BELLE TERRE REALTY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2011

BELLE TERRE REALTY LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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BELLE TERRE REALTY LIMITED

COMPANY INFORMATION

			Date of appointment
DIRECTORS	:	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 AND SECRETARY : International Financial Services Limited
IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

AUDITORS : Nexia Baker & Arenson
Chartered Accountants
5th Floor, C&R Court
Labourdonnais Street
Port Louis
Mauritius

BANKER : HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18 Cybercity
Ebene
Mauritius

BELLE TERRE REALTY LIMITED

COMMENTARY OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2011

PRINCIPAL ACTIVITY

The principal activity of Belle Terre Realty Limited (the "Company") is investment holding.

RESULTS

The Company's loss for the year ended 31 March 2011 is **USD18,197**(2010:USD24,025)**.**

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 2011, 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 Mauritian 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, **Nexia Baker & Arenson**, have expressed their willingness to continue in office.

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

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 Mauritian Companies Act 2001 during the year ended to 31 March 2011.

………………………………………………..….
***for* International Financial Services Limited**
Secretary

Registered Office:

IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

Date: 24 May 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BELLE TERRE REALTY LIMITED

Report on the Financial Statements

We have audited the financial statements of **Belle Terre Realty Limited** set out on pages 7 to 23, which comprise the statement of financial position as at 31 March 2011 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 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 Mauritian Companies Act 2001. 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. However, as stated in Note 6 to the financial statements, the Company stated its investment in associate at cost, which is contrary to the requirements of International Accounting Standards 28 – Investments in associates, which stipulates that an investor company should account investment in associated company using equity method of accounting.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BELLE TERRE REALTY LIMITED

Report on the Financial Statements (continued)

Opinion

Except for any adjustments that might be required had the Company accounted its investment in associated company using the equity method of accounting, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritian Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritian Companies Act 2001.

Other Matter

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritian Companies Act 2001

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.

Nexia Baker & Arenson **Chartered Accountants**	**Ouma Shankar Ochit FCCA** **Signing Partner**

Date:………………….

BELLE TERRE REALTY LIMITED

STATEMENT OF COMPRENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011	2010
		USD	USD
INCOME		**-**	-
EXPENSES			
Licence fee		**1,500**	1,500
Registrar of Companies fee		**250**	250
Directors' fee		**1,250**	1,250
Secretarial fee		**1,500**	1,500
Administration expenses and disbursements		**5,217**	11,613
Professional fees		**5,589**	1,872
Audit fee		**2,558**	5,610
Bank charges		**333**	55
Fines		**-**	375
		18,197	24,025
OPERATING LOSS FOR THE YEAR		**(18,197)**	(24,025)
Taxation	10	**-**	-
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(18,197)**	(24,025)

The notes on pages 11 to 23 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 2011

	Notes	2011	2010
		USD	USD
ASSETS			
Non-current assets			
Investment in subsidiary	5	**30,654**	30,654
Investment in associate	6	**20,436**	20,436
Advances to investee companies	7	**22,464,564**	22,380,514
		22,515,654	22,431,604
Current assets			
Prepayments		**1,563**	1,563
Cash and cash equivalents		**1,076**	953
Total current assets		**2,639**	2,516
Total assets		**22,518,293**	22,434,120
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	**22,574,233**	22,469,208
Accumulated losses		**(60,365)**	(42,168)
		22,513,868	22,427,040
Non-current liability			
Shareholder's loan	9	**-**	25
Current liability			
Accruals		**4,425**	7,055
Total equity and liabilities		**22,518,293**	22,434,120

Approved by the Board on **24 May 2011** and signed on its behalf by:

……………………………………… ………………………………………

Director **Director**

The notes on pages 11 to 23 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 31 MARCH 2011

	Stated capital USD	Accumulated losses USD	Total USD
At 1 April 2009	9,933	(18,143)	(8,210)
Issue of shares during the year	22,459,275	-	22,459,275
Total comprehensive loss for the year	-	(24,025)	(24,025)
At 31 March 2010	22,469,208	(42,168)	22,427,040
Issue of shares during the year	105,025	-	105,025
Total comprehensive loss for the year	-	(18,197)	(18,197)
At 31 March 2011	**22,574,233**	**(60,365)**	**22,513,868**

The notes on pages 11 to 23 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 2011

	2011	2010
	USD	USD
Cash flow from operating activities		
Operating loss for the year	**(18,197)**	(24,025)
Increase in prepayments	**-**	(501)
(Decrease)/increase in accruals	**(2,630)**	4,555
Net cash used in operating activities	**(20,827)**	(19,971)
Cash flow from investing activity		
Advance to investee company	**(84,050)**	-
Net cash used in investing activity	**(84,050)**	-
Cash flow from financing activity		
Proceeds from issue of shares	**105,000**	20,025
Net cash from financing activity	**105,000**	20,025
Net increase in cash and cash equivalents	**123**	54
Cash and cash equivalents at beginning of the year	**953**	899
Cash and cash equivalents at end of the year	**1,076**	953

The notes on pages 11 to 23 form an integral part of these financial statements.
The audit report is on pages 5 and 6.

