# OASIS HOLDING (FZC)

**Sharjah Airport International Free Zone**

**Sharjah- U.A.E.**

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**Financial Statements and Report**

**31 March 2015**

**Country of Registration:**
United Arab Emirates

**Office:**
P.O. Box 121943, Saif Zone
Sharjah, United Arab Emirates

# OASIS HOLDING (FZC)

**Financial statements and independent auditor's report**
**Year ended 31 March 2015**

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**INDEPENDENT AUDITOR'S REPORT**

**The Shareholders**
**OASIS HOLDING (FZC)**

**Report on the financial statements**
We have audited the accompanying financial statements of **OASIS HOLDING (FZC)** which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information set out on pages 3 to 16.

***Management's responsibility for the financial statements***
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as management 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 the financial statements that give 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 management, as well as evaluating the overall presentation of the financial statements.

*continued…*

**INDEPENDENT AUDITOR'S REPORT**

(continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of **OASIS HOLDING (FZC)** as of 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

***Emphasis of matter***

Without qualifying our opinion, we draw attention to note 2 (b) to the financial statements, which states that as at the reporting date, the company has accumulated losses of AED 287,243 and net deficit of AED 137,243 in shareholders' equity funds. However the shareholders have agreed to continue with the operations of the company and have agreed to provide continuing financial support to enable the company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on going concern basis.

**Report on other legal and regulatory requirements**

We further confirm that the financial statements comply with Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995; we have obtained all the information and explanations necessary for our audit and proper books of account and other records have been maintained in accordance with the said regulation.

**S.M. JOSHI**
**Chartered Accountants** **Dubai, U.A.E.**
**Registration No. 108** **April 7, 2015**

# OASIS HOLDING (FZC)

**STATEMENT OF FINANCIAL POSITION**
**AS AT 31 MARCH 2015**

| | Notes | 2015 | 2014 |
|---|---|---|---|
| | | AED | AED |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Capital work in progress | 6 | 31,643,537 | 31,564,950 |
| **Current assets** | | | |
| Prepayments and other receivables | 7 | 10,938 | 11,493 |
| Other current financial assets | 8 | -- | 50,000 |
| Cash and cash equivalents | 9 | 391,014 | 51,105 |
| | | 401,952 | 112,598 |
| **Total assets** | | 32,045,489 | 31,677,548 |
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' funds** | | | |
| Share capital | 10 | 150,000 | 150,000 |
| Accumulated losses | | (287,243) | (242,684) |
| Deficit in shareholders' equity funds | | (137,243) | (92,684) |
| Advances from shareholders for projects | 11 | 32,164,732 | 31,762,232 |
| | | 32,027,489 | 31,669,548 |
| **Current liabilities** | | | |
| Accruals and other payables | 12 | 18,000 | 8,000 |
| **Total equity and liabilities** | | 32,045,489 | 31,677,548 |

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 and 2.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the directors on 2 April 2015.

For **OASIS HOLDING (FZC)**

**DIRECTORS**

# OASIS HOLDING (FZC)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
### FOR THE YEAR ENDED 31 MARCH 2015

| | Notes | 2015<br>AED | 2014<br>AED |
|---|---|---|---|
| Other operating expenses | 14 | **(44,637)** | (42,990) |
| Interest income | 15 | **78** | 786 |
| **LOSS FOR THE YEAR** | | **(44,559)** | (42,204) |
| **Other comprehensive income:** | | | |
| Other comprehensive income for the year | | **--** | -- |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **(44,559)** | (42,204) |

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 and 2.

# OASIS HOLDING (FZC)

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 MARCH 2015**

| | Share capital AED | Accumulated losses AED | Total AED |
|---|---|---|---|
| Balance at 1 April 2013 | 150,000 | (200,480) | (50,480) |
| Total comprehensive income for the year | -- | (42,204) | (42,204) |
| Balance at 31 March 2014 | 150,000 | (242,684) | (92,684) |
| Total comprehensive income for the year | -- | (44,559) | (44,559) |
| Balance at 31 March 2015 | **150,000** | **(287,243)** | **(137,243)** |

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 and 2.

