T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company 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, 2015.

On July 8, 2015, the company changed its name from Tata Steel Global Procurement Company Pte. Ltd. to T S Global Procurement Company Pte. Ltd.

1 DIRECTORS

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

Koushik Chatterjee
Sandip Biswas
Ranganath Raghupathy Rao
Rajiv Mukerji
Sanjib Nanda (Appointed on 29 April 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:

Name of directors and company in which interests are held	At beginning of year	At end of year
Tata Steel Limited (Ordinary shares of Rupees 10 each)		
Koushik Chatterjee	1,320	1,320
Sandip Biswas	3,868	3,868

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under options

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

REPORT OF THE DIRECTORS

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

....…
Sanjib Nanda

....…..
Sandip Biswas

Date:

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements of the company as set out on pages 7 to 42 are drawn up so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the results, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

....…
Sanjib Nanda

....…
Sandip Biswas

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

Report on the Financial Statements

We have audited the accompanying financial statements of T S Global Procurement Company Pte. Ltd. (formerly known as Tata Steel Global Procurement Company Pte. Ltd.) (the "company") which comprise the statement of financial position of the company as at March 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 42.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

Opinion

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at March 31, 2015 and the financial performance, changes in equity and cash flows of the company for the financial 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

Date:

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

STATEMENT OF FINANCIAL POSITION
March 31, 2015

(Expressed in thousands United States Dollars)

	Note	2015 US$'000	2014 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	25,185	18,029
Trade receivables	7	1,190,578	1,615,505
Other receivables	8	20,599	28,361
Loan receivables	9	1,522,121	2,064,954
Inventories	10	24,480	42,393
Derivative financial instruments	15	37,515	-
Total current assets		2,820,478	3,769,242
Non-current assets			
Other receivables	8	690	-
Loan receivables	9	22,021	-
Equipment	11	388	142
Subsidiary	12	*	*
Total non-current assets		23,099	142
Total assets		2,843,577	3,769,384
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables	13	273,999	430,223
Other payables and accrued expenses	14	18,683	16,823
Derivative financial instruments	15	-	162
Loan payables	16	564,092	1,388,037
Bank loans	17	-	1,668,792
Income tax payable		4,171	13,188
Total current liabilities		860,945	3,517,225
Non-current liabilities			
Loan payables	16	1,655,722	-
Deferred tax liability	18	6,481	976
Total non-current liabilities		1,662,203	976
Capital and reserves			
Share capital	19	99,635	99,635
Retained earnings		220,794	151,548
Total equity		320,429	251,183
Total liabilities and equity		2,843,577	3,769,384

* Amount is less than US$1,000.

See accompanying notes to financial statements.

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2015

(Expressed in thousands United States Dollars)

	Note	2015 US$'000	2014 US$'000
Revenue	20	3,166,640	3,291,389
Cost of sales		(3,114,331)	(3,201,123)
Gross profit		52,309	90,266
Other operating income	21	81,591	87,281
Administrative expenses		(8,725)	(1,914)
Reversal of allowance for inventories		31,336	2,191
Finance costs	22	(76,681)	(79,895)
Profit before tax		79,830	97,929
Income tax expense	23	(10,584)	(13,716)
Profit for the year, representing total comprehensive income for the year	24	69,246	84,213

See accompanying notes to financial statements.

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2015

(Expressed in thousands United States Dollars)

	Share capital US$'000	Retained earnings US$'000	Total US$'000
Balance at April 1, 2013	99,635	67,335	166,970
Profit for the year, representing total comprehensive income for the year	-	84,213	84,213
Balance at March 31, 2014	99,635	151,548	251,183
Profit for the year, representing total comprehensive income for the year	-	69,246	69,246
Balance at March 31, 2015	99,635	220,794	320,429

See accompanying notes to financial statements.

