

## REPORT OF INDEPENDENT AUDITOR

To  
The Members of  
SV Trading Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **SV TRADING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2018 and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

# Rakesh Jain, CPA PC

CERTIFIED PUBLIC ACCOUNTANT

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(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as on March 31, 2018;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

**For Rakesh Jain, CPA PC**  
Certified Public Accountant

**Rakesh Jain, CPA PC**

Rakesh Jain  
Certified Public Accountant

Date: - April 23, 2018  
Place: Mont Belvieu, TX, USA

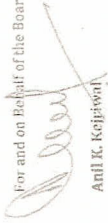
**S. V. Trading Limited**  
Balance Sheet as at 31st March, 2018

Particulars	Note No	As at 31st MARCH, 2018		As at 31st MARCH, 2017	
		Amount (USD)	Amount (INR)	Amount (USD)	Amount (INR)
<b>I. ASSETS</b>					
(1) Non-current assets					
(a) Financial Assets					
(i) Investments	1	40,710,000	2,653,070,700	40,710,000	2,639,839,951
(2) Current assets					
(a) Financial Assets					
(i) Cash and cash equivalents	2	524,981	34,213,012	576,040	34,111,083
(ii) Loans	3	8,744,808	569,899,118	8,744,808	567,657,055
(iiv) Other Financial assets	4	805,000	52,461,850	805,000	52,200,225
<b>Total Assets</b>		<b>50,784,789</b>	<b>3,309,644,680</b>	<b>50,785,848</b>	<b>3,293,208,314</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	5	8,950,001	583,271,565	8,950,001	580,362,815
(b) Other Equity		35,727,205	2,328,341,923	36,116,814	2,341,994,797
<b>Liabilities</b>					
<b>Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	6	6,100,320	397,557,881	5,711,770	370,379,752
(ii) Other Financial liabilities	7	7,263	473,310	7,263	470,950
<b>Total Equity and Liabilities</b>		<b>50,784,789</b>	<b>3,309,644,680</b>	<b>50,785,848</b>	<b>3,293,208,314</b>

Significant Accounting Policies and Notes to Financial Statements

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For and on Behalf of the Board of Directors



**Anil K. Kojrawal**  
Director

**S.V. Trading Limited**  
**Statement of Profit and Loss for the Year Ended 31st March, 2018**

S.No.	Particulars	Note No	Year ended 31st MARCH, 2018		Year ended 31st MARCH, 2017	
			Amount (INR)	Amount (INR)	Amount (USD)	Amount (INR)
I	Revenue From Operations					
	Total Revenue (I)	II			20,000	1,895,057
II	EXPENSES				28,909	1,895,057
	Finance cost	9	389,609	25,266,870	494,600	12,428,078
	Other expenses	10	940	61,107	2,210	144,871
	Total expenses (II)		389,609	25,327,527	496,810	32,574,899
III	Profit/(loss) before tax (III-I)		(389,609)	(25,327,527)	(467,989)	(30,677,842)
IV	Tax expense		-	-	-	-
	(1) Corporate tax		-	-	-	-
	(2) Dividend Tax		-	-	-	-
	(3) MAT Credit Entitlement		-	-	-	-
V	Profit/(loss) for the year (III-IV)		(389,609)	(25,327,527)	(467,989)	(30,677,842)
VI	Other Comprehensive Income					
	A. Items that will not be reclassified to profit or loss					
	(1) Re-measurement gains (losses) on defined benefit plans					
	Income tax effect on above					
	(2) Equity Instruments through Other Comprehensive Income					
	Income tax effect on above					
	B. (1) Items that will be reclassified to profit or loss					
	(2) Exchange differences in translating the financial statements of a foreign operation			11,674,653		(51,436,421)
	Income tax effect on above					
	Total Other Comprehensive Income			11,674,653		(51,436,421)
VII	Total Comprehensive Income for the year (VI+VII)		(389,609)	(13,652,874)	(467,989)	(82,114,262)
	(Comprising Profit (Loss) and Other Comprehensive Income for the year)					
VIII	Dividends per equity share :					
	(1) Basic and Diluted		(0.04)	(2.83)	(0.05)	(3.43)
	- On Equity Share of Face Value USD 1		(84,887)	(5,518,287)	(10,1964)	(6,685,998)
	- On Equity Share of Face Value USD 1,850,000		(304,722)	(19,809,236)	(366,025)	(23,993,040)
	- On Equity Share of Face Value USD 7,000,000					

