ITNL INTERNATIONAL PTE. LTD.

ANNUAL REPORT

2009

ITNL INTERNATIONAL PTE. LTD.
(Registration No.200818474G)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

PERIOD FROM 19TH SEPTEMBER 2008 (DATE OF INCORPORATION)
TO DECEMBER 31, 2009

ITNL INTERNATIONAL PTE. LTD.

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

CONTENTS

ITNL INTERNATIONAL PTE. LTD.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company for the financial period from September 19, 2008 (date of incorporation) to December 31, 2009.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Arun Kumar Saha (Appointed on September 22, 2008)
Ramchand Karunakaran (Appointed on September 22, 2008)
Teh Kwang Hwee (Appointed on September 19, 2008)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors have been exempted by the Accounting and Corporate Regulatory Authority ("ACRA") from the requirements to disclose their interest in shares and debentures in the Company and related corporations in this report vide email dated 22 January 2010 from the 'ACRA Officer' and Company Transaction No.C100020500. The exemption order is subject to annual renewal upon application. Full detailed information regarding directors' interest can be obtained in the register of directors' shareholdings in accordance with Section 164 of the Singapore Companies Act.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the date of incorporation, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest except as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 SHARE OPTIONS

(a) Option to take up unissued shares

During the financial period, no option to take up unissued shares of the Company was granted.

(b) Option exercised

During the financial period, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial period, there were no unissued shares of the Company under option.

6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....
ARUN SAHA

....
RAMCHAND KARUNAKARAN

Singapore
March 2, 2010

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on pages 6 to 21 are drawn up so as to give a true and fair view of the state of affairs of the Company as at December 31, 2009 and of the results, changes in equity and cash flows of the Company for the financial period from September 19, 2008 (date of incorporation) to December 31, 2009 and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

....
ARUN SAHA

....
RAMCHAND KARUNAKARAN

Singapore
March 2, 2010

Deloitte.

Deloitte & Touche LLP
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

ITNL INTERNATIONAL PTE. LTD.

We have audited the accompanying financial statements of ITNL INTERNATIONAL PTE. LTD. (the "Company") which comprise the balance sheet of the Company as at December 31, 2009, the profit and loss statement, statement of changes in equity and cash flow statement of the Company for the financial period from September 19, 2008 (date of incorporation) to December 31, 2009, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 21.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; 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 Singapore 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 the 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.

Deloitte.

Opinion

In our opinion,

a) the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at December 31, 2009 and of the results, changes in equity and cash flows of the Company for the financial period from September 19, 2008 (date of incorporation) to December 31, 2009; and

b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
March 2, 2010

ITNL INTERNATIONAL PTE. LTD.

BALANCE SHEET
December 31, 2009

	Note	2009 US$
ASSETS		
Current assets		
Cash and bank balances	7	66,273
Other receivables	8	19,705
Total current assets		85,978
Non-current asset		
Associate	9	19,665,186
Loan to associate	10	3,591,912
Total non-current assets		23,257,098
Total assets		**23,343,076**
LIABILITIES AND NET EQUITY		
Current liabilities		
Derivative financial instrument	11	26,403
Other payables	12	18,616
Total current liabilities		45,019
Capital and accumulated losses		
Share capital	13	28,050,001
Deemed capital contribution		726,961
Accumulated losses		(5,478,905)
Net equity		23,298,057
Total liabilities and net equity		**23,343, 076**

See accompanying notes to financial statements.

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ITNL INTERNATIONAL PTE. LTD.

PROFIT AND LOSS STATEMENT
Financial Period from September 19, 2008 (date of incorporation) to December 31, 2009

	Note	September 19, 2008 (date of incorporation) to December 31, 2009 US$
Revenue	14	1,140,161
Foreign exchange loss		(3,044,789)
Finance costs	15	(3,134,922)
Other operating expenses		(234,125)
Loss before income tax	16	(5,273,675)
Income tax	17	(205,230)
Loss for the period		(5,478,905)

See accompanying notes to financial statements.

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Financial Period from September 19, 2008 (date of incorporation) to December 31, 2009

	Share capital	Deemed capital contribution	Accumulated Losses	Total
	US$	US$	US$	US$
Issue of shares on date of incorporation	1	-	-	1
Issue of shares during the period	28,050,000	-	-	28,050,000
Deemed capital contribution (Note 5)	-	726,961	-	726,961
Loss for the period	-	-	(5,478,905)	(5,478,905)
Balance at December 31, 2009	28,050,001	726,961	(5,478,905)	23,298,057

See accompanying notes to financial statements.

