

RALAEI HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2012



RALAEI HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2012

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RALAEEL HOLDINGS LIMITED

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 Public Accountants and Registered Auditors

Registered office:

Griva Digeni 115
Trident Centre
3101 Limassol
Cyprus

Banker:

State bank of India

Registration number:

HE270293

RALAEI HOLDINGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2012.

Principal activities

The principal activities of the Company, which are unchanged from last period, are the holding of investments and the provision of financing.

Branches

During the year ended 31 December 2012, the Company did not operate any branches.

Review of current position, future developments and significant risks

Despite the loss this year the Company's development to date and its financial position as reflected in the financial statements are considered 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 year are set out on page 6. The net loss for the year is carried forward.

Dividends

The Board of Directors does not recommend the payment of a dividend.

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.

On 22 April 2012, the Company issued 1.000 ordinary shares of nominal value of €1 each, at a premium €8.124 realising €8.125.000, including the share premium of €8.124.000.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2012 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2012.

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

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

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.


RALAEEL HOLDINGS LIMITED

REPORT OF THE BOARD OF DIRECTORS

Independent Auditors

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, 15 May 2013

Independent Auditor's report

To the Members of Ralael Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of the parent company Ralael Holdings Limited (the "Company"), which comprise the statement of financial position as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, 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 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

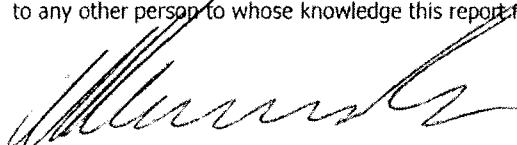
Report on other legal requirements

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.



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

Larnaca, 15 May 2013

RALAEI HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2012

	Note	2012 €	9/7/2010- 31/12/2011 €
Net interest profit	5	2.930	5.531
Administration expenses		<u>(8.564)</u>	<u>(16.168)</u>
Operating loss		(5.634)	(10.637)
Finance costs	7	<u>(1.192)</u>	<u>(1.066)</u>
Loss before taxation		(6.826)	(11.703)
Taxation	8	<u>(279)</u>	<u>(324)</u>
Net loss for the year/period		(7.105)	(12.027)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive expense for the year/period		<u>(7.105)</u>	<u>(12.027)</u>

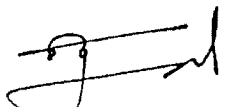
The notes on pages 10 to 18 form an integral part of these financial statements.

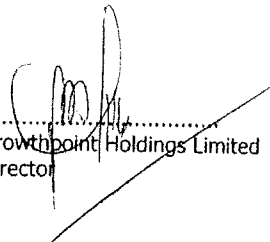
RALAEI HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2012

	Note	2012 €	2011 €
ASSETS			
Non-current assets			
Investment in subsidiary	9	<u>16.250.000</u>	5.000.000
		16.250.000	5.000.000
Current assets			
Receivables	10	82.852	1.162.075
Cash at bank	11	<u>624.145</u>	498.586
		706.997	1.660.661
Total assets		<u>16.956.997</u>	6.660.661
EQUITY AND LIABILITIES			
Equity			
Share capital	12	2.000	1.000
Share premium	12	8.124.000	-
Accumulated losses		<u>(19.132)</u>	(12.027)
Total equity		<u>8.106.868</u>	(11.027)
Current liabilities			
Creditors and accruals	14	8.775.135	5.634.820
Borrowings	13	74.391	1.036.544
Current tax liabilities	15	<u>603</u>	324
		8.850.129	6.671.688
Total equity and liabilities		<u>16.956.997</u>	6.660.661

On 15 May 2013 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 10 to 18 form an integral part of these financial statements.

