T S GLOBAL MINERALS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

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

In the opinion of the directors, the accompanying financial statements of the Company as set out on pages 5 onwards are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2016 and the financial performance, 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

1 DIRECTORS

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

Koushik Chatterjee
Sandip Biswas
Ranganath Raghupathy Rao
Dibyendu Bose
Sanjib Nanda (Appointed on April 29, 2015)

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

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

	Shareholdings registered in name of director	
Name of directors and company in which interests are held	At beginning of year or the date of appointment, if later	At end of year
Tata Steel Limited		
Ordinary shares of Rupees 10 each		
Koushik Chatterjee	1,320	1,320
Sandip Biswas	3,868	-
Sanjib Nanda	484	484
Dibyendu Bose	502	502

4 SHARE OPTIONS

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

During the financial year, there were no shares of the Company issued by virtue of the exercise of options to take up unissued shares.

(c) *Unissued shares under option*

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

5 AUDITORS

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

ON BEHALF OF THE DIRECTORS

....
Sandip Biswas

....
Sanjib Nanda

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of T S Global Minerals Holdings Pte. Ltd. (the "Company") which comprise the statement of financial position of the Company as at March 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 43.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at March 31, 2016 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants
Singapore

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION March 31, 2016
(Expressed in thousands United States Dollars)

	Note	2016 US$'000	2015 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	5,853	255,264
Other receivables	10	101,535	10,691
Total current assets		107,388	265,955
Non-current assets			
Subsidiaries	7	256,061	347,525
Associate	8	-	-
Joint venture	9	-	-
Other receivables	10	10,575	201,975
Total non-current assets		266,636	549,500
Total assets		374,024	815,455
LIABILITIES AND EQUITY			
Current liabilities			
Tax payable		896	2,686
Loans from immediate holding company	11	12,574	255,973
Other payables	12	51	6,970
Total current liabilities		13,521	265,629
Non-current liabilities			
Deferred tax liability	13	3,128	2,067
Loans from immediate holding company	11	-	-
Other payables	12	-	-
Total non-current liabilities		3,128	2,067
Capital, reserves and accumulated losses			
Share capital	14	1,153,653	428,233
Capital reserve	15	-	725,416
Investment revaluation reserve	16	-	-
Accumulated losses		(796,278)	(605,890)
Total equity		357,375	547,759
Total liabilities and equity		374,024	815,455

See accompanying notes to financial statements.

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

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

(Expressed in thousands United States Dollars)

	Note	2016 US$'000	2015 US$'000
Foreign exchange adjustment (loss) gain		(2,604)	(7,323)
Other operating expenses		(61)	(56)
Finance income	17	11,796	22,556
Allowance for receivables and impairment loss on investments	18	(197,592)	(231,138)
Finance costs	19	(82)	(733)
Loss before tax		(188,543)	(216,694)
Income tax expense	20	(1,845)	(3,589)
Loss for the year	21	(190,388)	(220,283)
Other comprehensive loss :			
Item that may be reclassified subsequently to profit or loss			
Reclassification to profit or loss from investment revaluation reserve on full impairment of investment in associate		-	(5,583)
Total comprehensive loss for the year		(190,388)	(225,866)

See accompanying notes to financial statements.

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2016

(Expressed in thousands United States Dollars)

	Share capital	Capital reserve	Investment revaluation reserve	Accumulated profits (losses)	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at April 1, 2014	428,233	725,416	5,583	(385,607)	773,625
Total comprehensive loss for the year					
- Loss for the year	-	-	-	(220,283)	(220,283)
- Other comprehensive loss for the year	-	-	(5,583)	-	(5,583)
Total	-	-	(5,853)	(220,283)	(225,866)
Balance at March 31, 2015	428,233	725,416	-	(605,890)	547,759
Total comprehensive loss for the year					
- Loss for the year	-	-	-	(190,388)	(190,388)
- Other comprehensive loss for the year	-	-	-	-	-
- Issuance of Share Capital	725,420	(725,420)	-	-	-
- Capital Contribution from Holding Co	-	4	-	-	4
Total	725,420	(725,416)	-	(190,388)	(190,384)
Balance at March 31, 2016	**1,153,653**	**-**	**-**	**(796,278)**	**357,375**

See accompanying notes to financial statements.

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
Year ended March 31, 2016

(Expressed in thousands United States Dollars)

	2016 US$'000	2015 US$'000
Cash flow from operating activities		
Loss before income tax	(188,543)	(216,694)
Adjustments for:		
Finance income	(11,796)	(22,556)
Finance costs	82	733
Provision for impairment loss in a subsidiaries	190,026	126,316
Provision for impairment loss in an associate	-	65,490
Provision for impairment loss in joint venture	-	-
Allowance for doubtful advances and interest receivables	7,566	39,332
Fair value losses on derivative financial instruments	-	-
Unrealised foreign exchange losses (gains)	2,603	7,697
Operating cash flows before movements in working capital	(61)	318
Other payables	(0)	(31)
Cash generated from (used in) operations	(61)	287
Direct taxes paid	(2,961)	(4,129)
Interest received	10,580	19,050
Net cash from operating activities	7,558	15,208
Investing activities		
Other capital contributions to subsidiaries	(80,627)	(203,770)
Loan repaid by related company	78,200	267,873
Loan provided during the year to subsidiaries	-	-
Loan repaid during the year by subsidiaries	-	5,503
Loan provided to holding company	(1,657)	(5,621)
Loans to a joint venture	(6,240)	(55,065)
Net cash from investing activities	10,326	8,920

