

BELLE TERRE REALTY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

BELLE TERRE REALTY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

1.

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BELLE TERRE REALTY LIMITED
COMPANY INFORMATION

2.

DIRECTORS:

Appointed

Abdool Fareed Soreefan	4 June 2008
Mitrajeet D. Maraye	4 June 2008
Gaurav Goel	25 July 2008
Satyapal Jain	25 July 2008

REGISTERED OFFICE:

IFS Court, TwentyEight
Cybercity
Ebene
Mauritius

ADMINISTRATOR/ SECRETARY:

International Financial Services Limited
IFS Court, TwentyEight
Cybercity
Ebene
Mauritius

BANKERS:

HSBC Bank (Mauritius) Limited
HSBC Centre
18, Cybercity
Ebene
Mauritius

AUDITORS:

KPMG
KPMG Centre
30, St George Street
Port Louis
Mauritius

BELLE TERRE REALTY LIMITED
COMMENTARY OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2010

3.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding.

RESULTS

The Company's loss for the year ended 31 March 2010 is **USD24,025** (2009:USD18,143).

DIRECTORS

The present membership of the Board is set out on page 2. All directors served office during the year.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Company's statement of financial position at 31 March 2010, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and Companies Act 2001.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AUDITORS

The auditors, **KPMG**, have expressed their willingness to continue in office.

**CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001**

4.

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **Belle Terre Realty Limited** under the Companies Act 2001 during the year ended to 31 March 2010.

Khalil Peerbocus
for **International Financial Services Limited**
Secretary

Registered Office:

IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

Date: 24 May 2010

Report on the Financial Statements

We have audited the financial statements of Belle Terre Realty Limited (the "Company") on pages 7 to 21 which comprise the statement of financial position at 31 March 2010 and the statement of 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 notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 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 auditors' judgement, 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 qualified opinion on the financial statements.

Report on the Financial Statements (continued)

Basis for Qualified Opinion

- 1 As indicated in note 14, the company holds a Category 1 Global Business Licence and in these circumstances, the Mauritius Companies Act states that any company holding a Category 1 Global Business Licence may not prepare group financial statements where it is a wholly owned or virtually wholly owned subsidiary of any company incorporated outside Mauritius. Accordingly consolidated financial statements have not been prepared. Note 14 further indicates the basis of preparation of the financial statements in these circumstances. The financial statements are prepared in accordance with and the manner required by the Companies Act.
- 2 The Company's investments in Oasis Holding FZC and Searock Developers FZC are carried at cost. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the investments and related advances as at 31 March 2010. Consequently, we were unable to determine whether any adjustment is required in respect of the carrying amount of the investments and advances.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph 2, the financial statements give a true and fair view of the financial position of Belle Terre Realty Limited as at 31 March 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act.

Other matter

This report, including the opinion, has been prepared for and only for, the Company's member, as a body in accordance with Section 205 of the Mauritius Companies Act 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 whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

KPMG

Public Accountant

Port Louis

Date: **24 May 2010**

Reesan EMRITH

Signing Partner

BELLE TERRE REALTY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

7.

	Note	Year ended 31 March 2010	Period from 4 June 2008 to 31 March 2009
		USD	USD
INCOME			
Interest income		-	356
Gain on foreign exchange		-	4
Total income		-	360
EXPENSES			
Preliminary expenses		-	4,600
Licence fee		1,500	1,500
Registration fee		250	250
Directors' fee		1,250	1,146
Secretarial fee		1,500	1,375
Administration expenses and disbursements		11,613	6,407
Professional fees		1,872	425
Audit fee		5,610	2,500
Bank charges		55	300
Fines		375	-
Total expenses		24,025	18,503
OPERATING LOSS BEFORE TAXATION		(24,025)	(18,143)
Taxation	11	-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR / PERIOD		(24,025)	(18,143)

The notes on pages 11 to 21 form an integral part of these financial statements.
The audit report is on pages 5 and 6.

BELLE TERRE REALTY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010
8.

	Note	2010 USD	2009 USD
ASSETS			
Non-current assets			
Investment in subsidiary	6	30,654	30,654
Investment in Associate	7	20,436	20,436
Advances to investee companies	8	22,380,514	22,380,514
		22,431,604	22,431,604
Current assets			
Prepayments		1,563	1,062
Cash and cash equivalent		953	899
Total current assets		2,516	1,961
Total assets		22,434,120	22,433,565
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	22,469,208	9,933
Retained earnings		(42,168)	(18,143)
		22,427,040	(8,210)
Non-current liability			
Shareholder's loan	10	25	22,439,275
Current liability			
Accruals		7,055	2,500
Total liabilities		7,080	22,441,775
Total equity and liabilities		22,434,120	22,433,565

Approved by the Board on **24 May 2010** and signed on its behalf by:

Mitrajeet D. Maraye
Director

Abdool Fareed Soreefan
Director

The notes on pages 11 to 21 form an integral part of these financial statements.
The audit report is on pages 5 and 6.

