



AUDITORIA y CONSULTA, S.A.

INDEPENDENT AUDITOR'S REPORT

JINDAL SAW ESPAÑA, S.L.

C.I.F.: A - 41252651 - R.M. Sevilla, h. 12 133, f. 173, i. 1 020, i. 8º Inscrita en el Registro Oficial de Auditores de Cuentas (S.0631)



AUDITORIA y CONSULTA, S.A.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of: JINDAL SAW ESPAÑA, S.L.

Report on the financial statements

We have audited the accompanying financial statements of Jindal Saw España, S.L., which comprise the balance sheet as at March 31, 2016, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Jindal Saw España, S.L. as of March 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 10 in the financial statements which indicates that the total equity of the Company at March 31, 2016 is below half of Share Capital, which is a cause of dissolution under Spanish corporate law. However, there is a commitment on the part of shareholders to maintain the necessary financial support until the Company is able to have the ability to generate profits and to perform the appropriate actions in order to restore its financial balance.

AUDITORIA Y CONSULTA, S.A.



Félix Daniel Muñoz Ruiz (Partner)

May 6, 2016

**Avd. Constitución 34, 3º B.
41001 Sevilla (España)**

FINANCIAL STATEMENTS MARCH 31, 2016

JINDAL SAW ESPAÑA, S.L.

JINDAL SAW ESPAÑA, S.L.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Notes	31 MARCH 2016	31 MARCH 2015
Asset		EUROS	EUROS
Non-current assets			
Property, plant and equipment	4	3.663,00	4.619,59
Deferred tax assets	5	0,00	181.584,44
Other financial assets	2.c	14.298,00	14.298,00
Total non-current assets		17.961,00	200.502,03
Currents assets			
Inventories	6	0,00	565.130,95
Trade and other receivables	7	232.730,74	2.213.167,74
Current tax assets		6.793,99	1.549,41
Other short-term financial assets	8	9.000,00	0,00
Cash and cash equivalents	9	55.805,57	564.067,87
Total current assets		304.330,30	3.343.915,97
Total assets		322.291,30	3.544.418,00
Capital and reserves			
Share capital		400.000,00	400.000,00
Issued Capital	10	400.000,00	400.000,00
Reserve		-181.483,82	0,00
Retained earnings		-1.474.648,40	-708.566,20
Total equity		-1.256.132,22	-308.566,20
Liabilities			
Current liabilities			
Trade and other payables	11	75.563,44	3.410.012,44
Current tax liabilities	11	8.839,08	45.022,36
Other liabilities	11	1.494.021,00	397.949,40
Total current liabilities		1.578.423,52	3.852.984,20
Total Liabilities		1.578.423,52	3.852.984,20
Total liabilities and equity		322.291,30	3.544.418,00

JINDAL SAW ESPAÑA, S.L.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 MARCH 2016	31 MARCH 2015
Revenue	12	207.363,65	3.189.088,18
Cost of sales		-314.652,72	-2.552.788,88
Gross profit		-107.289,07	636.299,30
Staff Costs	13	-237.984,03	-279.379,01
Other expenses	14	-430.227,83	-507.596,91
Impairment losses and gains and losses on disposal of non current assets		0,00	-2.354,11
Other operating income		-8,77	-22.390,61
Operating profit/(loss)		-775.509,70	-175.421,34
Finance income and expenses		9.427,50	-194,70
Finance income		18,97	223,97
Finance expense		-2.814,13	-418,67
Positive change difference		12.222,66	11.803,16
Profit/(loss) before tax for the period		-766.082,20	-163.812,88
Income deferred tax	5	0,00	0,00
Loss after tax for the period		-766.082,20	-163.812,88
Other comprehensive income		0,00	0,00
Other comprehensive expenses		0,00	0,00
Total Comprehensive income for the period		-766.082,20	-163.812,88

JINDAL SAW ESPAÑA, S.L.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Notes	31 MARCH 2016	31 MARCH 2015
Operating activities			
Loss before tax		-766.082,20	-163.812,88
Adjustments		125.073,05	-8.135,36
Net changes in working capital		-957.007,40	600.155,46
Interest paid		-1.245,75	-194,70
Cash flows from operating activities		-1.599.262,30	428.012,52
Investing activities			
Adquisition of property, plant and equipment		0,00	0,00
Adquisition of other financial assets		-9.000,00	0,00
Sale of other financial assets		0,00	15.330,00
Cash flows from investing activities		-9.000,00	15.330,00
Financing activities			
Proceeds from borrowings		1.100.000,00	0,00
Cash flows from financing activities		1.100.000,00	0,00
Net movement in cash and cash equivalents		-508.262,30	443.342,52
Cash and cash equivalents at 31 March 2015		564.067,87	120.725,35
Cash and cash equivalents at 31 March 2016	9	55.805,57	564.067,87