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 that the Company has not complied with International Accounting Standard “IAS 28 – Investments in associates”.

(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.

(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.

2. BASIS OF PREPARATION (continued)

(c) *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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2010 or later periods, but the Company has not early adopted them.

- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009).
- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1 July 2009.
- IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement', effective 1 July 2009.
- IFRIC 16, 'Hedges of a net investment in a foreign operation' effective 1 July 2009.
- IAS 1 (amendment), 'Presentation of financial statements'.
- IAS 36 (amendment), 'Impairment of assets', effective 1 January 2010.
- IFRS 2 (amendments), 'Group cash-settled share-based payment transactions', effective from 1 January 2010.
- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'.

BELLE TERRE REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New standards and amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted

The Company's assessment of the impact of these new standards and interpretations is set out below.

- IFRS 9, 'Financial instruments', issued in November 2009. The standard is not applicable until 1 January 2013 but is available for early adoption.

- Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011.

- 'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010.

- 'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments are effective for annual periods beginning 1 January 2011.

(c) 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.

(d) Investment in associate

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. The investment has been stated at cost as the directors consider that the fair value approximates at least the cost.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) Other receivables

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

(g) Financial instruments

Financial instruments carried on the statement of financial position include advances to investee companies, cash and cash equivalents and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(h) 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 end of the reporting period.

BELLE TERRE REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Taxation (continued)

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 end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) 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.

(j) Trade and other payable

Payables are stated at their nominal value.

(k) Revenue recognition

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

(l) Expense recognition

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

(m) Stated capital

Ordinary shares and optionally convertible preference shares are classified as equity.

(n) 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 embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses.

BELLE TERRE REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

4. 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 3, 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.

5. INVESTMENT IN SUBSIDIARY

	2011	2010
	USD	USD
At beginning and end of the year	**30,654**	30,654

The details of the investment in subsidiary as at 31 March 2011 are as follows:

Name of subsidiary company	**Country of incorporation**	**Number and type 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 2011 and that the fair value approximates at least its cost. Oasis Holding FZC is engaged in real estates activities.

No consolidated accounts have been prepared as the directors of the Company have taken advantage of the exemption under the Mauritian Companies Act 2001, which exempts a Company holding a Global Business Licence 1 from preparing consolidated financial statements when it is a wholly owned or a virtually wholly owned subsidiary of any Company incorporated outside Mauritius.

6. INVESTMENT IN ASSOCIATE

	2011	2010
	USD	USD
At beginning and end of the year	**20,436**	20,436

The details of the investment in associate as at 31 March 2011 are as follows:

Name of associate	Country of incorporation	Number and type of shares	% holding	Cost
				USD
Searock Developers FZC	United Arab Emirates	50 equity shares of AED 1,500 each	50%	20,436

The investment in associate has been stated at cost as the directors consider that the fair value approximates at least the cost. Searock Developers FZC is engaged in real estates activities.

7. ADVANCES TO INVESTEE COMPANIES

	2011	2010
	USD	USD
At beginning of the year	**22,380,514**	22,380,514
Advances made during the year	**84,050**	-
At end of the year (see note 12)	**22,464,564**	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.

8. STATED CAPITAL

	2011	2010
	USD	USD
Issued and fully paid		
Ordinary shares of USD1 each		
At beginning and end of the year	**9,933**	9,933
Optionally convertible preference shares of USD1 each		
At beginning of the year	**22,459,275**	-
Issue during the year	**105,025**	22,459,275
At end of the year	**22,564,300**	22,459,275
Total	**22,574,233**	22,469,208

BELLE TERRE REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

8. STATED CAPITAL (continued)

Ordinary shares are non-redeemable shares and have right to distribution. Holders of the ordinary shares have the right to vote on all matters submitted to shareholders except those requiring approval of the optionally convertible preference shareholders.

