

**TATA CHEMICALS
INTERNATIONAL PTE. LTD.**
(Registration No. 200719636Z)

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2015

TATA CHEMICALS INTERNATIONAL PTE. LTD.

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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TATA CHEMICALS INTERNATIONAL 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.

1 DIRECTORS

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

Kottamasu Venkateswara Rao
Prashant Kumar Ghose
Ramakrishnan Mukundan

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 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 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:

<u>Names of directors and company in which interests are held</u>	<u>Shareholdings registered in names of directors</u>	
	<u>At beginning of year</u>	<u>At end of year</u>
The ultimate holding company - Tata Chemicals Limited <i>Shares of Rs. 10/- each</i>		
Ramakrishnan Mukundan	500	500

TATA CHEMICALS INTERNATIONAL PTE. LTD.

REPORT OF THE DIRECTORS

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 capacity as directors 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 option

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

TATA CHEMICALS INTERNATIONAL PTE. LTD.

REPORT OF THE DIRECTORS

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS



.....
Kottamasu Venkateswara Rao



.....
Prashant Kumar Ghose

May 21, 2015

TATA CHEMICALS INTERNATIONAL PTE. LTD.

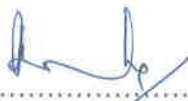
STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements as set out on pages 7 to 35 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



.....
Kottamasu Venkateswara Rao



.....
Prashant Kumar Ghose

May 21, 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TATA CHEMICALS INTERNATIONAL PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Tata Chemicals International 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 of the company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 35.

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 profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's 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
TATA CHEMICALS INTERNATIONAL 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 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 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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

May 21, 2015

TATA CHEMICALS INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION
March 31, 2015

	<u>Note</u>	<u>March 31,</u> <u>2015</u> US\$	<u>March 31,</u> <u>2014</u> US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	7	837,906	432,730
Trade and other receivables	8	20,956,690	10,863,869
Derivative financial instruments	9	162,534	2,507,608
Total current assets		<u>21,957,130</u>	<u>13,804,207</u>
Non-current assets			
Property and equipment	10	62,235	96,848
Investment in joint venture	11	-	15,935,400
Investment in subsidiaries	12	701,036,880	730,616,204
Total non-current assets		<u>701,099,115</u>	<u>746,648,452</u>
Total assets		<u>723,056,245</u>	<u>760,452,659</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Bank loans	15	22,000,000	6,386,795
Accruals	13	552,636	2,033,831
Trade and other payables	14	13,051,297	21,807,363
Total current liabilities		<u>35,603,933</u>	<u>30,227,989</u>
Non-current liability			
Bank loans	15	197,194,534	196,160,232
Capital and reserves			
Share capital and preference shares	16	596,737,700	596,737,700
Accumulated losses		(106,056,759)	(62,250,099)
Currency translation reserve	17	(423,163)	(423,163)
Net equity		<u>490,257,778</u>	<u>534,064,438</u>
Total liabilities and equity		<u>723,056,245</u>	<u>760,452,659</u>

See accompanying notes to financial statements.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

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

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
Revenue		30,158,006	31,352,923
Cost of sales		<u>(29,592,804)</u>	<u>(30,649,433)</u>
Gross profit		565,202	703,490
Other operating income	18	17,621,439	2,335,992
Administrative expenses	19	(6,041,512)	(3,742,302)
Other operating expenses	20	(49,208,477)	(62,180,809)
Finance costs	21	<u>(6,743,312)</u>	<u>(6,589,992)</u>
Loss before income tax		(43,806,660)	(69,473,621)
Income tax expense	22	<u>-</u>	<u>-</u>
Loss for the year, representing total comprehensive loss for the year		<u>(43,806,660)</u>	<u>(69,473,621)</u>

See accompanying notes to financial statements.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2015

