TAHL (Mauritius) Mining Projects Limited

Annual financial statements for the year ended 31 March 2016

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Annual financial statements
for the year ended 31 March 2016

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TAHL (Mauritius) Mining Projects Limited
Directors' responsibility for financial reporting

The directors of TAHL (Mauritius) Mining Projects Limited (the "Company") are responsible for the preparation and fair presentation of the annual financial statements of the Company, comprising the statement of financial position at 31 March 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Mauritius Companies Act of 2001 in so far as applicable to Category 1 Global Business Licence Companies.

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the statement of operations of the Company. In preparing those financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001, in so far as applicable to Category 1 Global Business Licence Companies. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The auditor, Deloitte, has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the next Annual Meeting.

The annual financial statements of TAHL (Mauritius) Mining Projects Limited, as set out on pages 7 to 28, were approved by the board of directors on ....10 MAY 2016 and signed on its behalf by:

Director

Director

TAHL (Mauritius) Mining Projects Limited
Directors' report
for the year ended 31 March 2016

The directors have pleasure in presenting their report for the year ended 31 March 2016.

Business activities

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

Review of operations

The annual financial statements set out on pages 7 to 28 adequately reflect the state of affairs and the results of the business operations of the Company for the year ended 31 March 2016.

Stated Capital

There has been an increase of USD 1 400 000 in the stated capital during the year (2015: increase of USD 1 250 000). (Refer to Note 8)

Dividends

No dividend has been proposed by the directors during the year and subsequent to the year end (2015: Nil).

Directors

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

Directors		**Date appointed**	**Date resigned**
Sanjay Pandya	*	27 February 2012	-
Sunil Kapur	*	27 February 2012	31 March 2016
Behram Sabawala	*	28 February 2015	-
Kevin Allagapen		27 February 2012	-
Nirushka Busguth		7 February 2013	-

** Indian*

Auditors

Deloitte
7th Floor, Standard Chartered Tower,
19-21 Bank Street, Cybercity
Ebene, Mauritius

Holding company, intermediate holding company and ultimate holding company

The directors regard Tata Africa Holdings (SA) (Proprietary) Limited, a company incorporated in South Africa, as the holding company, Tata International Singapore Pte. Limited, a company incorporated in Singapore, as the intermediate holding company and Tata International Limited, a company incorporated in India, as the ultimate holding company.

TAHL (Mauritius) Mining Projects Limited
Directors' report (continued)
for the year ended 31 March 2016

Going Concern

The directors of TAHL (Mauritius) Mining Projects Limited have reviewed the going concern considerations of the Company and have no reason to believe the business will not be a going concern in the year ahead.

The intermediate holding company confirmed that it would continue to provide financial support to the Company to enable it to meet its obligations as they fall due. The directors consider it appropriate to prepare the financial statements on this basis.

Refer to note 6 for director's commentary on the mining licences of the subsidiary, Mpumalanga Mining Resources SA.

Subsequent events

There have been a subsequent event which has been disclosed in note 19 in the financial statements.

Registered address
10th Floor, Standard Chartered Tower,
19-21 Bank Street, Cybercity
Ebene, Mauritius

By Order of the Board

DTOS LTD
CORPORATE SECRETARY

Date: 10 MAY 2016

TAHL (Mauritius) Mining Projects Limited
Secretary's report to the members of TAHL (Mauritius) Mining Projects Limited under Section 166(d) of the Mauritius Companies Act 2001

We certify that we have filed with the Registrar of Companies all such returns, as are required of the Company under Section 166(d) of the Mauritius Companies Act 2001, for the year ended 31 March 2016.

for DTOS LTD.
Corporate Secretary

Date: 10 MAY 2016

Deloitte.

7th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the shareholder of TAHL (Mauritius) Mining Projects Limited

This report is made solely to the company's shareholder, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **TAHL (Mauritius) Mining Projects Limited** set out on pages 7 to 27 which comprise the statement of financial position as at 31 March 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements set out on pages 7 to 27 give a true and fair view of the financial position of **TAHL (Mauritius) Mining Projects Limited** as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Emphasis of matter - Going concern

Without modifying our opinion, we draw attention to Note 18 to the financial statements, which indicates that the Company had a shareholder's deficit of USD 3,510,230 and net current liabilities of USD 5,310,230. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon continued availability of debt facilities and funds being made available by the shareholder. The financial statements do not include any adjustments that would result from non availability of finance.

