

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

**Independent auditor's report and financial statements
For the year ended March 31, 2018**

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

Principal Office Address : P.O. Box: 50326
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Website : www.jindalsaw.com

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

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

The Bank : Bank of Baroda

Ref: JM/AR/18/11187

Independent auditor's report

To,

The Shareholder

M/s. Jindal International FZE

Fujairah Free Zone

Fujairah - United Arab Emirates

Report on the audit of 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, 2018 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 notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2018, and 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 (IFRSs), 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 the management 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

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 further confirm that:

- 1 We have obtained all the information and explanations which we consider necessary for our audit.
- 2 The financial statements have been prepared and comply, in all material respects with the provisions of the above mentioned law and the Articles of Incorporation of the Entity.
- 3 Proper books of accounts have been maintained by the Entity.

Report on other legal and regulatory requirements (continued)

- 4 The Entity has not made any investments in shares and stocks during the year ended March 31, 2018.
- 5 Note 8 to the financial statements reflects disclosures relating to material related party transactions and the terms under which they were conducted.
- 6 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, any of the applicable provisions of the above mentioned law or the Articles of Incorporation of the Entity, which would materially affect its activities or its financial position as at March 31, 2018.

For Horwath Mak**James Mathew FCA, CPA (USA)****Senior Partner****Reg. No. 548****May 15, 2018**

Jindal International FZE
Fujairah Free Zone
Fujairah - United Arab Emirates


Statement of financial position as at March 31, 2018
(In Arab Emirates Dirham)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Assets			
<i>Current assets</i>			
Advances and prepayments	4	25,500	24,940
Bank balance	5	20,162	26,822
<i>Total current assets</i>		<u>45,662</u>	<u>51,762</u>
Total assets		<u><u>45,662</u></u>	<u><u>51,762</u></u>
Shareholder's equity and liabilities			
<i>Shareholder's equity</i>			
Share capital	6	150,000	150,000
Accumulated (losses)	7	(144,338)	(103,238)
<i>Total shareholder's equity</i>		<u>5,662</u>	<u>46,762</u>
<i>Current liabilities</i>			
Accrued expenses		5,000	5,000
<i>Total current liabilities</i>		<u>5,000</u>	<u>5,000</u>
<i>Non current liabilities</i>			
Due to a related party	8	35,000	-
<i>Total non current liabilities</i>		<u>35,000</u>	<u>-</u>
Total liabilities		<u>40,000</u>	<u>5,000</u>
Total shareholder's equity and liabilities		<u><u>45,662</u></u>	<u><u>51,762</u></u>

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

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

The financial statements on pages 5 to 18 were approved on May 14, 2018 and signed on behalf of the Entity, by:



Director

Director

Jindal International FZE
Fujairah Free Zone
Fujairah - United Arab Emirates

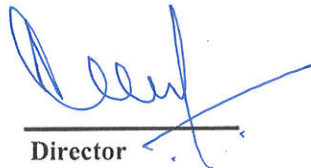
Statement of profit or loss and other comprehensive income for the year ended March 31, 2018
(In Arab Emirates Dirham)

	<u>Note</u>	<u>2018</u>	<u>2017</u>
Administrative expenses	9	<u>(41,100)</u>	<u>(35,528)</u>
(Loss) for the year		(41,100)	(35,528)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) for the year		<u>(41,100)</u>	<u>(35,528)</u>

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

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

The financial statements on pages 5 to 18 were approved on May 14, 2018 and signed on behalf of the Entity, by:



Director

Director

Jindal International FZE
 Fujairah Free Zone
 Fujairah - United Arab Emirates

Statement of changes in shareholder's equity for the year ended March 31, 2018
 (In Arab Emirates Dirham)

	<u>Share capital</u>	<u>Accumulated (losses)</u>	<u>Total shareholder's equity</u>
Balance as at March 31, 2016	150,000	(67,710)	82,290
(Loss) for the year	-	(35,528)	(35,528)
Balance as at March 31, 2017	150,000	(103,238)	46,762
(Loss) for the year	-	(41,100)	(41,100)
Balance as at March 31, 2018	150,000	(144,338)	5,662

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

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

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Statement of cash flows for the year ended March 31, 2018

(In Arab Emirates Dirham)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
(Loss) for the year	(41,100)	(35,528)
<i>(Increase)/decrease in current assets</i>		
Advances and prepayments	<u>(560)</u>	<u>(8,572)</u>
Net cash (used in) operating activities	<u>(41,660)</u>	<u>(44,100)</u>
Cash flows from financing activities		
Due to a related party	<u>35,000</u>	-
Net cash from financing activities	<u>35,000</u>	-
Net (decrease) in cash and cash equivalents	(6,660)	(44,100)
Cash and cash equivalents, beginning of the year	<u>26,822</u>	<u>70,922</u>
Cash and cash equivalents, end of the year	<u><u>20,162</u></u>	<u><u>26,822</u></u>
Represented by:		
Cash at bank	<u><u>20,162</u></u>	<u><u>26,822</u></u>

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

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

Jindal International FZE

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Notes to the financial statements for the year ended March 31, 2018

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 trading license issued by the Fujairah Free Zone Authority, Government of Fujairah, Fujairah - United Arab Emirates.
- 1.2 The Entity is licensed by Fujairah Free Zone Authority to engage in general trading. However, during the year, the Entity has not engaged in any trading activities.
- 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 Trading license no. 3728.

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, 2017. 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.

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.