	<u>Share capital</u> US\$	<u>Preference shares</u> US\$	<u>Currency translation reserve</u> US\$	<u>Share application money</u> US\$	<u>Accumulated profits (losses)</u> US\$	<u>Total</u> US\$
Balance at April 1, 2013	481,637,700	100,500,000	(423,163)	8,000,000	7,223,522	596,938,059
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(69,473,621)	(69,473,621)
Transactions with owners, recognised directly in equity						
Issuance of redeemable preference shares ⁽¹⁾	-	14,600,000	-	-	-	14,600,000
Utilisation during the year ⁽¹⁾	-	-	-	(8,000,000)	-	(8,000,000)
Total	<u>-</u>	<u>14,600,000</u>	<u>-</u>	<u>(8,000,000)</u>	<u>-</u>	<u>6,600,000</u>
Balance at March 31, 2014	<u>481,637,700</u>	<u>115,100,000</u>	<u>(423,163)</u>	<u>-</u>	<u>(62,250,099)</u>	<u>534,064,438</u>
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(43,806,660)	(43,806,660)
Balance at March 31, 2015	<u>481,637,700</u>	<u>115,100,000</u>	<u>(423,163)</u>	<u>-</u>	<u>(106,056,759)</u>	<u>490,257,778</u>

⁽¹⁾ The share application money of \$8,000,000 was utilised to issue redeemable preference shares during the previous year.

See accompanying notes to financial statements.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS

Year ended March 31, 2015

	<u>2015</u> US\$	<u>2014</u> US\$
Cash flows from operating activities		
Loss before income tax	(43,806,660)	(69,473,621)
Adjustments for:		
Dividend income	(17,376,976)	171,616
Depreciation	31,517	808
Derivative financial instruments	2,345,074	(2,507,608)
Amortisation of facility fees on long term borrowings	1,034,302	1,034,302
Impairment of investments in subsidiaries and joint venture	46,298,116	62,180,809
Interest income	(238,922)	-
Interest expense	<u>6,734,312</u>	<u>6,589,992</u>
Operating cash flows before movements in working capital	(4,979,237)	(2,003,702)
Trade and other receivables	(9,886,144)	(10,840,997)
Accruals	(1,481,195)	1,655,522
Trade and other payables	<u>(8,776,995)</u>	<u>4,957,332</u>
Net cash used in operating activities	<u>(25,123,571)</u>	<u>(6,231,845)</u>
Cash used in investing activities		
Purchase of property and equipment	3,096	(97,656)
Additional investment in joint venture	(783,392)	-
Interest received	32,245	-
Dividend received	<u>17,376,976</u>	<u>-</u>
Net cash from / (used in) investing activities	<u>16,628,925</u>	<u>(97,656)</u>
Cash flows from financing activities		
Issue of share capital	-	14,600,000
Share application money	-	(8,000,000)
Interest paid	(6,713,383)	(6,626,293)
Repayment of working capital facility	(6,386,795)	(26,759,208)
Proceeds from working capital facility	<u>22,000,000</u>	<u>33,146,003</u>
Net cash from financing activities	<u>8,899,822</u>	<u>6,360,502</u>
Net increase in cash and cash equivalents	405,176	31,001
Cash and cash equivalents at beginning of year	<u>432,730</u>	<u>401,729</u>
Cash and cash equivalents at end of year (Note 7)	<u><u>837,906</u></u>	<u><u>432,730</u></u>

See accompanying notes to financial statements.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1 GENERAL

The company (Registration No. 200719636Z) is incorporated in the Republic of Singapore with its principal place of business and registered office at 80 Robinson Road, #14-02, Singapore 068898. The financial statements are expressed in United States dollars.

The principal activity of the company is that of general wholesaler trade and an investment holding company.

The financial statements of the company for the year ended March 31, 2015 were authorised for issue by the Board of Directors on May 21, 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

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 the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based 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*.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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, 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 years.

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

- FRS 109 *Financial Instruments*
- FRS 115 *Revenue from Contracts with Customers*
- Improvements to Financial Reporting Standards (January 2014)
- Improvements to Financial Reporting Standards (February 2014)
- Improvements to Financial Reporting Standards (November 2014)

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

The management is currently evaluating the impact of FRS 115.

Other than FRS 115, management anticipates that the adoption of the above/other FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CONSOLIDATED FINANCIAL STATEMENTS - The financial statements of the subsidiaries and joint venture have not been consolidated and equity accounted for with the company's financial statements as the company itself is a wholly-owned subsidiary of Tata Chemicals Limited incorporated in India, which prepares consolidated financial statements. Such financial statements are publicly available.