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

STATEMENT OF CASH FLOWS
Year ended March 31, 2015

(Expressed in thousands United States Dollars)

	2015 US$'000	2014 US$'000
Operating activities		
Profit before income tax	79,830	97,929
Adjustments for:		
Interest income	(88,907)	(86,911)
Interest expense	76,681	79,895
Depreciation of equipment	147	361
Reversal of allowance for inventories	(31,336)	(2,191)
Fair value (gains) losses on derivative financial instruments	(37,677)	401
Operating cash flows before movements in working capital	(1,262)	89,484
Inventories	49,249	-
Trade receivables	424,927	(293,328)
Other receivables	3,167	(2,081)
Trade payables	(156,224)	20,117
Other payables and other accrued expenses	811	(2,084)
Cash from (used in) operations	320,668	(187,892)
Income tax paid	(14,096)	(5,584)
Net cash from (used in) operating activities	306,572	(193,476)
Investing activities		
Interest received	92,812	80,530
Purchase of equipment	(393)	-
Loans to related companies	(1,267,930)	(1,200,990)
Repayments of loans to related companies	1,313,052	965,606
Loans to immediate holding company	(498,507)	(393,152)
Repayments of loans to immediate holding company	591,941	350,748
Debenture loans to subsidiary	(2,816,904)	(3,170,197)
Repayments of debenture loans to subsidiary	3,199,160	3,189,391
Net cash from (used in) investing activities	613,231	(178,064)

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(formerly known as Tata Steel Global Procurement Company Pte. Ltd.)

STATEMENT OF CASH FLOWS (cont'd)
Year ended March 31, 2015

(Expressed in thousands United States Dollars)

	Note	2015 US$'000	2014 US$'000
Financing activities			
Interest paid		(75,632)	(79,045)
Loans from related companies		1,488,000	144,668
Repayments of loans from related companies		(316,670)	(221,408)
Loans from immediate holding company		15,649,005	9,300,587
Repayments of loans from immediate holding company		(15,988,558)	(9,582,092)
Increase in bank loans		1,814,378	3,254,155
Repayments of bank loans and overdrafts		(3,483,170)	(2,473,562)
Net cash (used in) from financing activities		(912,647)	343,303
Net increase (decrease) in cash and cash equivalents		7,156	(28,237)
Cash and cash equivalents at beginning of year		18,029	46,266
Cash and cash equivalents at end of year	6	25,185	18,029

1. GENERAL

The company (Registration No. 201008706C) is incorporated in Singapore with its registered office at 22 Tanjong Kling Road Singapore 628048. The financial statements are expressed in United States dollars ("US$").

The principal activities of the company are that of trading of carbon credits and raw materials for steel making purposes, investment holding and debt financing.

The financial statements of the company for the year ended March 31, 2015 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 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.

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 the financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2014, the company adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

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

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

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

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.

Based on preliminary assessment, the management anticipate that there will not be material effect on the company's financial statements in the period of initial adoption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 115 *Revenue from Contracts with Customers*

FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective. FRS 115 introduces a 5-step approach to revenue recognition:

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

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial year beginning on or after January 1, 2017, with retrospective application required.

Management is currently assessing the effects of FRS 115 in the period of initial adoption.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- 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.

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 9, FRS 115 and amendments to FRS 1, management has considered and is of the view that the adoption of the 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 a material impact on the financial statements in the period of their initial adoption.

BASIS OF PRERARATION - The financial statements of the subsidiary have not been consolidated with the company's financial statements as the company itself is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which prepares consolidated financial statements on a worldwide basis. 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.

Investment in subsidiary is 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)

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

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 is recognised on an effective interest basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and receivables

Trade receivables, other receivables and loan 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 measured at 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 the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

<u>Other financial liabilities</u>

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

Interest-bearing loans from the immediate holding company, subsidiary and related company and bank loans and 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 (see below).

<u>Derecognition of financial liabilities</u>

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

<u>Derivative financial instruments</u>

The company enters into foreign exchange forward contracts to manage its exposure to in foreign exchange rate risk. Further details are disclosed in Note 15 to the financial statements. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

INVENTORIES **-** Inventories comprise of carbon credits held for resale which are stated at the lower of cost and net realisable value. Cost includes all cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

EQUIPMENT - Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight line basis to write down the cost of the equipment to their estimated residual value over the estimated useful lives of 3 years.

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

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

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

IMPAIRMENT OF NON FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash- generating unit to which the assets belongs.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Sale of goods (including carbon credits)</u>

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

<u>Interest income</u>

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Service income from purchase of debts

Service income from the purchase of debts is accrued on a time basis, by reference to the estimated date of collection of debts and at the applicable discount rate at which the debts are acquired using the effective interest method.

