

RALAEEL HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2014

RALAEEL 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 2014.

Principal activities

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

Branches

During the year ended 31 December 2014, the Company did not operate any branches.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 14 of the financial statements.

Results

The Company's results for the year are set out on page 5.

Dividends

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

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 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 2014.

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.

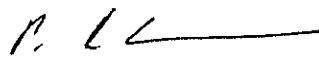
Events after the reporting period

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

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,


Prithavi Raj Jindal
Director

Limassol, 5 May 2015

Independent auditor's report (continued)

To the Members of Ralael Holdings Limited

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, 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, so far as appears from our examination of these books.
- 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 Laws of 2009 and 2013 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, 5 May 2015

RALAEI HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014

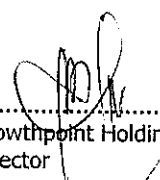
	Note	2014 €	2013 €
Interest income		10.681	-
Administration expenses		(4.894)	(7.506)
Loan to subsidiary written off		-	<u>(82.852)</u>
Operating profit/(loss)		5.787	(90.358)
Finance income		526	-
Finance costs		(343.074)	(206.285)
Net finance costs	6	<u>(342.548)</u>	<u>(206.285)</u>
Loss before taxation		(336.761)	(296.643)
Taxation	7	-	-
Net loss for the		(336.761)	(296.643)
Other comprehensive income		-	-
Total comprehensive expense for the		<u>(336.761)</u>	<u>(296.643)</u>

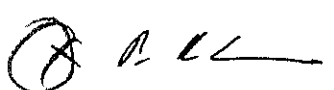
RALAEI HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2014

	Note	2014 €	2013 €
ASSETS			
Non-current assets			
Investments in subsidiary	8	<u>31.100.000</u>	26.850.000
		<u>31.100.000</u>	26.850.000
Current assets			
Cash at bank	9	<u>67.041</u>	64.680
		<u>67.041</u>	64.680
Total assets		<u>31.167.041</u>	26.914.680
EQUITY AND LIABILITIES			
Equity			
Share capital	10	2.000	2.000
Share premium		8.124.000	8.124.000
Accumulated losses		<u>(652.536)</u>	<u>(315.775)</u>
		<u>7.473.464</u>	7.810.225
Advances from shareholders	11	<u>1.250.000</u>	-
Total equity		<u>8.723.464</u>	7.810.225
Non-current liabilities			
Borrowings	12	<u>22.293.999</u>	18.998.613
		<u>22.293.999</u>	18.998.613
Current liabilities			
Creditors and accruals	13	24.445	24.445
Borrowings	12	<u>125.133</u>	81.397
		<u>149.578</u>	105.842
Total liabilities		<u>22.443.577</u>	19.104.455
Total equity and liabilities		<u>31.167.041</u>	26.914.680

On 5 May 2015 the Board of Directors of Ralael Holdings Limited authorised these financial statements for issue.


.....
Growthpoint Holdings Limited
Director


.....
Prithavi Raj Jindal
Director

RALAEEL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014

	Note	Share capital €	Share premium €	Advances from shareholders €	Accumulated losses €	Total €
Balance at 1 January 2013		2.000	8.124.000	-	(19.132)	8.106.868
Comprehensive expense						
Net loss for the year		-	-	-	(296.643)	(296.643)
Balance at 31 December 2013		2.000	8.124.000	-	(315.775)	7.810.225
Balance at 1 January 2014		2.000	8.124.000	-	(315.775)	7.810.225
Comprehensive expense						
Net loss for the year		-	-	-	(336.761)	(336.761)
Transactions with owners						
Advances from shareholders	11	-	-	1.250.000	-	1.250.000
Balance at 31 December 2014		2.000	8.124.000	1.250.000	(652.536)	8.723.464

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

RALAEI HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2014

	2014	2013
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(336.761)	(296.643)
Adjustments for:		
Unrealised exchange profit	(526)	-
Interest expense	342.103	-
	<u>4.816</u>	<u>(296.643)</u>
Cash flows from/(used in) operations before working capital changes	4.816	(296.643)
Decrease in receivables	-	82.852
Decrease in creditors and accruals	-	(690)
Cash flows from/(used in) operations	4.816	(214.481)
Taxation paid	-	(603)
Net cash flows from/(used in) operating activities	4.816	(215.084)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment in subsidiary	(4.250.000)	(10.600.000)
Net cash flows used in investing activities	(4.250.000)	(10.600.000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from shareholders	1.250.000	-
Increase from borrowings	3.339.122	19.005.619
Unrealised exchange profit	526	-
Interest paid	(342.103)	-
Payments to shareholder	-	(8.750.000)
Net cash flows from financing activities	4.247.545	10.255.619
Net increase /(decrease) in cash and cash equivalents	2.361	(559.465)
Cash and cash equivalents:		
At beginning of the year	64.680	624.145
At end of the year	67.041	64.680

The cash and cash equivalents include the following:

	2014	2013
	€	€
Cash at bank (Note 9)	67.041	64.680
	<u>67.041</u>	<u>64.680</u>

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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 year, 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 all years 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.

