

**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 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 set out on pages 3 to 12.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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.

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 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
OASIS HOLDING (FZC)
(continued)**

Opinion

In our opinion, except for the effect of adjustment that may be required in respect of the matter stated in Note 6 to the financial statements, the financial statements give a true and fair view of the financial position of **OASIS HOLDING (FZC)** as of 31 March 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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.

PKF

Sharjah

United Arab Emirates

25 April 2010

OASIS HOLDING (FZC)

STATEMENT OF FINANCIAL POSITION

31 MARCH 2010

	Notes	2010 AED	2009 AED
NON-CURRENT ASSETS			
Advances for investment in projects	6	<u>31,200,000</u>	<u>31,200,000</u>
CURRENT ASSETS			
Prepayments and deposits	7	10,825	8,919
Cash and cash equivalents	9	<u>74,607</u>	<u>33,366</u>
		<u>85,432</u>	<u>42,285</u>
TOTAL ASSETS		<u>31,285,432</u>	<u>31,242,285</u>
CURRENT LIABILITIES			
Accruals		<u>8,000</u>	<u>--</u>
SHAREHOLDERS' FUNDS			
Share capital	10	150,000	150,000
Accumulated losses		<u>(72,580)</u>	<u>(18,547)</u>
Equity funds		77,420	131,453
Advances from shareholders for projects	8	<u>31,200,012</u>	<u>31,110,832</u>
		<u>31,277,432</u>	<u>31,242,285</u>
TOTAL EQUITY		<u>31,285,432</u>	<u>31,242,285</u>

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2.

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

Authorised for issue by the directors on 18 April 2010

For **OASIS HOLDING (FZC)**

DIRECTORS

OASIS HOLDING (FZC)

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2010

	2010 AED (12 months)	2009 AED (10 months)
Operating expenses	<u>(54,033)</u>	<u>(18,547)</u>
LOSS FOR THE YEAR/PERIOD	(54,033)	(18,547)
Other comprehensive income for the year	<u>---</u>	<u>---</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>(54,033)</u>	<u>(18,547)</u>

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 and 2.

OASIS HOLDING (FZC)

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2010

	Share capital AED	Accumulated losses AED	Total AED
Issue of share capital	150,000	--	150,000
Total comprehensive income for the period	<u>--</u>	<u>(18,547)</u>	<u>(18,547)</u>
As at 31.03.2009	150,000	(18,547)	131,453
Total comprehensive income for the year	<u>--</u>	<u>(54,033)</u>	<u>(54,033)</u>
As at 31.3.2010	<u>150,000</u>	<u>(72,580)</u>	<u>77,420</u>

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

OASIS HOLDING (FZC)

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2010

	Note	2010 AED (12 months)	2009 AED (10 months)
Cash flows from operating activities			
Loss for the year		(54,033)	(18,547)
Increase in prepayments and deposits		(1,906)	(8,919)
Increase in trade and other payable		<u>8,000</u>	<u>--</u>
Net cash used in operations		<u>(47,939)</u>	<u>(27,466)</u>
Cash flows from investing activities			
Advances paid for investment in projects		<u>--</u>	(31,200,000)
Net cash used in investing activities		<u>--</u>	<u>(31,200,000)</u>
Cash flows from financing activities			
Issue of share capital		--	150,000
Advances from shareholders for projects		<u>89,180</u>	<u>31,110,832</u>
Net cash from financing activities		<u>89,180</u>	<u>31,260,832</u>
Net increase in cash and cash equivalents		41,241	33,366
Cash and cash equivalents at beginning of year/period		<u>33,366</u>	<u>--</u>
Cash and cash equivalents at end of year/period	9	<u>74,607</u>	<u>33,366</u>

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

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) **OASIS HOLDING (FZC)** was incorporated on 18 June 2008 in Sharjah Airport International Free Zone, Sharjah, UAE as a Free Zone Company with limited liability, pursuant to Law No. 2 of 1995 of H.H. Sheikh Sultan Bin Mohammed Al Qassimi, the Ruler of Sharjah. The registered office is at P. O. Box 121943, Executive Suite, Sharjah, United Arab Emirates. The company commenced operations from June 2008.
- b) The company is engaged in investment of own financial resources.
- c) The parent company is Belle Terre Realty Limited, India and the ultimate parent company is Jai Corp. Limited, India.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

The financial statements are presented in UAE Dirhams and prepared using historical cost convention and 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 2009 and the laws of Sharjah Airport Free Zone Authority.

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) Cash and cash equivalents

Cash and cash equivalents comprise 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.