Annual Improvements to IFRSs 2014-2016 cycles: The amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for summarized financial information.

The following amended standards and interpretations are not expected to have significant impact on the Entity's financial statements;

New and revised standards and amendments

Effective for annual periods beginning on or after

Annual Improvements to IFRS Standards 2014–2016 Cycle on 8 December 2016, amending the standards: IFRS 1- First-time Adoption of International Financial Reporting Standards and IAS 28 Investments in Associates and Joint Ventures.

January 1, 2018

IFRIC 22 Foreign Currency Transactions and Advance Consideration: The interpretation clarifies the date of the transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency denominated contracts.

January 1, 2018

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2-Share-based Payment) contains the clarifications and amendments: The amendments pertain to accounting for cash-settled share-based payment transactions that include a performance condition; classification of share-based payment transactions with net settlement features; accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are to be applied prospectively. However, retrospective application if allowed if this is possible without the use of hindsight.

January 1, 2018

2 New and amended standards (continued)

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

New and revised standards and amendments

Effective for annual periods

beginning on or after

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

Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4) to address concerns about the different effective dates of IFRS 9 and the new insurance contracts standard. An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. January 1, 2018

IFRS 9 "Financial Instruments": Prepayment Features with Negative Compensation (Amendments to IFRS 9) to address the concerns about how IFRS 9 classifies particular prepayable financial assets. The amendments are to be applied retrospectively for fiscal years beginning on or after January 1, 2019; early application is permitted. January 1, 2019

Amended by Transfers of Investment Property (Amendments to IAS 40-Investment Property): An entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. July 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

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

IFRS 17 -Insurance Contracts was issued in May 2017 as a replacement of IFRS 4- Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. January 1, 2021

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Notes to the financial statements for the year ended March 31, 2018

2 New and amended standards (continued)

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

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.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United Arab Emirates Dirham (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

The 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.

Jindal International FZE

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Notes to the financial statements for the year ended March 31, 2018

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 "other receivables" and "cash and cash equivalents" 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.

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 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.

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Notes to the financial statements for the year ended March 31, 2018

3 Significant accounting policies (continued)

3.6 Financial assets (continued)

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.

Due to a related party

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

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.

3.9 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 Significant accounting policies (continued)

3.10 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.

3.11 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.

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).

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Notes to the financial statements for the year ended March 31, 2018
(In Arab Emirates Dirham)

	<u>2018</u>	<u>2017</u>			
4 Advances and prepayments					
Prepayments	25,500	24,750			
Advance to vendor	-	190			
	<u>25,500</u>	<u>24,940</u>			
5 Bank balance					
Cash at bank	<u>20,162</u>	<u>26,822</u>			
6 Share capital					
Authorized, issued and paid up capital of the Entity is AED 150,000 divided into 1,000 shares of AED 150 each fully paid.					
The details of the shareholding as at reporting date are as follows:					
<u>Name of shareholder</u>	<u>Nationality</u>	<u>Percentage</u>	<u>No. of shares</u>	<u>2018</u>	<u>2017</u>
M/s. Jindal Saw Holdings FZE (Represented by Mr. Anil Kumar Kejriwal, Indian national)	U.A.E.	100	1,000	150,000	150,000
				<u>2018</u>	<u>2017</u>
7 Accumulated (losses)					
Balance at the beginning of the year				(103,238)	(67,710)
(Loss) for the year				(41,100)	(35,528)
Balance at the end of the year				<u>(144,338)</u>	<u>(103,238)</u>
8 Due to a related party					
<i>Shareholder</i>					
M/s. Jindal Saw Holdings FZE				<u>35,000</u>	<u>-</u>
				For the year ended March 31,	
9 Administrative expenses				<u>2018</u>	<u>2017</u>
Legal, visa, professional and related expenses				40,850	35,328
Bank charges				250	200
				<u>41,100</u>	<u>35,528</u>

10 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.

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Notes to the financial statements for the year ended March 31, 2018

(In Arab Emirates Dirham)

10 Financial instruments (continued)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,	
	2018	2017	2018	2017
<i>Financial assets</i>	Carrying amount		Fair value	
Bank balance	20,162	26,822	20,162	26,822
<i>Financial liabilities</i>				
Accrued expenses	5,000	5,000	5,000	5,000
Due to a related party	35,000	-	35,000	-
	40,000	5,000	40,000	5,000

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 and willing parties.

Financial assets consist of bank balance. Financial liabilities consist of due to a related party and accrued expenses.

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

11 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 Arab Emirates Dirham.

b) *Interest rate risk management*

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

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11 Financial risk management objectives (continued)

c) *Liquidity risk management (continued)*

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 also shown 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, 2018							
Financial assets							
Bank balance	-	-	-	20,162	-	-	20,162
Financial liabilities							
Accrued expenses	-	-	-	-	5,000	-	5,000
Due to a related party	-	-	-	-	35,000	-	35,000
	-	-	-	-	40,000	-	40,000
As at March 31, 2017							
Financial assets							
Bank balance	-	-	-	26,822	-	-	26,822
Financial liabilities							
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 exposure are continuously monitored and their credit exposure is reviewed by the management regularly.

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.

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12 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 Entity's overall strategy remains unchanged from prior year.

The Entity monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as trade and other payables less cash and cash equivalents. Total capital is equivalent to shareholder equity as shown in the statement of financial position.

13 Contingent liabilities

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

14 Commitments

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

15 Comparative amounts

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