

Auditors' Report


TO THE BOARD OF DIRECTORS
JINDAL SAW HOLDING FZE

We have audited the attached Balance Sheet of JINDAL SAW HOLDING FZE, 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.

- I. 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 Loss 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




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

Place : NEW DELHI
Dated: 27.07.2011

JINDAL SAW HOLDINGS FZE
BALANCE SHEET AS AT MARCH 31, 2011

DESCRIPTION	SCHEDULE	AS AT MARCH 31, 2011 (AED)	AS AT MARCH 31, 2011 (Rs.)	AS AT MARCH 31, 2010 (AED)	AS AT MARCH 31, 2010 (Rs.)
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS					
Share Capital	1	150,000	1,821,015	150,000	1,830,675
Share Application Money		44,440,500	539,512,114	399,420	4,874,723
Total		44,590,500	541,333,129	549,420	6,705,398
APPLICATIONS OF FUNDS					
INVESTMENTS					
	2	31,558,945	383,128,751	506,000	6,175,476
CURRENT ASSETS, LOANS & ADVANCES					
Cash and Bank Balances	3	9,461,539	114,864,029	5,730	69,934
Loans & Advances	4	2,023,500	24,565,492	23,500	286,806
		11,485,039	139,429,521	29,230	356,740
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	5	574,456	6,973,953	750	9,153
NET CURRENT ASSETS		10,910,583	132,455,568	28,480	347,587
PROFIT & LOSS ACCOUNT					
		2,120,972	25,748,810	14,940	182,335
Total		44,590,500	541,333,129	549,420	6,705,398
Significant Accounting Policies and Notes to the Accounts	8				

As per our report of even date attached

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N



G.K. Aggarwal
PARTNER
M.No. 086622
PLACE : NEW DELHI
DATED : 27.07.2011



For and on behalf of the Board of Directors



P.R. Jindal
Director

**JINDAL SAW HOLDINGS FZE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2011**

DESCRIPTION	SCHEDULE	For the year ended March 31, 2011 (AED)	For the year ended March 31, 2011 (Rs.)	For the period ended March 31, 2010 (AED)	For the period ended March 31, 2010 (Rs.)
INCOME					
EXPENDITURE					
Administrative & Other Expenses	6	2,095,001	25,500,978	14,800	180,626
Finance Expenses	7	11,031	134,273	140	1,709
		<u>2,106,032</u>	<u>25,635,251</u>	<u>14,940</u>	<u>182,335</u>
Profit/(Loss) before Taxation		(2,106,032)	(25,635,251)	(14,940)	(182,335)
Less: Provision for Taxation		-	-	-	-
Profit/(Loss) after Taxation		<u>(2,106,032)</u>	<u>(25,635,251)</u>	<u>(14,940)</u>	<u>(182,335)</u>
Add: Brought forward Profit/(Loss)		(14,940)	(182,335)	-	-
Foreign Currency Translation Reserve		-	68,776	-	-
Balance Carried to Balance Sheet		<u>(2,120,972)</u>	<u>(25,748,810)</u>	<u>(14,940)</u>	<u>(182,335)</u>
Earning Per Share					
Basic on Face Value of Dhs. 150 each		(2,106.03)	(25,566.47)	(14.94)	(182.34)
Diluted on Face Value of Dhs. 150 each		(2,106.03)	(25,566.47)	(14.94)	(182.34)