RALAEI HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2012

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 9 July 2010		-	-	-	-
Comprehensive expense					
Net loss for the period		-	-	(12.027)	(12.027)
Transactions with owners					
Issue of share capital	12	<u>1.000</u>	-	-	<u>1.000</u>
Balance at 31 December 2011		<u>1.000</u>	-	<u>(12.027)</u>	<u>(11.027)</u>
Balance at 1 January 2012		1.000	-	(12.027)	(11.027)
Comprehensive expense					
Net loss for the year		-	-	(7.105)	(7.105)
Transactions with owners					
Issue of share capital	12	<u>1.000</u>	<u>8.124.000</u>	-	<u>8.125.000</u>
Balance at 31 December 2012		<u>2.000</u>	<u>8.124.000</u>	<u>(19.132)</u>	<u>8.106.868</u>

Share premium is not available for distribution.

The notes on pages 10 to 18 form an integral part of these financial statements.

RALAEI HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2012

	2012	9/7/2010-
Note	€	31/12/2011
		€
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6.826)	(11.703)
Adjustments for:		
Interest income	<u>(2.930)</u>	<u>(5.531)</u>
Cash flows used in operations before working capital changes	(9.756)	(17.234)
Decrease/(increase) in receivables	1.079.223	(1.162.075)
Increase in creditors and accruals	<u>3.140.315</u>	<u>5.634.820</u>
Cash flows from operations	4.209.782	4.455.511
Interest received	<u>2.930</u>	<u>5.531</u>
Net cash flows from operating activities	<u>4.212.712</u>	<u>4.461.042</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment in subsidiary	9 <u>(11.250.000)</u>	<u>(5.000.000)</u>
Net cash flows used in investing activities	<u>(11.250.000)</u>	<u>(5.000.000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	8.125.000	1.000
(Decrease)/increase in borrowings	<u>(962.153)</u>	<u>1.036.544</u>
Net cash flows from financing activities	<u>7.162.847</u>	<u>1.037.544</u>
Net increase in cash and cash equivalents	125.559	498.586
Cash and cash equivalents:		
At beginning of the year/period	<u>498.586</u>	<u>-</u>
At end of the year/period	<u>624.145</u>	<u>498.586</u>

The cash and cash equivalents include the following:

	2012	2011
	€	€
Cash at bank (Note 11)	<u>624.145</u>	<u>498.586</u>
	<u>624.145</u>	<u>498.586</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

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, which are unchanged from last period, are the holding of investments and the provision of financing.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the year and period presented in these financial statements unless otherwise stated.

Basis of preparation

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

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiary constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2012.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment 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 year 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 1 January 2012. This adoption did not have a material effect on the accounting policies of the Company.

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.

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

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.

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.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

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.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. This is defined as the fair value of cash consideration given to originate those loans as is determined by reference to market prices at origination date. All loans are recognised when cash is advanced to the borrower.

An allowance for loan impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of loans.

Cash and cash equivalents

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

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

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.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors

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

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that loans are advanced to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2012	2011
	€	€
Cash at bank	624.145	498.586
Receivables	82.852	1.162.075
	<u>706.997</u>	<u>1.660.661</u>

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

3. Financial risk management (continued)

3.3 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.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2012	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Creditors and accruals	8.775.135	8.775.135	-	8.775.135	-	-
Borrowings	74.391	74.391	-	74.391	-	-
	8.849.526	8.849.526	-	8.849.526	-	-

31 December 2011	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Creditors and accruals	5.634.820	5.634.820	-	5.634.820	-	-
Borrowings	1.036.544	1.036.544	-	1.036.544	-	-
	6.671.364	6.671.364	-	6.671.364	-	-

3.4 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.

