

ORIGINAL

**RALAEEL HOLDINGS LIMITED**

REPORT AND FINANCIAL STATEMENTS  
Period from 9 July 2010 to 31 December 2011

# **RALAEEL HOLDINGS LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS**

Period from 9 July 2010 to 31 December 2011

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# **RALAEEL HOLDINGS LIMITED**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

Sanjay Kumar Aggarwal  
Growthpoint Holdings Limited  
Prithavi Raj Jindal

**Company Secretary:**

Trident Trust Company (Cyprus) Limited

**Independent Auditors:**

GAC Auditors Ltd  
Certified Accountants

**Registered office:**

Griva Digeni 115  
Trident Centre  
3101, Limassol  
Cyprus

**Registration number:**

270293

# RALAEI HOLDINGS LIMITED

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its first report and audited financial statements of the Company for the period from 9 July 2010 to 31 December 2011.

### **Incorporation**

Ralael Holdings Limited was incorporated in Cyprus on 9 July 2010 as a private limited liability Company under the Cyprus Companies Law, Cap. 113.

### **Principal activities**

The principal activities of the Company are the holding of investments and financing and refinancing.

### **Branches**

During the period from 9 July 2010 to 31 December 2011 the Company did not operate any branches.

### **Review of current position, future developments and significant risks**

Despite the loss this year the Company development to date and the financial position as reflected in the financial statements are satisfactory.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

### **Results**

The Company's results for the period are set out on page 5. The net loss for the period is carried forward.

### **Share capital**

#### **Authorised capital**

Under its Memorandum the Company fixed its share capital at 5,000 ordinary shares of nominal value of €1 each.

#### **Issued capital**

Upon incorporation on 9 July 2010 the Company issued to the subscribers of its Memorandum of Association 1,000 ordinary shares of €1 each at par.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2011 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 9 July 2010 to 31 December 2011.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

### **Events after the reporting period**


There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

### **Independent Auditors**

The Board of Directors appointed Messrs. GAC Auditors Ltd as the Independent Auditors of the Company.

The Independent Auditors, GAC Auditors Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Sanjay Kumar Aggarwal  
Director

Limassol, 28 May 2012

## **Independent auditor's report**

### **To the Members of Ralael Holdings Limited**

#### **Report on the financial statements**

We have audited the accompanying financial statements of parent company Ralael Holdings Limited (the "Company") , which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 9 July 2010 to 31 December 2011, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.

## **Independent auditor's report (continued)**

### **To the Members of Ralael Holdings Limited**

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Ralael Holdings Limited as at 31 December 2011, and of its financial performance and its cash flows for the period from 9 July 2010 to 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### **Report on other legal requirements**

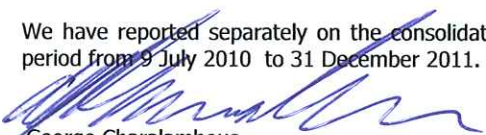
Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- 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 Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the period from 9 July 2010 to 31 December 2011.

  
George Charalambous  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**GAC Auditors Ltd**  
**Certified Accountants**

Larnaca, 28 May 2012

## **RALAEEL HOLDINGS LIMITED**

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### **STATEMENT OF COMPREHENSIVE INCOME**

Period from 9 July 2010 to 31 December 2011

	Note	9/7/2010 - 31/12/2011 €
<b>Revenue</b>	5	<b>5.531</b>
Administration expenses		<u><b>(16.168)</b></u>
		<b>(10.637)</b>
Finance costs	7	<u><b>(1.066)</b></u>
<b>Loss before taxation</b>		<b>(11.703)</b>
Taxation	8	<u><b>(324)</b></u>
<b>Net loss for the period</b>		<b>(12.027)</b>
<b>Other comprehensive income</b>		<u>-</u>
<b>Total comprehensive expense for the period</b>		<u><u><b>(12.027)</b></u></u>

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The notes on pages 9 to 16 form an integral part of these financial statements.


