
REPORT OF THE AUDITORS'

**TO THE BOARD OF DIRECTORS
SV TRADING LIMITED**

1. We have audited the attached Balance Sheet of SV TRADING LIMITED, as at 31st March 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto as per the Indian Generally Accepted Accounting Principles (Indian GAAP). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and 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 purposes of our audit.
 - b. In our opinion, proper books of accounts have been kept by the Company so far as appears from our examination of the books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement maintained by the Company as per Indian Generally Accepted Accounting Principles dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Indian GAAP.
 - e. On the basis of the information and according to the explanations given to us, the said accounts, read with the notes thereon, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
 - ii. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
 - iii. In the case of Cash Flow Statement of the Cash Flows of the Company for the year ended on that date.

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

- sd -
(G.K. Aggarwal)
Partner
M.No.:086622

Place: NEW DELHI
Dated: 27th July, 2011

SV TRADING LIMITED
BALANCE SHEET AS AT 31st MARCH, 2011

DESCRIPTION	SCHEDULE	AS AT 31.03.2011		AS AT 31.03.2010	
		(USD)	(INR)	(USD)	(INR)
SOURCES OF FUNDS					
I. SHAREHOLDER'S FUNDS					
A) Share Capital	1	1,950,001	87,067,545	1,950,001	88,023,045
II. RESERVES AND SURPLUS					
B) Reserves and Surplus	1	34,280,621	1,530,629,748	33,825,360	1,526,876,752
II. UNSECURED LOANS					
Loan from Holding Company		513,125	22,911,033	83,624,604	3,774,814,637
TOTAL (I + II)		36,743,748	1,640,608,326	119,399,965	5,389,714,434
APPLICATION OF FUNDS					
I. Investments					
Current Assets , Loans & Advances					
A) Cash and Bank Balances	3	1,169,355	52,211,716	87,146,803	3,933,806,690
B) Loans and Advances	4	25,406,178	1,134,385,869	31,255,103	1,410,855,363
C) Sundry Debtors	5				
		26,575,534	1,186,597,586	118,401,906	5,344,662,053
Current Liabilities & Provisions					
A) Current Liabilities	5	2,768	123,605	1,941	87,619
		2,768	123,605	1,941	87,619
II. Net Current Assets		26,572,766	1,186,473,981	118,399,965	5,344,574,434
Total (I+II)		36,743,748	1,640,608,326	119,399,965	5,389,714,434
Significant Accounting Policies And Notes To The Accounts	6				

As per our Report of even date attached

-sd-
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

-sd-
P.R. Jindal
 Director

Place: New Delhi
 Dated: 27th July, 2011

SV TRADING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

DESCRIPTION	SCHEDULE	YEAR ENDED		PERIOD ENDED	
		31.03.2011	(INR)	31.03.2010	(INR)
		(USD)		(USD)	
I. INCOME					
Interest on Fixed Deposits and Loans [TDS - NIL (Previous year - NIL)]		568,064	25,503,248	2,981,978	139,646,046
Foreign Exchange Fluctuation		22,490	1,009,676	-	-
Total (I)		590,554	26,512,924	2,981,978	139,646,046
II. EXPENDITURE					
Interest on Loan		128,530	5,770,376	1,046,857	49,024,307
Bank Interest & Finance Charges		800	35,916	1,080	50,577
Miscellaneous Expenses		5,135	230,536	67,288	3,151,106
Foreign Exchange Fluctuation		-	-	21,569	1,010,075
Audit Fee		827	37,139	1,441	67,484
Total (II)		135,293	6,073,967	1,138,235	53,303,549
Profit/(Loss) Before Tax(I-II)		455,261	20,438,957	1,843,743	86,342,497
Less: Provision For Taxation		-	-	-	-
Profit/(Loss) After Tax		455,261	20,438,957	1,843,743	86,342,497
Add: Previous Year's Profit Brought Forward		33,825,360	990,282,911	31,981,617	903,940,414
Profit Carried To Balance Sheet		34,280,621	1,010,721,868	33,825,360	990,282,911
Profit Carried To Balance Sheet		34,280,621	1,010,721,868	33,825,360	990,282,911
Basic and Diluted Earning Per Share					
On Equity Share of FY USD 1		0.23	10	1	44
On Equity Share of FY USD 1,950,000		455,261	20,438,946	1,843,742	86,342,453
Significant Accounting Policies And Notes					
To The Accounts			6		

