

Prepared on

The attached draft financial statements, which have been prepared by management of the Company, are subject to changes that may arise from the resolution of outstanding audit matters which are set out in the attached appendices and comments and adjustments from our engagement quality assurance review. The draft audit report included in the attached financial statements should not be provided to any other party or used for any purpose without our prior written permission.

ITNL OFFSHORE THREE PTE. LTD.
(Registration No. 201506397N)

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

**FINANCIAL PERIOD FROM MARCH 10,
2015 (DATE OF INCORPORATION)
TO MARCH 31, 2016**

Prepared on

The attached draft financial statements, which have been prepared by management of the Company, are subject to changes that may arise from the resolution of outstanding audit matters which are set out in the attached appendices and comments and adjustments from our engagement quality assurance review. The draft audit report included in the attached financial statements should not be provided to any other party or used for any purpose without our prior written permission.

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2015 (DATE OF INCORPORATION)
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ITNL OFFSHORE THREE PTE. LTD.

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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ITNL OFFSHORE THREE PTE. LTD.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company for the financial year ended March 31, 2016.

1 DIRECTORS

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

Mr. Rahul Chandran
Mr. Teh Kwang Hwee
Mr. Dilip Lalchand Bhatia
Mr. Danny Samuel
Mr. Ramchand Karunakaran

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

Neither at the end of the financial period nor at any time during the financial year ended March 31, 2016 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 have been exempted by the Accounting and Corporate Regulatory Authority ("ACRA") from the requirements to disclose their interest in shares and debentures in the Company and related corporations in this report with reference to the email dated June 4, 2015 from the 'ACRA Officer' and Company Transaction No. C140244068. The exemption order is subject to annual renewal upon application. Full detailed information regarding directors' interest can be obtained in the register of directors' shareholdings in accordance with Section 164 of the Singapore Companies Act.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial period, 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, bonus and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 SHARE OPTIONS

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

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

(c) *Unissued shares under option*

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

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

.....

.....

Singapore
Date:

ITNL OFFSHORE THREE PTE. LTD.

STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on page 7 to 31 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 ended March 31, 2016 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 OFFSHORE THREE PTE. LTD.

STATEMENT OF FINANCIAL POSITION
March 31, 2016

	<u>Note</u>	<u>March 31,</u> <u>2016</u> <u>US\$</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	6	11,362
Other receivables	7	557,461
Restricted cash	6	339,272
Total current assets		908,095
Non-current assets		
Loan to a fellow subsidiary	8	40,773,809
Total non-current assets		40,773,809
Total assets		41,681,904
<u>LIABILITIES AND NET EQUITY</u>		
Current liabilities		
Trade and other payables	9	938,258
Income tax payable		11,891
Borrowings	10	-
Total current liabilities		950,149
Non-current liabilities		
Borrowings	10	40,764,955
Total non-current liabilities		40,764,955
Capital and reserves		
Share capital	11	1
Accumulated Profits/(Losses)		(33,201)
Net equity		(33,200)
Total liabilities and net equity		41,681,904

See accompanying notes to financial statements.

ITNL OFFSHORE THREE PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

	<u>Note</u>	Financial period from March 10, 2015 (date of incorporation) to March 31, 2016 US\$
Revenue	12	1,601,120
Other income	13	426,908
Other expenses	14	(138,764)
Finance costs	15	<u>(1,910,574)</u>
Loss before income tax		<u>(21,310)</u>
Income tax benefit/(expense)	16	<u>(11,891)</u>
Loss for the period representing total comprehensive loss		<u>(33,201)</u>
Loss Per Share (in cents)	17	
(1) Basic		(33,201.00)
(2) Diluted		(33,201.00)

See accompanying notes to financial statements.

ITNL OFFSHORE THREE PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

	<u>Share capital</u> US\$	<u>Accumulated profits and losses</u> US\$	<u>Total</u> US\$
Balance at March 10, 2015	-	-	-
Total comprehensive profit/loss for the year	-	(33,201)	(33,201)
Issued during the year	1	-	1
Total	1	(33,201)	(33,201)
Balance at March 31, 2016	1	(33,201)	(33,200)

See accompanying notes to financial statements.

ITNL OFFSHORE THREE PTE. LTD.

STATEMENT OF CASH FLOWS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

	March 10, 2015 (date of Incorporation) to March 31, 2016
	US\$
Operating activities	
Loss for the period before income tax	(21,310)
Amortisation of borrowing issue expenses in the current period	209,969
Interest expense	1,124,169
Guarantee Commission	422,288
Interest income	(1,228,149)
Upfront fees recovered	(218,823)
Guarantee Commission recovered	(422,288)
Interest received on loans advanced	1,108,033
Transaction Cost received on loans advanced.	<u>1,332,727</u>
Operating cash flow before movements in working capital	2,306,616
Increase in other receivables	(437,345)
Increase in Non Current Assets	(41,887,713)
Increase in trade and other payables	827,770
Increase in restricted cash	<u>(339,272)</u>
Cash (used in) generated from operations	(39,529,944)
Taxes paid	-
Net cash used in operating activities	(39,529,944)
Financing activities	
Issue of share capital	1
Increase in Borrowings	41,767,549
Interest paid on Borrowings	(1,013,681)
Transaction Cost paid on Borrowings	<u>(1,212,563)</u>
Net cash from financing activities	<u>39,541,306</u>
Net decrease in cash and cash equivalents	11,362
Cash and cash equivalents at the beginning of the year/period	-
Cash and cash equivalents at the end of the year/period	<u>11,362</u>

See accompanying notes to financial statements.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

1 GENERAL

The Company (Registration No. 201506397N) 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 an investment holding.