The unrecognised portion of the service income on purchase of debts which represents the service income from the end of the reporting period to the expected date of collection of receivables is recorded as deferred income under current liabilities.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

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.

Borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest rate method.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the 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. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

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

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

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

i) Critical judgements in applying the company's accounting policies

Management is of the opinion that any instances of application of judgements in applying the company's accounting policies are not expected to have a significant effect on the amounts recognised in the financial statements.

ii) Key sources of estimation uncertainty

Other than as discussed below, the management is of the opinion that there are no 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.

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

Allowances for bad and doubtful debts

The policy for allowances for bad and doubtful debts of the company is based on the evaluation of collectibility and management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history of each customer and ongoing dealings with these customers. If the financial conditions of customers of the company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amount of trade receivables is disclosed in Note 7.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	2015 US$'000	2014 US$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	2,780,460	3,722,948
Derivative financial instruments	37,515	-
Financial liabilities		
Amortised cost	2,512,496	3,471,159
Derivative financial instruments	-	162

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

(b) Financial instruments subject to offsetting, enforceable master netting arrangement and similar agreements

There was no offsetting arrangement for financial instruments in 2015.

2014

Financial liability			
	(a)	(b)	(c) = (a) - (b)
Type of financial liability	Gross amounts of recognised financial liability	Gross amounts of recognised financial asset set off in the statement of financial position	Net amounts of financial liability presented in the statement of financial position
	US$'000	US$'000	US$'000
Forward foreign exchange contracts	977	(815)	162

In reconciling the 'Net amounts of financial asset and financial liability presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

(c) Financial risk management policies and objectives

The company's overall risk management policy seeks to minimise potential adverse effects of 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.

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

(c) Financial risk management policies and objectives (cont'd)

i) Foreign exchange risk management

The company transacts business in various foreign currencies, including the British pound ("GBP"), Singapore dollar ("SGD") and Euro and therefore is exposed to foreign exchange risk. These exposures are managed, to the extent possible by offsetting financial assets and liabilities that are denominated in the same currencies. The company also uses forward contracts to hedge its exposure to foreign currency risk in the local reporting currency. Further details on these derivative financial instruments are found in Note 15 to the financial statements.

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

	Assets		Liabilities	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
British pound	1,188,172	1,505,624	315,159	911,175
Singapore dollar	49,217	33,242	8	120,209
Euro	255,925	505,167	-	354,852

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

	Profit or loss	
	2015	2014
	US$'000	US$'000
British pound	(87,301)	(59,445)
Singapore dollar	(4,921)	8,697
Euro	(25,593)	(15,032)

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

(c) Financial risk management policies and objectives (cont'd)

ii) Interest rate risk management

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the company in the current reporting period or in future years.

The interest rates of the debenture loans to subsidiary and a related company, loans from immediate holding company and related companies, and short-term bank loans are disclosed in Notes 9, 16 and 17 to the financial statements respectively. The company's exposure to interest rate risk is limited to the floating rate debenture loans due from subsidiary, loans due from a related company, loans due to immediate holding company and related companies, and short-term bank loans. Interest income from bank balances is insignificant.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is 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 interest rates had been 50 basis points higher or lower and all other variables were held constant, the company's profit for the year ended March 31, 2015 would decrease by US$4,643,000 (2014 : US$5,190,000) respectively. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.

iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

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

(c) Financial risk management policies and objectives (cont'd)

iii) Credit risk management (cont'd)

The company's principal financial assets are cash and cash equivalents, trade and other receivables and loan receivables. Cash is placed with creditworthy financial institutions. The company sets credit terms and limits for customers and monitor compliance with these terms.

The company has significant receivables from related companies (Notes 7, 8 and 9). Management considers the credit risk relating to these intercompany receivables to be low.

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

iv) Liquidity risk management

Liquidity risk reflects the risk that the company will have insufficient resources to meet its financial liabilities as they fall due. The company's strategy to manage liquidity risk is to ensure that the company has sufficient funds to meet its potential liabilities as they fall due. Adequate lines of credit are maintained with financial institutions to ensure necessary liquidity.