JINDAL SAW ESPAÑA, S.L.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share Capital	General Reserve	Retained Earnings	Total Equity
Balance at 31 December 2014		400.000,00	0,00	-544.753,32	-144.753,32
Loss for the period		0,00	0,00	-163.812,88	-163.812,88
Total comprehensive income for the period		0,00	0,00	-163.812,88	-163.812,88
Others movements		0,00	0,00	0,00	0,00
Balance at 31 March 2015		400.000,00	0,00	-708.566,20	-308.566,20
Loss for the period		0,00	0,00	-766.082,20	-766.082,20
Total comprehensive income for the period		0,00	0,00	-766.082,20	-766.082,20
Others movements		0,00	-181.483,82	0,00	-181.483,82
Balance at 31 March 2016		400.000,00	-181.483,82	-1.474.648,40	-1.256.132,22

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON
DECEMBER 31, 2016****1. GENERAL INFORMATION**

The company Jindal Saw España, S.L. was incorporated on 20 April 2012 and is a limited company with number B90000134 and registered in Official Commercial Register of Sevilla (Folio 30, Tomo 5.528, Hoja SE 93.214). Its present social domicile is located in Avda. de la Constitución, 36, Sevilla (Spain). The social object as defined in its by-laws is import and export of cast pipes and accessories.

2. SUMMARY OF ACCOUNTING POLICIES

A summary of significant accounting policies all of which have been applied consistently through the period in the preparation of the statements are set out below.

Basis of preparation

These financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (IFRS for SMEs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared in Euros (€), which is the presentational currency of the Company.

To prepare these financial statements, IFRS requires management to make estimates, assumptions and to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The figures shown on the present notes are referred, on an exclusive basis, on the year closed as of March 31, 2016.

a) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight line basis to write down the cost less estimated residual value of property, plant and equipment other.

The periods generally applicable are:

Computer equipment: 5 years

Furniture: 12,5 years

Other facilities: 20 years

The assets' residual values, useful lives and depreciation methods are reviewed if there is an indication of a significant change since the last annual reporting date.

b) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell (NVR). Cost is determined using the weighted average cost method. Inventories are assessed for impairment at each reporting date.

Impairment losses on inventory are recognised immediately in profit or loss and presented within 'cost of sales'.

c) Financial instruments

Financial assets

Other financial assets

These financial assets are recognised initially at the transaction price.

These items is composed of the deposits for property rentals.

Trade and other receivables and cash and cash equivalents

These financial assets are recognised initially at the transaction price.

Subsequently they are measured at amortised cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest.

Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in profit or loss.

Cash and cash equivalents comprise current deposits with banks.

De-recognition of financial assets

A financial asset (in whole or in part) is de-recognised either:

- when the Company has transferred substantially all the risks and rewards of ownership; or
- when it has transferred or retained substantially all the risks and rewards and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Any gain or loss on de-recognition is taken to the statement of comprehensive income.

Financial liabilities

The Company's financial liabilities include borrowings and trade and other payables. Financial liabilities are recognised initially at transaction price.

After initial recognition they are measured at amortised cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.

De-recognition of financial liabilities

A financial liability (in whole or in part) is de-recognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on de-recognition is taken to the statement of comprehensive income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

d) Share capital

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior period retained profits.

e) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to or claims from fiscal authorities relating to current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases that are expected to increase or reduce taxable profit in the future and on unused tax losses and unused tax credits.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation provided that they are enacted or substantively enacted at the reporting date, taking into consideration all possible outcomes of a review by the tax authorities.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted as necessary to reflect the current assessment of future taxable profit.

Current tax assets and liabilities, or deferred tax assets and liabilities, are offset only when the Company has a legally enforceable right to offset the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

f) Going concern

After making the appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

g) Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services rendered, excluding sales taxes, rebates and trade discounts.

The Company sells cast pipes for builders. Revenue is recognised when the customer has taken undisputed delivery of the goods.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going 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 revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial statements year are outlined below.