The registered address of the ultimate holding company presenting the group financial statements is Tata Chemicals Limited, Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001 (India).

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.

Investments in subsidiaries and joint venture in the financial statements of the company are stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees 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 recognized on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial assets

Trade and other receivables

Trade and other receivables are measured initially at fair value and subsequently at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term balances when effect of discounting is immaterial.

Cash and cash equivalents

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 all other financial assets, objective evidence of impairment could include:

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

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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

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

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Trade and other payables

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 except for short-term balances when the recognition of interest would be immaterial.

Bank loans

Interest-bearing bank loans and overdrafts 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).

Derecognition of financial liabilities

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

DERIVATIVE FINANCIAL INSTRUMENTS – The company enters into derivative financial instruments to manage its exposure to interest rate through interest rate swaps. Further details to derivative financial instruments are disclosed in Note 9 of the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured at 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 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.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

PROPERTY AND EQUIPMENT – All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Subsequent to recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight line basis over the estimated useful lives of the assets as follows:

Computer	-	3 years
Office equipment	-	3 years
Leasehold improvements	-	Over the period of the lease

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial period-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

IMPAIRMENT OF TANGIBLE ASSETS – At the end of each reporting period, the company reviews the carrying amounts of its tangible 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 asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 (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 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 the profit or loss.

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.

Where a company undertakes its activities under joint venture arrangements directly, the company's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the company's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the company and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The company reports its interests in jointly controlled entities at cost less any impairment in net recoverable value that has been recognised in profit or loss.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

The company as lessee

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

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

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

Sales of goods - Revenue from the sale of goods is recognised when goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The company transferred to the buyer the significant risks and rewards of ownership of the goods

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over 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 company
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend Income - Dividend income from investments is recognised when the shareholder's rights to receive the payment have been established.

Interest Income - Interest income is accrued on a timely 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 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.

RETIREMENT BENEFIT COSTS - Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans and are charged as an expense as they fall due.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax for the financial year comprises current 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.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2015

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 each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the company are measured and presented in United States dollars, 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 end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

**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, the directors are 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.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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

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

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.

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

(ii) *Key sources of estimation uncertainty*

Management has not made any significant assumptions concerning the future that will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below.

Impairment of investments in subsidiaries and joint venture

The investments in subsidiaries and joint venture are reviewed by management at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the carrying amounts of the investments are determined on the basis of the latest financial performance including budget forecasts and business plans of the subsidiaries and joint venture to determine the extent of the impairment loss.

Management has reviewed the above information of the subsidiaries and joint venture, and appropriate allowance for impairment loss on the investment in the subsidiaries and joint venture has been recorded as at the end of the reporting period. The carrying amounts of investment in subsidiaries and joint venture at the end of the reporting period are disclosed in Notes 12 and 11 respectively. If the financial performance of the subsidiaries and joint venture were to deteriorate, this may result in a reduction in the net recoverable value of the subsidiaries and joint venture and the potential recording of an impairment loss.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

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

	<u>2015</u> US\$	<u>2014</u> US\$
<u>Financial assets</u>		
Loans and receivables (including cash and cash equivalents)	21,792,868	11,287,127
Derivative instruments		
- not designated in hedge accounting relationships	<u>162,534</u>	<u>2,507,608</u>
<u>Financial liabilities</u>		
Amortised cost	<u>232,798,467</u>	<u>226,388,221</u>

a) Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. The credit risk on liquid funds and derivative assets is limited because the counterparties are financial institutions with high credit ratings. The company has policies in place to ensure that invoices for goods provided to customers are collected within an appropriate time period and that loss to the company is minimised in the event of default. The collateral held for trade receivables include letter of credit from reputable banks recommended by the company.

b) Interest rate risk management

The company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

The interest rate and terms of repayment of bank loans of the company are disclosed in Note 15 to the financial statements.

