

IDFC Capital (Singapore) PTE Limited

BOARD OF DIRECTORS

- Dr. Rajiv B. Lall
- Mr. Chetan Dave
- Mr. Evan Gallagher

AUDITORS

- Deloitte & Touche LLP

REGISTERED OFFICE

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Singapore 018981

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The directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2011.

1. DIRECTORS

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

Rajiv Behari Lall

Chetan K. Dave (Appointed on March 10, 2011)

Evan Francis Gallagher (Appointed on March 10, 2011)

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

Neither at the end of the financial year nor at any time during the financial year 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 of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and companies in which interests are held	ORDINARY SHARES			
	SHAREHOLDINGS REGISTERED IN NAME OF DIRECTOR		SHAREHOLDINGS IN WHICH DIRECTORS ARE DEEMED TO HAVE AN INTEREST	
	At beginning of year	At end of year	At beginning of year	At end of year
Ultimate holding company - Infrastructure Development Finance Company Limited				
Rajiv B. Lall	2,129,884	2,348,884	-	-
Chetan K. Dave	1,000	-	-	-

OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES IN ULTIMATE HOLDING COMPANY

Name of directors and companies in which interests are held	At beginning of year	At end of year
Ultimate holding company - Infrastructure Development Finance Company Limited		
Rajiv Behari Lall	1,466,000	1,606,403
Chetan K. Dave	-	827,815
Evan Francis Gallagher	-	17,470

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, 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 for salaries, bonuses and other benefits as disclosed in the financial statements.

5. SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the company were granted.

(b) Options exercised

During the financial year, 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 year, there were no unissued shares of the company under options.

6. AUDITORS

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

ON BEHALF OF THE DIRECTORS

CHETAN K. DAVE
Director

EVAN FRANCIS GALLAGHER
Director

Singapore
April 15, 2011



STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements as set out on pages 7 to 25 are drawn up so as to give a true and fair view of the state of affairs of the company as at March 31, 2011 and of the results, changes in equity and cash flows of the company for the financial year then ended 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

CHETAN K. DAVE
Director

EVAN FRANCIS GALLAGHER
Director

Singapore
April 15, 2011

Independent Auditors' Report to the Members of IDFC Capital (Singapore) Pte. Ltd.

We have audited the accompanying financial statements of IDFC Capital (Singapore) Pte. Ltd. (the "company") which comprise the statement of financial position as at March 31, 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, as set out on pages 7 to 25.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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 accounts and balance sheets and to maintain accountability of assets.

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 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 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a 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 audit opinion.

Opinion

In our opinion, 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 March 31, 2011 and of the results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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.

Public Accountants and
Certified Public Accountants

Singapore
April 15, 2011

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2011

	NOTE ↘	US\$ 2011	US\$ 2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	590,084	373,406
Trade and other receivables	8	1,121,217	138,173
Total current assets		1,711,301	511,579
NON-CURRENT ASSET			
Plant and equipment	9	72,560	144,397
Total assets		1,783,861	655,976
LIABILITIES AND NET EQUITY			
CURRENT LIABILITY			
Trade and other payables	10	995,468	468,131
Capital and reserves			
Share capital	11	7,939,652	4,690,742
Accumulated losses		(7,549,361)	(4,502,897)
Share option reserves	12	398,102	-
Net equity		788,393	187,845
Total liabilities and net equity		1,783,861	655,976

See accompanying notes to Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2011

	NOTE ↘	US\$ 2011	US\$ 2010
Revenue	13	1,627,601	212,329
Other operating income	14	1,219	547,645
Staff costs	15	(2,766,297)	(1,533,856)
Professional fees		(1,046,944)	(739,830)
Depreciation expense		(73,321)	(79,337)
Other operating expenses	16	(788,722)	(750,547)
Loss before income tax		(3,046,464)	(2,343,596)
Income tax	17	-	-
LOSS FOR THE YEAR AND COMPREHENSIVE LOSS FOR THE YEAR		(3,046,464)	(2,343,596)

See accompanying notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2011

	US\$	US\$	US\$	US\$
	SHARE CAPITAL	ACCUMULATED LOSSES	SHARE OPTION RESERVES	TOTAL
Balance at April 1, 2009	2,574,092	(2,159,301)	-	414,791
Issue of share capital	2,116,650	-	-	2,116,650
Total comprehensive loss for the year	-	(2,343,596)	-	(2,343,596)
Balance at March 31, 2010	4,690,742	(4,502,897)	-	187,845
Issue of share capital	3,248,910	-	-	3,248,910
Recognition of share-based payments (Note 12)	-	-	398,102	398,102
Total comprehensive loss for the year	-	(3,046,464)	-	(3,046,464)
Balance at March 31, 2011	7,939,652	(7,549,361)	398,102	788,393

See accompanying notes to Financial Statements.

