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

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF THE DIRECTORS AND FINANCIAL STATEMENTS

C O N T E N T S

FSI-SM/3017719-4xxxxxx-FS02/VKS/RM/NTGN

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on page 4 to 39 are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 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 when they fall due.

ON BEHALF OF THE DIRECTORS

....

....

Singapore
Date:

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION
As at March 31, 2016

	Note	2016 US$	2015 US$
ASSETS			
Current assets			
Cash and cash equivalents	6	7,956,589	2,336,891
Trade and other receivables	8	2,054,319	599,273
Total current assets		**10,010,908**	**2,936,164**
Non-current assets			
Plant and equipment	9	211,636	18,537
Associate	10	19,665,186	19,665,186
Jointly controlled entity	11	165,564,392	166,475,821
Subsidiaries	12	14,360,138	7,351,639
Loan to associate	13	3,000,000	9,977,045
Loan to subsidiaries	13	2,664,890	835,667
Available-for-sale investment	14	75,220	75,220
Restricted cash	7	3,564,434	-
Total non-current assets		**209,105,896**	**204,399,115**
Total assets		**219,116,804**	**207,335,279**
LIABILITIES AND NET EQUITY			
Current liabilities			
Trade and other payables	15	5,199,685	6,173,207
Income tax payable		3,206	19,610
Total current liabilities		**5,202,891**	**6,192,817**
Non-current liability			
Borrowings	16	189,557,576	186,632,407
Total non-current liability		**189,557,576**	**186,632,407**
Capital and accumulated losses			
Share capital	17	68,050,001	62,050,001
Share application money			-
Deemed capital contribution		726,961	726,961
Accumulated losses		(44,420,625)	(48,266,907)
Net equity		**24,356,337**	**14,510,055**
Total liabilities and net equity		**219,116,804**	**207,335,279**

See accompanying notes to financial statements.

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2016

	Note	For the year ended March 31, 2016 US$	For the Year ended March 31, 2016 US$
Revenue	18	**19,381,722**	**6,055,021**
Less: Allocation of income as a reduction from cost of a jointly controlled entity	11	**(911,429)**	**(1,587,925)**
		18,470,293	**4,467,096**
Foreign exchange (loss)/gain		5,302,900	(4,293,593)
Other expenses	19	(3,498,722)	(2,992,820)
Finance costs	20	(15,488,817)	(16,394,986)
Profit/(Loss) before income tax		**4,785,654**	**(19,214,303)**
Income tax	21	(939,372)	(393,140)
Loss for the year representing total comprehensive loss for the year		**3,846,282**	**(19,607,443)**
Loss Per Share	23		
(1) Basic		0.07	(0.37)
(2) Diluted		0.07	(0.37)

See accompanying notes to financial statements.

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2016

	Share capital	Share application money	Deemed capital contribution	Accumulated losses	Total
	US$	US$	US$	US$	US$
Balance at April 01, 2013	48,050,001	1,000,000	726,961	(28,659,464)	21,117,498
Total comprehensive loss for the year	-	-	-	(19,607,443)	**(19,607,443)**
Transactions with owners, recognised directly in equity					
Shares issued/allotted during the period	13,000,000	-	-	-	**13,000,000**
Share application money received	1,000,000	(1,000,000)	-	-	-
Total	14,000,000	(1,000,000)	-	(19,607,443)	(6,607,443)
Balance at March 31, 2015	**62,050,001**	-	**726,961**	(**48,266,907)**	**14,510,055**
Total comprehensive profit for the year			-	3,846,282	**3,846,282**
Transactions with owners, recognised directly in equity					
Shares issued/allotted during the year	6,000,000	-	-	-	**6,000,000**
Share application money allotted		-	-	-	-
Total	6,000,000	-	-	3,846,282	**9,846,282**
Balance at March 31, 2016	**68,050,001**	**-**	**726,961**	**(44,420,625)**	**24,356,337**

See accompanying notes to financial statements.