No sensitivity analysis is prepared as the company does not expect any material effect on the company's results arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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

c) Foreign currency risk management

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

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

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

	<u>Assets</u>		<u>Liabilities</u>	
	<u>2015</u> <u>US\$</u>	<u>2014</u> <u>US\$</u>	<u>2015</u> <u>US\$</u>	<u>2014</u> <u>US\$</u>
Singapore dollars	<u>140,986</u>	<u>112,194</u>	<u>131,035</u>	<u>151,864</u>

Foreign currency sensitivity

No sensitivity analysis is prepared as the company does not expect any material effect on the company's results arising from the effects of reasonable possible changes to foreign currency exchange rates on the financial statements of the company.

d) Liquidity risk management

Liquidity risk reflects the risk that company will have inadequate resources to meet its financial liabilities as they fall due. Liquidity risk is managed by matching the payment and receipt cycle. The company's operations are financed mainly through equity and accumulated profits. The ultimate holding company has provided a guarantee to repay all debts of the company in case of any default.

As at March 31, 2015, the company has current liabilities in excess of current assets by US\$13,646,803 (2014 : US\$16,423,782). Management has assessed and are satisfied that financial support from the ultimate holding company is available when required.

The company's non-derivative financial assets are all repayable on demand or due within 1 year, except for an interest bearing advance due from a subsidiary as disclosed in Note 8.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate %	On demand or within 1 year US\$	Within 2 to 5 years US\$	More than 5 years US\$	Adjustment US\$	Total US\$
March 31, 2015						
Non-interest bearing	-	13,603,933	-	-	-	13,603,933
Variable interest rate instruments	1.84%	22,100,009	-	-	(100,009)	22,000,000
Fixed interest rate instruments	2.6%	6,576,422	211,444,182	-	(20,826,070)	197,194,534
Total		<u>42,280,364</u>	<u>211,444,182</u>	<u>-</u>	<u>(20,926,079)</u>	<u>232,798,467</u>
March 31, 2014						
Non-interest bearing	-	23,841,194	-	-	-	23,841,194
Variable interest rate instruments	1.35%	6,408,022	-	-	(21,227)	6,386,795
Fixed interest rate instruments	2.76%	6,541,548	218,020,604	-	(28,401,920)	196,160,232
Total		<u>30,227,989</u>	<u>200,000,000</u>	<u>-</u>	<u>(28,423,147)</u>	<u>226,388,221</u>

e) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables and payables, short-term bank loans and other liabilities approximate their respective fair values due to the relatively short term maturity of these financial instruments. The fair value of the long-term borrowings are disclosed in Note 15 to the financial statements.

Derivative financial instruments (Note 9)

Financial assets	Fair value as at (US\$)		Fair value hierarchy	Valuation technique
	2015	2014		
Interest rate swap	162,534	2,507,608	Level 2	Mark to market

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

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

f) 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 and retained earnings. The company's overall strategy remains unchanged from 2014.

5 HOLDING COMPANY AND RELATED COMPANIES

The company is a subsidiary of Bio Energy Venture – 1 (Mauritius) Pvt. Ltd., incorporated in Mauritius. The company's ultimate holding company is Tata Chemicals Limited (incorporated in India).

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

Significant transactions with related companies:

	<u>2015</u> US\$	<u>2014</u> US\$
Sales of goods to a related company	-	11,282,562
Purchase of goods from a related company	29,509,495	22,876,052
Reimbursement of expenses from ultimate holding company	18,005	-
Interest income from related companies	238,922	-
Dividend income from subsidiary	17,376,976	(171,616)
Guarantee commission expense from ultimate holding company	<u>1,280,937</u>	<u>1,269,820</u>

6 OTHER RELATED PARTIES

There have been no significant related party transactions other than the transactions with the related companies as disclosed above.

There are no key management personnel apart from the company's directors. No remuneration is paid to directors for the financial years ended March 31, 2015 and 2014.

7 CASH AND CASH EQUIVALENTS

	<u>2015</u> US\$	<u>2014</u> US\$
Cash at bank	<u>837,906</u>	<u>432,730</u>

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2015

8 TRADE AND OTHER RECEIVABLES

	<u>2015</u> US\$	<u>2014</u> US\$
Trade receivables due from:		
Related companies	-	4,288,436
Outside parties	<u>10,117,702</u>	<u>6,487,563</u>
	10,117,702	10,775,999
Deposits	64,202	58,398
Accrued interest due from subsidiary	206,677	-
Advance due from subsidiary	10,562,448	-
Prepayments	1,728	9,472
Others	3,933	20,000
Total	<u>20,956,690</u>	<u>10,863,869</u>

As at March 31, 2015, the company has a concentration of credit risk for 1 customer which accounts for 60% of total trade receivables and an amount due from subsidiary which accounts for 51% of total trade and other receivables. As at March 31, 2014, the company has no concentration of receivables from individual companies or group of companies other than amounts due from related companies.