CASH FLOWS STATEMENT

YEAR ENDED MARCH 31, 2011

	US\$	US\$
	2011	2010
OPERATING ACTIVITIES		
Loss before income tax	(3,046,464)	(2,343,596)
Adjustments for:		
Loss on disposal of plant and equipment	-	125
Share-based payment expense	398,102	-
Depreciation expense	73,321	79,337
Operating cash flows before movements in working capital	(2,575,041)	(2,264,134)
Trade and other receivables	(983,044)	(39,883)
Trade and other payables	527,337	203,195
Net cash used in operating activities	(3,030,748)	(2,100,822)
INVESTING ACTIVITY		
Purchase of plant and equipment, representing net cash used in investing activity	(1,484)	(16,360)
FINANCING ACTIVITY		
Proceeds from issuance of shares, representing net cash from financing activity	3,248,910	2,116,650
Net increase (decrease) in cash and bank balances	216,678	(532)
Cash and cash equivalents at beginning of the year	373,406	373,938
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	590,084	373,406

See accompanying notes to Financial Statements.

1 GENERAL

The company (Registration Number 200800200R) is incorporated in Singapore with its principal place of business at One Finlayson Green #16-02, Singapore 049246 and its registered office at 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981. The financial statements are expressed in United States dollars.

The principal activity of the company is to establish funds, act as advisor and manager of funds, and to provide advice in relation to the setting up of funds.

The financial statements of the company for the year ended March 31, 2011 were authorised for issue by the Board of Directors on April 15, 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis 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 ("FRS").

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2010. 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 or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

- Improvements to Financial Reporting Standards (issued in October 2010)
- FRS 24 (Revised) Related Party Disclosures

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above 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 except for the following:

FRS 24 (REVISED) - RELATED PARTY DISCLOSURES

FRS 24 (Revised) Related Party Disclosures is effective for annual periods beginning on or after January 1, 2011. The revised Standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity.

In addition, the revised Standard provides partial exemption for government-related entities, in relation to the disclosure of transactions, outstanding balances and commitments. Where such exemptions apply, the reporting entity has to make additional disclosures, including the nature of the government's relationship with the reporting entity and information on significant transactions or group of transactions involved.

In the period of initial adoption, the changes to related party disclosures, if any, will be applied retrospectively with restatement of the comparative information.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

EFFECTIVE INTEREST RATE METHOD

The effective interest rate 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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

FINANCIAL ASSETS**Loans and receivables**

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivable are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term balances when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment:

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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 with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

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

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

Derecognition of financial liabilities

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

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, using the written down value method, on the following bases:

Leasehold improvements	-	33.33% or 36 months
Computers	-	40.00%
Office equipment	-	13.91%
Furniture and fittings	-	18.10%

Fully depreciated assets still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its non-financial 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 asset is estimated in order to determine the extent of the impairment loss (if any).

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 end of the reporting period, 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 the receivable can be measured reliably.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration, received or receivable. Revenue is recognised as follows:
Fee income

Advisory fee income is recognised over the period the services are rendered based on the applicable rates and terms stated in the respective investment management agreements. Where the investment advisory fee is performance-based, the revenue is only recognised when the amount of revenue can be measured reliably and the criteria defined by the performance fee agreements have been met.

Management fee income for the provision of services over a period of time is accrued over that period.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income 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 substantively enacted by the end of the reporting period.

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 is 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 the end of each reporting period 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 end of the reporting period.

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.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit and loss (either in other comprehensive income or directly in equity, respectively).

