,654	112,664,979
Net increase in cash and cash equivalents	792,583	170,078
Cash and cash equivalents, beginning of the year	259,325	89,247
Cash and cash equivalents, end of the year	1,051,908	259,325
Represented by:		
Cash in hand	100	100
Cash at banks	1,051,808	259,225
	1,051,908	259,325

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

The report of the auditors is set out on pages 2 to 4.

Jindal Saw Holdings FZE

Fujairah Free Zone

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Notes to the financial statements for the year ended March 31, 2017

1 Legal status and business activities

- 1.1 **M/s. Jindal Saw Holdings FZE**, Fujairah Free Zone, Fujairah - United Arab Emirates (the "Entity") was registered on October 19, 2009 as a Free Zone Establishment and operates in the United Arab Emirates under a commercial license issued by the Fujairah Free Zone Authority of the Government of Fujairah, Fujairah - United Arab Emirates.
- 1.2 During the year, the Entity added an activity "general trading" in addition to the activities of investment in business such as company, establishment, joint venture, organization or engaging with other entities carrying on similar business inside or outside United Arab Emirates.
- 1.3 The registered address of the Entity is P.O. Box: 5232, Fujairah Free Zone, Fujairah - United Arab Emirates.
- 1.4 The management and control are vested with the Manager, Mr. Anil Kumar Kejriwal (Indian national).
- 1.5 These financial statements incorporate the operating results of the license no. 2640 and 2640A issued by the Fujairah Free Zone Authority of the Government of Fujairah, Fujairah - United Arab Emirates. The ultimate parent prepares consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements".

2 New and amended standards

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

The Entity has applied the following standards and amendments for the first time for their annual reporting period commencing January 01, 2016. The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Annual Improvements to IFRSs 2012-2014 cycles:

- 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": Adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. Further with consequential amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.
- 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 (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).
- IAS 34 "Interim Financial Reporting": Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

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.

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.

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.

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Notes to the financial statements for the year ended March 31, 2017

2 New and amended standards (continued)

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

Disclosure Initiative-Amendments to IAS 1 "Presentation of Financial Statements" makes the following changes:

- **Materiality:** The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.

- **Disaggregation and subtotals:** The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

- **Notes:** The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

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.

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.

2.2 New and revised standards and amendments in issue but were not mandatory for annual reporting periods ending December 31, 2016

New and revised standards and amendments

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

Amendments in Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows) that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

January 1, 2017

IFRS 9 "Financial Instruments": Issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements).

January 1, 2018

2 New and amended standards (continued)

2.2 New and revised standards and amendments in issue but were not mandatory for annual reporting periods ending December 31, 2016 (continued)

New and revised standards and amendments

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

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

IFRS 16 "Leases": The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations. Earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

January 1, 2019

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, may have no material impact on the financial statements in the period of initial application. There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 presentational currency.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and 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 on below.

3.3 Current/Non current classification

The Entity presents assets and liabilities in the 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:

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Notes to the financial statements for the year ended March 31, 2017

3 Significant accounting policies (continued)

3.3 Current/Non current classification (continued)

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 financial statements of 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.

3.5 Impairment of tangible assets

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

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Notes to the financial statements for the year ended March 31, 2017

3 Significant accounting policies (continued)

3.6 Investment in subsidiaries

The investment in subsidiaries are accounted for using cost method as suggested by IAS 39 "Financial Instruments: Recognition and Measurement with an exemption of IFRS 10 "Consolidated Financial Statements" where the Entity has not opted to consolidate its subsidiary.

3.7 Financial instruments

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

3.8 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through income statement' (FVTIS), '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 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 "advances deposits and other receivables", "cash and cash equivalents", "shareholders' loan" and "loan from/to 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.

Accounts and other receivable

Accounts receivable 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. Accounts and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

Due from/loan to related parties

Amounts due from/loan to related parties are measured at amortised cost.