**S.V. Trading Limited**

**Notes forming part of Financial Statements for the year Ended 31st March 2018**

**1 NON CURRENT INVESTMENTS - NON TRADE**

Sr. No.	PARTICULARS	As at 31st March,2018				As at 31st March,2017			
		Nos.	Face Value (USD)	Amount (USD)	Amount (INR)	Nos.	Face Value (USD)	Amount (USD)	Amount (INR)
<b>A</b>	<b>Investment in Subsidiaries (Unquoted)</b>								
	<b>Equity Shares</b>								
	Hindal Saw USA LLC (PY 1,50,00,000 Equity Shares of USD 1 each)	15,000,000	USD 1	15,000,000	977,550,000	15,000,000	USD 1	15,000,000	972,675,000
<b>B</b>	<b>Investment in other Entities (Unquoted)</b>								
	<b>Equity Shares</b>								
	Hindal Tubular USA LLC (PY 70,10,000 Equity Shares of USD 1 each)*	1,331,900	USD 1	1,331,900	86,799,923	1,331,900	USD 1	1,331,900	86,367,056
	<b>0.01 % Non-Cumulative Preference Shares</b>								
	Hindal Tubular USA LLC (PY 1,00,00,000 0.01 % Non-Cumulative Preference Shares of USD 1 each)	15,678,100	USD 1	15,678,100	1,021,741,777	15,678,100	USD 1	15,678,100	1,016,646,395
	<b>Interest</b>								
	100 % Interest in World Transload & Logistics LLC	-	-	8,200,000	534,394,000	-	-	8,200,000	531,729,000
	75 % partnership interest in 5101 Boon LLP	-	-	500,000	32,585,000	-	-	500,000	32,422,500
	<b>TOTAL</b>			<b>40,710,000</b>	<b>2,653,070,700</b>			<b>40,710,000</b>	<b>2,639,839,951</b>
	Aggregate value of unquoted investment			<u>40,710,000</u>	<u>2,653,070,700</u>			<u>40,710,000</u>	<u>2,639,839,951</u>

S.V. Trading Limited  
Statement of Changes in Equity for the year Ended 31st March, 2018

A. Equity Share Capital

	Balance at the beginning of April 1, 2016	Changes in equity share capital during the year 2016-17	Balance as at March 31, 2017	Changes in equity share capital during the year 2017-18	Balance as at March 31, 2018
INR	1,950,000	7,000,000	8,950,000	2,000,000	10,950,000
USD	12,202,860	43,133,279	55,336,139	12,600,750	67,936,889

B. Other Equity

	Share application money including adjustment (USD)	Share application money pending allotment (INR)	Items of Other Comprehensive Income		Total (USD)	Total (INR)
			Retained Earnings (USD)	Retained Earnings (INR)		
Balance at beginning of 1st April, 2016	7,000,000	463,650,000	36,594,803	2,201,990,023	48,584,803	2,007,929,059
Total Comprehensive Income for the year	-	-	(407,909)	(30,677,842)	(467,899)	(82,114,263)
Any other change (Share Application Money)	(7,000,000)	(463,650,000)	-	-	(7,000,000)	(663,820,000)
Balance at the end of the 31st March, 2017	-	-	36,186,894	2,171,312,181	36,116,814	2,341,994,797
Balance at beginning of 1st April, 2017	-	-	36,116,814	2,171,312,181	36,116,814	2,341,994,797
Total Comprehensive Income for the year	-	-	(309,609)	(25,527,527)	(309,609)	(13,652,873)
Any other change (Share Application Money)	-	-	-	-	-	-
Balance at the end of the 31st March, 2018	-	-	35,727,205	2,145,784,654	35,727,205	2,378,341,924