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS
Year ended March 31, 2016

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Operating activities		
Profit/(Loss) before income tax	4,785,654	(19,214,303)
Adjustments for:		
Depreciation	65,096	4,017
Amortisation of premium for dividend rights	911,429	1,587,925
Dividend income	(17,935,441)	(4,384,252)
Interest income	(227,134)	(552,769)
Excess provision written back	-	(242)
Finance costs	15,439,556	16,394,986
Unrealised foreign exchange loss (gain)	(4,961,236)	4,293,593
Operating cash flows before movements in working capital	(1,922,076)	(1,871,045)
Trade and other receivables	(1,430,745)	(111,749)
Trade and other payables	152,614	64,609
Cash (used in) generated from operations	**(3,200,207)**	**(1,918,185)**
Income taxes paid	(59,004)	(158,773)
Net cash (used in) from operating activities	**(4,300,227)**	**(2,076,958)**
Investing activities		
Purchase of plant and equipment	(258,194)	(19,416)
Dividend received	17,935,441	12,873,462
Loan to associate	(3,000,000)	(9,248,819)
Repayment of loan from associate	9,977,045	-
Loan to subsidiary	(2,834,754)	(631,893)
Loan to fellow subsidiary	(339,289)	-
Repayment of loan from subsidiary	1,400,000	-
Acquisition of subsidiary	(7,008,499)	(819,536)
Interest received	51,241	314,649
Taxes paid on dividend received	(896,772)	(219,212)
Net cash from (used in) investing activities	**15,026,219**	**2,249,235**

ITNL INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS
Year ended March 31, 2016

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Financing activities		
Issue of shares	6,000,000	13,000,000
Loans repaid to banks	-	(90,000,000)
Bond issue expenses	(23,978)	(2,153,965)
Proceeds from bond issue	-	92,690,000
Finance costs paid	(8,558,898)	(13,465,742)
Movement in bank balances held as margin money or as security against borrowing	(3,564,434)	1,320,000
Net cash from (used in) financing activities	**(6,147,310)**	**1,390,293**
Net increase (decrease) in cash and cash equivalents	5,619,698	1,562,570
Cash and cash equivalents at the beginning of the year/period	2,336,891	774,321
Cash and cash equivalents at the end of the year/period	**7,956,589**	**2,336,891**

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200818474G) is incorporated in the Republic of Singapore with its registered office and principal place of business at 8, Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981. The financial statements are expressed in United States Dollars (the functional currency).

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

The financial statements of the Company for the Year ended March 31, 2016 were authorised for issue by the Board of Directors on __________________.

These are the separate Financial Statements of the Company and have been prepared by the Management for the purpose of submission to the Reserve Bank of India (RBI) in accordance with the Annual Performance Report to be submitted to RBI by the Immediate Parent Company. The Company has also prepared a separate set of its consolidated financial statements in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The standalone financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below. These accounting policies are consistent with Singapore Financial Reporting Standards (FRS).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2015, the Company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. 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 new/revised FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not effective:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management is assessing the impact of the adoption of the FRSs, INT FRSs and amendments to FRS in future periods on the financial statements of the Company in the period of their initial adoption.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS - 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 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 (including all fees paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) 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 for debt instruments.

Financial assets

Financial assets comprise cash and cash equivalents, 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.

Cash and cash equivalents

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

Available-for-sale financial assets

Investment made in equity shares of a company (other than associate and jointly controlled entity) is classified as available-for-sale and stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to statement of profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loans and other receivables

Loans 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 receivables are initially measured at fair value and subsequently measured at an amortised cost using the effective interest method less impairment. 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 are assessed for indicators of impairment at each end of the 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 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 financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss. If in the 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.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income. In respect of available-for-sale debt instruments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

De-recognition 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 method, with interest expense recognised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

Interest-bearing loans (including bonds) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

De-recognition of financial liabilities

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

In the standalone financial statements of the Company, the investment in associate is stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

JOINTLY CONTROLLED ENTITY - A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. The entity operates in the same way as other entities, except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity.

The investment in the jointly controlled entity is not equity accounted in the Company's financial statements as the Company has prepared consolidated financial statements separately.

In the standalone financial statements of the Company, Investment in a jointly controlled entity has been stated at cost less reduction of allocation of a portion of dividend income which is determined as a "return of investment" (please refer to the accounting policy on dividend income for more details) less any impairment in net recoverable value that has been recognised in profit or loss.

SUBSIDIARIES - A subsidiary is an entity over which the Company has control. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. In the standalone financial statements, Investment in subsidiaries are stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, 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 is it 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 profit or loss.

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 profit or loss.

PLANT AND EQUIPMENT - Computer hardware and furniture & fixtures are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following basis:

Computer hardware - 25%
Furniture & Fixtures - 20%
Office Equipments - 20%
Leasehold Improvements- Over the period of lease
Intangibles - 25%

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 receivable can be measured reliably.