As per our report of even date attached

- s.d. -
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

- s.d. -
P.R. Jindal
 Director

Place: New Delhi
 Dated: 27th July, 2011

SV TRADING LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS

SCHEDULE - "1"

Shareholders Funds

Share Capital

For the year ended 31st March, 2011

Particulars	Equity Shares		Amount		Accumulated Surplus / (Deficit)	
	No. of Shares	Face Value (In USD)	US \$	INR	US \$	INR
Balance as at March 31,2010						
Share Capital	1	\$1	1	45	-	-
Share Capital	1	\$1,950,000	1,950,000	88,023,000	-	-
Net Profit brought forward as on 1st April,2010.					33,825,360	990,282,911
Net Profit for the year ended March 31, 2011					455,261	20,438,957
[Translation Gain/(Loss)] *				(955,500)	-	519,907,881
Balance as at March 31, 2011	2	\$1,950,001	1,950,001	87,067,545	34,280,621	1,530,629,748

* Translation Gain /(Loss) upto 31st March,2010 was Rs. 53,65,93,841.

SV TRADING LIMITED

SCHEDULES FORMING PARTS OF THE ACCOUNTS

Particulars	As at 31-03-2011		As at 31-03-2010	
	USD	INR	USD	INR
SCHEDULE "2"				
INVESTMENTS				
LONG TERM - NON TRADE (AT COST)				
Investment in Equity Shares of Subsidiary Company				
Unquoted				
Jindal Saw USA LLC (1,000,000 Equity Shares of USD 1 each)	10,000,000	446,500,000	1,000,000	45,140,000
Investment in Equity Shares of Joint Venture Company				
Jindal Sigma Ltd. , UK (108333 Equity Shares of pound 1 each)	170,982	7,634,345	-	-
	10,170,982	454,134,345	1,000,000	45,140,000
SCHEDULE "3"				
CASH AND BANK BALANCES				
Balance with Scheduled Bank				
- Current Account	3	134	8	358
- Fixed Deposit Account	1169352.35	52,211,582	87,146,795	3,933,806,332
	1,169,355	52,211,716	87,146,803	3,933,806,690
SCHEDULE "4"				
LOANS AND ADVANCES				
Inter Corporate Loans	349,040	15,584,619	326,550	14,740,462
Loan to Subsidiary Company	22,939,012	1,024,226,870	28,992,072	1,308,702,114
Interest accrued on Fixed Deposits and Loans	2,118,127	94,574,380	1,936,481	87,412,787
	25,406,178	1,134,385,869	31,255,103	1,410,855,363
SCHEDULE "5"				
CURRENT LIABILITIES				
Other Liabilities	2,768	123,605	1,941	87,619
	2,768	123,605	1,941	87,619

SCHEDULE – “6”**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 know/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 . Current Year figures of Profit & Loss Account are not comparable with Previous Period as the Previous Period figures are for fifteen months from 1st January, 2009 to 31st March, 2010.**4 Related Party Disclosure:****A Holding Co.**

i) Jindal Saw Limited

ii) Highgate Consultants Limited (Upto 12th August, 2009)

B Subsidiaries:

i) Jindal Saw USA LLC

C Joint Venture Company

i) Jindal Sigma Limited, UK (wef 26th July 2010)

D Fellow Subsidiaries:

1. Direct

- i) Hexa Securities & Finance Co. Ltd
- ii) Jindal ITF Ltd.
- iii) IUP Jindal Metal & Alloys Ltd.
- iv) Jindal Saw Holdings FZE
- v) Hexa Tradex Limited (w.e.f. 28th October 2010)