The company manages its credit risk by transacting with established companies. The company's credit terms are generally 30 to 120 days. No interest is charged on the outstanding balance.

In respect of the advance due from subsidiary, the amount is repayable within the next 12 months and interest is charged at 3.2% to 5% per annum.

In determining the recoverability of a trade receivable, the company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period and the past collection history of each customer.

The aging profile of these receivables (excluding any unbilled revenue) is as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
<u>Trade receivables</u>		
Not past due	10,117,702	6,480,651
Past due less than 3 months	-	4,094,891
Past due 3 months to 6 months	-	200,457
	<u>10,117,702</u>	<u>10,775,999</u>

All other receivables are not past due as at end of the reporting period.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2015

9 DERIVATIVE FINANCIAL INSTRUMENTS

	2015 <u>Assets</u> US\$	2014 <u>Assets</u> US\$
Interest rate swaps, not designated in hedge accounting relationships	<u>162,534</u>	<u>2,507,608</u>

The company uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping the borrowings from floating rates to fixed rates.

All the company's interest rate swaps are not designated as hedging instruments. The fair value carrying amount of these interest rate swaps as at year end amounts to US\$162,534 (2014 : US\$2,507,608), and the change in the fair value has been recognised in profit or loss.

The interest rate swaps settle on a half yearly basis. The floating rate on the interest swaps is the Singapore interbank offered rate. The company will settle the difference between the fixed and the floating interest rate on a net basis.

10 PROPERTY AND EQUIPMENT

	<u>Leasehold improvements</u> US\$	<u>Computer</u> US\$	<u>Office equipment</u> US\$	<u>Total</u> US\$
Cost:				
At April 1, 2014	-	-	-	-
Additions	<u>64,244</u>	<u>4,606</u>	<u>28,806</u>	<u>97,656</u>
At March 31, 2014	64,244	4,606	28,806	97,656
Additions	675	1,219	760	2,654
Adjustments	<u>(3,850)</u>	<u>(113)</u>	<u>(1,787)</u>	<u>(5,750)</u>
At March 31, 2015	<u>61,069</u>	<u>5,712</u>	<u>27,779</u>	<u>94,560</u>
Accumulated depreciation:				
At April 1, 2014	808	-	-	-
Depreciation during the year	<u>808</u>	<u>-</u>	<u>-</u>	<u>808</u>
At March 31, 2014	808	-	-	-
Depreciation during the year	<u>19,548</u>	<u>2,709</u>	<u>9,260</u>	<u>31,517</u>
At March 31, 2015	<u>20,356</u>	<u>2,709</u>	<u>9,260</u>	<u>32,325</u>
Carrying amounts:				
At March 31, 2015	<u>40,713</u>	<u>3,003</u>	<u>18,520</u>	<u>62,235</u>
At March 31, 2014	<u>63,436</u>	<u>4,606</u>	<u>28,806</u>	<u>96,848</u>

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2015

11 INVESTMENT IN JOINT VENTURE

	<u>2015</u> US\$	<u>2014</u> US\$
Unquoted equity shares, at cost	16,718,792	15,935,400
Impairment loss	<u>(16,718,792)</u>	<u>-</u>
	<u>-</u>	<u>15,935,400</u>

Movement in impairment loss is as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Balance at the beginning of the year	-	-
Impairment loss for the year	<u>(16,718,792)</u>	<u>-</u>
Balance at the end of the year	<u>(16,718,792)</u>	<u>-</u>

The company has the following significant interests in joint venture:

Details of joint venture of the company is as follow:

<u>Name of joint venture</u> <u>(place of incorporation)</u>	<u>Principal activities</u>	<u>Percentage of interest held</u> <u>in 2014 and 2015</u>
JOil (S) Pte Ltd (incorporated in Singapore)	Research and development	33.78%

