

AUDITORS' REPORT

TO THE MEMBERS' OF SV TRADING LIMITED

We have audited the accompanying financial statements of SV TRADING LIMITED which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss Account and Cash Flow Statement for the year then ended as per the Indian Generally Accepted Accounting Principles (Indian GAAP), and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Generally Accepted Accounting Principles (Indian GAAP). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



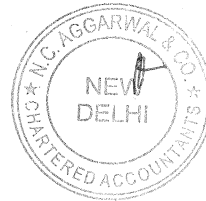
N.C. AGGARWAL & CO.
CHARTERED ACCOUNTANTS

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date
1. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Indian GAAP.

For **N.C. Aggarwal & Co.**
Chartered Accountants
Firm Registration No. 003273N



Place : New Delhi
Date : 9th May, 2013



(G.K.AGGARWAL)
Partner
M.No. 086622

SV TRADING LIMITED

Balance Sheet as at 31st March, 2013


Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
		USD	INR	USD	INR
I. EQUITY AND LIABILITIES					
(1) Shareholders Funds					
(a) Share Capital	1	19,50,001.00	10,60,59,189.39	19,50,001.00	9,97,55,226.16
(b) Reserves and Surplus	2	3,65,58,217.55	1,98,83,75,862	3,54,32,595.59	1,81,26,07,576
(2) Non-current liabilities					
(a) Long-term borrowings	3	24,10,689.53	13,11,15,716	27,36,077.15	13,99,68,131
(3) Current liabilities					
(a) Other current liabilities	4	5,015.50	2,72,790	3,891.90	1,99,096
Total Equity and Liabilities		4,09,23,923.58	2,22,58,23,557	4,01,22,565.64	2,05,25,30,029
II. ASSETS					
(1) Non-current assets					
(a) Long Term investments	5	1,01,70,981.97	55,31,92,590	1,01,70,981.97	52,03,11,839
(b) Long-term loans and advances	6	3,04,93,211.33	1,65,85,04,419	2,90,93,317.91	1,48,83,12,318
(2) Current assets					
(a) Cash and Cash Equivalents	7	2,58,474.81	1,40,58,264	8,56,916.47	4,38,36,847
(b) Other current assets	8	1,255.47	68,284	1,349.29	69,025
Total		4,09,23,923.58	2,22,58,23,557	4,01,22,565.64	2,05,25,30,029

Significant Accounting Policies and Notes to the Accounts


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As per our Report of even date attached

For and on behalf of the Board of Directors


G.K. AGGARWAL
PARTNER
M. No. 086622
For & on behalf of
N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration NO: 003273N




P.R. Jindal
Director

Place: New Delhi

Dated: 9th May, 2013

SV TRADING LIMITED**Statement of Profit and Loss Account for the Year Ended 31st March, 2013**


Particulars	Note No	Year ended 31st March 2013		Year ended 31st March 2012	
		USD	INR	USD	INR
(I) Operational Income	9	14,25,676.24	7,52,37,070	13,81,443.35	6,61,75,695
(II) Total Revenue		14,25,676.24	7,52,37,070	13,81,443.35	6,61,75,695
(III) Expenses:					
Operational costs	10	2,96,605.68	1,56,52,742	2,26,045.62	1,08,28,331
Administration Expenses	11	3,448.60	1,81,993	3,423.60	1,64,002
Total Expenses		3,00,054.28	1,58,34,735	2,29,469.22	1,09,92,333
(V) Profit before exceptional and extraordinary items and tax (III-IV)		11,25,621.96	5,94,02,335	11,51,974.13	5,51,83,362
(VI) Exceptional items		-	-	-	-
(VII) Profit before extraordinary items and tax (V-VI)		11,25,621.96	5,94,02,335	11,51,974.13	5,51,83,362
(VIII) Extraordinary items		-	-	-	-
(IX) Profit before tax (VII-VIII)		11,25,621.96	5,94,02,335	11,51,974.13	5,51,83,362
(X) Tax expense:					
(1) Current tax		-	-	-	-
(2) Deferred tax		-	-	-	-
(XI) Profit (Loss) for the year (IX-X)		11,25,621.96	5,94,02,335	11,51,974.13	5,51,83,362
(XII) Earnings per equity share - Basic & Diluted					
- On Equity Share of Face Value USD 1		0.58	30	0.59	28
- On Equity Share of Face Value USD 1,950,000		11,25,621.38	5,94,02,305	11,51,973.54	5,51,83,334