Significant Accounting Policies and Notes to the Accounts

8

As per our report of even date attached

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N



G.K. Aggarwal
PARTNER
M.No. 086622

PLACE : NEW DELHI
DATED : 27.07.2011



For and on behalf of the Board of Directors




P.R. Jindal
Director

JINDAL SAW HOLDINGS FZE
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

DESCRIPTION	For the year ended March 31, 2011 (AED)	For the year ended March 31, 2011 (Rs.)	For the period ended March 31, 2010 (AED)	For the period ended March 31, 2010 (Rs.)
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT (LOSS) BEFORE TAX	(2,106,032)	(25,635,251)	(14,940)	(182,335)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	(2,106,032)	(25,635,251)	(14,940)	(182,335)
Adjustments for:				
Current Assets	(2,000,000)	(24,278,686)	(23,500)	(286,806)
Current Liabilities	573,706	6,964,800	750	9,153
Foreign Currency translation difference		59,116		
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(3,532,326)	(42,890,021)	(37,690)	(459,988)
B. CASH INFLOW (OUTFLOW) FROM INVESTMENT ACTIVITIES				
Investment made	(31,052,945)	(376,953,275)	(506,000)	(6,175,477)
C. CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES				
Proceeds from Share Application Money	44,041,080	534,637,391	549,420	6,705,398
NET CHANGES IN CASH & CASH EQUIVALENT	9,455,809	114,794,095	5,730	69,934
Opening Balance of Cash and Cash equivalent	5,730	69,934	-	-
Closing Balance of Cash and Cash equivalent	9,461,539	114,864,029	5,730	69,934

As per our report of even date attached

For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N


G.K. Aggarwal
PARTNER
M.No. 086622
PLACE : NEW DELHI
DATED : 27.07.2011



For and on behalf of the Board of Directors



P.R. Jindal
Director

JINDAL SAW HOLDINGS FZE

DESCRIPTION	AS AT MARCH 31, 2011 (AED)	AS AT MARCH 31, 2011 (Rs.)	AS AT MARCH 31, 2010 (AED)	AS AT MARCH 31, 2010 (Rs.)
SCHEDULE "1"				
SHARE CAPITAL				
AUTHORISED				
1000 Equity Shares of Dhs. 150 each	150,000	1,821,015	150,000	1,830,675
	<u>150,000</u>	<u>1,821,015</u>	<u>150,000</u>	<u>1,830,675</u>
ISSUED, SUBSCRIBED AND PAID UP				
1000 Equity Shares of Dhs. 150 each (Entire Shares are held by holding company- Jindal Saw Limited)	150,000	1,821,015	150,000	1,830,675
	<u>150,000</u>	<u>1,821,015</u>	<u>150,000</u>	<u>1,830,675</u>
SCHEDULE "2"				
INVESTMENTS				
LONG TERM-NON TRADE (AT COST)				
Investment in Subsidiary Company				
Unquoted Shares				
Jindal Saw Middle East FZC (750 Equity Shares of Dhs. 150 each)	112,500	1,365,761	112,500	1,373,005
Share Application Money				
Jindal Saw Middle East FZC	31,446,445	381,762,990	393,500	4,802,471
Aggregate Value of Unquoted Investments	<u>31,558,945</u>	<u>383,128,751</u>	<u>506,000</u>	<u>6,175,476</u>
SCHEDULE "3"				
CASH AND BANK BALANCES				
Cash on Hand	100	1,214	-	-
Balance with Scheduled banks :-				
Current Account	9,461,439	114,862,815	5,730	69,934
	<u>9,461,539</u>	<u>114,864,029</u>	<u>5,730</u>	<u>69,934</u>
SCHEDULE "4"				
LOANS AND ADVANCES				
(Unsecured , considered good)				
i) Advance recoverable in cash or in kind or for value to be received	13,500	163,891	13,500	164,761
ii) Loan to Subsidiary Company	2,000,000	24,280,200	-	-
iii) Earnest money and Security deposits	10,000	121,401	10,000	122,045
	<u>2,023,500</u>	<u>24,565,492</u>	<u>23,500</u>	<u>286,806</u>
SCHEDULE "5"				
CURRENT LIABILITIES				
Sundry Creditors	571,500	6,938,067	-	-
Other Liabilities	2,956	35,886	750	9,153
	<u>574,456</u>	<u>6,973,953</u>	<u>750</u>	<u>9,153</u>



JINDAL SAW HOLDINGS FZE

DESCRIPTION	For the year ended March 31, 2011 (AED)	For the year ended March 31, 2011 (Rs.)	For the period ended March 31, 2010 (AED)	For the period ended March 31, 2010 (Rs.)
SCHEDULE "6"				
ADMINISTRATIVE AND OTHER EXPENSES				
Rent	-	-	8,250	100,687
Legal & Professional Fees	2,071,895	25,219,725	5,800	70,786
Rates & Taxes	20,900	254,401	-	-
Auditor's Remuneration	2,206	26,852	750	9,153
	<u>2,095,001</u>	<u>25,500,978</u>	<u>14,800</u>	<u>180,626</u>
SCHEDULE "7"				
FINANCE EXPENSES				
Bank Charges	2,501	30,449	140	1,709
Foreign exchange fluctuation	8,530	103,824	-	-
	<u>11,031</u>	<u>134,273</u>	<u>140</u>	<u>1,709</u>



SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT 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.