3 Significant accounting policies (continued)

3.8 Financial assets (continued)

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 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.

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 income statement.

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, the reversal of the previously recognised impairment loss is recognised in the income statement.

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 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.

3.9 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, borrowings and payables, net of directly attributable transaction costs. The Entity's financial liabilities include accounts and other payables, loans and borrowings, due to and loan from a related party.

Accounts and other payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Due to/loan from a related party

Amounts due to/loan from a related party is stated at amortised cost.

3 Significant accounting policies (continued)

3.9 Financial liabilities (continued)

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

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.

3.10 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.

3.11 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.

3.12 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.

Realized gain or loss on trading of future contracts

Realised gain or loss on trading of future contracts is differential of the value on which the contract was entered and the value at which the contract was closed by the Entity.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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3 Significant accounting policies (continued)

3.12 Revenue recognition (continued)

Dividend and interest income (continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.13 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 is 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 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.

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.

Related parties

The Management have disclosed the related parties and the related due to and from related parties as per the requirements of IAS 24 "Related Parties Disclosures". In view of due to and from related parties being receivable and payable on demand and the management's intention to realise or pay the related parties as and when necessarily required, the disclosed balances are classified as current assets and current liabilities.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

- Current fair value of another instrument that is substantially the same;
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- Other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimations. The Entity calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

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4 Investment in subsidiaries

	<u>Proportion of ownership interest</u>	<u>Proportion of voting power</u>	<u>2017</u>	<u>2016</u>
a) M/s. Jindal Saw Middle East FZC, Fujairah Free Zone, Fujairah - U.A.E.				
- Investment in share capital	75%	75%	49,500,000	49,500,000
- Additional investment			<u>31,307,877</u>	<u>47,589,603</u>
			<u>80,807,877</u>	<u>97,089,603</u>
b) M/s. Greenray Holdings Limited, Leicestershire - United Kingdom				
- Investment in share capital	49%	49%	25,251,176	14,137,682
Impairment loss *			<u>(25,251,176)</u>	<u>(14,137,682)</u>
			-	-
c) M/s. Jindal International FZE, Fujairah Free Zone, Fujairah - U.A.E.				
- Investment in share capital	100%	100%	<u>150,000</u>	<u>150,000</u>
Total (a+b+c)			<u>80,957,877</u>	<u>97,239,603</u>

a) Represents 75% equity interest {750 shares of AED 66,000 each (2016: 750 shares of AED 66,000 each)} and an additional long term investment of capital employed in M/s. Jindal Saw Middle East FZC, Fujairah Free Zone, Fujairah - U.A.E. The principal activities of the subsidiary consists of general trading.

b) Represents 49% equity interest {4,709,755 shares (2016: 2,295,865 shares)} in M/s. Greenray Holdings Limited, Leicestershire - United Kingdom. During the year, the paid up capital of M/s. Greenray Holding Limited was increased and further 2,413,890 shares were issued to the Entity against additional investment of AED 11,113,494. The remaining 51% equity interest (4,901,969 shares) is held by M/s Jindal Saw Limited - India (the ultimate parent) and the defacto control and power to govern the operating and financial policies of the investee remains with the Entity. The principal activity of the investee is distribution of ductile iron pipes, fittings, waterworks valves, pipe joints and pipe repair products.

* During the year, the management of M/s. Greenray Holdings Limited, Leicestershire - United Kingdom (GHL) has decided to dissolve M/s. Derwent Sand SARL - Algeria, a fully owned subsidiary. As at the reporting date, the total liabilities of M/s. Derwent Sand SARL - Algeria exceeded its total assets by AED 11,010,000. The management has performed an impairment review of the said investment whereby, the total investment in M/s. Greenray Holdings Limited of AED 25,251,176 (2016: AED 14,137,682) has been deemed to be irrecoverable and therefore an impairment loss of AED 11,113,494 (2016: AED 14,137,682) has been recorded in the books of accounts. Further during the year, AED 220,200 (2016: AED 10,789,800) has been recorded as a provision against expected winding up cost for the dissolution and settlement of outstanding liabilities (note 12).

c) Represents 100% equity interest {1,000 shares of AED 150 each (2016: 1,000 shares of AED 150 each)} in M/s. Jindal International FZE, Fujairah Free Zone, Fujairah - U.A.E. . The principal activities of the subsidiary consists of general trading.