Significant Accounting Policies and Notes to the Accounts


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As per our Report of even date attached

For and on behalf of the Board of Directors


G.K. AGGARWAL
 PARTNER
 M. No. 086622
 For & on behalf of
N.C. AGGARWAL & CO.
 Chartered Accountants
 Firm Registration NO: 003273N




 P.R. Jindal
 Director

Place: New Delhi
 Dated: 9th May, 2013

SV Trading Limited

Notes forming part of Financial Statements for the year ended 31st March 2013

PARTICULARS	As at 31st March 2013		As at 31st March 2012	
	USD	INR	USD	INR
1 SHARE CAPITAL				
(a) ISSUED, SUBSCRIBED AND PAID UP CAPITAL				
Equity Share of Face value of USD 1 fully paid up	1.00	54	1.00	51
Equity Share of Face value of USD 19,50,000 fully paid up	19,50,000.00	10,60,59,135	19,50,000.00	9,97,55,175
	19,50,001.00	10,60,59,189	19,50,001.00	9,97,55,226

**(b) RECONCILIATION OF THE NUMBER OF SHARES
OUTSTANDING AT THE BEGINNING AND AT THE END OF THE
REPORTING YEAR**

	No. of Shares	No. of Shares
Equity Share of Face value of USD 1 fully paid up	1	1
Equity Share of Face value of USD 19,50,000 fully paid up	1	1
Shares outstanding at the end of the year	2	2

(c) SHARE OF THE COMPANY HELD BY :-

	No of Shares	Face Value per share	No of Shares	Face Value per share
Its Holding Company - Jindal Saw Limited, India	1	1	1	1
	1	1950000	1	1950000

**(d) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER
HOLDING MORE THAN 5% SHARES ARE AS UNDER:**

Name of the Shareholder	As at 31st March 2013		As at 31st March 2012	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Jindal Saw Limited, India (one share of face value of I USD and one share of face value of USD 1950000)	2	100	2	100

(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Nil Nil



SV Trading Limited

Notes forming part of Financial Statements for the year ended 31st March 2013

PARTICULARS	As at 31st March 2013		As at 31st March 2012	
	USD	INR	USD	INR
2 RESERVES AND SURPLUS				
(a) FOREIGN CURRENCY TRANSLATION RESERVE		86,30,68,297		74,67,02,346
SUB TOTAL	-	86,30,68,297	-	74,67,02,346
(b) SURPLUS-PROFIT AND LOSS ACCOUNT				
Profit Brought Forward	3,54,32,595.59	1,06,59,05,230	3,42,80,621.46	1,01,07,21,868
Add:-Profit after tax for the year	11,25,621.96	5,94,02,335	11,51,974.13	5,51,83,362
Net Surplus in the Statement of Profit and Loss	3,65,58,217.55	1,12,53,07,565	3,54,32,595.59	1,06,59,05,230
Total Reserves and Surplus (a+b)	3,65,58,217.55	1,98,83,75,862	3,54,32,595.59	1,81,26,07,576
3 LONG-TERM BORROWINGS				
UNSECURED LONG TERM BORROWINGS				
Loans and advances from related parties	24,10,689.53	13,11,15,716	27,36,077.15	13,99,68,131
	24,10,689.53	13,11,15,716	27,36,077.15	13,99,68,131
4 OTHER CURRENT LIABILITIES				
Other Outstanding Liabilities	5,015.50	2,72,790	3,891.90	1,99,096
	5,015.50	2,72,790	3,891.90	1,99,096



SV Trading Limited**Notes forming part of Financial Statements for the year ended 31st March 2013****5 LONG TERM INVESTMENTS - NON TRADE (AT COST)**