2. Indirect

- vi) Jindal Saw Middle East FZC
- vii) Jindal Intellicom Limited (formerly known as Jindal Intellicom Pvt. Ltd.)
- viii) JITF Water Infrastructure Ltd. (formerly known as Jindal Water Infrastructure Ltd)
- ix) JITF Urban Infrastructure Ltd. (formerly known as Jindal Urban Infrastructure Ltd)
- x) JITF Shipyards Ltd. (formerly known as Jindal Shipyards Ltd.)
- xi) Jindal Rail Infrastructure Ltd.
- xii) JITF Waterways Ltd. (formerly known as Jindal Waterways Ltd.)
- xiii) JITF Infralogistics Ltd. (formerly known as Jindal Infralogistics Ltd.)
- xiv) JITF Water Infra (Naya Raipur) Ltd. (formerly known as Jindal Water Infra (Naya Raipur) Ltd.)
- xv) JITF ESIPL CETP (Sitaganj) Ltd. (formerly known as Jindal ESIPL CETP (Sitaganj) Ltd.)
- xvi) Timarpur-Okhla Waste Management Co. Pvt. Ltd.
- xvii) Jindal Saw Gulf LLC
- xviii) Ralael Holdings Ltd. (w.e.f. 9th July 2010)
- xix) Jindal Saw italia Srl (w.e.f. 1st October 2010)
- xx) JITF Urban Infrastructure Services Ltd. (wef 6th July 2010)
- xxi) Intellicom Insurance Advisor Ltd. (w.e.f. 9th August 2010)

E Transactions:

S. No.	Particulars	Relation with the company	Current Year Ending on 31.3.2011		Previous Period Ending on 31.3.2010	
			USD	INR	USD	INR
i)	Interest Paid :-					
	Highgate Consultants Limited	Holding Company	-	-	731,072	34,236,085
	Jindal Saw Limited	Holding Company	128,530	5,770,376	315,785	14,788,222
ii)	Interest Earned :-					
	Jindal Sigma Limited	Jointly Controlled Entity	26,184	1,175,678	-	-
	Jindal Saw USA LLC	Subsidiary Company	2,209,113	99,189,171	596,549	27,936,370
iii)	Loan Given :-					
	Jindal Sigma Limited	Jointly Controlled Entity	-	-	-	-
	Jindal Saw USA LLC	Subsidiary Company	2,950,000	131,717,500	4,450,000	200,873,000
iv)	Investment made during the year :-					
	Jindal Sigma Limited	Jointly Controlled Entity	170,982	7,634,345	-	-
	Jindal Saw USA LLC	Subsidiary Company	9,000,000	401,850,000	-	-
v)	Loan Received Back :-					
	Jindal Saw USA LLC	Subsidiary Company	9,003,060	401,986,629	2,567,288	115,887,377

F Outstanding Balances:

S. No.	Particulars	Relation with the company	Current Year Ending on 31.3.2011		Previous Period Ending on 31.3.2010	
			USD	INR	USD	INR
i)	Loan Payable :-					
	Jindal Saw Limited	Holding Company	513,125	22,911,033	83,624,604	3,774,814,637
ii)	Loan Receivable :-					
	Jindal Sigma Limited	Jointly Controlled Entity	349,040	15,584,619	-	-
	Jindal Saw USA LLC	Subsidiary Company			28,992,072	1,308,702,114
iii)	Interest Accrued on above :-					
	Jindal Sigma Limited	Jointly Controlled Entity	26,184	1,169,132	-	-
	Jindal Saw USA LLC	Subsidiary Company	2,086,555	93,164,700	1,792,290	80,903,958
iv)	Investment Outstanding :-					
	Jindal Sigma Limited	Jointly Controlled Entity	170,982	7,634,345	-	-
	Jindal Saw USA LLC	Subsidiary Company	1,000,000	44,650,000	1,000,000	45,140,000

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

Particulars	Current Year Ending on 31.3.2011		Previous Period Ending on 31.3.2010	
	USD	INR	USD	INR
Profit/(Loss) After Tax	455,261	20,438,957	1,843,743	86,342,497
No. of Equity Shares Issued	1,950,001	1,950,001	1,950,001	1,950,001
Face Value USD 1	1	45	1	44
Face Value USD 19,50,000	1,950,000	87,067,500	1,950,000	86,342,453
Basic and diluted Earning Per Share				
Of face value of USD 1	0.23	10	1.00	44
Of face value of USD 1950000	455,261	20,438,947	1,843,742	86,342,453

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

- sel -
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

- sel -
P.R. Jindal
 Director

Place: New Delhi
 Dated: 27th July, 2011