# OASIS HOLDING (FZC)

**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 MARCH 2015**

| | 2015 | 2014 |
|---|---|---|
| | AED | AED |
| **Cash flows from operating activities** | | |
| Loss for the year | (44,559) | (42,204) |
| Adjustments for: | | |
| Interest income | (78) | (786) |
| Net cash used in operations | (44,637) | (42,990) |
| | | |
| **Cash flows from investing activities** | | |
| Payment for capital work in progress | (68,587) | -- |
| Decrease/(increase) in deposits | 50,000 | (50,000) |
| Interest received | 633 | 231 |
| Net cash used in investing activities | (17,954) | (49,769) |
| | | |
| **Cash flows from financing activities** | | |
| Funds introduced by shareholders for project | 402,500 | -- |
| Net cash from financing activities | 402,500 | -- |
| | | |
| **Net increase/(decrease) in cash and cash equivalents** | 339,909 | (92,759) |
| **Cash and cash equivalents at beginning of year** | 51,105 | 143,864 |
| **Cash and cash equivalents at end of year (Note 9)** | 391,014 | 51,105 |

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 1 and 2.

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **OASIS HOLDING (FZC)** is a limited liability company registered in Sharjah Airport International Free Zone, Sharjah, UAE as a Free Zone Company, in accordance with the provision of Law No. 2 of 1995 of H.H. Sheikh Sultan Bin Mohammed Al Qassimi, the Ruler of Sharjah. The registered office is PO Box 121943, Executive Suite, Sharjah, United Arab Emirates. The company was registered on 18 June 2008 and commenced operations thereon.

b) The company operates under license no. 06338 issued by Sharjah Airport International Free Zone Authority and is engaged in investment of own financial resources.

c) The parent company is Belle Terre Realty Limited, Mauritius and the ultimate parent company is Jai Corp. Limited, India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2014, and the requirements of the laws of Sharjah Airport Free Zone Authority.

b) **Basis of measurement**

The financial statements are prepared using historical cost.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

As at the reporting date, the company has accumulated loss of AED 287,243 and net deficit of AED 137,243 in shareholders' equity funds. However, the shareholders have agreed to continue with the operations of the company and have agreed to provide continuing financial support to enable the company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

c) **Adoption of new International Financial Reporting Standards**

*Standards and interpretations effective for the current year*

The International Financial Reporting Standards, amendments thereto and Interpretations that became effective for the current reporting period and which are applicable to the company are as follows:

- Amendments to IAS 32: Offsetting Financial Assets and financial Liabilities
  The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and liabilities.

*New and revised IFRSs in issue but not yet effective*

The following International Financial Reporting Standards, amendments thereto and Interpretations that are assessed by management as likely to have an impact on the financial statements have been issued by the IASB prior to the date the financial statements were authorised for issue but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Annual Improvements 2010–2012 Cycle (1 July 2014)

    - IFRS 13: Fair value measurement: Short-term receivables and payables
    The amendment to IFRS 13 clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the company.

    - IAS 24: Related Party Disclosures: Key management personnel
    Clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

- Annual Improvements 2011–2013 Cycle (1 July 2014)
    - IFRS 1 First-time Adoption of International Financial Reporting Standards
    The amendment to IFRS clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the cmpany, since the company is an existing IFRS preparer.

- IFRS9: Financial instruments: (1 January 2018)
IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the profit or loss, unless this creates an accounting mismatch.

- IFRS 15: Revenue from Contracts with Customers (1 January 2017)
The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

d) **Functional and presentation currency**

The financial statements are presented in UAE Dirhams ("AED") which is also the company's functional currency.