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

Project management fees

Project Management fees are recognised on an annual basis based on the Project Management Agreement entered with the parties.

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 receive payment has been established.

A portion of the dividend income received from a jointly controlled entity is allocated as a reduction from the carrying amount of the investment as the Company considers it as a "return of investment". Such an allocation is based on the proportion of the dividend income earned by the Company to the total expected dividend income receivable over the period of income earning capacity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BORROWING COSTS - All borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 year. Taxable income differs from income as reported in the statement of profit or loss and other 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 that has been 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 are accounted for using the 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.

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 other comprehensive income, in which case the tax is also recognised directly in profit or loss.

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.

ITNL INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in United States Dollars ("US$"), 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 the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the 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 directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

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 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*

The management is of the opinion that any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

The key assumptions made 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 is discussed below:

<u>Determination of impairment losses on investment in associate and loans given to associate (which is also a fellow subsidiary)</u>

Determining whether the Company's investment in associate and loans given to associate (which is also a fellow subsidiary) is impaired requires an estimation of the value in use of the associate (which is also a fellow subsidiary). The value in use calculation requires the Company to estimate the future cash flows expected from the investment in associate (which is also a fellow subsidiary) or its cash-generating units as well as to estimate of an appropriate discount rate in order to calculate the present value of the future cash flows. The management is of the view that there is no impairment to be recognised in respect of the Company's investment in associate (which is also a fellow subsidiary). The carrying amounts of the investment in associate and loan to associate (which is also a fellow subsidiary) are disclosed in Notes 10 and 13 to the financial statements respectively.

The Company prepares cash flow forecasts derived from the most recent financial budgets for the next five years. The rate used to discount the cash flows is 6.28% (2015 : 7.75%) based on an estimated growth rate of 2% (2015 : 2.%)

As at March 31, 2016, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

Determination of impairment losses on investment in a jointly controlled entity

Determining whether the Company's investment in jointly controlled entity is impaired requires an estimation of the value in use of the jointly controlled entity. The value in use calculation requires the Company to estimate the future cash flows expected from the investment in jointly controlled 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 flows. The management is of the view that there is no impairment to be recognised in respect of the Company's investments in jointly controlled entity. The carrying amounts of the investment in jointly controlled entity are disclosed in Note 11 to the financial statements.

The Company prepares cash flow forecasts derived from the most recent board approved financial budgets of the jointly controlled entity. The rate used to discount the cash flows is 10% (2015: 13%) based on a growth rate of Nil (2015: Nil).

As at March 31, 2016, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts.

Determination of the allocation of dividend income

As explained in Note 11, the Company allocated a portion of dividend income received as a reduction of the carrying amount of a jointly controlled entity on the basis that the premium paid on acquisition will need to be recovered through the joint venture duration as the Joint controlled entity has a fixed lifetime and such premium is not refundable.

Determination of impairment losses on investments and loans to subsidiaries

Determining whether the Company's investment in subsidiaries and loans given to subsidiaries is impaired requires an estimation of the value in use of the subsidiary. The value in use calculation requires the Company to estimate the future cash flows expected from the investment in subsidiaries 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 flows. The carrying amounts of the investment in subsidiaries and loans to subsidiaries are disclosed in Notes 12 and 13 of these financial statements respectively.

Management is of the view as the subsidiaries are in start up stage and are either recently incorporated and/or has started winning new projects which are expected to be profitable. Accordingly, management is of the view that no impairment allowance is required for the investment and loan to subsidiaries.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments:

	2016 US$	2015 US$
Financial assets		
Loans and receivables (including cash and cash equivalents and restricted cash)	19,109,790	13,705,748
Available-for-sale investment	75,220	75,220
Financial liabilities (amortised cost)		
Borrowings	189,278,922	186,632,407
Trade and other payables	5,478,339	6,173,207

(b) Financial risk management policies and objectives

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. Such written policies are reviewed annually by the Directors and periodic reviews are undertaken to ensure that the Company's policy guidelines are complied with. There has been no changes to the Company's risk management strategy from previous year.

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 debtors will default on its contractual obligations resulting in a financial loss to the Company.