These financial statements are the separate financial statements of the Company. The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the ultimate parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in India and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2014.

Since the 7th Directive of the European Union permits the preparation of consolidated financial statements in accordance with the Directive or in a manner equivalent to the Directive, and since the Cyprus Companies Law, Cap. 113, provides the aforementioned exemption, 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 2014. 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.

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

Income tax expense represents the sum of the taxation currently payable and any deferred tax.

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.

Deferred tax is provided in full, using the liability method, on material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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.

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

2. Accounting policies (continued)

Financial instruments (continued)

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.

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.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2014	2013
	€	€
Fixed rate instruments		
Financial liabilities	(19.361.229)	(19.080.010)
Variable rate instruments		
Financial liabilities	<u>(3.057.903)</u>	-
	<u>(22.419.132)</u>	<u>(19.080.010)</u>

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 concentration of credit risk. 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:

	2014	2013
	€	€
Cash at bank	<u>67.041</u>	64.680
	<u>67.041</u>	<u>64.680</u>

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 and by having available an adequate amount of committed credit facilities.

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 2014	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Borrowings	22.419.132	23.719.881	-	125.133	23.594.748	-
Creditors and accruals	24.445	24.445	-	24.445	-	-
	<u>22.443.577</u>	<u>23.744.326</u>	-	<u>149.578</u>	<u>23.594.748</u>	-

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. Financial risk management (continued)

3.3 Liquidity risk (continued)

31 December 2013	Carrying amounts	Contractual cash flows	3 months or less	Between 3-12 months	Between 1-5 years	More than 5 years
	€	€	€	€	€	€
Borrowings	19.080.010	20.218.311	-	81.397	20.136.914	-
Creditors and accruals	24.445	24.445	-	24.445	-	-
	19.104.455	20.242.756	-	105.842	20.136.914	-

3.4 Share ownership risk

The risk of share ownership arises from the investment in shares 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:

- **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 subsidiary may be impaired, the estimated future discounted cash flows associated with these subsidiary would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

5. Expenses by nature

	2014	2013
	€	€
Loss from write off the loan to subsidiary	-	82.852
Auditors' remuneration - current year	1.520	1.520
Auditors' remuneration - prior years	78	-
Legal and professional	2.946	5.636
Annual government levy	350	350
Total expenses	4.894	90.358

6. Finance income/cost

	2014	2013
	€	€
Exchange profit	526	-
Finance income	526	-
Interest expense	(342.103)	(205.619)
Other finance expenses	(971)	(666)
Finance costs	(343.074)	(206.285)
Net finance costs	(342.548)	(206.285)

7. Taxation

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

	2014	2013
	€	€
Loss before taxation	(336.761)	(296.643)
Taxation calculated at the applicable tax rates	(42.095)	(37.080)
Tax effect of expenses not deductible for taxation purposes	42.948	37.080
Tax effect of allowances and income not subject to taxation	(1.401)	-
Tax effect of tax loss for the year	548	-
Tax charge	-	-

The corporation tax rate is 12,5% (2012:10%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). 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.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2014, the balance of tax losses which is available for offset against future taxable profits amounts to €4.382 for which no deferred asset is recognised in the statement of financial position.

RALAEI HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

8. Investments in subsidiary

	2014	2013
	€	€
Balance at 1 January	26.850.000	16.250.000
Additions	<u>4.250.000</u>	<u>10.600.000</u>
Balance at 31 December	<u>31.100.000</u>	<u>26.850.000</u>

The details of the subsidiary are as follows:

Name	Country of incorporation	Principal activities	2014	2013	2014	2013
			Holding %	Holding %	€	€
Jindal Saw Italia S.p.A.	Italy	Production of iron pipes	100	100	<u>31.100.000</u>	<u>26.850.000</u>
					<u>31.100.000</u>	<u>26.850.000</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 the year 2012, Jindal Saw Italia S.p.A. increased its share capital by Euro 11.250.000.

During the year 2013, Jindal Saw Italia S.p.A. increased its share capital by Euro 10.600.000.

During the year 2014, Jindal Saw Italia S.p.A. increased its share capital by Euro 4.250.000.

9. Cash at bank

	2014	2013
	€	€
Cash at bank	<u>67.041</u>	<u>64.680</u>
	<u>67.041</u>	<u>64.680</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.

10. Share capital

	2014	2014	2013	2013
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>	<u>5.000</u>	<u>5.000</u>
Issued and fully paid				
Balance at 1 January	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>
Balance at 31 December	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

11. Advances from shareholders

	2014	2013
	€	€
Balance at 1 January	-	-
Advances received	<u>1.250.000</u>	-
Balance at 31 December	<u>1.250.000</u>	-

The advance from shareholders is made available to the Board of Directors for future increases of the share capital of the Company.