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.

2 NOTES TO ACCOUNTS

1 Previous period figure have been regrouped/rearranged wherever considered necessary. Current year figure of Profit & Loss Account are not comparable with Previous Period as the Previous Period figure are from date of incorporation i.e. 19th October, 2009 to 31st March 2010.

2 Related Party Disclosure:

A Holding Co.

i) Jindal Saw Limited

B Subsidiary Company

1. Direct

i) Jindal Saw Middle East FZC (Direct)

2. Indirect

ii) Jindal Saw Gulf LLC

iii) Ralael Holdings Ltd

iv) Jindal Saw Italia



C Fellow Subsidiaries:

1. Direct

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

2. Indirect

- vi) Jindal Intellicom Limited (formerly known as Jindal Intellicom Pvt. Ltd.)
- vii) JITF Water Infrastructure Ltd. (formerly known as Jindal Water Infrastructure Ltd)
- viii) JITF Urban Infrastructure Ltd. (formerly known as Jindal Urban Infrastructure Ltd)
- ix) JITF Shipyards Ltd. (formerly known as Jindal Shipyards Ltd.)
- x) Jindal Rail Infrastructure Ltd.
- xi) JITF Waterways Ltd. (formerly known as Jindal Waterways Ltd.)
- xii) JITF Infralogistics Ltd. (formerly known as Jindal Infralogistics Ltd.)
- xiii) JITF Water Infra (Naya Raipur) Ltd. (formerly known as Jindal Water Infra (Naya Raipur) Ltd.)
- xiv) JITF ESIPL CETP (Sitaganj) Ltd. (formerly known as Jindal ESIPL CETP (Sitaganj) Ltd.)
- xv) Timarpur-Okhla Waste Management Co. Pvt. Ltd.
- xvi) JITF Urban Infrastructure Services Ltd. (wef 6th July 2010)
- xvii) Intellicom Insurance Advisor Ltd. (w.e.f. 9th August 2011)
- xviii) Jindal Saw USA LLC

D Transactions:

i) With Holding Co. (JINDAL SAW LIMITED)

S. No.	Particulars	Current Year Ending on 31.3.2011		Previous Period Ending on 31.3.2010	
		AED	INR	AED	INR
i)	Share Capital	Nil	Nil	150,000	1,830,675
ii)	Application Money Received	44,041,080	534,637,391	399,420	4,874,723

ii) With Subsidiary Co. (Jindal Saw Middle East FZC)

S. No.	Particulars	Current Year Ending on 31.3.2011		Previous Period Ending on 31.3.2010	
		AED	INR	AED	INR
i)	Investment Made	Nil	Nil	112,500	1,373,005
ii)	Share Application Money Given	31,052,945	376,960,519	393,500	4,802,471

iii) With Subsidiary Co. (Jindal Saw Gulf LLC)

S. No.	Particulars	Current Year Ending on 31.3.2011		Previous Period Ending on 31.3.2010	
		AED	INR	AED	INR
i)	Loan Made	2,000,000	24,280,200	Nil	Nil

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

Particulars	Ending on 31.3.2011		Ending on 31.3.2010	
	AED	INR	AED	INR
Profit/(Loss) After Tax	(2,106,032)	(25,566,469)	(14,940)	(182,335)
No. of Equity shares issued for Basic EPS	1,000	1,000	1,000	1,000
No. of Equity shares issued for Diluted EPS	69,825	69,825	3,633	3,663
Basic Earning Per Share	(2,106.03)	(25,566.47)	(14.94)	(182.34)
Diluted Earning Per Share	(2,106.03)	(25,566.47)	(14.94)	(182.34)



The Company is incorporated in United Arab Emirates on 19th day of October, 2009. The Company is 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.

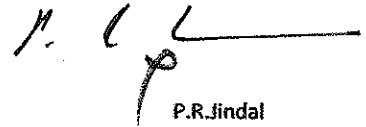
For N.C. AGGARWAL & CO.
Chartered Accountants
Firm Registration No. 003273N



G.K. Aggarwal
PARTNER
M.No. 086622
PLACE : NEW DELHI
DATED : 27.07.2011



For and on behalf of the Board of Directors



P.R. Jindal
Director