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS (cont'd)
Year ended March 31, 2016

(Expressed in thousands United States Dollars)

	2016 US$'000	2015 US$'000
Financing activities		
Capital Contribution by Holding Subsidiary	4	-
Proceeds from loans from immediate holding company	-	163,774
Repayments of loans from immediate holding company	(243,517)	(14,871)
Interest paid	(427)	(3,057)
Net cash from financing activities	(243,940)	145,846
Net increase/(decrease) in cash and cash equivalents	(249,411)	169,974
Cash and cash equivalents at the beginning of the financial year	255,264	85,291
Cash and cash equivalents at the end of the financial year	5,853	255,265

Non-cash transactions:

During the year ended March 31, 2016, the Company subscribed for additional shares in its wholly-owned subsidiary, Tata Steel Minerals UK Limited, for a total sum of USD 17,936,000 (Note 7). The payment was settled by the re-assignment of ~~interest receivable and~~ loan receivable of USD 17,936,000(Note 10) ~~and ______ (Note 10) respectively~~, due from Tata Steel Minerals Canada Limited, a 94% owned subsidiary of Tata Steel Minerals UK Limited as on March 16~~, to Tata Steel Minerals UK Limited.~~

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200720850Z) is incorporated in Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in United States dollars, which is the functional currency of the Company.

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

The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

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

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 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.

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 consolidated 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*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 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, certain new/revised FRSs, amendments to FRS and improvements to FRSs that are relevant to the company were issued but not effective:

- FRS 109 *Financial Instruments* (2)
- FRS 115 *Revenue from Contracts with Customers* (2)
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative* (1)
- Improvements to Financial Reporting Standards (November 2014) (1)

(1) Applies to annual periods beginning on or after January 1, 2016, with early adoption permitted.
(2) Applies to annual periods beginning on or after January 1, 2018, with early adoption permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards. The management anticipates that the adoption of the above amendments to FRS and improvement to FRSs in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management is currently evaluating the potential impact of the application of FRS 109 on the financial statements of the company in the period of initial application.

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.

- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.

- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.

- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amendment to FRS 1 will take effect from financial year beginning on or after January 1, 2016, with retrospective application required.

Management is currently evaluating the potential impact of the application of amendments to FRS 1 on the financial statements of the company in the period of initial adoption.

Other than FRS 109 and amendments to FRS 1, management has considered and is of the view that the adoption of the other amendments and improvements to FRSs that are issued as at date of authorisation of these financial statements but effective only in future periods will not have material impact on the financial statements in the period of their initial adoption.

BASIS OF CONSOLIDATION - The financial statements of the subsidiaries, associates and joint ventures have not been consolidated or equity accounted with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, Tata Steel Limited, incorporated in India, on a worldwide basis and such financial statements are publicly available.

The registered address of Tata Steel Limited is Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

SUBSIDIARY - A subsidiary is an entity that is controlled by another entity.

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.

Investments in subsidiaries in the financial statements of the company are carried 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)

ASSOCIATE - An associate is an entity over which the group has significant influence. 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. Investments in associate are stated at cost, less any impairment in net recoverable value.

INTERESTS IN JOINT VENTURES - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in joint ventures are stated at cost, less any impairment in recoverable value.

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.

Financial assets

Financial assets comprise bank balances, loans and other receivables and available-for-sale financial assets. 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 remittances in transit that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and other receivables

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method except for short-term receivables when the recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset 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 with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the statement of comprehensive income to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative financial instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk when required. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Interest-bearing loans from immediate holding company are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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 date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other 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 profit for the year. Taxable profit differs from profit 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 substantively enacted by the end of the reporting period.

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

The carrying amount of deferred tax assets is reviewed at each 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

Transactions in currencies other than the Company's functional currency are recorded at the rates 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 the statement of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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 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, are discussed below.

Assessment of impairment of investment in subsidiaries, associate and joint ventures

Investments in subsidiaries, associates and joint ventures are stated at cost less impairment loss. The Company follows the guidance of FRS 36 *Impairment of Assets* to determine when its investments in subsidiaries, associates and joint ventures are impaired. This determination requires significant judgement. In making this judgement, the Company evaluate, among other factors, the market and economic environment in which the subsidiaries, associates and joint ventures operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and value in use of investments.

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

(i) Investment in subsidiaries

During the year ended March 31, 2016, the management carried out an estimate of the recoverable amounts of the following subsidiaries as indicators of impairment existed: Tata Steel Mineral Canada Limited and Black Ginger (461) Proprietary Limited

(a) The management had carried out an estimate of the recoverable amount of Tata Steel Minerals UK Limited, based on the estimation of the value in use of the cash-generating units of Tata Steel Minerals UK Limited. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts are derived from the most recent financial budgets approved by the management for a period of 15 years of the cash generating units and a discount rate of 8.3% is used to discount the future cash flows of the cash generating units.

(b) The management had carried out an estimate of the recoverable amount of Tata Steel Mineral Canada Limited, was determined based on the estimation of the value in use of the cash-generating units of Tata Steel Mineral Canada Limited. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts are derived from the most recent financial budgets approved by the management for a period of 15 years of the cash generating units and a discount rate of 8.3% is used to discount the future cash flows of the cash generating units.