As at March 31, 2016, one party accounted for 61% (2015: 43%) of trade and loan receivables. There is concentration of credit risk in respect of amounts receivable from an associate and subsidiaries. As the counterparties are credit worthy, management does not consider this as an undue exposure.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses represents the company's maximum exposure to credit risk.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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

(ii) <u>Foreign currency risk management</u>

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 against the Singapore Dollar, Chinese Yuan, Euro, Indian Rupees, United Arab Emirates Dirhams (AED) and Sterling Pounds. It has not hedged such foreign currency exposures in the current year.

Foreign currency denominated monetary assets and liabilities are as follows:

	Liabilities		Assets	
	2016	2015	2016	2015
	US$	US$	US$	US$
Singapore dollars	36,900	25,512	90,175	57,372
Chinese Yuan	90,416,303	95,263,500	1,305,450	258,671
Euro	-	-	785,758	9,977,045
Indian Rupees	195,501	82,115	22,861	-
AED	-	-	2,346,577	835,667
Sterling Pounds	-	-	-	-

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, 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.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

If the relevant foreign currency strengthens by 10% against the functional currency of the Company, loss impact will be:

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Impact on loss because of change in		
Singapore Dollar	5,327	3,186
Chinese Yuan	(8,911,085)	(9,497,782)
Euro	78,576	997,705
Indian Rupee	(17,264)	(8,212)
AED	234,658	83,567
Sterling Pound	-	-

If the relevant foreign currency weakens by 10% against the functional currency of the Company, loss impact will be:

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Impact on loss because of change in		
Singapore Dollar	(5,327)	(3,186)
Chinese Yuan	8,911,085	9,497,782
Euro	(78,576)	(997,705)
Indian Rupee	17,264	8,212
AED	(234,658)	(83,567)
Sterling Pound	-	-

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(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 assets and liabilities can be found in Notes 13 and 16 to the financial statements. The Company lends and borrows at fixed rates (2014 – Variable which are based on Euribor/Libor plus an additional spread) and hence there no significant impact due to changes in interest rates in the current year.

A 1% change in interest rate used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the relevant interest rate is increased by 1%, the profit or loss impact will be:

	For the year ended March 31, 2016 US$		For the year ended March 31, 2015 US$	
	Impact on interest income	**Impact on interest expense**	**Impact on interest income**	**Impact on interest expense**
Increase (Decrease)	NA	NA	NA	NA

If the relevant interest rate is decreased by 1%, the profit or loss impact will be:

	For the year ended March 31, 2016 US$		For the year ended March 31, 2015 US$	
	Impact on interest income	**Impact on interest expense**	**Impact on interest income**	**Impact on interest expense**
Increase (Decrease)	NA	NA	NA	NA

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(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.

Non-derivative financial assets and liabilities

The following tables detail the remaining contractual maturity for non-derivative financial assets and liabilities. The table below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period and based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial asset or liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	US$	US$	US$	US$	US$
2016						
Loan to associate *	5.50%	3,354,013			(354,013)	3,000,000
Loan to subsidiary	3.35% to 4.10%	1,960,845	882,137	-	(178,091)	2,664,890
Other receivables (including cash and cash equivalents and restricted cash)	-	9,880,466	3,564,434	-	-	13,444,900
Available-for-sale investment	-	-	-	75,220	-	75,220
Borrowings from bonds	8.14%	(8,581,067)	(98,447,707)	-	19,148,446	(87,880,228)
Borrowings from fellow subsidiary	7.42%	(2,960,939)	(113,890,740)	-	15,174,428	(101,677,250)
Trade and other payables	-	(5,478,339)	-	-	-	(5,478,339)
Net		(1,825,015)	(207,891,876)	75,220	33,790,770	(175,840,807)

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

	Weighted average effective interest rate	**On demand or within 1 year**	**Within 2 to 5 years**	**After 5 years**	**Adjustment**	**Total**
	%	**US$**	**US$**	**US$**	**US$**	**US$**
2015						
Loan to associate *	5.5%	548,730	11,669,862	-	(2,241,547)	9,977,045
Loan to subsidiary	3.50%	174,981	936,446	-	(275,760)	835,667
Other receivables (including cash and cash equivalents and restricted cash)	-	2,893,036	-	-	-	2,893,036
Available-for-sale investment	-	-	-	75,220	-	75,220
Borrowings from bonds	8%	(7,454,630)	(103,879,694)	-	18,930,921	(92,403,403)
Borrowings from fellow subsidiary	6.75%	-	(113,890,740)	-	19,661,736	(94,229,004)
Trade and other payables	-	(6,173,207)	-	-	-	(6,173,207)
Net		**(10,011,090)**	**(205,164,126)**	**75,220**	**36,075,350**	**(179,024,646)**

* The loan to an associate has been considered as long term as per the terms of the loan agreement, the loan is repayable after 5 years from the date of disbursement. The associate has pre-paid the loan on June 2, 2015 and June 4, 2015 without any pre-payment penalty in accordance with the loan agreement.