Significant Accounting Policies and Notes to Financial Statements

Approved on Behalf of the Board of Directors

  
Anil K. Rejwani  
Director

**S.V. Trading Limited**
**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at 31st MARCH, 2018		As at 31st MARCH, 2017	
	Amount (USD)	Amount (INR)	Amount (USD)	Amount (INR)
<b>2. CASH AND CASH EQUIVALENTS</b>				
Balances with Banks				
On current accounts	524,981	34,213,012	526,040	34,111,083
<b>Total Cash and Cash equivalents</b>	<b>524,981</b>	<b>34,213,012</b>	<b>526,040</b>	<b>34,111,083</b>
<b>3. CURRENT LOANS</b>				
Loans to related party				
Unsecured, considered good				
- Jindal Saw USA LLC	6,516,642	424,689,534	6,516,642	422,571,625
- Interest accrued on Jindal Saw USA LLC	2,228,166	145,209,584	2,228,166	144,485,430
<b>Total Loan</b>	<b>8,744,808</b>	<b>569,899,118</b>	<b>8,744,808</b>	<b>567,057,055</b>
<b>4. OTHER FINANCIAL ASSETS</b>				
Jindal Saw Holdings FZE	805,000	52,461,850	805,000	52,200,225
<b>Total Other Financial Assets</b>	<b>805,000</b>	<b>52,461,850</b>	<b>805,000</b>	<b>52,200,225</b>

**S.V. Trading Limited**
**NOTES TO FINANCIAL STATEMENTS**

Particulars	As at 31st MARCH, 2018		As at 31st MARCH, 2017	
	Amount (USD)	Amount (INR)	Amount (USD)	Amount (INR)
<b>5. EQUITY SHARE CAPITAL</b>				
<b>(a) Issued</b>				
(i) 1 (previous year 1) Equity Shares of USD 1/- each	1	65	1	65
(ii) 1 (previous year 1) Equity Shares of USD 1950000/- each	1,950,000	127,081,500	1,950,000	126,447,750
(iii) 1 (previous year Nil) Equity Shares of USD 7000000/- each	7,000,000	456,190,000	7,000,000	453,915,000
	<b>8,950,001</b>	<b>583,271,565</b>	<b>8,950,001</b>	<b>580,362,815</b>
<b>(b) Subscribed and Fully Paid-Up</b>				
(i) 1 (previous year 1) Equity Shares of USD 1/- each	1	65	1	65
(ii) 1 (previous year 1) Equity Shares of USD 1950000/- each	1,950,000	127,081,500	1,950,000	126,447,750
(iii) 1 (previous year Nil) Equity Shares of USD 7000000/- each	7,000,000	456,190,000	7,000,000	453,915,000
<b>Total Share Capital</b>	<b>8,950,001</b>	<b>583,271,565</b>	<b>8,950,001</b>	<b>580,362,815</b>
RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE 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	
Equity Share of Face value of USD 70,00,000 fully paid up	1		1	
<b>Shares outstanding at the end of the year</b>	<b>3</b>		<b>3</b>	
<b>@ SHARE OF THE COMPANY HELD BY :-</b>	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
Its Holding Company - Jindal Saw Limited, India	1	1,950,000	1	1,950,000
Its Holding Company - Jindal Saw Limited, India	1	7,000,000	1	7,000,000
<b>(d) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:</b>				
<b>Name of the Shareholder</b>	<b>As at 31st March 2018</b>		<b>As at 31st March 2017</b>	
	<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>No. of Shares Held</b>	<b>% of Holding</b>
Jindal Saw Limited, India (one share of face value of 1 USD ,one share of face value of USD 1950000 and another share of face value of USD 7000000)	3	100	3	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	
<b>CURRENT LIABILITIES</b>				
<b>6. SHORT-TERM BORROWINGS</b>				
Unsecured				
Loans from related parties				
Jindal Saw Limited	6,100,320	397,557,881	5,711,770	370,379,752
<b>Unsecured Short term borrowings</b>	<b>6,100,320</b>	<b>397,557,881</b>	<b>5,711,770</b>	<b>370,379,752</b>
<b>Total Short Term Borrowings</b>	<b>6,100,320</b>	<b>397,557,881</b>	<b>5,711,770</b>	<b>370,379,752</b>
<b>7. OTHER FINANCIAL LIABILITIES</b>				
Outstanding Other Financial Liabilities	7,263	473,310	7,263	470,950
<b>Total Other Financial Liabilities</b>	<b>7,263</b>	<b>473,310</b>	<b>7,263</b>	<b>470,950</b>