The investment in subsidiaries have been separately accounted at cost in these financial statements as an exemption to consolidate in accordance with IFRS 10 "Consolidated financial statements". The ultimate parent prepares consolidated financial statements.

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5 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. The Entity's management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

	<u>2017</u>	<u>2016</u>
a) Long term loan to a related party		
<i>Subsidiary</i>		
M/s. Jindal Saw Middle East FZC, Fujairah Free Zone, Fujairah - U.A.E.	<u>106,231,144</u>	<u>88,121,590</u>
The above loan was provided to M/s. Jindal Saw Middle East FZC to meet working capital requirements and carries interest at commercial rates. The said loan is without any fixed repayment schedule and considered as long term source of finance for the related party.		
b) Due from related parties		
<i>Entities under common management and control</i>		
M/s. Jindal Saw Espana S.L - Spain	-	1,618,720
M/s. Greenray Holdings Limited, Leicestershire - United Kingdom	954,200	-
M/s. Jindal Saw Italia - Italy	<u>19,756,437</u>	<u>21,018,869</u>
	<u>20,710,637</u>	<u>22,637,589</u>
Provision for doubtful balance	<u>(954,200)</u>	-
	<u>19,756,437</u>	<u>22,637,589</u>
c) Due to a related party		
<i>Entity under common management and control</i>		
M/s. SV Trading Limited - Island of Nevis	<u>2,954,350</u>	-
d) Long term loan from related parties		
<i>Shareholder</i>		
M/s. Jindal Saw Limited - India	-	69,947,479
<i>Entity under common management and control</i>		
M/s. Sathi International FZE, Ras Al Khaimah - U.A.E.*	<u>39,388,890</u>	-
	<u>39,388,890</u>	<u>69,947,479</u>
*The above loan is interest free and without any fixed repayment schedule.		
e) Short term loan from related parties		
<i>Shareholder</i>		
M/s. Jindal Saw Limited - India #	61,900,533	-
<i>Entity under common management and control</i>		
M/s. Sathi International FZE, Ras Al Khaimah - U.A.E.	-	28,011,890
	<u>61,900,533</u>	<u>28,011,890</u>

The above loan carries interest @ LIBOR + 5% p.a. and is repayable by December 31, 2017

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5 Related party transactions (continued)**f) Transactions with related parties**

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,				
	2017	2016			
Balance written off	1,618,720	3,070,806			
Interest and bank charges (note 16)	5,170,004	2,052,480			
Interest income (note 17)	665,088	2,685,410			
The Entity provides/ receives funds to/from related parties and when required as working capital facilities.					
	2017	2016			
6 Prepayments and other receivables					
Prepayments	66,751	66,325			
Other advances	580	11,656			
Guarantee deposits	65,000	65,000			
	132,331	142,981			
7 Cash and bank balances					
Cash in hand	100	100			
Cash at banks	1,051,808	259,225			
	1,051,908	259,325			
8 Share capital					
The authorised, issued and paid up capital of the Entity is AED 97,650,000 (2016: AED 97,650,000) divided into 1,000 fully paid up shares of AED 97,650 (2016: AED 97,650) each.					
The details of the shareholding as at the reporting date is as follows:					
Name of shareholder	Nationality	Percentage	No. of shares	2017	2016
M/s. Jindal Saw Limited {Represented by Mr. Anil Kumar Kejriwal (Indian national)}	India	100	1,000	97,650,000	97,650,000
				2017	2016
9 Accumulated (losses)					
Balance at the beginning of the year				(40,031,214)	(10,129,747)
(Loss) for the year				(4,739,740)	(29,901,467)
Balance at the end of the year				(44,770,954)	(40,031,214)
10 Shareholder's current account					
Balance at the beginning of the year				45,400	6,277,900
Net movements during the year				(45,400)	(6,232,500)
Balance at the end of the year				-	45,400