Emphasis of matter – Investment in subsidiary

Without modifying our opinion, we draw attention to note 6 to the financial statements which describes that the Company has investment in its wholly owned subsidiary, Mpumalanga Mining Resources SA, carried at cost of USD 35,615,620, an amount which primarily relates to the exploration rights. The subsidiary's licences to explore chromite will expire on 22 May 2016 and an application for renewal of these licences for a further period of 3 years has been made which has however not been received at the reporting date. The directors are of the view that the renewal of the licences will be forthcoming. No decision to abandon the project has been taken and the directors have assessed the investment for impairment and are of the opinion that the investment is not impaired.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Deloitte

Deloitte

Chartered Accountants

17 May 2016

Pradeep Malik

Pradeep Malik, FCA

Licensed by FRC

TAHL (Mauritius) Mining Projects Limited
Statement of financial position
at 31 March 2016

	Notes	2016 USD	2015 USD
Assets			
Non-current assets			
Investment in subsidiary	*6*	**35 615 620**	32 615 620
Total non-current assets		**35 615 620**	32 615 620
Current assets			
Other receivables	*7*	**1 469**	1 669
Cash and cash equivalents		**19 561**	32 473
Total current assets		**21 030**	34 142
Total assets		**35 636 650**	32 649 762
Equity and liabilities			
Equity			
Stated capital	*8*	**3 400 000**	2 000 000
Accumulated losses		**(6 910 230)**	(4 600 545)
Shareholder's deficit		**(3 510 230)**	(2 600 545)
Liabilities			
Non-current liabilities			
Loan from intermediate holding company	*9*	**33 100 000**	31 500 000
Loan from holding company	*10*	**715 620**	715 620
Total non-current liabilities		**33 815 620**	32 215 620
Current liabilities			
Loan from holding company	*10*	**10 000**	-
Other payables	*11*	**5 321 260**	3 034 687
Total current liabilities		**5 331 260**	3 034 687
Total liabilities		**39 146 880**	35 250 307
Total equity and liabilities		**35 636 650**	32 649 762

Approved by the Board of Directors and authorised for issue on 10 MAY 2016

Bosquet

....) DIRECTORS

The notes on pages 11 to 27 form an integral part of these financial statements.

TAHL (Mauritius) Mining Projects Limited
Statement of profit or loss and other comprehensive income
for the year ended 31 March 2016

	Notes	2016 USD	2015 USD
Administrative expenses		(29 707)	(29 248)
Loss from operations	*12*	(29 707)	(29 248)
Finance cost	*13*	(2 279 978)	(2 235 625)
Loss before taxation		(2 309 685)	(2 264 873)
Income tax expense	*14 (a)*	-	-
Loss for the year		(2 309 685)	(2 264 873)
Other comprehensive income		-	-
Total comprehensive loss for the year		(2 309 685)	(2 264 873)

The notes on pages 11 to 27 form an integral part of these financial statements.

TAHL (Mauritius) Mining Projects Limited
Statement of changes in equity
for the year ended 31 March 2016

	Notes	Stated capital USD	Accumulated losses USD	Total USD
Balance at 01 April 2014		750 000	(2 335 672)	**(1 585 672)**
Issue of shares	*8*	1 250 000	-	**1 250 000**
Total comprehensive loss for the year		-	(2 264 873)	**(2 264 873)**
Balance at 31 March 2015		**2 000 000**	**(4 600 545)**	**(2 600 545)**
Issue of shares	*8*	1 400 000	-	**1 400 000**
Total comprehensive loss for the year		-	(2 309 685)	**(2 309 685)**
Balance at 31 March 2016		**3 400 000**	**(6 910 230)**	**(3 510 230)**

The notes on pages 11 to 27 form an integral part of these financial statements.