**S.V. Trading Limited**  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	Year ended 31st MARCH, 2018		Year ended 31st MARCH, 2017	
	Amount (USD)	Amount (INR)	Amount (USD)	Amount (INR)
<b>8. GROSS REVENUE FROM OPERATIONS</b>				
Profit on sale of Commodities	-	-	28,909	1,895,057
<b>Total Revenue from operations</b>	-	-	<b>28,909</b>	<b>1,895,057</b>
<b>9. FINANCE COST</b>				
Interest Expense	388,550	25,258,664	494,406	32,409,542
Bank and Finance charges	119	7,755	282	18,486
<b>Total Finance Cost</b>	<b>388,669</b>	<b>25,266,420</b>	<b>494,688</b>	<b>32,428,028</b>
<b>10. OTHER EXPENSES</b>				
Administrative, Selling and Other Expenses				
Other Professional Fees	940	61,107	630	41,298
Loss on Foreign Exchange	-	-	1,580	103,573
<b>Total Other Expenses</b>	<b>940</b>	<b>61,107</b>	<b>2,210</b>	<b>144,871</b>

**S.V. Trading Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

PARTICULARS	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	USD	INR	USD	INR
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	(389,609)	(25,327,527)	(467,989)	(30,677,842)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(389,609)	(25,327,527)	(467,989)	(30,677,842)
Adjustments for:-				
Loans and advances and other assets	-	(3,103,688)	8,114,671	551,191,106
Current Liabilities	-	2,360	-	(10,272)
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS	(389,609)	(28,428,054)	7,646,682	570,502,987
Exceptional Items				
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(389,609)	(28,428,054)	7,646,682	570,502,987
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES				
(Increase)/Decrease in Non-Current Investment	-	(13,230,749)	-	57,604,649
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	-	(13,230,749)	-	57,604,649
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES				
Loan from Holding Company	388,550	27,178,129	(7,505,595)	(505,402,854)
Loans others	-	-	-	-
Share Application Money received	-	-	-	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	388,550	27,178,129	(7,505,595)	(505,402,854)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,059)	(14,680,474)	141,088	72,706,782
Cash and cash equivalents at beginning of the year	526,040	34,111,003	384,983	25,906,972
Exchange difference on translation of Foreign Currency cash and cash equivalents	-	-	14,583,402	(64,105,671)
Cash and cash equivalents at end of the year	524,981	34,213,012	526,040	34,111,083

1. Figures in brackets indicate cash out flows.
2. The above cash flow statement has been prepared under the indirect method set out in IND AS-7 'Cash Flow Statements'.
3. Increase/(decrease) in long term and short term borrowings are shown net of repayments.
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

For and on Behalf of the Board of Directors

**Anil K. Kejriwal**  
Director

# SV Trading Limited

## Statement of Significant Accounting Policies & Notes to Financial Statements

### Note: 11

#### 1. Notes to Financial Statements

#### 2. Corporate and General Information

SV Trading Limited ("SVT" or "the Company") incorporated under the laws of Island of Nevis, with its office located at P.O. Box 556, Main Street, Charles Town, Nevis.