Sr. No.	PARTICULARS	31.03.2013				31.03.2012			
		Nos.	Face Value	Amount (USD)	Amount (INR)	Nos.	Face Value	Amount (USD)	Amount (INR)
A	Equity Shares Fully Paid Up of Subsidiary Company - Unquoted								
1	Jindal Saw USA LLC (1,00,00,000 Equity Shares of USD 1 each)	1,00,00,000	USD 1	1,00,00,000	54,38,93,000	1,00,00,000	USD 1	1,00,00,000	51,15,65,000
B	Investment in Equity Shares of Joint Venture Company - Unquoted								
1	Jindal Sigma Ltd., UK (108333 Equity Shares of GBP 1 each)	1,08,333	GBP 1	1,70,982	92,99,590	1,08,333	GBP 1	1,70,982	87,46,839
	TOTAL			1,01,70,982	55,31,92,590			1,01,70,982	52,03,11,839

Aggregate value of unquoted investment

1,01,70,982 55,31,92,5901,01,70,982 52,03,11,839

SV Trading Limited

Notes forming part of Financial Statements for the year ended 31st March 2013

PARTICULARS	As at 31st March 2013		As at 31st March 2012	
	USD	INR	USD	INR
6 <u>LONG-TERM LOANS AND ADVANCES</u>				
Unsecured, Considered good				
Loan and Advances to related parties	2,56,46,802.71	1,39,49,11,647	2,56,31,452.12	1,31,12,15,380
Interest Accrued on Loans	48,46,408.62	26,35,92,772	34,61,865.79	17,70,96,937
	3,04,93,211	1,65,85,04,419	2,90,93,317.91	1,48,83,12,318
7 <u>CASH AND CASH EQUIVALENTS</u>				
<u>Balances with Banks</u>				
Current Accounts	535.81	29,142	5,97,929.27	3,05,87,969
Deposits with original maturity of less than three months	2,57,939.00	1,40,29,122	2,58,987.20	1,32,48,879
	2,58,474.81	1,40,58,264	8,56,916.47	4,38,36,847
8 <u>OTHER CURRENT ASSETS</u>				
Interest accrued on deposit with bank	1,255.47	68,284	1,349.29	69,025
	1,255.47	68,284	1,349.29	69,025



SV Trading Limited

Notes forming part of Financial Statements for the year ended 31st March 2013

PARTICULARS	Year ended 31st March 2013		Year ended 31st March 2012	
	USD	INR	USD	INR
9 OPERATIONAL INCOME				
<u>Interest on</u>				
Loans and Advances	14,21,786.72	7,50,31,808	13,75,310.36	6,58,81,905
Fixed deposit from Banks	3,889.52	2,05,261	6,132.99	2,93,790
	14,25,676.24	7,52,37,070	13,81,443.35	6,61,75,695
10 OPERATIONAL COST				
Interest Expenses	2,74,612.38	1,44,92,092	2,22,952.11	1,06,80,142
Bank Charges	100.00	5,277	310.00	14,850
Applicable net gain/loss on foreign currency transactions and translation	21,893.30	11,55,373	2,783.51	1,33,339
	2,96,605.68	1,56,52,742	2,26,045.62	1,08,28,331
11 ADMINISTRATION EXPENSES				
Legal and Professional	2,325.00	1,22,697	2,300.00	1,10,178
Auditor's Remuneration	1,123.60	59,296	1,123.60	53,824
	3,448.60	1,81,993	3,423.60	1,64,002



SV TRADING LIMITED

NOTE – “12”

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Accounting Policies

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India. The Company follows the Mercantile System of Accounting and recognises Income & Expenditure on Accrual basis.

ii) FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transaction. Monetary foreign currency assets and liabilities are translated at the year end exchange rates. All exchange differences are dealt with in the Profit and Loss Account.

iii) CONVERSION INTO INDIAN RUPEES

Company being non-integral subsidiary of holding company, all the revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange Gain arising on conversion is recognized in the exchange fluctuation reserves and in case of loss, the same is charged to profit and loss appropriation account and carried to balance of accumulated losses.

iv) INVESTMENTS

Long-term investments are stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit and Loss Account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments. Current investments are carried at lower of cost or fair value.

v) USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognized in the period in which the results are known/materialized.

vi) INCOME TAX

i) Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Tax Laws of the country where the company is incorporated.

ii) Deferred tax is computed at the current rate of tax to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

2 Provision for Income Tax:

As informed to us, the profit of the company is not subject to income tax. Hence, no provision for taxation is provided for.