(c) The management had carried out an estimate of the recoverable amount of Black Ginger (461) Proprietary Limited, based on the estimation of the value in use of the cash-generating units of Black Ginger (461) Proprietary Limited. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts are derived from the most recent financial budgets approved by the management for a period of 14 years based on the life of the mine and a discount rate of 15.35% is used to discount the future cash flows of the cash generating units.

Based on the assessments performed in 2016, management has made a provision for impairment loss in subsidiaries of US$ 189,548,000 for Tata Steel Mineral UK limited and US$ 478,000 for Tata Steel Cote D'Ivoire for the further amount remitted during the year to exit the project. No impairment is assessed to be necessary for the other subsidiaries.

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

Based on the assessments performed in 2015, management has made a provision for impairment loss in subsidiaries of US$7,190,000 for Kalimati Coal Company Pty. Ltd, US$28,941,000 for Tata Steel Cote D'Ivoire, S.A., US$62,160,000 for Tata Steel Mineral UK Limited and US$28,025,000 for advances to Tata Steel Mineral Canada Limited's Taconite project and impairment loss in its associate NML of US$65,490,000. No impairment is assessed to be necessary for the other subsidiaries.

These projection are the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing adjustment to the carrying amounts of assets within the next financial year. If the performance of the subsidiaries, associate and joint ventures and/or market conditions were to deteriorate which will affect the Company's investments in these entities, impairment may be required.

(Expressed in thousands United States Dollars)

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

Other receivables due from subsidiaries, associate, joint venture and related company

The Company has other receivables due from subsidiaries of US$ 46,787,000 (2015 : US$65,691,000), due from joint venture of US$ 128,809,000 (2015 : US$124,146,000), due from a related company of US$ 90,698,000 (2015 : US$170,269,000) and due from holding company of US$ 6,957,000 (2015 : US$5,605,000). Other than as disclosed below on allowance recorded, management had evaluated and considered the operations of the respective subsidiaries, associate, joint ventures and related company, and are of the view that the remaining receivables will be repaid when these entities generate cash flow from their operations.

Based on assessment performed in 2016, management has made an allowance for receivables of US$ 2,702,000 for interest receivable from Tata Steel Mineral Canada and US$ 4,663,000 for advances and interest receivable form Minas De Benga (Mauritius) Limitada at the end of the reporting period. No impairment is assessed to be necessary for the other receivables due from its other subsidiaries and related company.

(Expressed in thousands United States Dollars)

Based on assessment performed in 2015, management has made an allowance for receivables of US$124,146,000 for the amount due from Minas De Benga a joint venture and US$29,429,000 for the amount due from Kalimati Coal Company Pty. Ltd (a subsidiary) at the end of the reporting period. No impairment is assessed to be necessary for the other receivables due from its other subsidiaries and related company.

4 FINANCIAL RISKS, FINANCIAL INSTRUMENTS AND CAPITAL RISKS MANAGEMENT

The Company's overall risk management policy seeks to minimise potential adverse effects in the financial performance of the company.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risks.

(a) *Categories of financial instruments*

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

	2016 US$'000	2015 US$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	117,963	467,930
Financial liabilities		
Amortised costs	12,625	262,943

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

(b) *Financial risk management policies and objectives*

(i) Foreign exchange risk management

The Company has investments in foreign subsidiaries, associate and joint ventures, whose assets are exposed to currency translation risk. The Company does not hedge against currency exchange exposure arising from such investments as they are deemed to be long term in nature. Foreign currency sensitivity is performed for monetary assets and liabilities in foreign currency as foreign exchange rate would influence the Statement of Profit or loss.

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

	Assets		Liabilities	
	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000
Australian dollars	5,401	5,308	9,980	9,912
Canadian dollars	-	-	-	601
Singapore dollars	30	29	3,539	2,489
South African rand	14,456	16,317	-	-

If the United States dollars strengthen/weaken by 10% against the relevant foreign currency, loss before tax will (decrease)/increase by:

	2016	2015
	US$'000	US$'000
Australian dollars	(458)	(460)
Canadian dollars	-	(60)
Singapore dollars	(351)	(246)
South African rand	1,446	1,632

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

(ii) Interest rate risk management

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates that may have an adverse effect on the Company in the current reporting period and in the future years.

The Company is exposed to interest rate risk arising from loans to holding company, subsidiaries, joint venture and related parties and loans from immediate holding company as these amounts are charged at floating rates.

In respect of the above amounts for which are charged at floating rates, based on the balance at year end, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the impact on the Company's loss would be an increase/decrease of US$ 2,246,000 (2015 : US$716,000).

(iii) Credit risk management

The Company's credit risk is primarily attributable to its cash at bank and other receivables. The Company places its cash with reputable financial institutions. Other than as disclosed in Note 3 (ii), management has assessed that credit risk arising from other receivables is not significant as the remaining amounts are due from the Company's subsidiaries and a related company which management has assessed are capable of repaying the advances over the period when these entities generate cash flow from their operations.

(iv) Liquidity risk management

The Company relies on the immediate holding company (Note 5) for financial support to fund its existing and continuing commitments. New investments and advances will be funded similarly.

All financial liabilities in 2016 and 2015 are non-derivative in nature, non-interest yielding and repayable on demand or due within 1 year from the end of the reporting period.

All financial assets in 2016 and 2015 are non-derivative in nature, non-interest yielding and repayable on demand or due within 1 year from the end of the reporting period, except for certain other receivables which are due after 1 year as disclosed in Note 10 to the financial statements.