BELLE TERRE REALTY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
9.

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MARCH

2010

	Stated capital	Retained earnings	Total
	USD	USD	USD
At 4 June 2008	-	-	-
<i>Total comprehensive loss for the period</i>			
Loss for the period	-	(18,143)	(18,143)
Issue of shares during the year	9,933	-	9,933
At 1 April 2009	9,933	(18,143)	(8,210)
<i>Total comprehensive loss for the year</i>			
Loss for the year	-	(24,025)	(24,025)
Issue of shares during the year	22,459,275	-	22,459,275
At 31 March 2010	22,469,208	(42,168)	22,427,040

The notes on pages 11 to 21 form an integral part of these financial statements.
The audit report is on pages 5 and 6.

BELLE TERRE REALTY LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2010
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	2010 USD	2009 USD
Cash flow from operating activities		
Operating loss before taxation	(24,025)	(18,143)
<i>Adjustments for:</i>		
Interest income	-	(356)
Increase in prepayments	(501)	(1,062)
Increase in accruals	4,555	2,500
Net cash used in operating activities	(19,971)	(17,061)
Cash flow from investing activities		
Interest income	-	356
Acquisition of investments	-	(22,431,604)
Net cash used in investing activities	-	(22,431,248)
Cash flow from financing activities		
Proceeds from issue of shares	-	9,933
Shareholder's loan received	20,025	22,439,275
Net cash flow from financing activities	20,025	22,449,208
Net increase in cash and cash equivalents	54	899
Cash and cash equivalents at beginning of the year / period	899	-
Cash and cash equivalents at end of the year / period	953	899

The notes on pages 11 to 21 form an integral part of these financial statements.
The audit report is on pages 5 and 6.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

11.

1. GENERAL INFORMATION

Belle Terre Realty Limited ("the Company") was incorporated in Mauritius on 4 June 2008 as a private company limited by shares. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission and has its registered office at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The principal activity of the Company is to act as investment holding company.

2. BASIS OF PREPARATION

(a) *Statement of compliance*

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") except for the requirement to prepare consolidated financial statements, in compliance with the requirements of the Companies Act applicable to any company holding a Category 1 Global Business Licence.

(b) *Basis of measurement*

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities which are measured at fair value.

(c) (i) *Functional and presentation currency*

Items included in the 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 United States Dollars (USD) which is the Company's functional currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at year-end exchange rates and differences in exchange are accounted for in the statement of comprehensive income.

(d) *Use of estimates and judgment*

The preparation of financial statements in conformity with IFRS requires management to make estimates and 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. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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2. BASIS OF PREPARATION (CONTINUED)

(e) Change in accounting policies

The Company applies revised IAS 1 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard.

3. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below.

(a) Investment in subsidiary

Subsidiary undertakings are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations.

Investment in subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(b) Associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Associates are recognised at cost less any impairment

(c) Cash and cash equivalents

Cash comprises of currency and current deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

(d) Other receivables

Other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

13.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments

Financial instruments carried on the statement of financial position include investment in subsidiary, interest in joint ventures, advances to investee companies, cash and cash equivalent, shareholder's loan and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(f) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(h) Trade and other payable

Payables are stated at their nominal value.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

14.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Revenue recognition

Interest income is recognised on a time proportion basis unless collectibility is in doubt.

(j) Expense recognition

All expenses are accounted for in the statement of comprehensive income on the accruals basis.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards and interpretations:

- § IFRS 1 (Revised 2008) First-time Adoption of International Financial Reporting Standards effective 1 July 2010
- § IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions effective 1 January 2010
- § IFRS 3 (Revised) Business Combinations effective 1 July 2009
- § IFRS 9 Financial Instruments: Classification and Measurement effective 1 January 2013
- § IAS 27 Consolidated and Separate Financial Statements effective 1 July 2009
- § IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items effective 1 July 2009
- § IFRIC 17 Distributions of Non-Cash Assets from Customers effective 1 July 2009
- § IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments effective 1 July 2010

Improvements to standards and interpretations:

- § IFRS 2 Share-based Payment effective 1 July 2009
- § IFRS 5 Non-current Assets Held for Sale and Discontinued Operation effective 1 July 2009
- § IFRS 5 Non-current Assets Held for Sale and Discontinued Operation effective 1 January 2010
- § IFRS 8 Operating Segments effective 1 January 2010
- § IAS 1 Presentation of Financial Statements effective 1 January 2010
- § IAS 7 Statement of Cash Flows effective 1 January 2010
- § IAS 17 Leases effective 1 January 2010
- § IAS 36 Impairment of Assets effective 1 January 2010
- § IAS 38 Intangible Assets effective 1 July 2009
- § IAS 39 Financial Instruments: Recognition and Measurement effective 1 January 2010
- § IFRIC 9 Reassessment of Embedded Derivatives effective 1 July 2009
- § IFRIC 16 Hedges of a Net Investment in Foreign Operation effective 1 July 2009

The Company is still evaluating the effect of these new or revised standards and interpretations on the presentation of its financial statements. No early adoption is intended by the Board of Directors.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

6. INVESTMENT IN SUBSIDIARY

	2010	2009
	USD	USD
At beginning of the year / period	30,654	-
Additions during the year / period	-	30,654
At end of the year / period	30,654	30,654

The details of the investment in subsidiary as at 31 March 2010 are as follows:

Name of investee company	Country of incorporation	Number and types of shares	% holding	Cost USD
Oasis Holding FZC	United Arab Emirates	75 equity shares of AED 1,500 each	75%	30,654

The directors are of opinion that there is no impairment on the value of the investments at 31 March 2010 and that the fair value approximates its cost. Oasis Holding FZC is engaged in real estates activities.

7. INVESTMENT IN ASSOCIATE

	2010	2009
	USD	USD
Cost of investment	20,436	20,436

The Company has the following significant interest in joint venture:

Unquoted	Number of	Percentage	Country of	Cost
-----------------	------------------	-------------------	-------------------	-------------

	shares	Holding	incorporation	USD
Searock Developers FZC	50 equity shares of AED 1,500	50%	United Arab Emirates	20,436

The directors have valued the unquoted investments at cost.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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8. ADVANCES TO INVESTEE COMPANIES

	2010	2009
	USD	USD
At beginning of the year / period	22,380,514	-
Advances made during the year / period	-	22,380,514
At end of the year / period	22,380,514	22,380,514

The advances to investee companies are unsecured, interest free and are expected to be settled in cash after more than 1 year.

9. STATED CAPITAL

	2010	2009
	USD	USD
<i>Issued and fully paid</i>		
Ordinary shares of USD1 each	9,933	9,933
Optionally convertible preference shares of USD1 each	22,459,275	-
	22,469,208	9,933

10. SHAREHOLDER'S LOAN

2010		2009
USD		USD
At beginning of the year / period	22,439,275	-
Loan received during the year / period	20,025	22,439,275
Loan capitalised during the year/ period	(22,459,275)	-
At end of the year / period	25	22,439,275

The shareholder's loan is unsecured, interest free, and repayable after more than one year.

11. TAXATION

Income tax

The Company is under current laws and regulations, liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the

higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%.

The Company has received a Tax Residence Certificate from the Mauritian Revenue Authority which entitles it to certain reliefs pursuant to the treaty concluded between Mauritius and India for the avoidance of double taxation. The tax residence certification is renewable on an annual basis, subject to the tax residency conditions being satisfied.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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11. TAXATION (CONTINUED)

No Mauritian capital gain tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholders will be exempt in Mauritius from any withholding tax.

At 31 March 2010, the Company had accumulated tax losses of USD23,800 (2009: USD150) and, therefore, no provision for income tax has been made.

Deferred tax

A deferred tax asset of **USD714** (2009: USD4) has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

The reconciliation between the actual tax expense and the tax calculated at the applicable rate of 15% for the period under review is as follows:

	Year ended 31 March 2010	Period from 4 June 2008 to 31 March 2009
	USD	USD
Operating loss before taxation	(24,025)	(18,143)
Tax at the rate of 15%	(3,604)	(2,721)
Tax effect of:		
Exempt income	-	(53)
Unauthorised deduction	56	2,752
Tax credit of 80%	2,838	18
Deferred tax not recognised	710	4
Tax expense	-	-

12. FINANCIAL INSTRUMENTS

The Company is exposed to various types of risks that are associated with the financial instruments. The most important types of financial risk to which the Company is exposed are market risk, credit risk and liquidity risk.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are discussed below.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk. The Company's market risk is managed by the Company in accordance with policies and procedures in place.

(i) *Currency risk*

The Company may enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the USD.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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12. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's total net exposure to fluctuations in foreign currency exchange rates at the balance sheet date was as follows:

	Financial assets 2010	Financial liabilities 2010	Financial assets 2009	Financial liabilities 2009
	USD	USD	USD	USD
Dirhams	22,431,604	-	22,431,604	-
United States Dollars	953	7,080	899	22,441,775
	22,432,557	7,080	22,432,503	22,441,775

Prepayments amounting to **USD1,563** (2009: USD1,062) have not been included in financial assets.