Valuation of inventories

NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Any write-down to NRV shall be recognised as an expense in the period in which the write-down occurs. Any reversal shall be recognised in the income statement in the period in which the reversal occurs.

Valuation Allowance for deferred tax assets

The assessment of future taxable profits against which deferred tax assets can be utilised is based on the company's forecast.

Where forecast taxable income indicates the company is not able to fully utilise a deferred tax asset, a valuation allowance is recorded.

4. PROPERTY, PLANT AND EQUIPMENT

	Furniture	Other facilities	Computer Equipment	TOTAL
	Euros	Euros	Euros	Euros
GROSS CARRYING AMOUNT				
Balance 31-03-2015	3.650,37	486,20	2.427,50	6.564,07
Aditions	0,00	0,00	0,00	0,00
Disposal	0,00	0,00	0,00	0,00
Balance 31-03-2016	3.650,37	486,20	2.427,50	6.564,07
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
Balance 31-03-2015	-616,50	-216,98	-1.111,00	-1.944,48
Depreciation	-451,80	-14,52	-490,27	-956,59
Disposal	0,00	0,00	0,00	0,00
Balance 31-03-2016	-1.068,30	-231,50	-1.601,27	-2.901,07
CARRYING AMOUNT 31-03-2015	3.033,87	269,22	1.316,50	4.619,59
CARRYING AMOUNT 31-03-2016	2.582,07	254,70	826,23	3.663,00

	Furniture	Other facilities	Computer Equipment	TOTAL
	Euros	Euros	Euros	Euros
GROSS CARRYING AMOUNT				
Balance 31-03-2014	5.060,37	1.719,75	2.387,00	9.167,12
Aditions	0,00	0,00	40,50	40,50
Disposal	-1.410,00	-1.233,55	0,00	-2.643,55
Balance 31-03-2015	3.650,37	486,20	2.427,50	6.564,07
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
Balance 31-03-2014	-422,88	-55,47	-596,08	-1.074,43
Depreciation	-362,82	-281,75	-514,92	-1.159,49
Disposal	169,20	120,24	0,00	289,44
Balance 31-03-2015	-616,50	-216,98	-1.111,00	-1.944,48
CARRYING AMOUNT 31-03-2014	4.637,49	1.664,28	1.790,92	8.092,69
CARRYING AMOUNT 31-03-2015	3.033,87	269,22	1.316,50	4.619,59

5. DEFERRED TAX

5.1 Recognised deferred tax assets and liabilities

Deferred tax assets are attributable to the following:

	Assets 31/03/2016	Net 31/03/2016
Unused tax losses	0,00	0,00
Net tax asstes/(liabilities)	0,00	0,00

	Assets 31/03/2015	Net 31/03/2015
Unused tax losses	181.584,44	181.584,44
Net tax asstes/(liabilities)	181.584,44	181.584,44

5.2 Movement in deferred taxes for the period

	Balance 31/03/2015	Cancel in Equity	Balance 31/03/2016
Tax Losses	181.584,44	-181.584,44	0,00
Total	181.584,44	-181.584,44	0,00

	Balance 31/12/2014	Recognised in P/L	Balance 31/03/2015
Tax Losses	181.584,44	0,00	181.584,44
Total	181.584,44	0,00	181.584,44

Tax losses of the Company are cancelled, because in the opinion of management, it isn't probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

6. INVENTORIES

	31/03/2016	31/03/2015
	Euros	Euros
Goods / Merchandise	0,00	565.130,95
TOTAL	0,00	565.130,95

The amount of inventories recognised as an expense during the period amounted to 134.411,13 euros (1.536.727,07 euros at 31-03-2015).

There are no write down of inventories to their net realisable value.

There are no reversals of any write-down recognised as a reduction in the amount of inventories recognised as an expense.

There are no inventories pledged as security for liabilities.

7. TRADE AND OTHER RECEIVABLES

	31/03/2016 Euros	31/03/2015 Euros
Customers	188.195,86	925.513,01
Customers receivables	40.458,56	1.236.229,24
Debtors	0,00	49.950,45
Prepayments	1.475,05	1.475,05
Others	2.601,27	0,00
TOTAL	232.730,74	2.213.167,75

The Company recognized an impairment loss 121.220,68 euros on trade receivables from customers.

8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	31/03/2016 Euros	31/03/2015 Euros
Other short-term financial assets	9.000,00	0,00
TOTAL	9.000,00	0,00

The Company's other short-term financial assets are units in a fixed term deposit.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	31/03/2016 Euros	31/03/2015 Euros
Cash at bank and in hand	55.805,57	564.067,87
TOTAL	55.805,57	564.067,87

10. SHARE CAPITAL

The authorised share capital of the Company at 31 March 2016 is 400.000 shares of 1 Euro par value.