(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 liabilities that are stated at amortised cost approximate their respective fair values due to the relatively short-term maturity of these financial instruments, other than disclosed in Note 14 to the financial statements.

Fair value of available-for-sale financial assets

The available-for-sale investment in an unquoted entity is carried at cost less allowance for impairment loss, as management is of the view that its fair value approximates the cost.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of debt, which includes borrowing disclosed in Notes 16, and issued capital. The Company's overall strategy remains unchanged from 2015. There are no capital requirements imposed externally on the Company.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is 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 elsewhere in the financial statements are as follows:

	For the Year ended March 31, 2016 US$	**For the Year ended March 31, 2015 US$**
Project management fees from jointly controlled entity	1,119,857	1,117,758
Interest expense on loan from fellow subsidiary	7,448,249	6,242,119
Guarantee fees to a holding company	39,261	-
Guarantee fees to a fellow subsidiary	-	1,087,427
Interest income on loan given to subsidiary	80,227	19,067
Interest income on loan given to fellow subsidiary	15,138	-
Interest income on loan given to associate (which is also a fellow subsidiary)	101,247	533,702
Travelling expenses (payable at the year-end) to a related party	-	-
Dividend income from an associate	-	-
Dividend income from a jointly controlled entity	17,935,441	4,384,252

No remuneration was paid to key management personnel during the year/period. Director's fees are disclosed in Note 19.

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6 CASH AND CASH EQUIVALENTS

	2016 US$	**2015** US$
Cash on hand	1,518	1,567
Cash at bank*	7,955,071	2,335,324
	7,956,589	2,336,891

*Cash at bank for 2016 & 2015 includes a fixed deposit of US$2,000,000 with Bank of India, Singapore which matures within six months and carry an interest of 0.60% (2015: 0.50 % per annum.

7 RESTRICTED CASH

	2016 US$	**2015** US$
Balance in Debt Service Reserve Account with bank	3,564,434	-

This balance referred to the amount in a bank account as a security towards payment of the interest on bonds which is required to be maintained as per the terms of the bond agreement. The amount is not readily available for use till repayment of bonds hence considered as non-current (Note 16).

8 TRADE AND OTHER RECEIVABLES

	2016 US$	**2015** US$
Interest receivable on loan given to an associate (which is also a fellow subsidiary)	314,172	233,930
Interest receivable on loan given to subsidiary	23,219	-
Interest receivable on loan given to fellow subsidiary	15,424	-
Advance recoverable in cash	146,807	43,785
Advance recoverable in cash (from a fellow subsidiary)	144,237	19,759
Trade receivables from a jointly controlled entity	1,280,018	258,671
Prepaid expenses	130,442	43,128
	2,054,319	599,273

All these amounts are unsecured and are expected to be received within one year.

There are no trade and other receivables that are past due or impaired at the end of the reporting period. Management believes that trade receivables are neither past due nor impaired and are with creditworthy counterparties.

9 PLANT AND EQUIPMENT

Particulars	Computer & hardware	Furniture & fixture	Office Equipments	Leasehold Improvements	Intangbles	Total
	US$	US$	US$	US$	US$	US$
Cost:						
At January 1, 2014	4,330	-	-	-	-	4,330
Additions	18,903	513	-	-	-	19,416
At March 31, 2015	23,233	513	-	-	-	23,746
Additions	5,450	2,608	43,122	190,483	16,532	258,195
At March 31, 2016	28,683	3,121	43,122	190,483	16,532	281,941
Accumulated depreciation:						
At January 1, 2014	1,192	-	-	-	-	1,192
Depreciation for the period	3,948	69	-	-	-	4,017
At March 31, 2015	5,140	69	-	-	-	5,209
Depreciation for the year	6,245	225	5,348	51,110	2,168	65,096
At March 31, 2016	11,385	294	5,348	51,110	2,168	70,305
Carrying amount:						
At March 31, 2016	17,298	2,827	37,774	139,373	14,364	211,636
At March 31, 2015	18,093	444	-	-	-	18,537

10 ASSOCIATE (WHICH IS ALSO A FELLOW SUBSIDIARY)

	2016 US$	2015 US$
Unquoted equity shares, at cost [(a)]	19,665,186	19,665,186

(a) The Company had entered into a Stock Purchase Agreement ("SPA") dated September 24, 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, 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

10 ASSOCIATE (WHICH IS ALSO A FELLOW SUBSIDIARY) (cont'd)

with a corresponding increase in the carrying value of investments held in Elsamex S.A.by the Company.