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

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. 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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

SHARE-BASED PAYMENTS - The company's ultimate holding company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 12. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of the number of equity instruments that will eventually vest. At the end of each reporting period, the company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, 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 judgements in applying the company's accounting policies

The management is of the opinion that there is no instance of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2011	2010
	US\$	US\$
FINANCIAL ASSETS		
Loans and receivables (including cash and bank balances)	1,637,092	489,022
FINANCIAL LIABILITIES		
At amortised cost	995,468	468,131

(b) Credit risk

The company does not have any significant credit risk exposure as at the end of the reporting period. The company places its cash with creditworthy financial institutions.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period is the carrying amount of the financial assets as stated in the statement of financial position.

(c) Interest rate risk

The company does not have any interest bearing assets and liabilities, hence it is not exposed to interest rate risk.

(d) Foreign currency risk

The company's foreign currency exposures arise mainly from the exchange rate movements of the Singapore dollar against the United States dollar.

Those exposures are managed primarily by using natural hedges that arise from offsetting assets and liabilities that are denominated in foreign currencies.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the company's functional currency are as follows:

	SINGAPORE	STERLING	INDIAN
	DOLLAR	POUND	RUPEE
	\$	\$	\$
2011			
ASSETS			
Cash and cash equivalents	82,848	-	-
Trade and other receivables	1,046,056	-	-
Total	1,128,904	-	-
LIABILITY			
Trade and other payables	341,232	6,932	44,450
Net currency exposure	787,672	(6,932)	(44,450)
2010			
ASSETS			
Cash and cash equivalents	51,475	-	-
Trade and other receivables	115,321	-	-
Total	166,796	-	-
LIABILITY			
Trade and other payables	227,988	10,839	-
Net currency exposure	(61,192)	(10,839)	-

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of the company. 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.

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

	SINGAPORE		STERLING		INDIAN	
	DOLLAR		POUND		RUPEE	
	IMPACT		IMPACT		IMPACT	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Loss	78,767	(6,119)	(693)	(1,084)	(4,445)	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(e) Liquidity risk

The company maintains sufficient cash and bank balances to fund its daily operating requirement. In addition, the company also relies on the holding company to fund any shortfall in liquidity requirements.

(f) Capital risk

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises only issued capital.

The company's overall strategy remains unchanged from 2010.

(g) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The company had no financial assets or liabilities carried at fair value in 2010 and 2011.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company is a wholly-owned subsidiary of IDFC Capital Limited incorporated in India. The company's ultimate holding company is Infrastructure Development Finance Company Limited, incorporated in India. 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 between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

The remuneration of directors and other members of key management during the period was as follows:

	2011	2010
	US\$	US\$
Short-term benefits	1,589,397	395,952
Post-employment benefits	9,325	7,758
Share-based payments	398,102	-

7 CASH AND CASH EQUIVALENTS

	2011	2010
	US\$	US\$
Cash at bank	590,084	373,406

In 2011, included in cash and cash equivalents is an amount of US\$ 487,739 held on behalf of the company by an external service provider. The carrying amounts of cash and cash equivalents approximate their fair values.

8 TRADE AND OTHER RECEIVABLES

	2011	2010
	US\$	US\$
Trade receivables (Note 5)	842,084	-
Prepayments	74,209	22,557
Deposits	110,596	81,931
Others	94,328	33,685
Total	1,121,217	138,173

9 PLANT AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS	COMPUTERS	OFFICE EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
	US\$	US\$	US\$	US\$	US\$
COST:					
At April 1, 2009	155,970	71,895	13,753	66,497	308,115
Additions	-	11,172	5,188	-	16,360
Adjustments	(7,751)	(4,347)	(1,188)	(4,192)	(17,478)
Disposals	-	-	(154)	-	(154)
At March 31, 2010	148,219	78,720	17,599	62,305	306,843
Additions	-	1,484	-	-	1,484
At March 31, 2011	148,219	80,204	17,599	62,305	308,327
ACCUMULATED DEPRECIATION:					
At April 1, 2009	47,150	24,073	1,338	10,577	83,138
Depreciation	47,067	21,536	1,926	8,808	79,337
Disposals	-	-	(29)	-	(29)
At March 31, 2010	94,217	45,609	3,235	19,385	162,446
Depreciation	49,407	14,148	1,997	7,769	73,321
At March 31, 2011	143,624	59,757	5,232	27,154	235,767
CARRYING AMOUNT:					
At March 31, 2011	4,595	20,447	12,367	35,151	72,560
At March 31, 2010	54,002	33,111	14,364	42,920	144,397

10 TRADE AND OTHER PAYABLES

	2011	2010
	US\$	US\$
Trade payables	244,966	79,366
Accruals	750,502	388,765
Total	995,468	468,131

Accrued expenses principally comprise amounts outstanding for ongoing costs.