12. Borrowings

	2014	2013
	€	€
Current borrowings		
Loan from parent company (Note 15)	125.133	81.397
Non current borrowings		
Loan from third party	<u>22.293.999</u>	18.998.613
Total	<u>22.419.132</u>	<u>19.080.010</u>

Maturity of non-current borrowings:

	2014	2013
	€	€
Between one and five years	<u>22.418.863</u>	<u>19.080.010</u>

The above loans from parent company Jindal Saw Limited are unsecured, carries interest at the rate of 12,50% per annum and are repayable on demand. The interest charge for the year was Euro 43.736 (2013: Euro 7.006).

The above loans from the third party are unsecured, carries interest at the rate 1,25% per annum and at Libor plus 2,75% per annum. The loans are repayable up to 29 August 2019. The above loans include accrued interest of Euro 298.098 (2013: Euro 198.613), which also is the interest charge for the year.

13. Creditors and accruals

	2014	2013
	€	€
Shareholders' current accounts - credit balances (Note 15)	22.924	22.924
Accruals	<u>1.521</u>	<u>1.521</u>
	<u>24.445</u>	<u>24.445</u>

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

14. Recent volatility in global financial markets

The ongoing global liquidity crisis which commenced in the middle of 2007 and is still continuing, resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and higher interbank lending rates. The uncertainties in the global financial markets have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and elsewhere. Such circumstances could affect the ability of the Company to obtain borrowings or re-finance its existing operations at terms and conditions similar to

RALAEEL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

14. Recent volatility in global financial markets (continued)

The borrowers of the Company may also be affected by the lower liquidity situation which could in turn impact their ability to repay their amounts owed. Deteriorating operating conditions for borrowers may also have an impact on Management's cash flow forecasts and assessment of the impairment of financial and non-financial assets.

To the extent that information is available, Management has reflected revised estimates of expected future cash flows in its impairment assessments. Management is unable to reliably estimate the effects on the Company's financial position of any further deterioration in the liquidity of the financial markets and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

15. Related party transactions

The Company is controlled by Jindal Saw Limited, which is incorporated in India and controls 100% of the issued capital.

The following transactions were carried out with related parties:

15.1 Loans from parent company (Note 12)

	2014	2013
	€	€
Jindal Saw Limited	<u>125.133</u>	<u>81.397</u>
	<u>125.133</u>	<u>81.397</u>

Details for the above loans are shown in Note 12.

15.2 Shareholders' current accounts - credit balances (Note 13)

	2014	2013
	€	€
Amount due to shareholders	<u>22.924</u>	<u>22.924</u>
	<u>22.924</u>	<u>22.924</u>

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

16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

17. Commitments

The Company had no capital or other commitments as at 31 December 2014.

18. 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 3 and 4

RALAEI HOLDINGS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2014

	Page	2014 €	2013 €
Interest income		10.681	-
Operating expenses			
Administration expenses	19	<u>(4.894)</u>	<u>(7.506)</u>
		5.787	(7.506)
Other operating expenses			
Loan to subsidiary written off		<u>-</u>	<u>(82.852)</u>
Operating profit/(loss)		5.787	(90.358)
Finance income	20	526	-
Finance costs	20	<u>(343.074)</u>	<u>(206.285)</u>
Loss before taxation		<u><u>(336.761)</u></u>	<u><u>(296.643)</u></u>

RALAEI HOLDINGS LIMITED

OPERATING EXPENSES

Year ended 31 December 2014

	2014	2013
	€	€
Administration expenses		
Auditors' remuneration - current year	1.520	1.520
Auditors' remuneration - prior years	78	-
Legal and professional	2.946	5.636
Annual levy	350	350
	4.894	7.506

RALAEI HOLDINGS LIMITED

FINANCE INCOME/COST

Year ended 31 December 2014

	2014	2013
	€	€
Finance income		
Unrealised exchange profit	<u>526</u>	-
	<u>526</u>	-
Finance costs		
Interest expense		
Loan interest	342.103	205.619
Other finance expenses		
Bank charges	<u>971</u>	666
	<u>343.074</u>	<u>206.285</u>

RALAEI HOLDINGS LIMITED

COMPUTATION OF CORPORATION TAX Year ended 31 December 2014

	Page	€	€
Loss per income statement	18		(336.761)
<u>Add:</u>			
Annual levy		350	
Loan interest		342.103	
Interest income in order to obtain the profit margin of 0,35%		<u>1.133</u>	
			<u>343.586</u>
			6.825
<u>Less:</u>			
Unrealised exchange profit		526	
Interest income		<u>10.681</u>	
			<u>(11.207)</u>
Net loss for the year			<u><u>(4.382)</u></u>