No deferred tax assets have been created as the company is not subject to income tax

3 Previous period figures have been regrouped / rearranged wherever considered necessary .

4 Related Party Disclosure:

A Holding Co.

i) Jindal Saw Limited

B Subsidiaries:

i) Jindal Saw USA LLC

C Joint Venture Enterprises

i) Jindal Sigma Limited, UK

ii) JWIL- SSIL JV (w.e.f. 28.02.2012)

iii) SMC-JWIL- JV (w.e.f. 24.12.2012)

iv) JWIL- Ranhill- JV (w.e.f. 27.11.2012)



SV TRADING LIMITED

D Fellow Subsidiaries:

1. Direct

- i) Jindal ITF Ltd.
- ii) IUP Jindal Metal & Alloys Ltd.
- iii) Jindal Saw Holdings FZE
- iv) Jindal Fittings Ltd.
- v) Quality Iron and Steel Ltd.
- vi) Ralael Holdings Ltd.
- vii) Green Ray Holdings
- viii) Universal Tube Accessories Pvt Ltd (w.e.f.30th August 2012)
- ix) Jindal Saw Espana SL (w.e.f.21st March 2013)

2. Indirect

- i) Jindal Saw Middle East FZC
- ii) Jindal Intellicom Limited
- iii) JITF Water Infrastructure Ltd.
- iv) JITF Urban Infrastructure Ltd.
- v) JITF Shipyards Ltd.
- vi) Jindal Rail Infrastructure Ltd.
- vii) JITF Waterways Ltd.
- viii) JITF Infralogistics Ltd.
- ix) JITF Water Infra (Naya Raipur) Ltd.
- x) JITF ESIPL CETP (Sitaganj) Ltd.
- xi) Timarpur-Okhla Waste Management Co. Pvt. Ltd.
- xii) Jindal Saw Gulf LLC
- xiii) Jindal Saw Italia SPA
- xiv) JITF Urban Infrastructure Ltd.
- xv) Intellicom Insurance Advisors Ltd.
- xvi) Derwent Sand Sarl
- xvii) JITF Coal Logistics Ltd.
- xviii) JITF Shipping & Logistics (Singapore) PTE Ltd.
- xix) JITF Water Infra (Rajkot) Ltd. (upto 29th January 2013)
- xx) JITF Global Water Holding PTE Ltd.
- xxi) JITF Urban Waste Management (Bathinda) Ltd.
- xxii) JITF Urban Waste Management (Jalandhar) Ltd.
- xxiii) JITF Urban Waste Management (Ferozepur) Ltd.
- xxiv) Jindal ITF Kobelco Eco Ltd. (upto 31st October 2012)
- xxv) JITF Manila Water Development Co. Ltd.
- xxvi) JITF Industrial Infrastructure Development Co. Ltd. (w.e.f. 02.05.2012)



SV TRADING LIMITED

E Transactions:

S. No.	Particulars	Relation with the company	Current Year Ending on 31.3.2013		Previous Year Ending on 31.3.2012	
			USD	INR	USD	INR
i)	Interest Paid :-					
	Jindal Saw Limited	Holding Company	2,74,612.38	1,44,92,092	2,22,952.11	1,06,80,142
ii)	Interest Earned :-					
	Jindal Sigma Limited	Jointly Controlled Entity	38,778.65	20,46,462	37,243.89	17,84,105
	Jindal Saw USA LLC	Subsidiary Company	13,83,008.07	7,29,85,347	13,38,066.47	6,40,97,800
iii)	Loan Given :-					
	Jindal Sigma Limited	Jointly Controlled Entity	-	-	-	-
	Jindal Saw USA LLC	Subsidiary Company	-	-	23,20,000.00	11,86,83,080
iv)	Loan repaid :-					
	Jindal Saw Limited	Holding Company	6,00,000.00	3,26,33,580	-	-

F Outstanding Balances:

S. No.	Particulars	Relation with the company	Current Year Ending on 31.3.2013		Previous Year Ending on 31.3.2012	
			USD	INR	USD	INR
i)	Loan Payable :-					
	Jindal Saw Limited	Holding Company	24,10,689.53	13,11,15,716	27,36,077.15	13,99,68,131
ii)	Loan Receivable :-					
	Jindal Sigma Limited	Jointly Controlled Entity	3,87,791.07	2,10,91,685	3,72,440.48	1,90,52,751
	Jindal Saw USA LLC	Subsidiary Company	2,52,59,011.64	1,37,38,19,962	2,52,59,011.64	1,29,21,62,629
iii)	Interest Accrued on above :-					
	Jindal Sigma Limited	Jointly Controlled Entity	38,778.65	21,09,144	37,243.89	19,05,267
	Jindal Saw USA LLC	Subsidiary Company	48,07,629.97	26,14,83,629	34,24,621.90	17,51,91,670
iv)	Investment Outstanding :-					
	Jindal Sigma Limited	Jointly Controlled Entity	1,70,982.00	92,99,591	1,70,982.00	87,46,841
	Jindal Saw USA LLC	Subsidiary Company	1,00,00,000.00	54,38,93,000	1,00,00,000.00	51,15,65,000

5 Earning Per Share (EPS) Basic and Diluted computed in accordance with Accounting Standard 20 "Earning per Share"

Particulars	Current Year Ending on 31.3.2013		Previous Year Ending on 31.3.2012	
	USD	INR	USD	INR
Profit/(Loss) After Tax	11,25,621.96	5,94,02,335	11,51,974.13	5,51,83,362
No. of Equity Shares Issued	19,50,001.00	19,50,001	19,50,001.00	19,50,001
Face Value USD 1	1.00	54	1.00	48
Face Value USD 19,50,000	19,50,000.00	10,60,59,135	19,50,000.00	9,97,55,178
Basic and diluted Earning Per Share				
Of face value of USD 1	0.58	30	0.59	28
Of face value of USD 1950000	11,25,621.38	5,94,02,305	11,51,973.54	5,51,83,334

6 The Company is incorporated in Island of Nevis on 5th day of August, 2005. The Company is a wholly owned subsidiary of Jindal Saw Limited. The accounts have been prepared and audited for the purpose of attachment to the accounts of the Holding Company to comply with the provisions of the Indian Companies Act, 1956.

As per our report of even date attached

G.K. AGGARWAL
PARTNER
M. No. 086622
For & on behalf of
N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration NO: 003273N



For and on behalf of the Board of Directors

P. R. Jindal

P.R. Jindal
Director

Place: New Delhi

Dated: 9th May, 2013

SV TRADING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013


PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	USD	INR	USD	INR
A. CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT/(LOSS) BEFORE TAX	11,25,622	5,94,02,335	11,51,974	5,51,83,362
Adjustments for :-				
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	11,25,622	5,94,02,335	11,51,974	5,51,83,362
Adjustments for :-				
Loans and Advances	(13,99,893)	(17,01,92,101)	(36,92,527)	(35,41,66,997)
Current liabilities	1,124	73,694	1,124	75,491
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(2,73,148)	(11,07,16,073)	(25,39,429)	(29,89,08,143)
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES				
Interest Received	94	741	4,038	1,71,523
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	94	741	4,038	1,71,523
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
Loan taken from Holding Company	-	-	22,22,952	11,70,57,098
Loan repaid to Holding Company	(3,25,388)	(88,52,415)		
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(3,25,388)	(88,52,415)	22,22,952	11,70,57,098
Translation Reserve Difference	-	8,97,89,163	-	17,33,04,653
NET CHANGES IN CASH & CASH EQUIVALENT	(5,98,442)	(2,97,78,583)	(3,12,439)	(83,74,869)
Opening balance of Cash and cash equivalent	8,56,916	4,38,36,847	11,69,355	5,22,11,716
Closing balance of Cash and cash equivalent	2,58,475	1,40,58,264	8,56,916	4,38,36,847

NOTE:

1. Cash and Cash Equivalent includes Cash and Bank Balances only

As per our Report of even date attached

For and on behalf of the Board of Directors


G.K. AGGARWAL
 PARTNER
 M. No.: 086622
 For & on behalf of
N.C. AGGARWAL & CO.
 Chartered Accountants





P.R. Jindal
 Director

Place: New Delhi
 Dated: 9th May, 2013