ITNL INTERNATIONAL PTE. LTD.
CASH FLOW STATEMENT

Financial Period from September 19, 2008 (date of incorporation) to December 31, 2009

	Note	September 19, 2008 (date of incorporation) to December 31, 2009 US$
Operating activities		
Loss before income tax		(5,273,675)
Adjustment for:		
Interest income		(1,140,161)
Finance costs		3,134,922
Loss on derivative financial instruments		146,293
Operating cash flows before movements in working capital		(3,132,621)
Other receivables		(1,261)
Other payables		18,616
Cash used in operations		(3,115,266)
Income tax paid		(205,230)
Net cash flows used in operating activities		(3,320,496)
Investing activities		
Amounts paid on cancellation of derivative financial instruments		(119,890)
Acquisition of associate*	9	(18,938,225)
Loans given to associate		(31,579,163)
Loans repaid by associate		27,987,251
Interest received		1,121,717
Net cash used in investing activities		(21,528,310)
Financing activities		
Proceeds from issue of shares		28,050,001
Loans received from holding company		23,850,000
Loans repaid to holding company		(23,850,000)
Interest paid		(3,134,922)
Net cash generated from financing activities		24,915,079
Net increase in cash and bank balances		**66,273**
Cash and bank balances at the end of the period		**66,273**

See accompanying notes to financial statements.

NON-CASH TRANSACTION

* The amount does not include an amount of US$ 726,961 which was paid by the immediate holding company, towards due diligence costs on behalf of the Company and treated as deemed capital contribution in the books of the Company.

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NOTES TO FINANCIAL STATEMENTS
December 31, 2009

1 GENERAL

The Company, ITNL INTERNATIONAL PTE. LTD. (Registration No. 200818474G) is incorporated in the Republic of Singapore with its registered office and principal place of business at 1 Temasek Avenue, #27-01, Millenia Tower, Singapore 039192.The financial statements are expressed in United States dollars.

The principal activity of the Company is that of investment holding.

The financial statements of the Company for the financial period from September 19, 2008 (date of incorporation) up to December 31, 2009 were authorised for issue by the Board of Directors on March 2, 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRSs").

ADOPTION OF NEW AND REVISED STANDARDS – The Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRSs") that are relevant to its operations from date of incorporation. The adoption of these new/ revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current period.

At the date of authorisation of these financial statements, **FRS 1 - Presentation of Financial Statements (Revised)** was issued and effective, but was not adopted by the Company as the financial period of the Company commenced from 19 September 2008 and the FRS is effective for annual period beginning 1 January 2009.

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Management anticipates that the adoption of FRSs, INT FRSs and amendments to FRS that were issued but effective only in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest rate basis.

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Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets comprise of cash and bank balances and other receivables.

Cash and bank balances

Cash and bank balances comprise cash at bank and cash in hand which are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralised borrowing for the proceeds received.

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Financial liabilities and equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.
- Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in Note 4.

Other Financial liabilities

Other payables

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

DERIVATIVES

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk which include foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in Note 11 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

ASSOCIATE – An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or Joint control over those policies. Investment in associate are accounted at cost less accumulated impairment losses.

The investment in associate is not accounted using the equity method as the Company is a wholly owned subsidiary, and its owner has been informed and does not object to the Company not applying the equity method. The ultimate holding company produces consolidated financial statements for public use. The Company's equity shares are not traded in a public market and the Company did not file, nor is in the process of filing, its financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market. The registered address of the ultimate and immediate holding company is The IL&FS Financial Centre, Plot C-22, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

IMPAIRMENT OF NON-FINANCIAL ASSETS – At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the profit and loss statement.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend Income

Dividend income from investments is recognised when the Company's right to received payment has been established.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable income for the period. Taxable income differs from income as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or that has been substantively enacted by the balance sheet date.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in United States Dollars, the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies which are described in Note 2 above, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgments in applying the Company's accounting policies

Management is of the opinion that there are no instances of application of judgments of the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Determination of Impairment losses on investment in associate

Determining whether the company's investments in associate are impaired requires an estimation of the fair value less cost to sell or the value in use of the investment. The fair value less cost to sell requires the company to estimate the fair value of the associate or its underlying assets. Where there are no active markets for the assets, management has to exercise judgment in estimating the fair value of these assets. In addition, the value in use calculation requires the company to estimate the future cash flow expected from the entity or its cash-generating units as well as to estimate an appropriate discount rate in order to calculate the present value of the future cash flow. Management is of the view that there is no impairment to be recognised in respect of the company's investments in associate. The carrying amounts of the investments in associates are disclosed in Note 9 to the financial statements.