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

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

Year ended 31 December 2012

4. Critical accounting estimates and judgments (continued)

• Income taxes

Significant judgment 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 subsidiary

The Company periodically evaluates the recoverability of investments in subsidiary 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. Net interest profit

	2012	9/7/2010- 31/12/2011
	€	€
Loan interest income	40.777	42.075
Loan interest expense	(37.847)	(36.544)
	<u>2.930</u>	<u>5.531</u>

6. Expenses by nature

	2012	9/7/2010- 31/12/2011
	€	€
Auditors' remuneration	1.520	1.520
Legal and professional	6.694	10.178
Preliminary expenses	-	4.120
Other expenses	350	350
Total expenses	<u>8.564</u>	<u>16.168</u>

7. Finance costs

	2012	9/7/2010- 31/12/2011
	€	€
Other finance expenses	1.192	1.066
	<u>1.192</u>	<u>1.066</u>

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

8. Taxation

	2012	9/7/2010- 31/12/2011
	€	€
Corporation tax - current year /period	<u>279</u>	<u>324</u>
Charge for the year	<u>279</u>	<u>324</u>

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

	2012	9/7/2010- 31/12/2011
	€	€
Loss before taxation	<u>(6.826)</u>	<u>(11.703)</u>
Taxation calculated at the applicable tax rates	(682)	(1.170)
Tax effect of expenses not deductible for taxation purposes	936	1.465
10% additional charge	<u>25</u>	<u>29</u>
Tax charge	<u>279</u>	<u>324</u>

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 (up to 31 August 2011 the rate was 15% and was increased to 17% for the period thereafter to 31 December 2011).

9. Investment in subsidiary

	2012	2011
	€	€
Balance at 1 January 2012 / 9 July 2010	5.000.000	-
Additions	<u>11.250.000</u>	<u>5.000.000</u>
Balance at 31 December	<u>16.250.000</u>	<u>5.000.000</u>

The details of the subsidiary are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	2012	2011
				€	€
Jindal Saw Italia S.P.A.	Italy	Production of iron pipes	100	<u>16.250.000</u>	<u>5.000.000</u>
				<u>16.250.000</u>	<u>5.000.000</u>

The Company acquired 100% of the share capital of Jindal Saw Italia S.P.A. 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.

During year 2012, Jindal Saw Italia S.P.A. increased its share capital by Euro 11.250.000.

10. Receivables

	2012	2011
	€	€
Loan to own subsidiary (Note 16)	<u>82.852</u>	<u>1.162.075</u>
	<u>82.852</u>	<u>1.162.075</u>

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

10. Receivables (continued)

The above loan to subsidiary Jindal Saw Italia S.P.A. is unsecured, carries annual interest at the rate of 12.85% per annum and is repayable on demand. The interest charge for the year was Euro 40.777 (2011: Euro 42.075).

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

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 3 of the financial statements.

11. Cash at bank

	2012	2011
	€	€
Cash at bank	<u>624.145</u>	498.586
	<u>624.145</u>	<u>498.586</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

12. Share capital

	2012	2012	2011	2011
	Number of	€	Number of	€
	shares		shares	
Authorised				
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>	5.000	5.000
Issued and fully paid				
Balance at 1 January 2012 / 9 July 2010	1.000	1.000	1.000	1.000
Issue of shares	<u>1.000</u>	<u>1.000</u>	-	-
Balance at 31 December	<u>2.000</u>	<u>2.000</u>	1.000	1.000

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.

On 22 April 2012, the Company issued 1.000 ordinary shares of nominal value of €1 each, at a premium €8.124 realising €8.125.000, including the share premium of €8.124.000.

13. Borrowings

	2012	2011
	€	€
Current borrowings		
Loan from parent company (Note 16)	<u>74.391</u>	1.036.544
	<u>74.391</u>	<u>1.036.544</u>

The above loan from Jindal Saw Limited is unsecured, carries annual interest at the rate of 12,50% per annum and is repayable on demand. The interest charge for the year was Euro 37.847 (2011: Euro 36.544).

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

14. Creditors and accruals

	2012	2011
	€	€
Shareholders' current accounts - credit balances (Note 16)	8.772.924	5.522.924
Accruals	1.521	1.521
Other creditors	690	375
Payable to related company (Note 16)	-	110.000
	<u>8.775.135</u>	<u>5.634.820</u>

The fair values of creditors and accruals due within one year approximate to their carrying amounts as presented above.