The Company has entered into a share purchase agreement dated June 11, 2014, with the holding company - IL&FS Transportation Networks Limited ("ITNL") for acquisition of ITNL's entire holding in Elsamex S.A.. The sale consideration will be discharged by issuing the Company's shares to ITNL. The transaction is subject to approval from Reserve Bank of India. The Company is awaiting regulatory approvals.

Details of the Company's associate (which is also a fellow subsidiary) As at March 31, 2016 and March 31, 2015 is as follows:

Name of associate	Country of incorporation and operation	Proportion of ownership interest	Principal activities
Elsamex S.A.	Spain	22.61%	Maintenance of highways, the maintenance of buildings and installations, the renovation and construction of highways and buildings and the construction and maintenance of service stations.

11 JOINTLY CONTROLLED ENTITY

	2016 US$	2015 US$
Unquoted equity shares, at cost	168,063,746	168,063,746
Amortisation of the premium for dividend rights paid	2,499,354	1,587,925
Net carrying amount	165,564,392	166,475,821
Details are as follows:		
Consideration paid on acquisition	165,564,392	166,475,821
Less: Unamortised premium paid on acquisition	(41,447,206)	(42,358,635)
	124,117,186	124,117,186

The Company had acquired 77,166 equity shares (representing 49% stake) in Chongqing Yuhe Expressway Co. Ltd. (CYECL) (a company incorporated in the People's Republic of China) vide a share purchase agreement dated December 9, 2011 for a total purchase consideration of US$ 168,063,746 including relevant acquisition cost. The Company also has entered into a Joint Venture Contract dated December 9, 2011 with Chongqing Expressway Group Company Limited (the other shareholder of Chongqing Yuhe Expressway Co. Ltd. owning 51% stake). As the key operating and financing decisions requires the unanimous consent of representatives of both parties, the arrangement is regarded as a joint venture. Thus, this investee company has been classified as a Jointly Controlled Entity (JCE).

The Company has acquired the Investment at a premium from the earlier shareholder. As per the Joint Venture Contract, the Company will receive regular dividends from CYECL and accordingly Company will realise its cost of Investment through repayment of US$124 million being its cost of the investment at the end of the concession period and dividend income or through sale to a new investor. Currently, the Company has treated this investment as investment in JCE and hence the additional consideration paid in excess of the capital contribution of CYECL as on date of acquisition i.e. US$43,946,560 is amortised in the books in proportion to the dividend income earned by the Company to the total expected dividend income receivable over the period of concession till 2032.

Details of the Company's jointly controlled entity as at March 31, 2016 and March 31, 2015 is as follows:

Name	Country of incorporation and operation	Proportion of ownership interest	Principal activities
Chongqing Yuhe Expressway Co. Ltd.	People's Republic of China	49.00%	Operation and maintenance of a road

12 SUBSIDIARIES

	2016 US$	2015 US$
Unquoted equity shares, at cost	14,360,138	7,351,639

Name	Country of incorporation and place of business	2016		2015	
		%	%	%	Investment Amount (US$)
ITNL International DMCC (a)	Dubai	100%	6,528,371	100%	3,559,905
ITNL Africa Projects Limited (b)	Nigeria	99.42%	2,750,000	99.42%	2,750,000
IIPL USA LLC (c)	United States	100%	5,000,000	100%	1,000,000
Sharjah General Services Company LLC (d)	Sharjah	49%	41,734	49%	41,734
ITNL Infrastructure Developer LLC (e)	Dubai	49%	40,013	-	-

(a) The Company made an investment in Dubai, U.A.E in the earlier period and formed a 100% wholly owned subsidiary called ITNL International DMCC. The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in Middle East Asia.

(b) In prior years, the Company made an investment in Nigeria, Africa and formed a 99.42% owned subsidiary called ITNL Africa Projects Limited. The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in Africa.

(c) In prior years, the Company made an investment in USA and formed a 100% subsidiary called IIPL USA LLC. The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in USA.