TAHL (Mauritius) Mining Projects Limited
Statements of cash flows
for the year ended 31 March 2016

	Notes	2016 USD	2015 USD
Cash flows from operating activities			
Cash utilised in operations	17 (a)	(22 912)	(25 799)
Net cash outflow from operating activities		(22 912)	(25 799)
Cash flow from investing activities			
Investment in subsidiary		(3 000 000)	(1 250 000)
Cash flows from financing activities			
Proceeds from issue of shares		1 400 000	1 250 000
Loan from intermediate holding company		1 600 000	-
Loan from holding company		510 000	-
Repayment of loan to holding company		(500 000)	-
Net cash inflow from financing activities		3 010 000	1 250 000
Net decrease in cash and cash equivalents		(12 912)	(25 799)
Cash and cash equivalents at beginning of year		32 473	58 272
Cash and cash equivalents at end of year	17 (b)	19 561	32 473

The notes on pages 11 to 27 form an integral part of these financial statements.

1. Reporting entity

TAHL (Mauritius) Mining Projects Limited (the "Company") is a private company with limited liability incorporated on 27 February 2012 in accordance with the Mauritius Companies Act 2001 and the Financial Services Act 2007. The Company is registered with the Financial Services Commission as a company holding a Global Business Licence Category 1 (GBL-C1). Its registered office and principal place of business are situated at DTOS Ltd, 10th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebène, Mauritius.

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

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the International Accounting Standards Board (IASB) and the Mauritius Companies Act 2001.

(b) Basis of measurement

The financial statements are presented in USD, which is the Company's functional currency. They are prepared on the historical cost basis. The directors have assessed the necessary factors and have determined that the functional currency of the Company is USD.

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Gains and losses arising on translation are credited to or charged in profit or loss.

(b) Financial instruments

Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instruments.

3. Significant accounting policies *(continued)*

(b) Financial instruments *(continued)*

Financial instruments *(continued)*

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss .

Financial assets

Financial assets are classified as 'Loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised an derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at end of each reporting period. Financial assets are considered to be 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 affected.

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

3. Significant accounting policies *(continued)*

(b) Financial instruments *(continued)*

Impairment of financial assets *(continued)*

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occuring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that 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.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

3. Significant accounting policies *(continued)*

(b) Financial instruments *(continued)*

Financial liabilities and equity instruments *(continued)*

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(c) Cash and cash equivalents

Cash comprises of cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Impairment of assets

At reporting date, 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 to determine the extent of the impairment loss. 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. The carrying amount of an asset or cash generating unit is reflected at the lower of cost and the recoverable amount. Impairment losses, or reversals thereof, are recognised as expenses or income. An impairment loss reversal, however, cannot result in a carrying amount exceeding original cost.

(e) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. Significant accounting policies *(continued)*

(e) Taxation *(continued)*

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

(g) Related parties

Parties are considered to be related if one party has the ability to control the other party and/or exercise significant influence over the party in making financial and operating decisions.

(h) Investment in subsidiary

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

3. Significant accounting policies *(continued)*

(h) Investment in subsidiary *(continued)*

Paragraph 4(a) of IFRS 10, Consolidated Financial Statements, allows a parent company with subsidiaries to be exempt from preparing consolidated financial statements, upon satisfying all the required criteria which are listed below:

(i) the parent is itself a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;

(ii) the parent's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the- counter market, including local and regional markets);

(iii) the parent did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and

(iv) the parent's ultimate or any intermediate parent of the parent produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

The Company has met the conditions available under Paragraph 4(a) of IFRS 10, Consolidated Financial Statements, which allows the Company to be exempted from preparing consolidated financial statements. The holding company, Tata Africa Holdings (SA) (Proprietary) Limited , of 39 Ferguson Road, Illovo 2196, Johannesburg, South Africa, prepares consolidated financial statements available for public use which comply with International Financial Reporting Standards.

4. Application of new and revised International Financial Reporting Standards (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 01 April 2015 and that the adoption of the above mentioned, other than amendment to IAS 24 *Related Party Disclosures,* whereby the definition of a related party has been extended to include management entity that provides key management personnel services to the reporting entity, which has been taken into consideration in note 16 of these financial statements, had no material effect on the amounts reported.