15. Current tax liabilities

	2012	2011
	€	€
Corporation tax	603	324
	<u>603</u>	<u>324</u>

16. Related party transactions

The following transactions were carried out with related parties:

16.1 Loan to subsidiary company (Note 10)

<u>Name</u>	<u>Nature of transactions</u>	2012	2011
		€	€
Jindal Saw Italia S.P.A.	Finance	82.852	1.162.075
		<u>82.852</u>	<u>1.162.075</u>

The above loan to subsidiary Jindal Saw Italia S.P.A. is unsecured, carries annual interest at the rate of 12.85% per annum and is repayable on demand. The interest charge for the year was Euro 40.777 (2011: Euro 42.075).

16.2 Payables to related company (Note 14)

<u>Name</u>	<u>Nature of transactions</u>	2012	2011
		€	€
Jindal Saw Holding FZC	Finance	-	110.000
		<u>-</u>	<u>110.000</u>

The above amount was unsecured, interest free, and was repaid during the year.

16.3 Loans from parent company (Note 13)

	2012	2011
	€	€
Jindal Saw Limited	74.391	1.036.544
	<u>74.391</u>	<u>1.036.544</u>

The above loan from Jindal Saw Limited is unsecured, carries interest at the rate of 12,50% per annum and is repayable on demand. The interest charge for the year was Euro 37.847 (2011: Euro 36.544).

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2012

16. Related party transactions (continued)

16.4 Shareholders' current accounts - credit balances (Note 14)

	2012	2011
	€	€
Amount due to shareholders	<u>8.772.924</u>	<u>5.522.924</u>
	<u>8.772.924</u>	<u>5.522.924</u>

The shareholders' current accounts are unsecured, interest free, and have no specified repayment date.

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2012.

18. Commitments

The Company had no capital or other commitments as at 31 December 2012.

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 pages 4 and 5

RALAEI HOLDINGS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2012

	Page	2012 €	9/7/2010- 31/12/2011 €
Loan interest income		40.777	42.075
Loan interest expenses		(37.847)	(36.544)
Operating expenses			
Administration expenses	20	<u>(8.564)</u>	<u>(16.168)</u>
Operating loss		(5.634)	(10.637)
Finance costs	21	<u>(1.192)</u>	<u>(1.066)</u>
Loss for the year/period before taxation		<u>(6.826)</u>	<u>(11.703)</u>

RALAEI HOLDINGS LIMITED

OPERATING EXPENSES

Year ended 31 December 2012

	2012	9/7/2010- 31/12/2011
	€	€
Administration expenses		
Auditors' remuneration	1.520	1.520
Legal and professional	6.694	10.178
Annual levy	350	350
Preliminary expenses	-	4.120
	<u>8.564</u>	<u>16.168</u>

RALAEL HOLDINGS LIMITED

FINANCE COSTS

Year ended 31 December 2012

	2012 €	9/7/2010- 31/12/2011 €
Finance costs		
Other finance expenses		
Bank charges	<u>1.192</u>	<u>1.066</u>
	<u>1.192</u>	<u>1.066</u>

RALAEI HOLDINGS LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2012

Loss per detailed income statement	Page 19	€	€ (6.826)
<u>Add:</u>			
Bank charges		1.192	
Auditor's remuneration		1.520	
Legal and professional fees		6.694	
Annual levy		350	
Less: Portion of allowable expenses for the tax purposes		<u>(392)</u>	
Chargeable income for the year			<u>9.364</u> <u>2.538</u>
 Calculation of corporation tax			
	Income €	Rate %	Total € c
Taxation at normal rates:			
Chargeable income as above	<u>2.538</u>	10	253,80
10% additional charge			<u>25,38</u>
TAX PAYABLE			<u>279,18</u>