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

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective net fair values due to the relatively short-term maturity of these financial instruments, other than the non-current other receivables, loans from immediate holding company and other payables. Management estimates that the carrying amounts of the non-current other receivables, loans from immediate holding company and other payables approximate their fair values as the management expects the borrowing rates to be similar to those made available to the Company at the end of the reporting period.

(c) *Capital risk management policies and objectives*

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

The Company's overall strategy remains unchanged from the previous financial year.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of T S Global Holdings Pte. Ltd. which is incorporated in Singapore. The Company's intermediate holding company is T Steel Holdings Pte. Ltd. which is also incorporated in Singapore. The Company's ultimate holding company is Tata Steel Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Many of the Company's transactions and arrangements are between members of the Group. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

(Expressed in thousands United States Dollars)

During the year, other than as disclosed elsewhere in the notes to the financial statements, the Company entered into the following significant transactions with related companies:

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)

	2016 US$'000	2015 US$'000
Interest income from subsidiaries	(1,767)	(2,571)
Interest income from a related company	(5,487)	(16,104)
Interest income from joint venture	(4,423)	(3,293)
Interest income from immediate holding company	(58)	(28)
Interest expense to immediate holding company	82	733
Equity shares issued by subsidiaries	-	21,431
Other capital contribution to subsidiaries	80,627	203,770

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the Company. These directors are paid remuneration by either the ultimate holding company, immediate holding company or related companies in their capacity as executives of these companies.

6 CASH AND CASH EQUIVALENTS

	2016 US$'000	2015 US$'000
Cash at bank	5,853	5,264
Fixed deposits	-	250,000
	5,853	255,264

As at March 31, 2015, the fixed deposits bear interest 1.23% per annum and for tenure of 68 days.

7 SUBSIDIARIES

	2016 US$'000	2015 US$'000
Unquoted equity shares, at cost (1)	49,335	49,335
Less: Provision for impairment loss in subsidiaries (2)	(33,503)	(33,503)
Other capital contributions (3)	529,587	431,025
Less: Provision for impairment loss in subsidiaries (4)	(289,358)	(99,332)
	240,229	331,693
Total	256,061	347,525

(1) During the year ended March 31, 2016, the Company subscribed for additional shares in its wholly-owned subsidiary, Tata Steel Minerals UK Limited, for a total sum of USD 17,936,000. The payment was settled by the re-assignment loan receivable of USD 17,936,000. (Note 10) ~~and _____ (Note 10) respectively~~, due from Tata Steel Minerals Canada Limited, a 94% owned subsidiary of Tata Steel Minerals UK Limited, to Tata Steel Minerals UK Limited.

(2) As at March 31, 2016 provision for impairment loss in equity shares in subsidiaries consists of US$ 26,876,000 (2015 : US$26,876,000) for Tata Steel Cote D'Ivoire, S.A. ("TSCI"), US$ 5,351,000 (2015 : US$5,351,000) for Kalimati Coal Company Pty. Ltd ("KCC") and US$ 1,276,000 (2015 : US$1,276,000) for Al Rimal Mining LLC.

(a) The Company's subsidiary, TSCI has signed the Joint Venture Agreement dated December 11, 2007, as amended by Addendum No. 1 dated September 29, 2009 with Société pour le Development Minier De La Cote D'Ivoire ("SODEMI") in Ivory Coast. Based on the feasibility study and exploration of Mt Nimba Deposits. The deal for Mount Nimba could not be achieved due to the environmental issues. As a result of this, SODEMI in consultation with the Government had agreed to allow TSCI at another deposit of Mt Gao to facilitate early start of work.

The Company has invested total of US$29,419,000 (including other capital contribution of US$2,543,000) in TSCI for conducting prefeasibility studies in respect of the Bonglo project. Based on management's assessment, the entire investment is irrecoverable as the management intend to exit from the project held by the subsidiary in the view of the current market price and the uncertainty of further investment to bring in long term benefits and hence this investment was fully impaired and has made a provision for impairment loss in equity shares and other capital contributions of US$ 26,876,000 (2015 : US$26,876,000) and US$ 2,543,000 (2015 : US$2,065,000) respectively for TSCI.

7 SUBSIDIARIES (cont'd)

(b) The subsidiary, KCC holds 5% interest in Carborough Downs Joint Venture ("CDJV"), an unincorporated association, in Australia. CDJV operates coal mines in Australia in which Tata Steel Limited has the right to acquire 20% of its output at market rates. The company has sold its entire stake in CDJV and realised US$5,504,000 after committed cash call and transaction cost.

During the year ended March 31, 2016, the management has made a provision for impairment loss in equity shares and other capital contribution of US$5,351,000 (2015 : US$5,351,000) and US$7,082,000 (2015 : US$7,082,000) respectively for KCC.

(c) The Company and the members of the Al Bahja Group, a leading business house of Oman, formed a company, Al Rimal Mining LLC in 2008 for mining of limestone in the Uyun region. The Company has 70% stake in this entity with local shareholders holding remaining 30%.

While carrying out the exploration work including drilling on potential site it was found that it was not suitable for development of limestone due to technical, economic and environmental difficulties. The existing area was found to be not suitable for mechanised mining due to fraught with narrow ridges, deep wades and some environmental concerns. Also, the Company has been waiting for the approval from Ministry of Commerce and Industry for a new exploration license for last 3 years.

In order to continue with the project, further investment would be required to study the feasibility of the project and there is lack of clarity of further investing in the project as on date.