#### 3. Basis of preparation

The financial statements have been prepared complying in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015. The financial statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented. The financial statement has been prepared considering all IND AS as notified by MCA till reporting date i.e. March 31, 2018

The standalone financial statements provide comparative information in respect to the previous year.

The significant accounting policies used in preparing the financial statements are set out in Note no. 3 of the Notes to the Standalone Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary 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 years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

#### 3. Significant Accounting Policies

##### 3.1 Basis of Measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,

##### 3.2 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Company's cash management.

##### 3.3 Foreign currency reinstatement and translation

###### (a) Functional and presentation currency

Financial statements have been presented in USD which is the Company's functional currency. 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 foreign currency translation reserve and in case of loss, the same is charged to profit and loss appropriation account and carried to balance of accumulated losses.

###### (b) Transactions and balances

# SV Trading Limited

## Statement of Significant Accounting Policies & Notes to Financial Statements

### Note: 11

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 Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

#### **3.4 Financial instruments – initial recognition, subsequent measurement and impairment**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **a. Financial Assets**

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

##### **Trade receivables**

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

##### **Investment in equity shares**

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

##### **a) Financial Liabilities**

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

# SV Trading Limited

## Statement of Significant Accounting Policies & Notes to Financial Statements

### Note: 11

#### i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

#### ii. Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

#### *Trade and other payables*

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 3.5 Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

### 3.6 Taxation

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.

### 3.7 Revenue recognition and other operating income

#### **Interest**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **Dividend**

Dividend income is recognised when the right to receive dividend is established.

# SV Trading Limited

## Statement of Significant Accounting Policies & Notes to Financial Statements

### Note: 11

#### 3.8 Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue ) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

#### 3.9 Investment in Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

#### 3.10 Investment in Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Companies investment in joint ventures and associates is carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

#### 3.11 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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 classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**SV Trading Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note: 11**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**4. Critical accounting estimates, assumptions and judgements**

In the process of applying the Company's accounting policies, management has made estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

**5. Financial risk management**

**Liquidity risk**

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Amount in INR)

Particulars	As at March 31, 2018					Total
	Carrying Amount	Over Due	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	397,557,881	-	397,557,881	-	-	397,557,881
Other liabilities	473,310	473,310	-	-	-	473,310
<b>Total</b>	<b>398,031,191</b>	<b>473,310</b>	<b>397,557,881</b>	<b>-</b>	<b>-</b>	<b>398,031,191</b>

(Amount in INR)

Particulars	As at March 31, 2017					Total
	Carrying Amount	Over Due	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	370,379,752	-	370,379,752	-	-	370,379,752
Other liabilities	470,950	470,950	-	-	-	470,950
<b>Total</b>	<b>370,850,702</b>	<b>470,950</b>	<b>370,379,752</b>	<b>-</b>	<b>-</b>	<b>370,850,702</b>

(Amount in USD)

Particulars	As at March 31, 2018					Total
	Carrying Amount	Over Due	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	6,100,320	-	6,100,320	-	-	6,100,320
Other liabilities	7,263	7,263	-	-	-	7,263
<b>Total</b>	<b>6,107,583</b>	<b>7,263</b>	<b>6,100,320</b>	<b>-</b>	<b>-</b>	<b>6,107,583</b>

# SV Trading Limited

## Statement of Significant Accounting Policies & Notes to Financial Statements

### Note: 11

(Amount in USD)

Particulars	As at March 31, 2017					Total
	Carrying Amount	Over Due	Less than 6 months	6 to 12 months	> 1 years	
Borrowings	5,711,770	-	5,711,770	-	-	5,711,770
Other liabilities	7,263	7,263	-	-	-	7,263
<b>Total</b>	<b>5,719,033</b>	<b>7,263</b>	<b>5,711,770</b>	<b>-</b>	<b>-</b>	<b>5,719,033</b>