Optionally convertible preference shares ("OCPS") are redeemable at par by the Company to its holders and are not to be redeemed below its issue price. The OCPS can be converted into ordinary shares at the option of its holder as well as at the option of the Company at any time after issue of OCPS. The OCPS can be converted within 10 years in the ratio of one OCPS for one ordinary share. The OCPS do not have any voting rights at shareholders' meetings of the Company except on matters affecting their rights. The OCPS have priority for distribution over ordinary shares on winding up.

9. SHAREHOLDER'S LOAN

	2011	2010
	USD	USD
At beginning of the year	**25**	22,439,275
Loan received during the year	**-**	20,025
Loan capitalised during the year	**(25)**	(22,459,275)
At end of the year	**-**	25

10. 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.

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 2011, the Company had accumulated tax losses of **USD41,997** (2010: USD23,800) and, therefore, no provision for income tax has been made.

10. TAXATION (continued)

Deferred tax

A deferred tax asset of **USD1,260** (2010: USD714) 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 year under review is as follows:

	2011	2010
	USD	USD
Operating loss before taxation	**(18,197)**	(24,025)
Tax at the rate of 15%	**(2,730)**	(3,604)
Tax effect of:		
Unauthorised deduction	**-**	56
Tax losses brought forward	**(3,570)**	(23)
Tax credit of 80%	**5,040**	2,857
Deferred tax not recognised	**1,260**	714
Tax expense	**-**	-

11. FINANCIAL INSTRUMENTSAND ASSOCIATED RISKS

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 end of the reporting period 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 2011

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Currency profile

The Company's total net exposure to fluctuations in foreign currency exchange rates at the end of the reporting period was as follows:

	2011		2010	
	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
	USD	**USD**	USD	USD
Dirhams	**22,464,564**	**-**	22,380,514	-
United States Dollars	**1,076**	**4,425**	953	7,080
	22,465,640	**4,425**	22,381,467	7,080

Prepayments amounting to **USD1,563** (2010: USD1,563) have not been included in financial assets.

(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 2011.

(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.

(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.

BELLE TERRE REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (continued)

(b) Credit risk (continued)

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

	2011	2010
	USD	USD
Advances to investee companies	**22,464,564**	22,380,514
Cash and cash equivalents	**1,076**	953
	22,465,640	22,381,467

(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:

At 31 March 2011	**Less than one year USD**	**Between 1 and 5 years USD**
Accruals	**4,425**	**-**
At 31 March 2010		
Accruals	**7,055**	**-**
Shareholder's loan	**25**	**-**

(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 during the year under review.

BELLE TERRE REALTY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISK (continued)

(e) Fair value measurements recognised in the statement of financial position

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (that is derived from prices); and
Level 3	for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value measurements recognised in the statement of financial position is based on unobservable inputs for the year ended 31 March 2011 and 2010.

	2011			
	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Advances to investee companies	**-**	**-**	**22,464,564**	**22,464,564**
Cash and cash equivalents	**-**	**-**	**1,076**	**1,076**
	-	**-**	**22,465,640**	**22,465,640**
Financial liability				
Accruals	**-**	**-**	**4,425**	**4,425**

	2010			
	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Advances to investee companies	-	-	22,380,514	22,380,514
Cash and cash equivalents	-	-	953	953
	-	-	22,381,467	22,381,467
Financial liabilities				
Shareholder’s loan	-	-	25	25
Accruals	-	-	7,055	7,055
	-	-	7,080	7,080

BELLE TERRE REALTY LIMITED

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12. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties during the year ended 31 March 2011.

	2011	2010
	USD	USD
(a) International Financial Services Limited (Secretary)		
Directors' and secretarial fees	**2,750**	2,750
Administration expenses and disbursements	**7,217**	11,613
	9,967	14,363

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

	2011	2010
	USD	USD
(b) Shareholder's loan		
At beginning of the year	**25**	22,439,275
Loan received during the year	**-**	20,025
Loan capitalised during the year	**(25)**	(22,459,275)
At end of the year	**-**	25

(c) Advances to investee companies

Related parties	Relationship	Nature of transactions	2011 USD	2010 USD
Oasis Holding FZC	Subsidiary	Amount advanced	**6,460,075**	**6,376,025**
Searock Developers FZC	Associates	Amount advanced	**16,004,489**	**16,004,489**
			22,464,564	**22,380,514**

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

13. HOLDING COMPANY

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

14. EVENTS AFTER THE REPORTING PERIOD

There have been no material events since the end of the reporting period which would require disclosures or adjustments to the financial statements for the year ended 31 March 2011.