All financial assets in 2015 and 2014 are repayable on demand or due within 1 year from the end of the reporting period, except for the other receivables and loan receivables as disclosed in Notes 8 and 9 to the financial statements.

All financial liabilities in 2015 and 2014 are repayable on demand or due within 1 year from the end of the reporting period, except for the loan payables as disclosed in Note 16 to the financial statements.

v) Fair value of financial asset and liability

Some of the company's financial asset and financial liability is measured at fair value at the end of each reporting period. The following table gives information about how the values of this financial asset and financial liability are determined (in particular, the valuation technique(s) and input(s) used).

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

(c) Financial risk management policies and objectives (cont'd)

v) Fair value of financial asset and liability (cont'd)

Financial (liability) asset	**Fair value as at (US$'000)**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	2015	**2014**		
	Asset	**Liability**		
Derivative Financial Instruments (Note 15)				
Forward foreign exchange contract	37,515	(162)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no significant transfer between Level 1 and Level 2 of the fair value hierarchy in the period.

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, loan receivables and loan payables. Management estimates that the carrying amounts of the non-current other receivables, loan receivables and loan 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.

(d) 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 comprises only of issued capital, retained earnings, loans from related companies and short-term bank loans. This overall strategy remains unchanged from prior year.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company is a wholly-owned subsidiary of Tata Steel Global Holdings Pte. Ltd., 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 arrangement are between members the group. The intercompany balances are unsecured, interest-free and repayable on demand except as disclosed in Notes 9 and 16 to the financial statements.

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

	2015 US$'000	2014 US$'000
With ultimate holding company		
Sales of goods to ultimate holding company	(1,037,113)	(806,562)
Service rendered to ultimate holding company	(1,912)	(992)
With immediate holding company		
Interest paid/payable to immediate holding company	33,258	37,990
Interest received/receivable from immediate holding company	(51)	(19)
Service rendered from immediate holding company	417	647
With subsidiary		
Interest received/receivable from subsidiary	(59,569)	(62,712)
With related companies		
Sales of goods to a related company	(2,089,149)	(2,466,405)
Service income arising from the purchase of debts of a related company from an outside party	(11,409)	(17,430)
Service rendered from a related company	63,281	80,540
Purchases of goods from related companies	37,379	75,604
Purchases of receivables from a related company	323,151	557,799
Interest received/receivable from related companies	(29,241)	(24,150)
Interest paid/payable to related companies	28,093	24,481

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

Compensation of directors and key management personnel

There are no key management personnel other than the directors of the company. These directors are paid remuneration by related companies in their capacity as directors and/or executives of these related companies.

6. CASH AND CASH EQUIVALENTS

	2015	2014
	US$'000	US$'000
Cash at bank	25,185	18,029

7. TRADE RECEIVABLES

	2015	2014
	US$'000	US$'000
Related companies (Note 5):		
Purchase of related company's debt	124,341	152,007
Service charge income	3,730	4,560
Sales of goods to ultimate holding company	88,904	122,358
Sales of goods to a related company	971,062	1,332,347
Outside parties	2,541	4,233
	1,190,578	1,615,505

The average credit period on sales of goods is 3 to 180 days (2014 : 3 to 180 days). The credit term of the settlement period on the purchase of a related company's debt is 120 days (2014 : 120 days). No interest is charged on the outstanding balances.

There are no trade receivable balances which are past due at the reporting date for which the company has not provided any allowance for doubtful debts as at March 31, 2015 and 2014. Management has considered the credit quality of trade receivables which are not past due and determined that no allowance for doubtful debts is necessary. The company does not hold any collateral over these balances. Management is of the opinion that the risk of default by the related company to be low.