#### 6. Interest rate risk and sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit before tax (Amount in USD)	Effect on profit before tax (Amount in INR)
<b>For the year ended March 31, 2018</b>			
USD borrowings	+50	-30,502	-1,987,789
	-50	30,502	1,987,789
<b>For the year ended March 31, 2017</b>			
USD borrowings	+50	-28,559	-1,851,899
	-50	28,559	1,851,899

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

#### 7. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party name and relationship

##### Related parties

##### A. Parent Company

S.No.	Name of the entity in the group
1	Jindal Saw Ltd

**SV Trading Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note: 11**

**B. Subsidiaries**

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting	
				As at March 31, 2018	As at March 31, 2017
1	Jindal Saw USA, LLC	USA	Pipes for oil & gas	100%	100%
2	Jindal Tubular U.S.A LLC (upto March 30, 2017)	USA	Steel Pipe Manufacturing	0%	0%
3	World Transload & Logistics LLC	USA	Investment Holding	100%	100%
4	5101 Boone LLP	USA	Property Holding	75%	75%

**C. Indirect Subsidiaries**

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities	% Shareholding / Voting	
				As at March 31, 2018	As at March 31, 2017
	<b>Indirect Subsidiaries</b>				
1	Tube Technologies INC	USA	Pipes for oil and gas	100%	100%
2	Helical Anchors INC	USA	Helical anchor manufacturing	100%	100%
3	Boone Real Property Holding LLC	USA	Property holding	100%	100%
4	Drill Pipe International LLC	USA	Tools and fittings	100%	100%

**D. Fellow Subsidiaries**

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities
1	Jindal ITF Limited	India	Coal Logistics
2	IUP Jindal Metals & Alloys Limited	India	Precision Stainless steel strips
3	Quality Iron and Steel Limited	India	Investment holding
4	Ralael Holdings Limited	Cyprus	Investment holding
5	Jindal Saw Holdings FZE	UAE	Investment holding
6	Greenray Holdings Limited	UK	Investment holding
7	Universal Tube Accessories Private Limited (upto April 12, 2016)	India	Tool manufacturing
8	Jindal Saw Espana, S.L. (upto March 10, 2017)	Spain	Trading of pipes
9	Jindal Tubular (India) Limited	India	Steel Pipe manufacturing
10	JITF Shipyards Limited -(Name changed form JITF Waterways Limited w.e.f August 5, 2016)	India	Inland shipping
11	Jindal Saw Italia S.P.A.	Italy	Ductile Iron Pipe manufacturing
12	Jindal Saw Middle East FZC	UAE	Ductile Iron Pipe and Fittings manufacturing
13	Derwent Sand SARL	Algeria	Trading of pipes
14	Jindal Saw Gulf L.L.C.	UAE	Ductile Iron Pipe and Fittings
15	Jindal International FZE	UAE	Investment holding
16	Jindal Intellicom Limited	India	BPO and Call centre
17	iCom Analytics Limited	India	Call Centre and advisory
18	Jindal Quality Tubular Limited	India	Steel Pipe manufacturing
19	JITF Commodity Tradex Ltd (Formerly JITF Coal Logistics Limited (upto June 30, 2016)	India	Coal Logistics
20	Sulog Transshipment Services Limited (w.e.f. June 29, 2016)	India	Inland and ocean going shipping
21	Jindal Intellicom, LLC	USA	BPO and Call centre
22	JITF Shipping & Logistics (Singapore) Pte. Limited \$ (Direct subsidiary w.e.f August 5, 2016) and upto March 17, 2017	Singapore	Ocean going shipping