Standards and Interpretations applied with no material effect on financial statements

IFRS 13 Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)

4. Application of new and revised International Financial Reporting Standards (IFRS) *(continued)*

New and revised Standards ans Interpretation in issue not yet effective

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but not yet effective for annual periods beginning on or after the respective date as indicated:

IAS 1 Presentation of Financial Statements – Amendments resulting from the disclosure initiative (effective 1 January 2016)

IAS 7 Statement of Cash Flows - Amendments as result of the Disclosure initiative (effective 1 January 2017)

IAS 12 Income taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017)

IAS 27 Separate Financial Statements – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016)

IAS 39 Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)

IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)

IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)

IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)

IFRS 10 Consolidated Financial Statements - Amendments regarding the application of the consolidation execption (effective 1 January 2016)

IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (deferred indefinitely)

5. Use of estimates and judgements

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that has a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Unquoted investment in subsidiary

Determining whether investment in subsidiary is impaired requires an estimate of the value in use of the investment. In considering the value in use, the directors have taken into consideration the conditions mentioned below in note 6.

6. Investment in subsidiary

	2016 USD	2015 USD
Unquoted at Cost		
Balance at beginning of year	**32 615 620**	31 365 620
Additions during the year	**3 000 000**	1 250 000
Balance at end of year	**35 615 620**	32 615 620

Investee company	Place of incorporation	Percentage Holding **2016**	2015	Class of shares	Activity	Carrying amount **2016 USD**	2015 USD
Mpumalanga Mining Resources SA	Madagascar	**100%**	100%	Ordinary shares	Mining	**35 615 620**	32 615 620

6. Investment in subsidiary *(continued)*

Mpumalanga Mining Resources SA, a subsidiary, is in possession of three chromite exploration licences in Madagascar. These licenses were issued in 2011 and are valid till 22 May 2016.

An application to the authorities has been made in January 2016 for renewal of the said licenses for a further period of three years and the appropriate fee has been paid accordingly. The annual mining administration fees for 2016 has also been paid in February 2016 which signifies that the entity is being allowed to explore / carry out mining activities on its leasehold rights per terms of the lease.

As at the date of the signing of these accounts, the formal approval renewing the said three licenses has not been received on account of certain administrative reasons beyond the control of the management. The Directors are of the view that this is a procedural delay and foresee no challenges in the licenses being renewed as applied.

Significant activities undertaken during the year under review suggest presence of chrome and the Directors are confident that the work to be carried out in the ensuing year will yield favourable results, barring any unforeseen circumstances.

The Board gets constantly updated with the developments and remains committed to the project. No decision has been taken to abandon the project and in the opinion of the Board, there are no circumstances that would suggest that the company's investment is not recoverable

7. Other receivables

	2016	2015
	USD	USD
Prepayments	**1 469**	1 669

8. Stated capital

	2016	2015
	USD	USD
Issued and fully paid		
At 1 April - 2 000 000/750 000 ordinary shares of USD1 each	**2 000 000**	750 000
New issue of shares during the year - 1 400 000/1 250 000 ordinary shares of USD1 each	**1 400 000**	1 250 000
At 31 March - 3 400 000/2 000 000 ordinary shares of USD1 each	**3 400 000**	2 000 000

The increase in stated capital of USD 1 400 000 was approved by board resolutions dated 6 May 2015, 28 May 2015 and 29 May 2015, respectively.

The Company has one class of ordinary share which carries no right to fixed income but has a right to share in any surplus assets or profits and has voting rights.

9. Loan from intermediate holding company

Non-current liability

Loan from Tata International Singapore Pte. Limited	2016 USD	2015 USD
Balance of loan at beginning of year	**31 500 000**	31 500 000
Loan advanced	**1 600 000**	-
Balance of loan at end of year	**33 100 000**	31 500 000

The loan from Tata International Singapore Pte. Limited, the intermediate holding company, is unsecured, bears fixed interest at 7% per annum and is payable in a single bullet repayment on 31 December 2018.