8. OTHER RECEIVABLES

	2015 US$'000	2014 US$'000
Accrued interest income on debenture loans to subsidiary (Notes 5, 9 and 12)	13,231	17,212
Accrued interest income on loans to related company (Note 5)	7,324	7,248
Advances to a related company	-	1,316
Prepayments	30	88
Advances to outside party	704	2,497
	28,361	21,289
Less: Non-current portion of accrued interest income on loans to related company (Note 5)	(690)	-
	28,361	20,599

9. LOAN RECEIVABLES

	2015 US$'000	2014 US$'000
Immediate holding company [(i)] (Note 5)	94,405	187,839
Related company [(ii)] (Note 5)	552,275	597,397
Debenture loan to subsidiary [(iii)] (Note 5)	897,462	1,279,718
	1,544,142	2,064,954
Less: Non-current portion of loan receivables from related company [(iv)]	(22,021)	-
	1,522,121	2,064,954

Loan receivables consist of:

(i) As at March 31, 2015, loan receivables from immediate holding company, Tata Steel Global Holdings Pte. Ltd. are under cash-pooling arrangement, unsecured, bear interest at 0.01% (2014 : 0 .02% to 0.11%) per annum and are repayable upon demand.

(ii) As at March 31, 2015, loan receivables from a related company, Tata Steel Europe Ltd. are unsecured, bear interest at 12 months LIBOR + 4.00% (2014 : 12 months LIBOR + 4.00%) per annum. These loans are repayable by July 2015, September 2015, and January 2016. The related company has the option to repay the loans earlier without any penalty.

9. LOAN RECEIVABLES (cont'd)

(iii) As at March 31, 2015, debenture loans to subsidiary, Proco Issuer Pte. Ltd. are unsecured, bear interest at 4.45% plus one month LIBOR per annum (2014 : 5.45% plus one month LIBOR per annum) during the year and are repayable within 12 months (2014 : 12 months) from the date of inception of the loans. The related company has the option to repay the loans earlier without any penalty.

(iv) As at March 31, 2015, long-term loan receivable from related company, Tata Steel Mineral Canada Ltd. is unsecured, bear interest at 6.50% per annum. The loan is repayable by April 2016.

10. INVENTORIES

	2015 US$'000	2014 US$'000
Carbon credits held for resale	24,480	42,393

For the year ended March 31, 2015, the cost of inventories recognised as an expense does not include the US$31,336,000 (2014: US$2,190,000) reversal of write-down of inventory, which results from the higher net realisable value at the end of the reporting period.

11. EQUIPMENT

	US$'000
Cost:	
At April 1, 2013 and March 31, 2014	1,081
Additions	393
At March 31, 2015	1,474
Accumulated depreciation:	
At April 1, 2013	(578)
Depreciation expense	(361)
At March 31, 2014	(939)
Depreciation expense	(147)
At March 31, 2015	(1,086)
Carrying amount:	
At March 31, 2015	388
At March 31, 2014	142

12. SUBSIDIARY

	2015 US$'000	2014 US$'000
Unquoted equity shares, at cost	*	*

Details of the company's subsidiary at March 31, 2015 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held 2015 %	2014 %	Principal activity
Proco Issuer Pte. Ltd.	Singapore	100	100	Dealing in factoring of accounts receivables

* Amount is less than US$1,000.

13. TRADE PAYABLES

	2015 US$'000	2014 US$'000
Trade payable:		
Related companies (Note 5)	6,069	11,517
Outside parties	267,930	418,706
	273,999	430,223

The credit period on trade payables ranges from 3 to 60 days (2014 : 3 to 60 days). No interest is charged on the outstanding balances.

14. OTHER PAYABLES AND ACCRUED EXPENSES

	2015 US$'000	2014 US$'000
Unearned service income arising from the purchase of debts of a related company (Note 5)	1,804	1,910
Accrued interest expense on loans from immediate holding company (Note 5)	846	7,025
Accrued interest expense on loans from related companies (Note 5)	14,521	5,819
Accrued interest expense on short-term bank loans	-	1,474
Withholding tax payables	-	436
Other payable to immediate holding company	8	47
Other payables and accrued expenses	1,504	112
	18,683	16,823

15. DERIVATIVE FINANCIAL INSTRUMENTS

	2015 US$'000	2014 US$'000
Asset (Liability):		
Forward foreign exchange contracts	37,515	(162)

The company utilises currency derivatives to hedge significant future transactions and cash flows. The company is party to a variety of forward foreign exchange contracts in the management of its exchange rate exposures.

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

	2015 US$'000	2014 US$'000
Forward foreign exchange contracts	1,216,598	763,332

These arrangements are designed to address significant exchange exposure during the financial year.

15. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

Changes in the fair value of derivative financial instruments

	2015 US$'000	2014 US$'000
Opening fair value of derivative financial instruments	(162)	239
Fair value gains (losses) of derivative financial instruments recognised in profit or loss (Note 21)	37,677	(401)
Closing fair value of derivative financial instruments	37,515	(162)

The following table details the forward foreign currency contracts outstanding as at March 31, 2015.

Outstanding contracts	Average exchange rate	Foreign currency FC$'000	Contract value US$'000	Fair value (losses) gains US$'000
Buy Euro less than 3 months	1.07	870	933	(27)
Sell Euro less than 3 months	1.08	211,392	227,255	3,783
Buy GBP less than 3 months	1.48	16,068	23,718	343
Sell GBP less than 3 months	1.48	608,677	898,491	33,209
Buy SGD less than 3 months	0.73	11,060	8,041	(34)
Sell SGD less than 3 months	0.73	80,000	58,160	241
Total			1,216,598	37,515

15. DERIVATIVE FINANCIAL INSTRUMENTS (cont'd)

The following table details the forward foreign currency contracts outstanding as at March 31, 2014.

Outstanding contracts	Average exchange rate	Foreign currency	Contract value	Fair value (losses) gains
		FC$'000	US$'000	US$'000
Buy Euro				
less than 3 months	1.38	870	1,198	7
Buy GBP				
less than 3 months	1.66	16,068	26,718	(119)
Sell GBP				
less than 3 months	1.66	322,971	537,055	(880)
Buy SGD				
less than 3 months	0.79	105,060	83,361	114
Sell Euro				
less than 3 months	1.39	82,992	115,000	716
Total			763,332	(162)

16. LOAN PAYABLES

	2015	2014
	US$'000	US$'000
Immediate holding company [(i)] (Note 5)	564,092	903,645
Related companies [(ii)] (Note 5)	1,655,722	484,392
	2,219,814	1,388,037
Less: Loan payables due in more than 12 months	(1,655,722)	-
	564,092	1,388,037

16. LOAN PAYABLES (cont'd)

Loan payables consist of:

(i) As at March 31, 2015, original short-term loan payables of US$564,092,000 (2014 : US$413,173,000) due to the immediate holding company, Tata Steel Global Holdings Pte. Ltd. under the cash-pooling arrangement are unsecured, bear interest ranging from 1.26% to 1.76% (2014 : 1.49% to 1.52%) per annum and are repayable upon demand.

As at March 31, 2014, loan payables includes an amount of US$490,472,000 due to the immediate holding company, Tata Steel Global Holdings Pte. Ltd. were unsecured, bore interest at one month LIBOR + 4.75% per annum and were repayable within 24 months from the date of inception of the loans. These loan payables were fully repaid during the current year.

(ii) As at March 31, 2015, loans from related a company, Tata Steel Global Minerals Holdings Pte. Ltd. amounting to US$167,722,000 (2014 : US$435,594,000) are unsecured, bear interest at one month LIBOR + 4.75% per annum (2014 : ranging from one month LIBOR + 4.75% to one month LIBOR + 5.40%) and are repayable within 24 months (2014 : 24 months) from the date of inception of the loans. These loans are payable over the period from October 2016 to December 2016 (2014: from September 2014 to December 2014).

As at March 31, 2015, long-term loans from a related company, Abja Investment Co. Pte. Ltd. amounting US$500,000,000 and US$988,000,000 are unsecured, bear interest at 4.95% and 6.05% per annum, and are repayable by January 2020 and July 2024 respectively. Subsequent the year end, the interest rates for the long-term loans of US$500,000,000 and US$988,000,000 are revised from 4.95% to 5.35% and 6.05% to 6.45% per annum respectively with effect from April 1, 2015 until the end of the tenure of the loans.

As at March 31, 2014, the loans payable balance included an original short term loan of S$61,500,000 from a related company, NatSteel Asia Pte. Ltd. which was unsecured, bore interest at 1.85% per annum and was repayable within 12 months from the date of inception of the loan. This loan was extended to April 7, 2014, and the balance of US$48,798,000 represented the unpaid loan balance as at March 31, 2014. The loan was fully repaid during the current year.