11 SHARE CAPITAL

	2011	2010	2011	2010
	NUMBER OF ORDINARY SHARES		US\$	US\$
Issued and paid up:				
At the beginning of the year	6,655,000	3,610,000	4,690,742	2,574,092
Issued for cash	4,315,000	3,045,000	3,248,910	2,116,650
At the end of the year	10,970,000	6,655,000	7,939,652	4,690,742

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

12 SHARE OPTION RESERVES

The share option reserve arises on the grant of share options to certain employees by the company's ultimate holding company. Options granted under the plans vest over a period ranging from 2 to 3 years. The maximum life of the options is 5 years. These options are settled in equity once exercised and, dependent on the option scheme, will be settled either with new shares issued or shares purchased in the market. Options are forfeited if the employee leaves the company before the options vest.

Details of the share options outstanding during the year are as follows:

	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
		US\$
Outstanding at the beginning of the year	-	-
Granted during the year	845,285	3.53
Outstanding at the end of the year	845,285	3.53
Exercisable at the end of the year	-	-

The options outstanding at the end of the year have a weighted average remaining contractual life of 4.6 years.

In 2011, options were granted on May 10, 2010, and June 3, 2010. The estimated fair values of the options granted on those dates were US\$ 1,568,859.

These fair values for share options granted during the year were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2011
Weighted average share price	3.55
Weighted average exercisable price	3.53
Expected volatility	61%
Expected life	4.6 years
Risk free rate	7.2%
Expected dividend yield	1.2%

Expected volatility was determined by calculating the historical volatility of the company's share price from the date on which it is publicly traded, which was August 12, 2005. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

13 REVENUE

	2011	2010
	US\$	US\$
Advisory fee income from a related company (Note 5)	500,000	212,329
Management fee income from a related company (Note 5)	1,127,601	-
Total	1,627,601	212,329

14 OTHER OPERATING INCOME

	2011	2010
	US\$	US\$
Reimbursement of organisational expenses from a related company (Note 5)	-	541,269
Others	1,219	6,376
	1,219	547,645

15 STAFF COSTS

	2011	2010
	US\$	US\$
Included in staff costs are:		
Costs of defined contribution plans	26,584	21,684

16 OTHER OPERATING EXPENSES

	2011	2010
	US\$	US\$
Establishment expenses	352,020	330,952
Travelling expenses	160,536	236,360
Corporate communication expense	4,604	21,932
Net foreign exchange gain	(3,082)	(6,791)
General administrative expenses	274,644	168,094
Total	788,722	750,547

17 INCOME TAX

The company has been awarded a concessionary tax rate of 10% under the Financial Sector Incentive Scheme ("FSIS") by the Monetary Authority of Singapore ("MAS") which is effective from September 14, 2009 for a period of 5 years. This award is subject to an annual review by the MAS of compliance with stipulated terms and conditions including implementation of business plan and projections outlined in the company's application to the MAS.

The income tax benefit varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2010: 17%) to profit before income tax as a result of the following differences:

	2011	2010
	US\$	US\$
Loss before income tax	(3,046,464)	(2,343,596)
Tax benefit at the statutory tax rate of 17%	(517,899)	(398,411)
Effect of concessionary tax rates	213,252	104,461
Effects of expenses that are not deductible in determining taxable profit	781	5,762
Effects of unused tax losses not recognised as deferred tax assets	303,866	288,188
	-	-

Subject to the agreement by the tax authorities, at the end of the reporting period, the company has unutilised tax losses of US\$ 7,299,885 (2010: US\$ 4,334,549) available for offset against future profit. No deferred tax asset of US\$ 937,590 (2010: US\$ 633,724) has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders as defined.

18 OPERATING LEASE COMMITMENTS

	2011	2010
	US\$	US\$
Minimum lease payments under operating leases	339,532	319,455

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2011	2010
	US\$	US\$
Within one year	190,201	365,604
In the second to fifth years inclusive	200,956	9,347

Operating lease payments represent rentals payable by the company for rental of office premises and equipment. Leases are negotiated for an average term of two years, with an option to renew for another one year subject to terms and conditions then prevailing.