The company prepares cash flow forecasts derived from the most recent financial budgets for the next 5 years. The rate used to discount the cash flows is 8.4% based on an estimated growth rate of 8.4 %.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments:

	2009 US$
Financial assets	
Loans and receivables (including cash and bank balances)	3,676,629
Financial liabilities	
Amortised Cost	
Other payables	18,616
Fair value through profit or loss :	
Derivative financial instruments	26,403

(b) Financial risk management policies and objectives

The Company has documented financial risk management policies. These policies are set out in the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management programme seeks to minimize potential adverse effects of financial performance of the Company. The Board of Directors provide principles for overall financial risk management and written policies covering specific areas, such as credit risk, liquidity risk and investing excess cash.

The Company does not hold or issue derivative financial instruments for speculative purposes. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Credit risk management:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Company.

The Company has adopted a policy of only dealing with credit worthy counter parties. Credit exposure on the loans to associate are reviewed and approved by the Board of Directors periodically.

The credit risk on cash and bank balances is limited as they are held with creditworthy institutions.

(ii) Foreign currency risk management:

Foreign currency risk arises from a change in foreign exchange rates resulting in an adverse impact on the Company.

The Company is exposed to currency fluctuation between the United States dollar vis-à-vis the Singapore Dollar and Euro. The Company hedges such exposures. Further details on the forward exchange derivative hedging instruments are found in Note 11 to the financial statements.

Details about the carrying amount of monetary assets and liabilities denominated in currencies other than its functional currency are disclosed under Notes 8 and 12 respectively.

Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the Company, United States dollars. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the functional currency of the Company, profit or loss will increase/(decrease) by:

	Singapore Dollar Impact	Euro Impact
	2009	2009
	US$	US$
Profit or (Loss)	1,519	(360,693)

If the relevant foreign currency weakens by 10% against the functional currency of the Company, profit or loss will increase/(decrease) by:

	Singapore Dollar Impact	Euro Impact
	2009	2009
	US$	US$
Profit or (Loss)	(1,519)	360,693

(iii) Interest rate risk management:

Interest rate risk refers to the risk of adverse impact on the Company due to fluctuation in interest rates. Summary quantitative data of the Company's interest bearing financial statements can be found in Note 10 to the financial statements. The Company lends at variable rates which are based on Euribor plus an additional spread.

No interest rate sensitivity is prepared as the Company does not expect a material impact on the Company's profit or loss arising from the effects of change in interest rates.

(iv) Liquidity risk management :

Liquidity risk refers to the risk that the Company has difficulties in meeting its short-term obligations. The Company maintains sufficient cash and bank balances to finance its activities and the Company depends on its immediate holding company for financial support.

(v) Fair value risk management:

Fair value is defined as the amount at which the financial instruments could be exchanged between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of financial assets and financial liabilities other than derivative financial instruments approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of derivative financial instrument is calculated using quoted prices.

(vi) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern as at December 31, 2009. The capital structure of the Company comprises issued capital and accumulated losses.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

During the period, the Company was incorporated as a subsidiary of IL&FS Transportation Networks Limited, incorporated in India. Infrastructure Leasing & Financial Services Limited, incorporated in India, is the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are with related companies and the effect of these on the basis determined between the parties is reflected in these financial statements.
Significant transactions with related companies other than those disclosed in the financial statements are as follows:

	2009 US$
Loan from immediate holding company	23,850,000
Repayment of loan to immediate holding company	(23,850,000)
Investment in associate transferred from related company	18,938,225
Capital contributed by immediate holding company	28,050,001
Deemed capital contribution from immediate holding company*	726,961
Loan to associate (net of repayment)	3,591,912
Interest income on loan given to associate	1,140,161
Interest expense on loan taken from immediate holding company	(3,134,922)

* The immediate holding company i.e. IL&FS Transportation Networks Limited had incurred due diligence costs of US$ 726,961 towards acquisition of a stake in Elsamex S.A, the associate, which

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the immediate holding company had absorbed and accordingly the same is treated as deemed capital contribution from the holding company.

6 OTHER RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

There were no material transactions with related parties during the period other than those reported above.

7 CASH AND BANK BALANCES

	2009 US$
Cash at bank	66,272
Cash on hand	1
	66,273

Cash and bank balances are denominated in the functional currency of the Company and approximate their fair values.

8 OTHER RECEIVABLES

	2009 US$
Interest receivable*	18,444
Prepaid expenses	1,261
	19,705

*These amounts are unsecured and are expected to be paid within one year.