3. **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted, and which have been consistently applied, are as follows:

a) **Capital work in progress**

Capital work in progress represents the amounts paid in accordance with the sale and purchase of leasehold interest agreement to acquire leasehold title of the plot of land and other costs directly attributable to the project.

b) **Leases**

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to profit or loss on a straight-line basis over the period of the lease.

c) **Foreign currency transactions**

Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

d) **Provisions**

A provision is recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

e) **Financial instruments**

Financial assets and financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

***Financial assets***

***Loans and receivables***

*Other receivables*

Other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material.

*Other current financial assets*

Other current financial assets which comprise deposits under encumbrance and deposits with a maturity date of more than three months from the date of deposit are classified as loans and receivables and stated at amortised cost using the effective interest method.

*Cash and cash equivalents*

Cash and cash equivalents comprise bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

***Financial liabilities***

***At amortised cost***

*Accruals and other payables*

Accruals and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

*Related party payables*

Advances from shareholders for projects are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit year is not considered to be material.

***Equity***

Share capital is recorded at the value of proceeds received towards interest in share capital of the company.

***Impairment of financial assets***

All financial assets are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

***Offsetting***

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

f) **Fair value measurement**

The company discloses the fair value of financial instruments measured at amortised cost.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

The fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## 4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Impairment**

At each reporting date, management conducts an assessment of capital work in progress and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to profit or loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amounts being recovered.

5. **KEY SOURCES OF ESTIMATION UNCERTAINTY**

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

**Impairment of loans and receivables**

Management regularly undertakes a review of the amounts of loans and receivables owed to the company from third parties, (see note 7) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

**Impairment**

Assessments of net recoverable amounts of investment in projects and all financial assets other than loans and receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

| | | 2015<br>AED | 2014<br>AED |
|---|---|---|---|
| 6. | **CAPITAL WORK IN PROGRESS** | | |
| | Cost of land[(a)] | 31,564,950 | 31,564,950 |
| | Consultancy and legal fees (net) | 78,587 | -- |
| | | 31,643,537 | 31,564,950 |

a) The cost of land represents payment and other related costs of leasehold land, to be utilized for construction of labour accommodation. The leasehold land is situated in Dubai, UAE. The lease is for a period of 50 years and valid up to 18 June 2058. The management considers that the market value of the land will be at least equal to its carrying value.

| | | 2015 | 2014 |
|---|---|---|---|
| 7. | **PREPAYMENTS AND OTHER RECEIVABLES** | | |
| | Prepayments | 7,438 | 7,438 |
| | Deposits | 3,500 | 3,500 |
| | Other receivables | -- | 555 |
| | | 10,938 | 11,493 |
| 8. | **OTHER CURRENT FINANCIAL ASSETS** | | |
| | Fixed deposits with bank | -- | 50,000 |
| 9. | **CASH AND CASH EQUIVALENTS** | | |
| | Bank balances: | | |
| | Current accounts | 196,887 | 40,136 |
| | Call deposits | 194,127 | 10,969 |
| | | 391,014 | 51,105 |

| | | 2015 | 2014 |
|---|---|---|---|
| | | AED | AED |
| 10. | **SHARE CAPITAL** | | |
| | 100 shares of AED 1,500 each | **150,000** | 150,000 |

The shareholders at 31 March 2015 and their interest as at that date in the share capital of the company were as follows:

| **Names** | **No of shares** | **AED** |
|---|---|---|
| M/s. Belle Terre Realty Limited | 75 | 112,500 |
| Mr. Arshad Wahedna | 25 | 37,500 |
| | **100** | **150,000** |

| | | 2015 | 2014 |
|---|---|---|---|
| | | AED | AED |
| 11. | **ADVANCE FROM SHAREHOLDERS FOR PROJECTS** | | |
| | Opening balance | **31,762,232** | 31,608,432 |
| | Funds introduced (net) | **402,500** | 153,800 |
| | Closing balance | **32,164,732** | 31,762,232 |

## 11A. RELATED PARTIES

The company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and at prices determined by the management.