Based on the above situation, the Company decided to withdraw from the project. The net assets being entirely recoverable as per the liquidation clause mentioned in the shareholders' agreement, and on prudent basis the company wrote down its investment to the recoverable value.

Based on the assessments performed, management had made a provision for impairment loss of US$1,276,000 for Al Rimal Mining LLC in previous years and no further impairment is required in 2016.

7 SUBSIDIARIES (cont'd)

(3) Other capital contribution relates to long-term advances to certain subsidiaries and projects which are deemed to be investments in these subsidiaries. During the year ended March 31, 2016, an additional US$ 98,563,000 (2015 : US$203,763,000) of other capital contribution was invested in three subsidiaries (2015 : two subsidiaries). The total of USD 98566,000 is comprise of amount USD 95,867,000 contributed to Tata Steel Mineral UK which includes as amount of USD 17,935,500 that has been re-assigned from Tata Steel Mineral Canada to Tata Steel Mineral UK, USD 2,219,000 contributed to Black Ginger (461) Proprietary Limited and USD 478,000 to Tata Steel Cote D'Ivoire, S.A.

During the year ended March 31, 2015, other receivables (Note 10) amounting to US$24,376,000 was transferred to other capital contribution upon the completion of the feasibility study for Taconite Project and other capital contributions amounting to US$21,431,000 was transferred to unquoted equity shares in its subsidiary, Tata Steel Cote D'Ivoire, S.A upon issuance of shares.

(4) As at March 31, 2016, provision for impairment loss in other capital contributions consists of US$2,543,000(2015 : US$2,065,000) for Tata Steel Cote D'Ivoire, S.A. ("TSCI"), US$7,082,000 (2015 : US$7,082,000) for Kalimati Coal Company Pty. Ltd ("KCC"), US$251,708,000 (2015 : US$62,160,000) for Tata Steel Minerals UK Limited and US$ 28,025,000 (2015 : US$28,025,000) for Lab Mag & Ke Mag Project.

Details of Company's subsidiaries at March 31, 2016 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held 2016 %	2015 %	Principal activities
Black Ginger (461) Proprietary Limited [1]	South Africa	100	100	Investment holding for South African mining companies
Al Rimal Mining LLC	Oman	70	70	Mining of limestone and other mineral ores
Tata Steel Cote D'Ivoire, S.A.	Ivory Coast	85	85	Mining of iron ore
Kalimati Coal Company Pty. Ltd	Australia	100	100	Investment holding company

(Expressed in thousands United States Dollars)

7 SUBSIDIARIES (cont'd)

Name of subsidiary	Country of Incorporation and operation	Proportion of ownership interest and voting power held 2016 %	2015 %	Principal activities
Tata Steel Minerals UK Limited	United Kingdom	100	100	Investment holding company
Subsidiaries held by subsidiaries				
Sedibeng Iron Ore (Pty) Limited [1]	South Africa	64	64	Mining of iron ore
Tata Steel Minerals Canada Limited	Canada	94	80	Mining of iron ore
T S Canada Capital Ltd	Canada	100	100	Financing company

Howse Minerals Limited iron ore	Canada	100	100	Mining of

[1] In 2011, Black Ginger (461) Proprietary Limited ("BG"), a subsidiary of the Company, had acquired a 100% stake in Sedibeng Iron Ore (Pty) Limited ("SIO") from Sedibeng Mining (Pty) Limited (74%) and Four Rivers Trading 3 (Pty) Limited (26%) (together "sellers") at a purchase consideration of ZAR375 million (approximately US$55.39 million). BG entered into an agreement on September 16, 2008 to on-sell a 26% interest in SIO to Cape Gannet Property 277 (Pty) Limited ("CG") for ZAR97.5 million and a 10% stake in SIO to Industrial Development Corporation of South Africa Limited ("IDC") for ZAR37.5 million. BG and sellers have agreed to pay and receive the purchase consideration in instalments and the first instalment of ZAR162.50 million and the initial deposit of ZAR10 million which was paid in February 2011. The first instalment includes 100% of IDC's share, and 40% of share of BG and CG. The second instalment of ZAR165 million was paid on March 31, 2012 which includes 48.99% of share of BG and CG. To secure the balance payment of ZAR 37.5 million, BG has hypothecated 10 shares of SIO (10% of its holding) and the Company provided a guarantee for ZAR37.5 million (2015 : ZAR37.5 million) on behalf of BG to the sellers. In turn, Cape Gannet Property 277 (Pty) Limited has pledged its 4 shares (10% of its holding) to BG. IDC has not pledged any of its shares in SIO as they have made full payment in first instalment.

(Expressed in thousands United States Dollars)

8 ASSOCIATE

	2016 US$'000	2015 US$'000
Quoted equity shares, at cost	71,073	71,073
Reclassification from investment revaluation reserve on full impairment of investment in associate (Note 16) [1]	(5,583)	(5,583)
Less: Provision for impairment loss in associate [1]	(65,490)	(65,490)
	-	-

As at March 31, 2016, the value of the above mentioned investment in associate based on quoted closing market prices on the last market day of the financial year was US$3,838,000 (2015 : US$7,291,000).

[1] As at March 31, 2015, the value of the above mentioned investment in associate, New Millennium Iron Corp. ("NML") was estimated to be irrecoverable by the management due to continued decline in the share prices of more than 50% over March 2014 and 80% over March 2013 along with the write down taken by NML in its books for a number of claims which did not represent any future economic value. Further, NML is unable to honour the cash calls made by Tata Steel Minerals Canada Limited ("TSMC") for the direct shipping ore project ("DSO projects") due to severe liquidity crunches. In addition to the above and

considering the depressed global commodity prices and weak future forecast, the investment in the associate has been fully impaired since 2015.

