

OASIS HOLDING (FZC)

Financial statements and independent auditor's report
Year ended 31 March 2014

OASIS HOLDING (FZC)

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF 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 2014, 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 2 to 13.

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.

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 2014, 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 242,684 and net deficit of AED 92,684 in 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
Registration No. 108

Dubai, U.A.E
April 14, 2014

OASIS HOLDING (FZC)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Notes	2014 AED	2013 AED
ASSETS			
Non-current assets			
Investment in projects	6	<u>31,564,950</u>	31,564,950
Current assets			
Receivables	7	11,493	10,938
Cash and cash equivalents	8	51,105	143,864
Other current financial assets	9	50,000	--
		<u>112,598</u>	154,802
Total assets		<u>31,677,548</u>	31,719,752
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	10	150,000	150,000
Accumulated losses		(242,684)	(200,480)
Deficit		(92,684)	(50,480)
Advances from shareholders for projects	11	31,762,232	31,762,232
		<u>31,669,548</u>	31,711,752
Current liabilities			
Accruals		8,000	8,000
Total equity and liabilities		<u>31,677,548</u>	31,719,752

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

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 14 April 2014.

For **OASIS HOLDING (FZC)**

DIRECTORS

OASIS HOLDING (FZC)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014

	2014 AED	2013 AED
Operating expenses	(42,990)	(42,615)
Interest income	786	--
LOSS FOR THE YEAR	(42,204)	(42,615)
Other comprehensive income:		
Other comprehensive income for the year	--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(42,204)	(42,615)

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

OASIS HOLDING (FZC)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2014

	Share capital AED	Accumulated losses AED	Total AED
Balance at 1 April 2012	150,000	(157,865)	(7,865)
Total comprehensive income for the year	--	(42,615)	(42,615)
Balance at 31 March 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)

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

OASIS HOLDING (FZC)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2014

	2014 AED	2013 AED
Cash flows from operating activities		
Loss for the year	(42,204)	(42,615)
Adjustments for:		
Interest income	(786)	--
Net cash used in operations	<u>(42,990)</u>	<u>(42,615)</u>
Cash flows from investing activities		
Increase in other current financial assets	(50,000)	--
Interest received	231	--
Net cash used in investing activities	<u>(49,769)</u>	<u>--</u>
Cash flows from financing activities		
Funds introduced by shareholders for project	--	153,800
Net cash from financing activities	<u>--</u>	<u>153,800</u>
Net (decrease) / increase in cash and cash equivalents	(92,759)	111,185
Cash and cash equivalents at beginning of year	143,864	32,679
Cash and cash equivalents at end of year (Note 8)	<u>51,105</u>	<u>143,864</u>

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

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 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 April 2013, 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 242,684 and net deficit of AED 92,684 in 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:

- IFRS 13: Fair Value Measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as 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.

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

In accordance with the transitional provisions of IFRS 13, the company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Other than the additional disclosures mentioned above, the change had no significant impact on the measurement of the company's assets and liabilities.

- Annual improvements to IFRSs 2009-2011 cycle
 - IAS 1: Presentation of Financial Statements: The improvements provide that the entity is required to present third statement of financial position only when:
 - a) the entity applies the accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements; and
 - b) the retrospective application, restatement or reclassification has material effect on the information in the third statement of financial position.

The amendments specify that related notes are not required to accompany the third statement of financial position.

In the current year, the company has applied certain new and revised IFRSs (see above). However there has not been any impact on the information in the statement of financial position as at 1 April 2012 and accordingly the third statement of financial position has not been presented

- IAS 16: Property, Plant and Equipment: The improvements to IAS 16 provide that spare parts, standby equipment and servicing equipment should be classified as property plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise.

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.

- IFRS9: Financial instruments: (1 January 2015)
IFRS9 requires financial assets to be classified into two measurement categories: those measured as 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.

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

- Amendments to IAS32: Offsetting Financial Assets and Liabilities (1 January 2014)
The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and liabilities.

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) **Investment in projects**

Investment in projects is stated at cost less impairment losses, if any.

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) **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.

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Financial assets

Loans and receivables

Deposits and other receivables

Deposits and 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. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

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.

Financial liabilities

At amortised cost

Accruals

Accruals 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.

Equity

Share capital is recorded at the value of proceeds received/receivable 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.

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:

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

Impairment

At each reporting date, management conducts an assessment of investment in projects 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.

6. INVESTMENT IN PROJECTS

	2014 AED	2013 AED
Investment in projects	<u>31,564,950</u>	<u>31,564,950</u>
a)	This represents payments made for plots 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 market value of the land based on the information available approximates to AED 33,000,000.	
b)	The purchase of one of the plots was terminated in the earlier year and the resulting cancellation charges of AED 7,200,000 were included in investment in projects.	
c)	The management is of the opinion that, the fair values of investment in projects are considered to be at least equal to their carrying values.	

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

	2014 AED	2013 AED
7. RECEIVABLES		
Prepayments	7,438	7,438
Deposits	3,500	3,500
Other receivables	555	--
	<u>11,493</u>	<u>10,938</u>
8. CASH AND CASH EQUIVALENTS		
Bank balances:		
Current accounts	40,136	19,326
Call deposits	10,969	124,538
	<u>51,105</u>	<u>143,864</u>
9. OTHER CURRENT FINANCIAL ASSETS		
Fixed deposits with bank	50,000	--
10. SHARE CAPITAL		
100 shares of AED 1,500 each	<u>150,000</u>	<u>150,000</u>

The shareholders at 31 March 2014 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
	<u>100</u>	<u>150,000</u>

11. 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:

Advances from shareholders for projects	<u>31,762,232</u>	<u>31,762,232</u>
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OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 13.

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

12. 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 equity 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 14).

13. 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	
	2014 AED	2013 AED	2014 AED	2013 AED
Receivables	4,055	3,500	--	--
Cash and cash equivalents	51,105	143,864	--	--
Other current financial assets	50,000	--	--	--
Accruals	--	--	8,000	8,000
Amounts from shareholders for investment in projects	--	--	31,762,232	31,762,232
	<u>105,160</u>	<u>147,364</u>	<u>31,770,232</u>	<u>31,770,232</u>

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.

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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 minimised 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 deposits.

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.

Reasonably possible changes to interest rates at the reporting date are unlikely to have had a significant impact on profit or equity.

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 stated at cost or at amortised cost, approximate to their fair values except for "advances from shareholders for projects" which due to its terms and nature has a carrying value lower than the fair value.

14. 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