(d) In prior years, the Company made an investment in UAE and incorporated an entity with 49% interest called Sharjah General Service Company LLC ("SGSC"). The subsidiary has been formed to look for business opportunities in Surface Transportation Sector in Middle East. As per the shareholders agreement, the Company shares 70% of the losses incurred by SGSC and remaining loss will be borne by other shareholders. The Company also controls the Board of Directors of SGSC and accordingly it is considered as a "Subsidiary".

(e) The Company made an investment in Dubai, U.A.E in the current period and formed a 49% subsidiary called ITNL Infrastructure Developer LLC. The subsidiary has been formed to look for business opportunities in PPP infrastructure business in the UAE and the Middle-east

13 LOANS RECEIVABLES

	2016 US$	2015 US$
Loan given to associate (which is also a fellow subsidiary)	3,000,000	9,977,045
Loan given to subsidiaries	2,326,065	835,667
Loan given to fellow subsidiary	338,825	-
	5,664,890	10,812,712
Less: Current Portion	(4,774,706)	-
Net Amount	890,184	10,812,712

The Loans are repayable as follows :

Particulars	2016 US$	2015 US$
Less than 12 months	4,774,706	
1 to 5 years	890,184	10,812,712
More than 5 years	-	-

The Loans are denominated in USD, AED & EURO unsecured and carry interest between 3.5% to 5.5%

Elsamex has repaid fully principal loan amounting to Euro 9.25 Million taken earlier and fresh loan of USD 3 Million given in current year.

The management is of the view that the loan to associate and subsidiaries carry interest rates which are close to market rates and approximate fair value.

14 AVAILABLE-FOR-SALE INVESTMENT

	2016 US$	2015 US$
Unquoted equity shares [(a)]	75,220	75,220

In 2011, the Company had made an advance towards investment in Airport Holdings Australasia Pte. Limited (“AHA”). AHA was incorporated in the Republic of Singapore on June 17, 2010, with a share capital of SGD 250,000, with an objective of acquiring interests in airport and heliport projects in the foreseeable future either directly or through acquisition of existing companies having similar interests. The above advance was converted into investments during the previous year. The Company has made a 40% investment in AHA.

The Company does not exercise any control or significant influence on the decisions affecting the business of AHA.

This available-for-sale investment has been carried at cost less allowance for impairment loss as its fair value approximates the cost since the investee company has not commenced commercial operations and there are no projects in hand as at March 31, 2016.

15 TRADE AND OTHER PAYABLES

	2016 US$	2015 US$
Guarantee fees payable /to immediate holding company	-	82,115
Guarantee fees payable to a fellow subsidiary	-	1,028,133
Interest accrued and not due on borrowings from fellow subsidiary	2,960,939	3,187,299
Interest accrued and not due on borrowings from bonds	1,812,179	1,601,707
Other payables to Related Companies	195,501	-
Accrued expenses	230,305	273,258
Other liabilities	761	695
	5,199,685	6,173,207

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

16 BORROWINGS (NON CURRENT)

	2016 US$	2015 US$
Loan from fellow subsidiary (Unsecured) [b]	101,677,248	94,229,004
Unsecured bonds [c]	87,880,328	92,403,403
	189,557,576	186,632,407

(a) The Company had obtained a loan of US$ 89 Million from ITNL Offshore Pte Ltd, a Singapore fellow subsidiary (IOPL) in an earlier year, which was used by the Company to purchase an equity investment in Chongqing Yuhe Expressway Co. Ltd. With the issuance of the Bond in current year, the Bond holders through the Offering Memorandum have restricted the Company from making any payment to the fellow subsidiary in respect of the aforesaid loan during the existence of the Bond liability. In order to give effect to the aforesaid provision of the Bond Holders, the Company entered into an agreement with ITNL Offshore Pte Limited ("IOPL) dated July 18, 2014 wherein the Interest rate on the aforesaid loan was fixed at 8% p.a. (inclusive of all expenses) w.e.f. July 14, 2014 and the payment of the interest and principal has been now agreed to be made on January 2018. Hence the maturity date of the loan from IOPL is now revised to January 2018 and thereafter payable / renewable on mutually agreeable terms (Agreement between the Company and IOPL dated July 18, 2014)

(b) The Company issued a 3 Year bond amounting to RMB 575 million (approximately US$ 94 million) (2015: RMB 575 million approximately US$94 million) on July 17, 2014 for a period of 3 years. The bond carries an interest rate of 8% (2015: 8% p.a.) payable on a six monthly basis.