17. BANK LOANS AND OVERDRAFTS

	2015 US$'000	2014 US$'000
Bank loans	-	1,668,792

As at March 31, 2014, bank loans were unsecured, bore interest at rates ranging from 1.59% to 2.00% and LIBOR + 2.50% per annum and had tenure ranging from 1 to 3 months. The bank loans were fully repaid during the current year.

18. DEFERRED TAX LIABILITY

	2015 US$'000	2014 US$'000
Deferred tax liability	6,481	976

The deferred tax liability is recognised by the company in the current year on account of interest from foreign sources not remitted to Singapore and unrealised fair value gain on derivative financial instruments. The movement during the reporting period is as follow:

	Unremitted foreign source income US$'000	Unrealised fair value gain on derivative financial instruments US$'000	Total US$'000
Balance at April 1, 2013	278	-	278
Charge to profit and loss for the year (Note 23)	698	-	698
Balance at March 31, 2014	976	-	976
Charge to profit and loss for the year (Note 23)	131	5,374	5,505
Balance at March 31, 2015	1,107	5,374	6,481

19. SHARE CAPITAL

	2015	2014	2015	2014
	Number of ordinary shares		US$'000	US$'000
Issued and paid up:				
At beginning and end of year	99,635,239	99,635,239	99,635	99,635

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

20. REVENUE

	2015	2014
	US$'000	US$'000
Sales of goods to:		
Ultimate holding company (Note 5)	1,037,113	806,562
Related companies (Note 5)	2,089,149	2,466,405
	3,126,262	3,272,967
Sale of carbon credits	27,057	-
Service income arising from the purchase of debts of a related company from an outside party (Note 5)	11,409	17,430
Service income from:		
Ultimate holding company (Note 5)	1,912	992
Related company (Note 5)	-	-
	3,166,640	3,291,389

21. OTHER OPERATING INCOME

	2015	2014
	US$'000	US$'000
Interest income from loans to:		
Subsidiary (Note 5)	59,569	62,712
Related companies (Note 5)	29,241	24,150
Immediate holding company (Note 5)	51	19
Interest income from banks	46	30
Foreign exchange (loss) gain - net	(44,993)	771
Fair value gains (losses) on derivative financial instruments (Note 15)	37,677	(401)
	81,591	87,281

22. FINANCE COSTS

	2015 US$'000	2014 US$'000
Interest expenses on loans from:		
Immediate holding company (Note 5)	33,258	37,990
Related companies (Note 5)	28,093	24,481
Interest expenses on bank loans	15,321	17,357
Bank overdrafts interest	9	67
	76,681	79,895

23. INCOME TAX EXPENSE

	2015 US$'000	2014 US$'000
Current income tax		
- current year	6,380	13,159
- overprovision in prior year	(1,301)	(141)
Deferred tax (Note 18)	5,505	698
Total tax expense	10,584	13,716

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

	2015 US$'000	2014 US$'000
Profit before income tax	79,830	97,929
Income tax at statutory rate	13,571	16,648
Tax concessionary rate	(1,676)	(2,808)
Overprovision in prior year	(1,301)	(141)
Tax-exempt income and rebate	(36)	(44)
Other	26	61
	10,584	13,716

During the year ended March 31, 2014, the company was awarded the Global Trader Programme ("GTP") status by International Enterprise Singapore ("IE Singapore") for a period of 4 years 5 months, effective from November 1, 2012. Under the GTP status, the company enjoys a concessionary tax rate of 10% for profits derived from qualifying activities. Profits from non qualifying sources, if any, are fixed at 17%.

24. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	2015 US$'000	2014 US$'000
Reversal of allowance for inventories	(31,336)	(2,191)
Depreciation of equipment	147	361
Cost of inventories recognised as expenses	3,114,331	3,201,123
Fair value (gains) losses on derivative financial instruments (Note 15)	(37,677)	401
Staff cost	867	225
Foreign exchange loss (gain), net	44,993	(771)

The directors received remuneration from related companies in their capacity as directors and/or executives of those related companies.

25. EVENTS AFTER REPORTING PERIOD

The company extended another 18 month loan with interest rate of 6.90% per annum on April 24, 2015 to Tata Steel Mineral Canada Ltd. for CAD13 million.