Management has assessed and made an allowance for impairment loss of US\$16,718,792 (2014 : US\$Nil) on its investment in JOil (S) Pte Ltd ("JOil"), which has been recognised in profit or loss for the year. The aim of JOil was to develop and market a Jatropha based bio-fuel product. Following a review of the business and product development plans, project delays and other external factors, including the significant reduction in the price of oil, and the financial performance of the joint venture, the company has determined that, at present, the investment will not achieve its initial aims and recoverable amount. As such, the company has fully impaired the value of its investment and included a provision for the final tranche of shares it is obligated to invest in under the 2008 share subscription agreement, which amounts to US\$2,910,361 (Note 14).

12 INVESTMENT IN SUBSIDIARIES

	<u>2015</u> US\$	<u>2014</u> US\$
Unquoted equity shares, at cost	792,797,013	792,797,013
Impairment loss	<u>(91,760,133)</u>	<u>(62,180,809)</u>
	<u>701,036,880</u>	<u>730,616,204</u>

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

12 INVESTMENT IN SUBSIDIARIES (cont'd)

Movement in impairment loss is as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Balance at the beginning of the year	(62,180,809)	-
Impairment loss for the year	<u>(29,579,324)</u>	<u>(62,180,809)</u>
Balance at the end of the year	<u>(91,760,133)</u>	<u>(62,180,809)</u>

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

<u>Name of subsidiary</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest</u>		<u>Proportion of voting power held</u>		<u>Principal activities</u>
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
		<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	
Homefield Pvt. UK Ltd	England	100	100	100	100	Investments holding
Gusiute Holdings (UK) Limited	England	100	100	100	100	Investments holding

Management has assessed and made an allowance for impairment loss of US\$29,579,324 (2014 : US\$62,180,809) on its investment in Homefield Pvt. UK Ltd, which has been recognised in profit or loss for the year. The recoverable amount of the investment has been determined based on its value in use. The key assumptions used in determining the recoverable amount related to discount rate, revenue growth, operating margins, capital expenditures and non-operating cash balances, as at the assessment date. The discount rates applied to the cash flow projections of Homefield Pvt. UK Ltd subsidiaries was 13% (2014 : 13%) and 7.75% (2014 : 7.75%) for the Kenyan and UK businesses respectively and were based on the weighted average cost of capital. The growth rate used to extrapolate the cash flows beyond the forecast period is 1% (2014 : 1%) (Kenya) and 2% (2014 : 2%) (UK), which does not exceed the long term growth rate for the relevant market.

13 ACCRUALS

These comprise operating expenses incurred and accrued in the normal course of business.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

14 TRADE AND OTHER PAYABLES

	<u>2015</u> US\$	<u>2014</u> US\$
Related company – Trade payables	320,789	995,712
Related parties (Note 6)	-	3,961,620
Advances received from immediate holding company (Note 5)	8,203,000	15,253,813
Provision for foreseeable loss on investment in joint venture	2,910,361	-
Accrued interest	1,617,147	1,596,218
Total	<u>13,051,297</u>	<u>21,807,363</u>

Payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period on purchases of goods is 90 days. No interest is charged on trade payables.

15 BANK LOANS

	<u>2015</u> US\$	<u>2014</u> US\$
Working capital facility ⁽¹⁾	22,000,000	6,386,795
Bank loans ⁽²⁾	<u>197,194,534</u>	<u>196,160,232</u>
	219,194,534	202,547,027
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(22,000,000)</u>	<u>(6,386,795)</u>
Amount due for settlement after 12 months	<u>197,194,534</u>	<u>196,160,232</u>

⁽¹⁾ In 2015, the unsecured working capital facility is provided by credit Agricole Corporate & Investment Bank and is repayable within 30 to 90 days. Interest is charged at 1.25% per annum over US\$ LIBOR.

In 2014, the working facility was provided by Rabobank and is repayable within 30 to 120 days. An amount of US\$2,586,795 was secured by trade receivables, with the remainder of US\$3,800,000 being guaranteed by the ultimate holding company. Interest is charged at 1% per annum over US\$ LIBOR.