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

e) **Financial instruments**

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

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

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

Current financial asset that have fixed or determinable payments and for which there is no active market, which comprise deposits are classified as loans and receivables and stated at cost or, if the impact is material, at amortised cost using the effective interest method, less any write down for impairment losses plus reversal of impairment losses. Impairment losses and reversals thereof are recognised in profit or loss.

Current and non-current financial liabilities, which comprise Accruals and advances from shareholders for projects are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

3. **SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES**

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

Impairment

At each reporting date, management conducts an assessment of advances for 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.

4. **KEY SOURCES OF ESTIMATION ON CERTAINTY**

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 period, are as follows:

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

Impairment

Assessments of net recoverable amounts of advances for 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.

5. **ADOPTION OF NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The following 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. Their adoption has resulted in presentation and disclosure changes only:

- Amendment to IAS 1: Presentation of Financial Statements
- Amendment to IAS 32: Financial Instruments: Presentation
- Amendment to IAS 36: Impairment of Assets
- Amendment to IAS 39: Financial Instruments: Recognition and Measurement
- Reclassification of Financial Assets – Amendments to IAS39: Financial Instruments: Recognition and Measurement and IFRS7: Financial Instruments: Disclosures
- Reclassification of Financial Assets – Effective Date and Transition - Amendments to IAS39: Financial Instruments: Recognition and Measurement and IFRS7: Financial Instruments: Disclosures
- Improving Disclosures about Financial Instruments - Amendments to IFRS7

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. It is anticipated that their adoption in the relevant accounting periods will have an impact only on presentation and disclosures within the financial statements:

- Improvement to IFRS
 - IAS1: Presentation of Financial Statements (1 January 2010)
 - IAS7: Statement of Cash Flows (1 January 2010)
 - IAS17: Leases (1 January 2010)
 - IAS36: Impairment of Assets (1 January 2010)
 - IAS39: Financial Instruments: Recognition and Measurement (1 January 2010)
 - IAS 24: Related Party Disclosures (1 January 2011)
 - IFRS 9: Financial Instruments (1 January 2013)

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

6. **ADVANCES FOR INVESTMENT IN PROJECTS**

- a) The advance represents payments made for plot of leasehold land to be utilized for construction of labour camp. The leasehold land is situated in Dubai, UAE.
- b) The management is of the opinion that, in the present market condition, the fair value of plot of land cannot be reasonably determined and therefore, the impairment amount, if any, cannot be reasonably assessed.
- c) The purchase of one of the plots was terminated and the resulting charges of AED 7,200,000 were included in the cost of remaining plot of land. The consideration is fully paid and the possession of the plot of land is expected in due course from the seller.

	2010	2009
	AED	AED
7. PREPAYMENTS AND DEPOSITS		
Prepayments	7,325	5,419
Deposits	<u>3,500</u>	<u>3,500</u>
	<u>10,825</u>	<u>8,919</u>

8. **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.

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>31,200,012</u>	<u>31,110,832</u>
---	--------------------------	-------------------

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 12.

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

	2010	2009
	AED	AED
9. CASH AND CASH EQUIVALENTS		
Bank balances:		
Current accounts	56,279	14,918
Call deposits	<u>18,328</u>	<u>18,448</u>
	<u>74,607</u>	<u>33,366</u>

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

		2010 AED	2009 AED
10.	SHARE CAPITAL		
	100 shares of AED 1,500 each	<u>150,000</u>	<u>150,000</u>

11. **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 amounts due to related parties. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

Funds generated from internal accruals together with funds received from/provided to related parties are retained in the business to maintain capital at desired levels.

12. **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	
	2010 AED	2009 AED	2010 AED	2009 AED
Deposits	3,500	3,500	--	--
Cash and cash equivalents	74,607	33,366	--	--
Accruals	--	--	8,000	--
Amounts from shareholders for investment in projects	<u>--</u>	<u>--</u>	<u>31,200,012</u>	<u>31,110,832</u>
	<u>78,107</u>	<u>36,866</u>	<u>31,208,012</u>	<u>31,110,832</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, currency, liquidity and cash flow 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.

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.

OASIS HOLDING (FZC)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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

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.

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

Interest rate risk

Call deposit is subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

Exchange rate risk

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

Fair values

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. 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 fair value lower than the carrying value.

12. **COMPARATIVE FIGURES**

Previous period figures are for a period of ten months from June 2008, being the date of the registration of the company to 31 March 2009, these are not strictly comparable with those of the current year.

For **OASIS HOLDING (FZC)**

DIRECTORS

OASIS HOLDING (FZC)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED 31 MARCH 2010

OASIS HOLDING (FZC)

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 MARCH 2010

CONTENTS	PAGE
INDEPENDENT AUDITOR'S REPORT	1 & 2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO THE FINANCIAL STATEMENTS	7 – 12