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	<u>2017</u>	<u>2016</u>
11 Bank borrowings		
Term loan		
Balance at the end of the year	<u>39,300,000</u>	<u>41,800,000</u>
<p>The above term loan was obtained from a financial institution with a sanctioned limit of Euro 10,000,000 to meet the working capital requirements. The loan carries interest @ 2.25% p.a. and is repayable in two installments dated July 31, 2017 and October 31, 2017. The said loan is secured by the corporate guarantee of M/s. Jindal Saw Limited - India (Ultimate Parent).</p>		
12 Provision and other payable		
Provision for dissolution cost *	11,010,000	10,789,800
Provisions and accruals	150,706	172,587
Other payable	<u>546,172</u>	<u>15,146</u>
	<u>11,706,878</u>	<u>10,977,533</u>
<p>* Represents expected dissolution cost for M/s. Derwent Sand SARL - Algeria (note 4b).</p>		
	<u>For the year ended March 31,</u>	
	<u>2017</u>	<u>2016</u>
13 Hedging income		
Hedging income - net	<u>14,064,963</u>	<u>-</u>
<p>The above represents net income generated from the trading of future contracts of Iron Ore.</p>		
14 Administrative expenses		
Salaries and benefits	-	318,055
Legal, visa, professional and related expenses	688,743	423,802
Travelling and conveyance	-	66,915
Rent	25,000	25,000
Provision for doubtful related party receivable	954,200	-
Balances written-off	1,618,720	3,070,806
Foreign exchange loss	-	713,900
	<u>3,286,663</u>	<u>4,618,478</u>
15 Impairment loss and dissolution cost		
Impairment of long term investment (4b)	11,113,494	14,137,682
Provision for dissolution cost (4b)	<u>220,200</u>	<u>10,789,800</u>
	<u>11,333,694</u>	<u>24,927,482</u>
16 Finance cost		
Bank charges and interest	<u>6,100,815</u>	<u>3,040,917</u>

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	For the year ended March 31,	
	2017	2016
17 Other income		
Foreign exchange gain	1,251,381	-
Interest income	665,088	2,685,410
	1,916,469	2,685,410

18 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.*

	As at March 31,		As at March 31,	
	2017	2016	2017	2016
	Carrying value		Fair value	
<i>Financial assets</i>				
Long term loan to a related party	106,231,144	88,121,590	106,231,144	88,121,590
Due from related parties	19,756,437	22,637,589	19,756,437	22,637,589
Other receivables	65,000	65,000	65,000	65,000
Cash and bank balances	1,051,908	259,325	1,051,908	259,325
	127,104,489	111,083,504	127,104,489	111,083,504
<i>Financial liabilities</i>				
Short term loan from related parties	61,900,533	28,011,890	61,900,533	28,011,890
Long term loan from related parties	39,388,890	69,947,479	39,388,890	69,947,479
Bank borrowings	39,300,000	41,800,000	39,300,000	41,800,000
Due to a related party	2,954,350	-	2,954,350	-
Provision and other payable	11,706,878	10,977,533	11,706,878	10,977,533
	155,250,651	150,736,902	155,250,651	150,736,902

Financial instruments comprise of financial assets and financial liabilities.

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.

Financial assets consist of due from related parties, other receivables, long term loan to a related party and cash and bank balances. Financial liabilities consist of short term loan from related parties, provision and other payable, long term loan from related parties, due to a related party and bank borrowings.