⁽²⁾ The bank loans are guaranteed by the ultimate parent company and bears effective interest rate of 2.75% and 2.76% (2014 : 2.75% and 2.76%) per annum. The bank loans are denominated in United States dollars and are repayable on December 12, 2017 and December 21, 2017.

The management estimates the fair value of the company's borrowings, by discounting their future cash flows at the swap interest rate to be \$200,000,000.

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

16 SHARE CAPITAL AND PREFERENCE SHARES

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	Number of ordinary shares		US\$	US\$
Issued and fully paid:				
At beginning of year and at the end of year	<u>485,307,852</u>	<u>485,307,852</u>	<u>481,637,700</u>	<u>481,637,700</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	Number of redeemable preference shares		US\$	US\$
Issued and fully paid:				
At beginning of year and at end of year	<u>16,100,000</u>	<u>16,100,000</u>	<u>115,100,000</u>	<u>115,100,000</u>

The company has one class of ordinary shares with no par value which carry no right to fixed income.

The holder of redeemable preference shares has the right to a preferential dividend which is payable as and when determined by the company's board of directors in such amount as determined by the board. The company may at any time redeem any or all of the non-convertible and non-cumulative redeemable preference share by giving not less than seven days prior notice in writing to the holders of non-convertible and non-cumulative redeemable preference shares.

17 CURRENCY TRANSLATION RESERVE

The currency translation reserve arises from the company's change in functional currency to the United States Dollar in prior years.

18 OTHER OPERATING INCOME

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Dividend income	17,376,976	(171,616)
Gain from derivative financial instruments not designated as hedge accounting	-	2,507,608
Interest income (Note 5)	238,922	-
Other income	5,541	-
	<u>17,621,439</u>	<u>2,335,992</u>

TATA CHEMICALS INTERNATIONAL PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

19 ADMINISTRATIVE EXPENSES

	<u>2015</u> US\$	<u>2014</u> US\$
Bank charges	142,746	91,300
Amortisation of facility fees on long term borrowings	1,034,302	1,034,302
Guarantee commission	1,280,936	1,269,820
Loss from derivative financial instruments not designated as hedge accounting	2,345,074	-
Professional fees	345,987	576,868
Rental expense	265,390	213,055
Depreciation	31,517	808
Salaries and wages	486,882	556,149
Others	108,678	-
	<u>6,041,512</u>	<u>3,742,302</u>

20 OTHER OPERATING EXPENSES

	<u>2015</u> US\$	<u>2014</u> US\$
Foreseeable loss on investment in joint venture	2,910,361	-
Impairment of investments (Notes 11 and 12)	46,298,116	62,180,809
	<u>49,208,477</u>	<u>62,180,809</u>

21 FINANCE COSTS

	<u>2015</u> US\$	<u>2014</u> US\$
Interest expense to non-related companies:		
Bank loan	6,743,312	6,589,992

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22 INCOME TAX EXPENSE

	<u>2015</u> US\$	<u>2014</u> US\$
Current tax	<u>-</u>	<u>-</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore tax rate of 17% (2014 : 17%) to profit before income tax as a result of the following differences:

	<u>2015</u> US\$	<u>2014</u> US\$
Loss before income tax	<u>(43,806,660)</u>	<u>(69,473,621)</u>
Income tax benefit at statutory rate	<u>(7,447,132)</u>	<u>(11,810,516)</u>
Effect of expenses that are not deductible in determining taxable profit	9,183,690	10,786,607
Tax effect on revenue that is exempt from taxation	(2,954,086)	(426,293)
Deferred tax asset not recognised for unutilised tax losses ⁽¹⁾	<u>1,217,528</u>	<u>1,450,202</u>
	<u>-</u>	<u>-</u>

⁽¹⁾ Deferred tax asset on unutilised tax losses is not recognised due to the unpredictability of taxable profits available in future.

23 OPERATING LEASE ARRANGEMENTS

	<u>2015</u> US\$	<u>2014</u> US\$
Payment recognised as an expense during the year	<u>229,971</u>	<u>165,265</u>

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

	<u>2015</u> US\$	<u>2014</u> US\$
Within one year	157,080	261,914
In the second to fifth years inclusive	<u>94,016</u>	<u>243,390</u>
	<u>251,096</u>	<u>505,303</u>