The Company's other receivables that were not denominated in the functional currency are as follows:

	2009 US$
EURO	18,444

9 ASSOCIATE

	2009 US$
Unquoted equity shares, at cost (a)	19,665,186

(a) The Company entered into a Stock Purchase Agreement ("SPA") dated 24th September 2008 with ILFS Maritime Offshore Pte. Ltd. ("IMOPL"), a related company, to purchase the shares of Elsamex S.A. for a total consideration of US$ 18,938,225. Further, the immediate holding company i.e. M/s IL&FS Transportation Networks Limited, had incurred due diligence costs of US$ 726,961 on behalf of the company which the immediate holding company had absorbed and accordingly the same is treated as deemed capital contribution from the holding company with a corresponding increase in the value of investments held in Elsamex S.A. by the Company.

Details of the Company's associate as at December 31, 2009 is as follows

Name of associate	Country of incorporation and operation	Proportion of ownership interest	Principal activities
*Elsamex S.A.	Spain	22.61%	Operation & Maintenance of Roads, Buildings and Gas stations

* Last audited by Bernardo Tahoces Acedo, Madrid, Spain

10 LOAN TO ASSOCIATE

	2009 US$
Loan given*	3,591,912

*On September 29, 2008 the Company also entered into a credit assignment agreement with ILFS Maritime Offshore Pte Ltd ("IMOPL"), a related company, where in both parties agreed the assignment of the rights and obligations arising from the Loan agreement between IMOPL and Elsamex S.A. for Euro 19,350,000 in favor of the Company. The Company further advanced a loan Euro 725,000 on October 9, 2008. In July 2009, Elsamex S.A repaid Euro 17,575,000 to the Company. The weighted average effective interest rate was 10.11%.

The Company's loan to associate is denominated in Euro.

11 DERIVATIVE FINANCIAL INSTRUMENTS

	2009 Assets US$	Liabilities US$
Forward foreign exchange contracts (at fair value)	-	26,403
Analysed as:		
Current	-	26,403

The Company utilizes currency derivatives to hedge significant future transactions and cash flows.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Company is committed is as follows:

	2009 US$
Forward foreign exchange contracts	1,414,500

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The following table details the forward foreign currency contracts outstanding as at the end of the reporting period.

Outstanding Contracts	Average exchange rate 2009	Foreign Currency 2009 Euro	Contract value 2009 US$	Fair value 2009 US$
Sell Euro within 3 months	1.4145	1,000,000	1,414,500	26,402

12 OTHER PAYABLES

	2009 US$
Accrued expenses	18,616

Accrued expenses comprise amounts outstanding for audit fees and legal and professional expenses.

The Company's other payable that are not denominated in the functional currency are as follows:

	2009 US$
Singapore dollars	15,191
Euro	3,425

13 SHARE CAPITAL

	2009 Number of ordinary shares	2009 US$
Issued and fully paid:		
At date of incorporation	1	1
Issued for cash, during the period (refer note 5)	28,050,000	28,050,000
At December 31,	28,050,001	28,050,001

Ordinary shares have no par value, carry one vote per share and no right to fixed income.

14 REVENUE

	September 19, 2008 (date of incorporation) to December 31, 2009 US$
Interest Income on loan given	1,140,161

15 FINANCE COSTS

	September 19, 2008 (date of incorporation) to December 31, 2009 US$
Interest on loan	3,134,922

Interest expense on loan represents interest payable to the holding Company M/s IL&FS Transportation Networks Limited. During the year the holding company had lent USD 46,500,000 to the Company, out of which USD 23,850,000 was repaid and balance of USD 22,650,000 was converted into ordinary shares of the Company. Interest expense is calculated at 3 months Libor + 5.50% basis points p.a. which is compounded on a quarterly basis but payable on a half yearly basis.

16 LOSS BEFORE INCOME TAX

Loss for the period has been arrived at after charging :

	September 19, 2008 (date of incorporation) to December 31, 2009 US$
Foreign exchange loss	3,044,789
Forward Contract Loss	146,293
Bank Charges	52,987
Legal and professional fees	21,950
Director's fees	2,221

17 INCOME TAX

	September 19, 2008 (date of incorporation) to December 31, 2009 US$
Current tax expense	205,230

Domestic income tax is calculated at 17% of the estimated assessable profit for the period. The total charge for the period can be reconciled to the accounting profit /(loss) as follows :

	2009 US$
Loss before income tax for the period	(5,273,675)
Income tax calculated at 17%	(896,525)
Effect of income that is exempt from taxation	(3,135)
Effect of expenses that are not deductible in determining taxable profit	523,422
Effect of tax losses not available for relief against future taxable income	351,274
Withholding taxes	205,230
Others	24,964
Income tax expense recognized in profit or loss	205,230

18 COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on September 19, 2008 (date of incorporation) to December 31, 2009. This being the first set of financial statements, there are no comparative figures.

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