Name of associate	Country of incorporation and operation	Principal activities	Proportion of ownership interest and voting power 2016	2015
			%	%
New Millennium Iron Corp. (“NML”)	Canada	Mining Activities	26.18	26.18

(Expressed in thousands United States Dollars)

8 ASSOCIATE (cont’d)

New Millennium Iron Corporation

On September 14, 2010, the Company exercised the option to participate in the direct shipping ore project (“DSO Project”) pursuant to the Heads of agreement with NML and LabMag GP Inc (a subsidiary of NML). As part of the agreement, the Company will reimburse NML for 80% of NML’s cost to date on the DSO Project; arrange funding for up to Canadian $300 million of capital costs for the Project to earn its 80% share of the JV and commit to take 100% of the DSO project’s iron ore products of specified quality, at world market prices, for the life of the mining operation. The Company has formed a company, Tata Steel Minerals Canada Limited (“TSMC”) through its direct owned subsidiary, Tata Steel Minerals UK Limited, with an 80% shareholding interest for this purpose initially, during the year 31st March 2016, it was decided to dilute the stake of NML from 20% to 6% resulting in the increase in stake of TSGMH form 80% to 94%.

In December 2011 the transaction was completed with transfer of DSO properties by NML to TSMC for a consideration of CAD52 million settled by issue of one share (CAD32 million) and settlement in cash of CAD21 million. The feasibility study estimated a proven and probable mineral reserve of 64.1 million tonnes. TSMC obtained the requisite approvals for mining and the Camp office was inaugurated in January 2012.

In addition, the Company had an exclusive right, as extended up to February 28, 2011 to participate in the LabMag and KeMag Project, known collectively as the Taconite Project an iron ore mining project located on the Millennium Iron Range near Howells River, Newfoundland and Labrador and Lac Harris, Québec province. The Company on March 6, 2011 had signed a binding heads of agreement (the “Binding HOA”) with NML to develop the Taconite Project. The remainder of the Millennium Iron Range will be retained by NML.

Under the Binding HOA, the Company shall participate in the development of a feasibility study of the Taconite Project (the “Feasibility Study”) and contribute towards 64% of the costs related thereto. The parties would enter into a binding joint venture agreement upon the successful completion of the Feasibility Study and the Company electing to develop one or both of the deposits. After formation of the joint venture, NML is expected to hold a 36% equity interest in the Taconite Project, including a 20% free carry equity interest. In addition, NML will have a 4% right of first refusal on future equity sales by the Company to increase its equity interest to a maximum of 40%.

The Company will arrange the required equity portion of the financing (excluding NML's optional equity interest) based on a maximum capital expenditure of up to CAD4.85 billion if both deposits are developed and up to CAD4.68 billion and up to CAD3.76 billion respectively, if only the KéMag or LabMag deposits are developed. Arranging debt financing for the project shall be the responsibility of the Company.

The Company had paid US$24,376,000 in 2013 as its share of such exploration costs and this amount was recorded as other receivables (Note 10). During the year ended March 31, 2015, this amount was transferred to other capital contribution (Note 7) upon the completion of the feasibility study for Taconite Project.

(Expressed in thousands United States Dollars)

9 JOINT VENTURE

	2016 US$'000	2015 US$'000
Unquoted equity shares, at cost	352,744	352,744
Less: Provision for impairment loss in joint venture [1]	(352,744)	(352,744)
	-	-

[1] During the year ended March 31, 2014, arising out of decrease in coal reserves, sharp decline in coal price, higher operational cost and logistics constraints, the management carried out an estimate of the recoverable amount of the underlying project of joint venture, Minas De Benga (Mauritius) Limited, as indicators of impairment existed. The recoverable amount of was determined based on the estimation of the value in use of the cash-generating units of Minas De Benga (Mauritius) Limited. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Based on the assessment performed, management has made a full provision for impairment loss of US$352,744,000 for Minas De Benga (Mauritius) Limited in 2014.

Details of Company's joint ventures at March 31, 2016 are as follows:

Name of joint venture	Country of incorporation and operation	Proportion of ownership interest and voting power held 2016 %	2015 %	Principal activities
Held by the Company				
Minas De Benga (Mauritius) company Limited	Mauritius	35	35	Holding
Held by Minas De Benga (Mauritius) Limited				
Minas De Benga Limitada activities	Mozambique	35	35	Mining

9 JOINT VENTURE (cont'd)

The remaining equity interest in the above mentioned joint ventures are held by Riversdale Mining Pty Limited ("RMPL"). During the year, the former shareholder for this joint venture, Rio Tinto Coal Mozambique ("RTCM") sold its interest in RTBML to RMPL.

Based on a shareholder's agreement, the shareholders have executed a deed of cross charges in favour of each other shareholder to secure the performance of obligation under the shareholders' agreement. The Company has entered into a fixed and floating charge for a maximum amount of US$100 million, subject to the terms of the Joint Venture Agreements. This includes:

(a) charges in favour of RMPL (previously RTCM) by way of a fixed charge with full title guarantee and as a continuing security for the payment and discharge of the Joint Venture funding requirements, all of the Company's present rights to and title and interest in and to all of RTBML shares; and

(b) floating charges on:

(i) all dividends and other accretions paid in respect of or otherwise arising from shares of RTBML;

(ii) all of its present and future rights and benefits under each Joint Venture Agreement; and

(iii) the benefit of any financial accommodation made or provided by RMPL (previously RTCM) to RTBML.