The financial statements of the Company for the period from March 10, 2015 to March 31, 2016 were authorised for issue by the Board of Directors on _____

At March 31, 2016, the Company's current liabilities exceeded its current assets by US\$ 31,569 and it also has a net capital deficiency of US\$ 22,715. The directors of the view that there are no significant concerns on the long term viability of the Company and any required financial support will be obtained from its immediate and ultimate parent company. Accordingly, there is no material uncertainty on the ability of the Company to continue as a going concern and hence, these financial statements have been prepared on a going basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been 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").

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

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 Inventories or value in use in FRS 36 Impairment of Assets.

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:

- 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 has not resulted in changes to the Company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

Management has considered and is of the view that the adoption of new/revised FRSs, INT FRSs and amendments to FRS that are issued as at the date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

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

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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 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 are recognised on an effective interest rate basis for debt instruments other than those financial instruments “at fair value through profit or loss”.

Financial assets

Financial assets comprise of cash and cash equivalents 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.

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.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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. 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.

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.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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.

Interest-bearing loans 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.

Derecognition of financial liabilities

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

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 it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belongs.

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

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

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.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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.

Interest income

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

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 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.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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 statement of comprehensive income, except when they relate to items credited or debited directly to other comprehensive income, in which case the tax is also recognised directly in other comprehensive income.

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

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in United States Dollars ("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.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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.

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.

Key sources of estimation uncertainty

There are 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:*

	<u>March 31, 2016</u> US\$
Financial assets	
Loans and receivables (including cash and bank balances)	41,259,616
Financial liabilities	
Borrowings at amortized cost	40,764,955

The Company does not have any financial instruments that are subject to offsetting or enforceable master netting agreements or similar arrangements

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

(b) *Financial risk management policies and objectives*

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

The Company does not hold or issue derivative financial instruments for speculative purposes.

(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. There is a concentration of credit risk in respect of loan from a fellow subsidiary. The repayment of loan is guaranteed by its immediate holding company.

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

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

(ii) 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 8 and 10 to the financial statements. The Company lends and borrows at variable rates.

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:

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

	For the year ended March 31, 2016	
	US\$	
	<u>Impact on interest income</u>	<u>Impact on interest expense</u>
Increase (Decrease)	<u>12,281</u>	<u>(11,091)</u>

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

	For the year ended March 31, 2016	
	US\$	
	<u>Impact on interest income</u>	<u>Impact on interest expense</u>
Increase (Decrease)	<u>(12,281)</u>	<u>11,091</u>

(iii) Foreign currency risk management

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

The Company is exposed to currency fluctuation between the United States Dollar against the Singapore Dollar, Indian Rupees and Euro.

	<u>Liabilities</u> <u>2016</u> US\$	<u>Assets</u> <u>2016</u> US\$
Singapore dollar	78,751	-
Euro	354,251	908,094
Indian Rupees	<u>358,986</u>	<u>-</u>

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

Foreign Currency Sensitivity

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

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

	<u>2016</u> US\$
<u>Impact on Profit/(Loss) because of change in</u>	
Singapore dollar	(7,875)
Euro	55,384
Indian rupees	<u>(35,899)</u>

(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 balances to finance its activities. The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities in addition to required funding support from its immediate holding company and ultimate company.

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.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%					
March 31, 2016						
Loan to Fellow Subsidiary	3.50%	1,233,620	40,997,467	-	(343,374)	41,887,713
Other receivables (including cash and cash equivalents and restricted cash)		908,095	-	-	-	908,095
Borrowings	3.20%	(1,187,244)	(40,843,945)	-	263,640	41,767,549
Other payables		938,258	-	-	-	938,258

(v) Fair value risk management

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

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. Management is of the view that the long term loan to fellow subsidiary bear interest at market rates and hence approximates fair value.

(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 comprises issued capital.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

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:

Related Party	Particular	Nature	March 31, 2016 US\$
IL&FS Transportation Networks Limited ("ITNL") – Immediate holding company	Guarantee Fee expenses	Transactions	422,288
Elsamex S.A. – Fellow subsidiary ("ELSX")	Financial income on financial asset	Transactions	1,213,091
Elsamex S.A. – Fellow subsidiary ("ELSX")	Interest Income & Guarantee	Transactions	437,345
ITNL offshore Two Pte. Ltd. – Fellow subsidiary ("IOPL2")	Legal & professional Expense	Transactions	21,684
ITNL International Pte. Ltd. – Fellow subsidiary ("I IPL")	Interest on DSRA	Transactions	15,057

The Company has incurred guarantee fees which are paid / payable to ITNL as well as the Export Import Bank of India. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed from related companies.