# RALAEI HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION

31 December 2011

	Note	2011 €
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	9	<u>5.000.000</u>
		<u>5.000.000</u>
<b>Current assets</b>		
Receivables	10	1.162.075
Cash at bank	11	<u>498.586</u>
		<u>1.660.661</u>
<b>Total assets</b>		<u>6.660.661</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	12	1.000
Reserves		<u>(12.027)</u>
<b>Total equity</b>		<u>(11.027)</u>
<b>Current liabilities</b>		
Other payables	14	5.634.820
Borrowings	13	1.036.544
Current tax liabilities	15	<u>324</u>
		<u>6.671.688</u>
<b>Total equity and liabilities</b>		<u>6.660.661</u>

On 28 May 2012 the Board of Directors of Ralael Holdings Limited authorised these financial statements for issue.

  
.....  
Sanjay Kumar Aggarwal  
Director

  
.....  
Growthpoint Holdings Limited  
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

## RALAEEL HOLDINGS LIMITED

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### STATEMENT OF CHANGES IN EQUITY

Period from 9 July 2010 to 31 December 2011

	Note	Share capital €	Accumulated losses €	Total €
Net loss for the period		-	(12.027)	(12.027)
Issue of share capital	12	<u>1.000</u>	<u>-</u>	<u>1.000</u>
<b>Balance at 31 December 2011</b>		<b><u>1.000</u></b>	<b><u>(12.027)</u></b>	<b><u>(11.027)</u></b>

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The notes on pages 9 to 16 form an integral part of these financial statements.

# RALAEI HOLDINGS LIMITED

## STATEMENT OF CASH FLOWS

Period from 9 July 2010 to 31 December 2011

	9/7/2010 - 31/12/2011
	€
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
<b>Loss before taxation</b>	<b>(11.703)</b>
Adjustments for:	
Interest income	<u><b>(5.531)</b></u>
<b>Cash flows used in operations before working capital changes</b>	<b>(17.234)</b>
Increase in receivables	<b>(1.162.075)</b>
Increase in other payables	<b>5.634.820</b>
<b>Cash flows from operations</b>	<b>4.455.511</b>
Interest received	<u><b>5.531</b></u>
<b>Net cash flows from operating activities</b>	<u><b>4.461.042</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Payment for purchase of investments in subsidiaries	9 <u><b>(5.000.000)</b></u>
<b>Net cash flows used in investing activities</b>	<u><b>(5.000.000)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of share capital	<b>1.000</b>
Proceeds from borrowings	<u><b>1.036.544</b></u>
<b>Net cash flows from financing activities</b>	<u><b>1.037.544</b></u>
<b>Net increase in cash and cash equivalents</b>	<b>498.586</b>
Cash and cash equivalents:	
At beginning of the period	<u><b>-</b></u>
<b>At end of the period</b>	11 <u><u><b>498.586</b></u></u>

The cash and cash equivalents include the following:

	<b>2011</b>
	€
Cash at bank (Note 11)	<u><b>498.586</b></u>
	<u><u><b>498.586</b></u></u>

The notes on pages 9 to 16 form an integral part of these financial statements.

# **RALAEEL HOLDINGS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

Period from 9 July 2010 to 31 December 2011

### **1. Incorporation and principal activities**

#### **Country of incorporation**

Ralael Holdings Limited (the "Company") was incorporated in Cyprus on 9 July 2010 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at Griva Digeni 115, Trident Centre, 3101, Limassol, Cyprus.

#### **Principal activities**

The principal activities of the Company are the the holding of investments and financing and refinancing.

### **2. Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

#### **Basis of preparation**

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group") .

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 9 July 2010 to 31 December 2011 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### **Adoption of new and revised IFRSs**

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 9 July 2010.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

#### **Subsidiary companies**

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

# RALAEI HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 9 July 2010 to 31 December 2011

### 2. Accounting policies (continued)

#### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Taxation

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

#### Derecognition of financial assets and liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

# RALAEEL HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 9 July 2010 to 31 December 2011

### 2. Accounting policies (continued)

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Share capital

Ordinary shares are classified as equity.

#### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to liquidity risk and share ownership risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

#### 3.1 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

#### 3.2 Share ownership risk

The risk of share ownership arises from the investment in shares/participation of The Company and is a combination of credit, price and operational risk as well as the risk of compliance and loss of reputation. The Company applies procedures of analysis, measurement and evaluation of this risk in order to minimize it.

#### Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

### 4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

# RALAEI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 9 July 2010 to 31 December 2011

### 4. Critical accounting estimates and judgments (continued)

#### • Income taxes

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### • Impairment of investments in subsidiaries

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

### 5. Revenue

	9/7/2010 - 31/12/2011
	€
Loan interest income	42.075
Loan interest expense	<u>(36.544)</u>
	<u>5.531</u>

### 6. Expenses by nature

	9/7/2010 - 31/12/2011
	€
Auditors' remuneration	1.520
Other expenses	<u>14.648</u>
<b>Total expenses</b>	<u>16.168</u>

### 7. Finance costs

	9/7/2010 - 31/12/2011
	€
Other finance expenses	<u>1.066</u>
	<u>1.066</u>

# RALAEEL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 9 July 2010 to 31 December 2011

### 8. Taxation

	9/7/2010 - 31/12/2011
Corporation tax - current period	€ <u>324</u>
<b>Charge for the period</b>	<b><u>324</u></b>

The taxation on the Company's results before taxation differs from the theoretical amount that would arise using the applicable tax rates as follows:

	9/7/2010 - 31/12/2011
Loss before taxation	€ <u>(11.703)</u>
Taxation calculated at the applicable tax rates	<b>(1.170)</b>
Tax effect of expenses not deductible for taxation purposes	<b>1.465</b>
10% additional charge	<u>29</u>
<b>Tax charge</b>	<b><u>324</u></b>

The corporation tax rate is 10%.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% to 30 August 2011). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011 and 17% thereafter).

### 9. Investments in subsidiaries

	2011
Balance at 9 July	€ -
Additions	<u>5.000.000</u>
<b>Balance at 31 December</b>	<b><u>5.000.000</u></b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	<u>2011 €</u>
Jindal Saw Italia S.p.a. (Ex. Feam One S.r.l.)	Italy	Production of iron pipes	<b>100</b>	<u><b>5.000.000</b></u> <u><b>5.000.000</b></u>

The Company acquired 100% of shareholding of Jindal Saw Italia S.p.a. (Ex. Feam One S.r.l.) for EURO 10.000 on 1 September 2010. On 14 July 2011 Jindal Saw Italia S.p.a. increased its share capital by EURO 4.990.000.

### 10. Receivables

	2011
Receivables from own subsidiaries (Note 16)	€ <u>1.162.075</u> <u><b>1.162.075</b></u>

# RALAEI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 9 July 2010 to 31 December 2011

### 10. Receivables (continued)

The above loan to subsidiary Jindal Saw Italia S.p.a. carries annual interest at the rate of 12.85% per annum and is repayable on demand. The above amount includes interest of EURO 42.075.

The fair values of other receivables due within one year approximate to their carrying amounts as presented above.

### 11. Cash at bank

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	<b>2011</b>
	€
Cash at bank	<u>498.586</u>
	<u>498.586</u>

### 12. Share capital

	<b>2011</b>	<b>2011</b>
	<b>Number of</b>	<b>€</b>
	<b>shares</b>	
<b>Authorised</b>		
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>
<b>Issued and fully paid</b>		
Issue of shares	<u>1.000</u>	<u>1.000</u>
<b>Balance at 31 December</b>	<u>1.000</u>	<u>1.000</u>

#### Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

#### Issued capital

Upon incorporation on 9 July 2010 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

### 13. Borrowings

	<b>2011</b>
	€
<b>Current borrowings</b>	
Loan from parent company (Note 16)	<u>1.036.544</u>
	<u>1.036.544</u>

The above loan from Jindal Saw Ltd carries interest at the rate of 12,50% per annum and is repayable on demand. The above amount includes interest of EURO 36.544.

