

**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 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 information set out on pages 3 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 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 qualified audit opinion.

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

***Basis for qualified opinion***

We refer to note 6 with regard to nature of amounts included in investment in projects and impairment thereof.

***Qualified opinion***

In our opinion, except for the effects of the matters described in the basis for qualified opinion paragraph, the financial statements give a true and fair view of the financial position of **OASIS HOLDING (FZC)** as of 31 March 2011, 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

10 April 2011

# OASIS HOLDING (FZC)

## STATEMENT OF FINANCIAL POSITION 31 MARCH 2011

	Notes	2011 AED	2010 AED
<b>NON-CURRENT ASSETS</b>			
Investment in projects	6	31,564,950	--
Advance for investment in projects	7	<u>--</u>	<u>31,200,000</u>
		<u>31,564,950</u>	<u>31,200,000</u>
<b>CURRENT ASSETS</b>			
Prepayments and deposits	8	10,825	10,825
Cash and cash equivalents	9	<u>71,242</u>	<u>74,607</u>
		<u>82,067</u>	<u>85,432</u>
<b>TOTAL ASSETS</b>		<u>31,647,017</u>	<u>31,285,432</u>
<b>CURRENT LIABILITIES</b>			
Accruals		<u>4,000</u>	<u>8,000</u>
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	10	150,000	150,000
Accumulated losses		<u>(115,415)</u>	<u>(72,580)</u>
Equity funds		34,585	77,420
Advances from shareholders for projects	11	<u>31,608,432</u>	<u>31,200,012</u>
		<u>31,643,017</u>	<u>31,277,432</u>
<b>TOTAL EQUITY</b>		<u>31,647,017</u>	<u>31,285,432</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 3 April 2011

For **OASIS HOLDING (FZC)**

**DIRECTORS**

## OASIS HOLDING (FZC)

### STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2011

	2011 AED	2010 AED
Operating expenses	<u>(42,835)</u>	<u>(54,033)</u>
<b>LOSS FOR THE YEAR</b>	<b>(42,835)</b>	<b>(54,033)</b>
Other comprehensive income for the year	<u>---</u>	<u>---</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>(42,835)</u></b>	<b><u>(54,033)</u></b>

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 2011

	Share capital AED	Accumulated losses AED	Total AED
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 31.03.2010	150,000	(72,580)	77,420
Total comprehensive income for the year	<u>--</u>	<u>(42,835)</u>	<u>(42,835)</u>
As at 31.03.2011	<u><b>150,000</b></u>	<u><b>(115,415)</b></u>	<u><b>34,585</b></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 2011

	Note	2011 AED	2010 AED
<b>Cash flows from operating activities</b>			
Loss for the year		(42,835)	(54,033)
Increase in prepayments and deposits		--	(1,906)
(Decrease)/increase in accruals		<u>(4,000)</u>	<u>8,000</u>
<b>Net cash used in operations</b>		<u>(46,835)</u>	<u>(47,939)</u>
<b>Cash flows from investing activities</b>			
Payment for investment in projects		<u>(364,950)</u>	--
<b>Net cash used in investing activities</b>		<u>(364,950)</u>	--
<b>Cash flows from financing activities</b>			
Advances from shareholders for projects		<u>408,420</u>	<u>89,180</u>
<b>Net cash from financing activities</b>		<u>408,420</u>	<u>89,180</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			
		<u>(3,365)</u>	41,241
Cash and cash equivalents at beginning of year		<u>74,607</u>	<u>33,366</u>
<b>Cash and cash equivalents at end of year</b>	9	<u>71,242</u>	<u>74,607</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 2011

### 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 2010 and the laws of Sharjah Airport Free Zone Authority.

#### b) **Investment in projects**

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

#### c) **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.

#### d) **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.

# OASIS HOLDING (FZC)

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

e) **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.

f) **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 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.



# OASIS HOLDING (FZC)

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

### 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:

#### *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.

### 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:

- Improvements to IFRS
  - IAS1: Presentation of Financial Statements
  - IAS7: Statement of Cash Flows
  - IAS17: Leases
  - IAS36: Impairment of Assets
  - IAS39: Financial Instruments: Recognition and Measurement
  - IAS 24: Related Party Disclosures
  - IFRS 9: Financial Instruments

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 years, as referred to below. It is anticipated that their adoption in the relevant accounting years will have an impact only on disclosures within the financial statements:

- IAS24: Related Party Disclosures (1 January 2011)
- Improvements to IFRS
  - IFRS7: Financial Instruments: Disclosures (1 January 2011)
  - IAS1: Presentation of Financial Statements (1 January 2011)
- IFRS9: Financial Instruments (1 January 2013)

# OASIS HOLDING (FZC)

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

		2011 AED	2010 AED
6.	<b>INVESTMENT IN PROJECTS</b>		
	Transfer from advance for investment in projects (note 7)	<u>31,564,950</u>	<u>---</u>
a)	This represents payments made for plot 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.		
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, in the present market condition, the fair value of investment in projects cannot be reasonably determined and therefore, the impairment amount, if any, cannot be reasonably assessed.		
7.	<b>ADVANCES FOR INVESTMENT IN PROJECTS</b>		
	Leasehold land	31,200,000	31,200,000
	Land registration charges	364,950	--
	Transfer to investment in projects (note 6)	<u>(31,564,950)</u>	<u>---</u>
		<u>---</u>	<u>31,200,000</u>
8.	<b>PREPAYMENTS AND DEPOSITS</b>		
	Prepayments	7,325	7,325
	Deposits	<u>3,500</u>	<u>3,500</u>
		<u>10,825</u>	<u>10,825</u>
9.	<b>CASH AND CASH EQUIVALENTS</b>		
	Bank balances:		
	Current accounts	21,597	56,279
	Call deposits	<u>49,645</u>	<u>18,328</u>
		<u>71,242</u>	<u>74,607</u>
10.	<b>SHARE CAPITAL</b>		
	100 shares of AED 1,500 each	<u>150,000</u>	<u>150,000</u>
11.	<b>RELATED PARTIES</b>		
	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.		

## OASIS HOLDING (FZC)

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

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:

	<b>2011</b>		<b>2010</b>
	<b>AED</b>		<b>AED</b>
Advances from shareholders for projects	<b><u>31,608,432</u></b>		<b><u>31,200,012</u></b>

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:

	<b>Loans and receivables</b>		<b>At amortised cost</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
	<b>AED</b>	AED	<b>AED</b>	AED
Deposits	<b>3,500</b>	3,500	--	--
Cash and cash equivalents	<b>71,242</b>	74,607	--	--
Accruals	--	--	<b>4,000</b>	8,000
Amounts from shareholders for investment in projects	<b><u>--</u></b>	<u>--</u>	<b><u>31,608,432</u></b>	<u>31,200,012</u>
	<b><u>74,742</u></b>	<u>78,107</u>	<b><u>31,612,432</u></b>	<u>31,208,012</u>

# OASIS HOLDING (FZC)

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

### **Management of risk**

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

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

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

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

The company buys and sells goods and services in local currencies. Exposure is 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.

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

### **Currency risk**

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

### **Interest rate risk**

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.

### **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 carrying value lower than the fair value.

## **OASIS HOLDING (FZC)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

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**

**OASIS HOLDING (FZC)**

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

**YEAR ENDED 31 MARCH 2011**

# **OASIS HOLDING (FZC)**

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

**YEAR ENDED 31 MARCH 2011**

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