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

6 CASH AND CASH EQUIVALENTS

	<u>2016</u> US\$
Cash at bank	1
Balance in bank	<u>11,361</u>
	<u>11,362</u>

RESTRICTED CASH

	<u>2016</u> US\$
Balance in bank *	<u>339,272</u>
	<u>339,272</u>

* This balance referred to the amount in a bank account as a security towards repayment of the loans which is to be kept as per the terms of the loan agreement.

7 OTHER RECEIVABLES

	<u>2016</u> US\$
Guarantee fees receivable from a fellow subsidiary (Note 5)	422,288
Interest receivable from a fellow subsidiary (Note 5)	15,057
Interest accrued but not due	<u>120,116</u>
	<u>557,461</u>

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

8 LOAN TO A FELLOW SUBSIDIARY

	<u>2016</u> US\$
Unsecured Loan given to Elsamex S.A.	<u>40,773,809</u>

The Loan is denominated in Euro unsecured carries interest at EURIBOR plus 3.5% and repayable by May 26, 2020

9 TRADE AND OTHER PAYABLES

	<u>2016</u> US\$
Payables to immediate holding Company (Note 5)	358,986
Payables to fellow subsidiary Company (Note 5)	380,828
Other payables	24,611
Interest on borrowings accrued but not due	1,10,488
Other liabilities	<u>63,345</u>
	<u>938,258</u>

These amounts are unsecured, interest-free and payable on demand.

10 BORROWINGS:

	<u>2016</u> US\$
Loans from Banks (Secured) (Non-Current)	<u>40,764,955</u>

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

The Loan is denominated in Euro, secured by guarantee from its immediate holding company, carries interest at EURIBOR plus 3.2% and is repayable on May 26, 2020.

11 SHARE CAPITAL

	<u>2016</u> Number of ordinary shares	US\$
<u>Issued and fully paid:</u>		
At the beginning of period on incorporation	-	-
Issued during the period	<u>1</u>	<u>1</u>
At the end of the period	<u>1</u>	<u>1</u>

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

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

12 REVENUE

**Financial period
from March 10, 2015
(date of
incorporation) to
March 31, 2016
US\$**

Financial income on financial asset	154,148
Interest income	1,228,149
Upfront fees amortized	<u>218,823</u>
	<u>1,601,120</u>

13 OTHER INCOME

**Financial period
from March 10, 2015
(date of
incorporation) to
March 31, 2016
US\$**

Foreign exchange fluctuation gain	4,620
Guarantee Income reimbursement	<u>422,288</u>
	<u>426,908</u>

14 OTHER EXPENSES

**Financial period
from March 10, 2015
(date of
incorporation) to
March 31, 2016
US\$**

Legal and consultation fees	45,141
Audit Fees	30,111
Bank commission	1,167
Miscellaneous expenses	1,690
Withholding tax	<u>60,655</u>
	<u>138,764</u>

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

15 FINANCE COSTS

	Financial period from March 10, 2015 (date of incorporation) to March 31, 2016 US\$
Finance cost on bank loan	154,148
Interest on bank loan	1,109,112
Interest on DSRA loan	15,057
Guarantee Commission	422,288
Amortisation of borrowing issue expenses	<u>209,969</u>
	<u>1,910,574</u>

16 INCOME TAX

	Financial period from March 10, 2015 (date of incorporation) to March 31, 2016 US\$
Current tax Expenses	<u>11,891</u>
	<u>11,891</u>

Domestic income tax on income earned as per Singapore tax law is calculated at 17% of the assessable income for the period.

The total charge for the year can be reconciled to the accounting loss as follows:

	Financial period from March 10, 2015 (date of incorporation) to March 31, 2016 US\$
Loss before income tax for the period	<u>(21,310)</u>
Income tax calculated at 17%	(3,623)
Effect of expenses that are not deductible	
Effect of tax loss not recognised as a deferred tax asset	
Effect of tax exemptions and rebates	
Over provision in prior year	(25,506)
Others	<u>(2,857)</u>
Income tax (benefit)/expense recognised	<u>(25,506)</u>

ITNL OFFSHORE THREE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

Financial period from March 10, 2015 (date of incorporation) to March 31, 2016

17. (LOSS) EARNING PER SHARE

Particulars		Financial period from March 10, 2015 (date of incorporation) to March 31, 2016
Total Comprehensive Loss available for Equity Shareholders		(33,201)
Weighted number of Equity Shares outstanding		1
Basic Earnings per share		(33,201.00)
Equity shares used to compute diluted earnings per share		1
Diluted Earnings per share		(33,201.00)