# RALAEEL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Period from 9 July 2010 to 31 December 2011

### 14. Other payables

	2011
	€
Shareholders' current accounts - credit balances	5.522.924
Accruals	1.521
Other creditors	375
Payables to related companies (Note 16)	<u>110.000</u>
	<u><u>5.634.820</u></u>

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

### 15. Current tax liabilities

	2011
	€
Corporation tax	<u>324</u>
	<u><u>324</u></u>

### 16. Related party transactions

The following transactions were carried out with related parties:

#### 16.1 Receivables from related parties (Note 10)

<u>Name</u>	2011
	€
Jindal Saw Italia S.p.a.	<u>1.162.075</u>
	<u><u>1.162.075</u></u>

The above loan to subsidiary Jindal Saw Italia S.p.a. carries annual interest at the rate of 12.85% per annum and is repayable on demand. The above amount includes interest of EURO 42.075.

#### 16.2 Payables to related parties (Note 14)

<u>Name</u>	2011
	€
Jindal Saw Holding FZC	<u>110.000</u>
	<u><u>110.000</u></u>

The above amount is interest free, and has no specified repayment date.

#### 16.3 Loan from parent company (Note 13)

	2011
	€
Jindal Saw Ltd	<u>1.036.544</u>
	<u><u>1.036.544</u></u>

The above loan from Jindal Saw Ltd carries interest at the rate of 12,50% per annum and is repayable on demand. The above amount includes interest of EURO 36.544.

### 17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2011.

## **RALAEEL HOLDINGS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

Period from 9 July 2010 to 31 December 2011

#### **18. Commitments**

The Company had no capital or other commitments as at 31 December 2011.

#### **19. Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent Auditor's report on page 3**

## RALAEI HOLDINGS LIMITED

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### DETAILED INCOME STATEMENT

Period from 9 July 2010 to 31 December 2011

		9/7/2010 - 31/12/2011 €
Loan interest income		42.075
Loan interest expense		(36.544)
<b>Operating expenses</b>		
Administration expenses	18	<u>(16.168)</u>
<b>Operating loss</b>		<b>(10.637)</b>
Finance costs	19	<u>(1.066)</u>
<b>Net loss for the period before taxation</b>		<b><u>(11.703)</u></b>

## **RALAEI HOLDINGS LIMITED**

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### **OPERATING EXPENSES**

Period from 9 July 2010 to 31 December 2011

	<b>9/7/2010 - 31/12/2011 €</b>
<b>Administration expenses</b>	
Auditors' remuneration	<b>1.520</b>
Legal and professional	<b>10.178</b>
Annual Government Levy	<b>350</b>
Preliminary expenses	<b>4.120</b>
	<hr/> <b>16.168</b> <hr/>

# RALAEEL HOLDINGS LIMITED

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## FINANCE COSTS

Period from 9 July 2010 to 31 December 2011

	<b>9/7/2010 - 31/12/2011 €</b>
<b>Finance costs</b>	
<b>Other finance expenses</b>	
Bank charges	<u>1.066</u>
	<u><u>1.066</u></u>

## RALAEI HOLDINGS LIMITED

### COMPUTATION OF CORPORATION TAX

Period from 9 July 2010 to 31 December 2011

Net loss per detailed statement of comprehensive income	Page 17	€	€ (11.703)
<u>Add:</u>			
Expenses not allowable for taxation purposes:			
Preliminary expenses		4.120	
Legal and professional		10.178	
Annual Government Levy		<u>350</u>	
			<u>14.648</u>
<b>Chargeable income for the year</b>			<u><u>2.945</u></u>
<b><u>Calculation of corporation tax</u></b>	<b>Income</b>	<b>Rate</b>	<b>Total</b>
	€	%	€ c
<b>Taxation at normal rates:</b>			
Chargeable income as above	<u>2.945</u>	10	294,50
10% penalty			<u>29,45</u>
<b>TAX PAYABLE</b>			<u><u>323,95</u></u>