- Sensitivity Analysis

	Year ended 31 March 2010	Year ended 31 March 2009		
	10% Strengthenin g	10% Weakeanin g	10% Strengthening	10% Weakeaning
Effect on equity and profit before tax	2010	2010	2009	2009
	USD	USD	USD	USD
<i>Advances to associates</i>				
Dirhams	(555,322)	678,727	(555,358)	678,771

The 10% strengthening or weakening of Euro against the United Emirates Dirhams will have the above effect on equity and profit before tax for the years ended 31 March 2010 and 2009.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All investments have been financed out of loan from shareholder. The Company's financial assets (except bank deposits) and liabilities are non-interest-bearing. As such, the Company is not subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. Interest income from bank deposits may fluctuate in amount, in particular due to changes in the interest rates. However, the interest rate risk of the Company would be insignificant on its cash at bank as

at 31 March 2010.

(iii) Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to the investment or all factors affecting all instruments traded in the market.

The Company is not exposed to price risk as the shares of the investee companies are not quoted.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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12. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The maximum exposure of financial assets to credit risk for the year is as follows:

	2010 USD	2009 USD
Advances to investee companies	22,380,514	22,380,514
Cash at bank	953	899
22,381,467		22,381,413

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	Less than one year USD	Between 1 and 5 years USD
At 31 March 2010		
Trade and other payables	7,055	-
Shareholder's loan	25	-
At 31 March 2009		
Trade and other payables	2,500	-
Shareholder's loan	-	22,439,275

(d) Capital Management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

The Company defines "capital" as including all components of equity.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of local regulation.

The Company was not subject to externally imposed capital requirements in the period under review.

BELLE TERRE REALTY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
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13. RELATED PARTY DISCLOSURES

The following transactions were carried out with related parties during the year ended 31 March 2010.

	2010	2009
	USD	USD
<i>(a) International Financial Services Limited (Secretary)</i>		
Directors' and secretarial fees	2,750	2,521
Administration expenses and disbursements	11,613	6,407
Preliminary expenses	-	4,600
14,363	14,363	13,528

The above services from International Financial Services Limited have been provided on commercial terms and conditions.

	2010	2009
	USD	USD
<i>(b) Shareholder's loan</i>		
Balance as at 1 April	22,439,275	-
Loan received during the year/ period	20,025	22,439,275
Loan capitalised during the year/period	(22,459,275)	-
Balance as at 31 March	25	22,439,275

The shareholder's loan is unsecured, interest free, and repayable after more than one year.

	2010	2009
	USD	USD
<i>(c) Advances to investee company - Searock Developers FZC</i>		
Balance as at 1 April	16,004,489	-
Loan advanced during the year/ period	-	16,004,489
Balance as at 31 March	16,004,489	16,004,489

	2010	2009
	USD	USD
<i>(d) Advances to investee company - Oasis Holding FZC</i>		
Balance as at 1 April	6,376,025	-
Loan advanced during the year/ period	-	6,376,025
Balance as at 31 March	6,376,025	6,376,025

The above advances to investee companies are unsecured, interest free and are expected to be settled in cash.

BELLE TERRE REALTY LIMITED
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14. CONSOLIDATED FINANCIAL STATEMENTS

As indicated in note 1, the company is the holder of a Category 1 Global Business Licence. The Fourteenth Schedule of the Mauritius Companies Act states that any company holding a Category 1 Global Business Licence may not prepare group financial statements where it is a wholly owned or virtually wholly owned subsidiary of any company incorporated outside Mauritius.

As indicated in notes 6 and 7, the company holds investments in a subsidiary and an associate. In compliance with the Mauritius Companies Act, the Company has not prepared group financial statements. However, in accordance with IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investment in Associate, consolidated financial statements are required in which the results of the subsidiary are consolidated and the results of the associate are equity accounted, as the Company is not exempt from preparing consolidated financial statement in accordance with International Financial Reporting Standards. Because consolidated financial statements have not been prepared, these financial statements are not the company's separate financial statements in accordance with IAS 27 but have been prepared on the same basis as separate financial statements. These financial statements are prepared on the basis that investments in the subsidiary and associate are recorded at cost (less impairment losses, if applicable) and income is recognised when dividends are receivable.

15. HOLDING COMPANY

The directors regard Jai Realty Ventures Limited as its holding company and Jai Corp Limited as its ultimate company, both companies incorporated in India.

16. COMPARATIVES

The Comparative figures for the Company are for the period from 4 June 2008 (date of incorporation) to 31 March 2009. Therefore, the comparative for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.