(Expressed in thousands United States Dollars)

10 OTHER RECEIVABLES

	2016 US$'000	2015 US$'000
Current		
Loans to subsidiary [(1)]	29,630	29,429
Less: Allowances for doubtful receivable [(2)]	(29,630)	(29,429)
	-	-
Loan to a joint venture [(3)]	120,107	119,867
Less: Allowances for doubtful receivable [(3)]	(120,107)	(119,867)
	-	-
Interest accrued on loan to joint venture	8,702	4,279
Less: Allowance for interest receivable [(3)]	(8,702)	(4,279)
Interest accrued on loan to joint venture	-	-

Interest accrued on loans to subsidiaries	6,582	2,009
Less: Allowance for interest receivable (7)	(2,702)	-
Loan to holding company (5)	6,952	5,287
Interest accrued on loans to holding company	6	318
Interest accrued on deposits with bank	-	530
Loans to a related company (4)	89,521	-
Interest accrued on loans to related company	1,177	2,547
	101,535	10,691

Non-current

Loans to subsidiaries (6)	10,575	30,753
Loans to a related company (4)	-	167,722
Interest accrued on loans to subsidiary	-	3,500
	10,575	201,975

(1) As at March 31, 2016, loans to a subsidiary, Kalimati Coal Company Pty. Ltd of US$ 29,630,000 (2015 : US$29,429,000) is unsecured, interest-free and repayable on demand.

(Expressed in thousands United States Dollars)

10 OTHER RECEIVABLES (cont'd)

(2) Relates to allowance for loan receivables of US$ 29,630,000 (2015 : US$29,429,000) for the amount due from Kalimati Coal Company Pty. Ltd.

(3) As at March 31, 2016, loans of US$120,107,000 (2015 : US$119,867,000) to joint venture, Minas De Benga (Mauritius) Limited is unsecured, bear interest at three month LIBOR+3.00% per annum and ~~are repayable by~~ ___________ ~~(2015 : June 30, 2015)~~. Interest on overdue amount is calculated on monthly basis at 2.00% (2015: 2.00%) per annum over and above the interest rate as mentioned.

The company has made an allowance for loan receivables of US$120,107,000 (2015 : US$119,867,000) and interest receivable of US$8,702,000 (2015 : US$4,279,000) for the amounts due from Minas De Benga (Mauritius) Limited.

(4) As at March 31, 2016, this relate to loans to a related company, T S Global Procurement Company Pte Ltd amounting to US$89,521,000 (2015 : US$167,722,000) which are unsecured, bear interest rate one month LIBOR+4.75% per annum (2015 : one month LIBOR+4.75% per annum). These loans are payable over the period from October 2016 to December 2016 (2015 : October 2016 to December 2016).

(5) As at March 31, 2016, loan receivables of US$6,952,000(2015 : US$5,287,000) due from immediate holding company which are under a cash-pooling arrangement, are unsecured, bear interest 1.42% (2015 : 1.42%) per annum and are repayable upon demand

(6) As at March 31, 2016, this includes loans to a subsidiary, Black Ginger (461) Proprietary Limited of US$10,576,000 (2015 : US$12,817,000) which is treated as long-term, which the subsidiary will repay when it generates cash flows from its

operations in the long term. Interest is charged at Johannesburg Interbank Agreed Rate ("JIBAR") plus 2.00% per annum.

(7) As at March 31,2016 company made an allowance for interest receivable from Tata Steel Mineral Canada of US$2,702,000 (2015: Nil) on the loans which has been re-assigned to Tata Steel Mineral UK.

During the year ended March 31, 2016, the Company subscribed for an additional shares in its wholly-owned subsidiary, Tata Steel Minerals UK Limited, for a total sum of US$ 17,936,000(Note 7). The payment was settled by the re-assignment of ~~interest receivable and~~ loan receivable of approximately US$ 17,936,000 ~~respectively~~, due from Tata Steel Minerals Canada Limited, a 94% owned subsidiary of Tata Steel Minerals UK Limited, to Tata Steel Minerals UK Limited.

As at March 31, 2015, long term loan receivables of US$17,936,000 due from a subsidiary, Tata Steel Minerals Canada Limited which was unsecured, bore interest rate at 3 month LIBOR+6.50% per annum, and was repayable by July 31, 2020.

(Expressed in thousands United States Dollars)

10 OTHER RECEIVABLES (cont'd)

Management estimates the fair values of other receivables to approximate its carrying amount.

Movements in the allowance for doubtful receivables:

	2016 US$'000	2015 US$'000
At beginning of the year	153,575	114,243
Charge to profit or loss for the year	7,566	39,332
Currency realignment	-	-
At end of the year	161,141	153,575

11 LOANS FROM IMMEDIATE HOLDING COMPANY

	2016 US$'000	2015 US$'000
Current portion	12,574	255,973

The short term loans from immediate holding company consist of:

(a) Short-term loan payable to immediate holding company amounting to US$9,980,000
(2015 : US$9,912,000) which is denominated in Australian dollar ("AUD"), unsecured, interest-free and repayable on demand.

(b) Loan payables of US$2,594,000 (2015 : US$246,061,000) to immediate holding company which are under a cash-pooling arrangement, are unsecured, bear interest ranging from 0.03% to3.62% (2015 : 0.03% to 3.62%) per annum and are repayable upon demand.