The shareholders are Boru Spain, S.L. (40.000 euros) and Jindal Saw Ltd. (360.000 euros).

For the year ended March 31, 2016, the Company has incurred a net loss of EUR 766.082,20. Total equity of the Company at March 31, 2016 is below half of Share Capital, which is a cause of dissolution under Spanish corporate law (Article 363 of the Revised Text of the Spanish Corporations Act). However, there is a commitment on the part of shareholders to maintain the necessary financial support until the Company is able to have the ability to generate profits and to perform the appropriate actions in order to restore its financial balance.

11. TRADE AND OTHER PAYABLES

	31/03/2016	31/03/2015
	Euros	Euros
Trade payables	75.563,44	3.410.012,44
Outstandings wages	6.767,48	10.695,88
Amounts due to related parties	1.487.253,52	387.253,52
TOTAL	1.569.584,44	3.807.961,84

12. REVENUE

	31/03/2016	31/03/2015
	Euros	Euros
Sales of goods / merchandise	206.709,65	3.181.307,01
Other income	654,00	7.781,17
TOTAL	207.363,65	3.189.088,18

13. EMPLOYEE REMUNERATION

	31/03/2016	31/03/2015
	Euros	Euros
Wages and salaries	136.051,97	226.208,74
Compensations	47.929,18	0,00
Social Security expense	40.980,80	52.321,92
Other social expenses	13.022,08	848,35
TOTAL	237.984,03	279.379,01

14. ADMINISTRATIVE EXPENSES

	31/03/2016 Euros	31/03/2015 Euros
Rent expenses	34.066,97	95.582,28
Supplies	9.688,92	14.251,82
Sundry expenses	213.699,27	396.603,32
Other tax	644,95	0,00
Depreciation	956,59	1.159,49
Impairment loss	171.171,13	0,00
TOTAL	430.227,83	507.596,91

15. FINANCE EXPENSE

	31/03/2016 Euros	31/03/2015 Euros
Financial expense	2.814,13	418,67
TOTAL	2.814,13	418,67

16. INCOME TAX EXPENSE

The tax recognized in the statement of comprehensive income is the result of applying to the losses of the period the legal effective tax rate of 25%.

Pursuant to legal provisions in force, tax settlements may not be regarded as final until they are eventually inspected by the tax authorities or a four-year period (ten years for social security) has elapsed without any inspection having taken place.

In the opinion of the Company's management there do not exist significant contingencies which might arise out of review of the tax years open to inspection.

17. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Company's related parties include its subsidiaries, associates and key management personnel. None of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances were unsecured and are usually settled in cash.

Detail of operation with related parties:

31-3-2016		Euros
Jindal Saw Ltd.	(money transferred)	1.400.873,28
Jindal Saw Italia Spa	(acquisition of pipes)	77.747,00
Jindal Saw Pipeline Solutions LTD	(acquisition of pipes)	11.908,43
Boru Spain, S.L.	(services rendered to the Company)	6.802,68
Total		1.497.331,39

31-3-2016		Euros
Boru Spain, S.L.	(services rendered to BS)	634,04
Total		634,04

Detail of outstanding balances:

31-3-2016		Euros
Jindal Saw Italia Spa	(trade payables)	8.491,29
Jindal Saw Ltd.	(other liabilities for increase in share capital)	1.100.000,00
Jindal Saw Holding FZE	(other liabilities)	387.253,52
Boru Spain, S.L.	(trade receivables)	125.852,44

It wasn't paid any amount to key management personnel derives from:

- Salary drawn
- Credits or loans
- Payments on account of
- Guarantees
- Other remunerations

18. CONTINGENT LIABILITIES

The Company has contingent liabilities in respect of a legal claim arising in the ordinary course of business. Management considers the claim to be unjustified and it is unlikely that it will require settlement at the Company's expense. This evaluation is consistent with external independent legal advice (possible civil legal proceedings claim, at least 372.320,95 €). Further information on this contingent liability is omitted so as not to seriously prejudice the position of the Company in the related dispute.

19. SUBSEQUENT EVENTS

There were no material subsequent events since the reporting date.

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2016 were approved by the board of directors on 6 May 2016.

Signed Director


Mr. Maneesh Kumar