Movement in Bond Liability is as follows:

	2016 US$	2015 US$
Proceeds of bond Issue (Net of issue costs)	92,198,340	92,198,340
Exchange (gain)/ loss due to revaluation	(3,594,194)	1,463,453
(A)	**88,604,146**	**93,661,793**
Unamortised Bond issue expense	1,258,390	1,645,818
Additions:	23,977	-
Less: Amortised during the year	558,549	387,428
(B)	**723,818**	**1,258,390**
(A-B)	**87,880,328**	**92,403,403**

17 SHARE CAPITAL

	2016 Number of ordinary shares	2016 US$	2015 Number of ordinary shares	2015 US$
Issued and fully paid:				
At the beginning of year	60,894,038	62,050,001	48,050,001	48,050,001
Issued during the year	5,504,587	6,000,000	12,844,037	14,000,000
At the end of the year	66,398,625	68,050,001	60,894,038	62,050,001

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.

ITNL INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2016

18 REVENUE

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Dividend income from jointly controlled entity	17,935,441	4,384,252
Project management fees from a joint controlled entity	1,126,054	1,117,758
Interest income on loan given to associate (which is also a fellow subsidiary)	101,247	533,702
Excess provision written back	-	242
Interest income on loan given to subsidiary	80,227	19,067
Interest income on loan given to fellow subsidiary	15,138	-
Interest income on banks deposits	30,522	-
Other miscellaneous income	93,093	-
	19,381,722	6,055,021
Less: Dividend income considered as a return on investment and reduced from carrying value of investment (Note.11)	(911,429)	(1,587,925)
	18,470,293	4,467,096

19 OTHER EXPENSES

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Employee costs	1,399,607	697,618
Legal and professional fee	613,508	1,328,588
Travelling expenses	760,689	474,837
Director fees	19,697	23,291
Rental expense	203,568	167,515
Bank charges	20,881	26,240
Audit fees	72,235	25,212
Depreciation	65,096	4,018
Business tax paid in Peoples' Republic of China	62,712	62,593
Tender fees	26,132	-
Syndication fees	7,991	57,881
Others	246,606	125,027
	3,498,722	2,992,820

NOTES TO FINANCIAL STATEMENTS
March 31, 2016

20 FINANCE COSTS

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Interest on loan from fellow subsidiary	7,448,249	6,242,119
Interest on bank loans	-	3,259,859
Guarantee fees	49,261	1,087,427
Interest on bond	7,432,758	5,418,153
Amortisation of borrowing costs	558,549	387,428
	15,488,817	16,394,986

21 INCOME TAX

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Current tax	939,292	393,140

Domestic income tax on income earned as per Singapore tax law is calculated at 17% (2014: 17%).

The total charge for the year can be reconciled to the accounting profit/(loss) as follows:

	For the Year ended March 31, 2016 US$	For the Year ended March 31, 2015 US$
Profit/(Loss) before income tax for the year		19,214,303
Income tax benefit calculated at 17%		(3,266,432)
Effect of taxable losses not available for relief against future taxable income		3,033,268
Effect of tax exempt income		(745,323)
Effect of tax losses not recognised as a deferred tax assets		1,072,492
Effect of tax rebates		-
Effect of double tax relief		-
Others		(94,005)
Withholding tax expenses		393,140
Income tax expense recognised in profit or loss		393,140

As at end of the reporting period, the Company has tax losses amounting to US$______ (2015: US$6,309,000) that can be offset against future profits. No deferred tax assets have been recognised on these tax losses due to uncertainty over availability of future taxable profits

22 CONTINGENT LIABILITY

The Company has issued a tender guarantee to Vietnam Infrastructure Development and Finance Investment Joint Stock Company amounting to US$2,010,124 in respect of a tender submitted by placing a fixed deposit of US$2,000,000 with Bank of India, Singapore under Lien as disclosed on Note 6.

23 LOSS PER SHARE

Particulars	**For the Year ended March 31, 2016**	**For the Year ended March 31, 2015**
Profit/(Loss) for the year/period	4,785,654	(19,214,303)
Weighted number of equity shares outstanding	65,887,270	51,639,294
Basic earnings/(loss) per share	0.07	(0.37)
Equity shares used to compute diluted earnings/(loss) per share	65,887,270	51,639,294
Diluted earnings/(loss) per share	0.07	(0.37)