Management is of the opinion that fair value of these loans approximates the carrying value.

(Expressed in thousands United States Dollars)

12 OTHER PAYABLES

	2016 US$'000	2015 US$'000
Current		
Accrued expenses	46	48
Accrued interest on loans from immediate holding company	5	321
Withholding tax payables	-	601
Other payable to joint venture [1]	-	6,000
	51	6,970
Non-current		
Accrued interest on loans from immediate holding company	-	-

[1] The other payable to joint venture of nil (2015 : US$6,000,000) represents the cash call for additional investment in joint venture yet to be paid as at March 31, 2016. During the year ended March 31, 2016, the Company had paid 6,240,000(2015 : US$6,250,000) upon the cash called by joint venture.

13 DEFERRED TAX LIABILITY

	2016 US$'000	2015 US$'000
Deferred tax liability	3,128	2,067

The deferred tax liability is recognised by the Company in the current year on account of interest from foreign sources not remitted to Singapore. The movement during the reporting period is as follow:

	2016 US$'000	2015 US$'000
At beginning of the year	2,067	1,164
(Credit) Charge to profit or loss for the year (Note 20)	(1,062)	903
At end of the year	3,128	2,067

(Expressed in thousands United States Dollars)

14 SHARE CAPITAL

	2016	2015	2016	2015
	Number of ordinary shares		US$'000	US$'000
Issued and paid up:				
At beginning and end of the year	1,153,653,035	428,233,035	1,153,653	428,233

Fully paid ordinary shares, par value USD1, carry one vote per share and carry a right to dividends when declared by the Company.

15 CAPITAL RESERVE

	2016	2015
	US$'000	US$'000
At beginning and end of the year [1]	-	725,416

[1] This represents other capital contribution by the immediate holding company has been converted to share capital of the Company during the year

16 INVESTMENT REVALUATION RESERVE

	2016	2015
	US$'000	US$'000
At beginning of the year [1]	-	5,583
Reclassification to investment in associate on fully impairment of investment in associate (Note 8) [2]	-	(5,583)
At end of the year	-	-

[1] The capital reserve of NML of US$5,583,000 represents fair value gains arising from investment in NML prior to NML becoming an associate of the Company on June 4, 2010 (Note 8).

[2] Based on the assessment performed during the year ended March 31, 2015, the management has made full provision for impairment loss in the Company's investment in NML and the investment revaluation reserve was reclassified to profit or loss.

(Expressed in thousands United States Dollars)

17 FINANCE INCOME

	2016 US$'000	2015 US$'000
Interest income:		
Subsidiaries (Note 7)	1,767	2,571
A related company (Note 5)	5,487	16,104
Joint venture (Note 9)	4,423	3,293
Immediate holding company (Note 5)	58	28
Bank balances and fixed deposits	61	560
	11,796	22,556

18 ALLOWANCE FOR RECEIVABLES AND IMPAIRMENT LOSS ON INVESTMENTS

	2016 US$'000	2015 US$'000
Provision for impairment loss in subsidiaries	190,026	126,316
Provision for impairment loss in an associate	-	65,490
Allowance for doubtful advances and interest receivables	7,566	39,332
	197,592	231,138

19 FINANCE COSTS

	2016 US$'000	2015 US$'000
Interest expense to immediate holding company (Note 5)	82	733

20 INCOME TAX EXPENSE

	2016 US$'000	2015 US$'000
Current income tax		
- current year	783	2,686
- underprovision in prior year	-	-
Deferred tax (Note 13)		
- current year	1,062	903
- underprovision in prior year	-	-
Withholding tax	-	-
Total tax expense	1,845	3,589

(Expressed in thousands United States Dollars)

20 INCOME TAX EXPENSE (cont'd)

Domestic income tax is calculated at 17% of the estimated assessable loss for the year.

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

	2016 US$'000	2015 US$'000
Loss before tax for the year	(188,543)	(216,694)
Tax benefit calculated at domestic tax rate of 17%	(32,052)	(36,838)
Effect of expenses not allowable under tax	33949	40,461
Effect of profit that is exempt from taxation and tax rebate	(52)	(34)
Other	-	-
Tax expense for the year	1,845	3,589

21 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2016 US$'000	2015 US$'000
Allowance for receivables and impairment loss on investments	197,592	231,138
Fair value losses on derivative financial instruments	-	-

The Company did not have any staff in its employment and no staff costs were incurred.

There are no key management personnel in the company other than the directors.

22 COMMITMENTS

Capital commitments

(i) In relation to the Company's investment in Minas De Benga (Mauritius) Limited, the feasibility study on the Benga Project in Mozambique was completed on July 14, 2009. The total investment approved for the first and second phase of project will be US$1,073 million and US$125 million respectively and the Company's share will be US$376 million and US$44 million respectively. Of the above, US$ 376 million (2015 : US$376 million) has been paid as at March 31, 2016.

(ii) As disclosed in Note 8, under the Binding HOA, the Company shall participate in the development of feasibility study of Taconite Project and contribute 64% (2015 : 64%) of the costs.

Other commitments

In relation to a joint venture (Note 9) of the Company, the Company had provided separate Letter of Support for up to its equity interest of 35% (2015: 35%) on any outstanding payments relating to a contractor for the design and construction of a coal handling and processing plant.

23 EVENTS AFTER REPORTING PERIOD

[ ]