Related parties comprise the parent company, the ultimate parent company and companies under common ownership and /or common management control and shareholders.

At the reporting date significant balances with related parties were as follows:

| | | |
|---|---|---|
| **Shareholders** | | |
| Advances from shareholders for projects | **32,164,732** | 31,762,232 |

Advances from shareholders for projects are unsecured, interest free and are expected to be settled in cash. Repayment and other terms are set out in note 16.

There were no significant transactions during the year with the related parties.

The company avails administrative services from a related party free of cost.

| | 2015 AED | 2014 AED |
|---|---|---|
| **12. ACCRUALS AND OTHER PAYABLES** | | |
| Accruals | **8,000** | 8,000 |
| Creditor for capital expense | **10,000** | -- |
| | **18,000** | 8,000 |

The entire accruals and other payables are due for payment in one year.

**13. MANAGEMENT OF CAPITAL**

The company's objectives when managing capital are to ensure that the company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital comprises shareholders' funds as presented in the statement of financial position together with the advances from shareholders for projects. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The company is subject to externally imposed capital requirements as per the Implementation Regulations issued by Sharjah Airport Free Zone Authority pursuant to Law No. 2 of 1995. (Refer note 18).

Funds introduced by way of advance received from shareholders for projects are retained in the business, according to the business requirements and maintain capital at desired levels.

| | 2015 AED | 2014 AED |
|---|---|---|
| **14. OTHER OPERATING EXPENSES** | | |
| Trade license renewal fees | **33,000** | 33,500 |
| Other expenses | **11,637** | 9,490 |
| | **44,637** | 42,990 |
| **15. INTEREST INCOME** | | |
| On bank deposits | **78** | 786 |

**16. FINANCIAL INSTRUMENTS**

The net carrying amounts as at the reporting date of financial assets and financial liabilities are as follows:

| | Loans and receivables | | At amortised cost | |
|---|---|---|---|---|
| | **2015 AED** | 2014 AED | **2015 AED** | 2014 AED |
| Other receivables | **3,500** | 4,055 | **--** | -- |
| Other current financial assets | **--** | 50,000 | **--** | -- |
| Cash and cash equivalents | **391,014** | 51,105 | **--** | -- |
| Accruals and other payables | **--** | -- | **18,000** | 8,000 |
| Advance from shareholders | **--** | -- | **32,164,732** | 31,762,232 |
| | **394,514** | 105,160 | **32,182,732** | 31,770,232 |

**Management of risk**
The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed comprise credit risks, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements and makes arrangement with related parties to manage exposure to liquidity risk.

The company buys and sells goods and services in local currencies. Exposure is minimized by denominating the transaction in US dollars to which the UAE Dirham is pegged.

Exposures to the aforementioned risks are detailed below:

**Credit risk**
Financial assets that potentially expose the company to concentrations of credit risk comprise principally bank accounts and other receivables.

The company's bank accounts are placed with high credit quality financial institutions.

**Currency risk**
There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed.

**Interest rate risk**
Fixed deposits are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

**Fair values**
The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the company's financial assets and financial liabilities, which are required to be carried at cost or at amortised cost, approximate to their carrying values except for "advances from shareholders for projects" which due to its terms and nature have a carrying value lower than the fair value.

| | | 2015 AED | 2014 AED |
|---|---|---|---|
| 17. | **OTHER CONTRACTED COMMITMENTS** | | |
| | For consultancy services related to construction of proposed labour camp on the land | **120,000** | -- |

18. **FREE ZONE AUTHORITY REGULATIONS**

As the net assets of the establishment are below 75 percent of its share capital, in accordance with the Implementation Procedures issued by the Sharjah Airport International Free Zone Authority pursuant to Law No. 2 of 1995, the directors have remedied the situation and have introduced funds by way of advances from shareholders for projects.

For **OASIS HOLDING (FZC)**

**DIRECTORS**