**E. Fellow Associate**

S.No.	Name of the entity in the group	Principal place of operation / Country of Incorporation	Principal Activities
1	Jindal Fittings Limited (from March 29, 2016)	India	Ductile iron fittings manufacturing

**SV Trading Limited**  
**Statement of Significant Accounting Policies & Notes to Financial Statements**  
**Note: 11**

**F. Entities over which Related Party having Significant Influence**

S.No.	Name of the entity in the group
1	Four Seasons Investment Ltd

**G. Key Management Personnel**

S.No.	Name of KMP	Designation
1	Mr. Anil Kejriwal	Director

**Transactions:**

S. No.	Particulars	Relation with the company	Current Year Ending on 31.3.2018		Current Year Ending on 31.3.2017	
			USD	INR	USD	INR
i)	<b>Interest Paid :-</b> Jindal Saw Limited	Parent Company	388,550	25,258,664	494,406	32,409,542

**Outstanding Balances:**

S. No.	Particulars	Relation with the company	Current Year Ending on 31.3.2018		Current Year Ending on 31.3.2017	
			USD	INR	USD	INR
i)	<b>Loan Payable :-</b> Jindal Saw Limited	Parent Company	6,100,320	397,557,881	5,711,770	370,379,785
ii)	<b>Loan Receivable :-</b> Jindal Saw USA LLC	Subsidiary Company	8,744,808	569,899,118	8,744,808	567,057,055
iii)	<b>Investment Outstanding :-</b>					
a)	<b>Equity Shares</b>					
	Jindal Saw USA LLC	Subsidiary Company	15,000,000	977,550,000	15,000,000	972,675,000
	100 % Interest in World Transload & Logistics LLC	Subsidiary Company	8,200,000	534,394,000	8,200,000	531,729,000
	75 % partnership interest in 5101 Boon LLP	Subsidiary Company	500,000	32,585,000	500,000	32,422,500
iv)	<b>Share Capital</b>					
a)	<b>Equity Shares</b>					
	Jindal Saw Limited	Parent Company	8,950,001	583,271,565	8,950,001	580,362,815
v)	<b>Receivables</b>					
	Jindal Saw Holdings FZE	Fellow Subsidiary	805,000	52,461,850	805,000	52,200,225

**S.V. Trading Limited**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

PARTICULARS	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
	USD	INR	USD	INR
	A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	(389,609)	(25,327,527)	(467,989)	(30,677,882)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(389,609)	(25,327,527)	(467,989)	(30,677,882)
Adjustments for:				
Loans and advances and other assets	-	(3,103,688)	8,114,071	55,119,106
Current liabilities	-	2,360	-	(10,277)
CASH GENERATED FROM OPERATIONS BEFORE EXCEPTIONAL ITEMS	(389,609)	(28,428,854)	7,646,082	50,502,907
Exceptional items				
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(389,609)	(28,428,854)	7,646,082	50,502,907
B. CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES				
(Increase)/Decrease in Non-Current Investment	-	(13,230,749)	-	57,694,649
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	-	(13,230,749)	-	57,694,649
C. CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES				
Loan from Holding Company	388,550	27,178,129	(7,505,595)	(505,402,854)
Loans others	-	-	-	-
Share Application Money received	-	-	-	-
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	388,550	27,178,129	(7,505,595)	(505,402,854)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,059)	(14,481,474)	141,088	72,706,782
Cash and cash equivalents at beginning of the year	526,040	34,111,083	384,953	25,506,972
Exchange difference on translation of Foreign Currency cash and cash equivalents	-	-	-	-
Cash and cash equivalents at end of the year	524,981	34,213,012	526,040	34,111,083

1. Figures in brackets indicate cash out flows.
2. The above cash flow statement has been prepared under the indirect method set out in IND AS-7 'Cash Flow Statements'.
3. Increase/(decrease) in long term and short term borrowings are shown net of repayments.
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

For and on Behalf of the Board of Directors

  
**Anil K. Kejriwal**  
 Director