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

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18 Financial instruments (continued)

c) *Valuation premise for financial instruments that are not measured at fair value on recurring basis.*

The following methods and assumptions were used to estimate the fair values:

customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at March 31, 2017, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values

The fair value of other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

19 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 carrying amounts of the Entity's monetary assets and liabilities denominated in foreign currencies other than in Arab Emirates Dirhams or currencies to which the Dirhams is fixed are as follows:

	Amounts in Foreign currency		Amounts in AED	
	2017	2016	2017	2016
Euro	5,020,669	4,540,866	19,731,229	18,980,821

Foreign currency sensitivity analysis

The following table details the Entity's sensitivity to a 10% increase and decrease in the AED against the relevant foreign currencies. 10% is the sensitivity rate used for reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive or negative number below indicates an increase or decrease in profit or loss where the AED weakens 10% against the relevant currency. For a 10% strengthening of the AED against the relevant currency, there would be an equal and opposite impact on the profit or loss, and the balances below would be negative.

	Profit or loss	
	2017	2016
Euro	1,973,123	1,898,082

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19 Financial risk management objectives (continued)

b) *Interest rate risk management*

The Entity's exposure to the risk of changes in market interest rates relates primarily to the Entity's borrowings with floating interest rates. The Entity's policy is to manage its interest cost using a mix of fixed and variable rate debts. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rate is fixed until the maturity of the instrument.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used for reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable possible change in interest rates.

If interest rates had been 50 basis points higher/(lower) and all other variables were held constant, the Entity's profit for the year then ended would (decrease)/increase by AED 196,500 (2016: (decrease)/increase by AED 209,000).

c) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rest 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:

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	
As at March 31, 2017							
Financial assets							
Long term loan to a related party	-	-	106,231,144	-	-	-	106,231,144
Due from related parties	-	-	-	-	19,756,437	-	19,756,437
Other receivables	-	-	-	-	65,000	-	65,000
Cash and bank balances	-	-	-	1,051,908	-	-	1,051,908
	-	-	106,231,144	1,051,908	19,821,437	-	127,104,489

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19 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	
As at March 31, 2017							
Financial liabilities							
Short term loan from related parties	-	61,900,533	-	-	-	-	61,900,533
Long term loan from related parties	-	-	-	-	-	39,388,890	39,388,890
Provision and other payable	-	-	-	-	11,706,878	-	11,706,878
Due to a related party	-	-	-	-	2,954,350	-	2,954,350
Bank borrowings	-	39,300,000	-	-	-	-	39,300,000
	-	101,200,533	-	-	14,661,228	39,388,890	155,250,651
As at March 31, 2016							
Financial assets							
Long term loan to a related party	-	-	88,121,590	-	-	-	88,121,590
Due from related parties	-	-	-	-	22,637,589	-	22,637,589
Other receivables	-	-	-	-	65,000	-	65,000
Cash and bank balances	-	-	-	259,325	-	-	259,325
	-	-	88,121,590	259,325	22,702,589	-	111,083,504
Financial liabilities							
Short term loan from related parties	-	-	-	-	28,011,890	-	28,011,890
Long term loan from related party	-	-	69,947,479	-	-	-	69,947,479
Provision and other payable	-	-	-	-	10,977,533	-	10,977,533
Bank borrowings	-	-	41,800,000	-	-	-	41,800,000
	-	-	111,747,479	-	38,989,423	-	150,736,902

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19 Financial risk management objectives (continued)

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.

Details of credit risks on other receivables are disclosed in note 6 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.

20 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 stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

The capital structure of the Entity consists of equity comprising issued capital, accumulated (losses) and shareholder's current account as disclosed in the financial statements.

21 Contingent liabilities

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 contingent liability on the Entity's financial statements as of the reporting date.

22 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 commitment on the Entity's financial statements as of the reporting date.

23 Comparative amounts

Certain amounts for the prior year were reclassified to conform to current year's presentation. However, such reclassifications do not have any impact on the Entity's previously reported financial result or equity.