The interest payable on the loan is due on demand. However, the balance will not be called for repayment within the next twelve months.

10. Loan from holding company

	Note	2016 USD	2015 USD
Non-current liability	(i)	**715 620**	715 620
Current liability	(ii)	**10 000**	-
		725 620	715 620

(i) The loan from holding company is unsecured, interest free and due on demand. However, the holding company has agreed that the amount will not be called for repayment within the next twelve months.

(ii) The loan from holding company is unsecured, interest free and due on demand.

11. Other payables

	2016 USD	2015 USD
Accruals	**20 719**	14 124
Interest payable on loan from Tata International Singapore Pte. Limited	**5 300 541**	3 020 563
	5 321 260	3 034 687

Other payables have been stated at amortised cost.

12. Loss from operations

	2016 USD	2015 USD
Loss from operations is arrived at after taking into account:		
Expenses		
	23 530	24 423
Legal and professional fees	**16 215**	17 457
Auditors' remuneration	**7 315**	6 966

13. Finance cost

	2016 USD	2015 USD
Interest expense on loan from Tata International Singapore Pte. Limited	**2 279 978**	2 235 625

Refer to Note 9 on the details of interest rates from Tata International Singapore Pte. Limited.

14. Taxation

(a) Tax liability

The Company, being the holder of a Category 1 Global Business Licence, is subject to income tax in Mauritius at the rate of 15% (2015: 15%). However, the Company is entitled to a foreign tax credit equivalent to the higher of 80% (2015: 80%) of the Mauritian tax chargeable on its foreign source income and the actual foreign tax suffered. The Company has no tax liability due to accumulated tax losses of USD 6 847 730 (2015: USD 4 538 045).

	2016 USD	2015 USD
Loss before taxation	**(2 309 685)**	(2 264 873)
Tax at the effective rate of 3%	**(69 291)**	(67 946)
Tax effect of:		
Deferred tax asset not recognised	**69 291**	67 946
Tax expense	**-**	-

(b) Deferred tax asset

The Company has unused tax losses for which no deferred tax asset is recognised in the statement of financial position as it is not probable that the Company will have sufficient taxable profits against which the unused tax losses would be utilised in the foreseeable future.

14. Taxation *(continued)*

(b) Deferred tax asset *(continued)*

The tax losses are available for set off against future taxable profit of the Company as follows:

Up to the year ending:

	USD
31 March 2017	1 721
31 March 2018	869 380
31 March 2019	1 402 071
31 March 2020	2 264 873
31 March 2021	2 309 685
	6 847 730

15. Financial instruments

The Company manages its capital to ensure that the entity will be able to continue as a going concern

while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of equity, comprising of stated capital and accumulated losses as disclosed in the statement of changes in equity.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	2016	2015
Financial assets	**USD**	USD
Cash and cash equivalents	19 561	32 473

15. Financial instruments *(continued)*

Significant accounting policies *(continued)*

Categories of financial instruments *(continued)*

Financial liabilities	**2016 USD**	2015 USD
Other payables	**5 321 260**	3 034 687
Loan from intermediate holding company	**33 100 000**	31 500 000
Loan from holding company	**725 620**	715 620
	39 146 880	35 250 307

Financial risk management objectives

The directors monitor and manage the financial risks relating to the operations of the Company through internal reports which analyse exposures by degree and magnitude of risks. These risks include market risks, credit risks and liquidity risks. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, including implementation and monitoring of these policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Credit risk

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

The Company is not exposed to any credit risk as its financial asset consists of only cash at bank, which is held with reputable banks.

15. Financial instruments *(continued)*

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding through credit lines from related parties, by continuously monitoring forecast and actual cash flows and matching the maturity profile for its financial liabilities.

	Weighted average effective interest rate	Within one year USD	1-5 years USD	Total USD
2016				
Financial Liabilities				
Loan from intermediate holding company	7%	-	33 100 000	33 100 000
Loan from holding company	-	10 000	715 620	725 620
Other payables	-	5 321 260	-	5 321 260
Total financial liabilities		5 331 260	33 815 620	39 146 880
2015				
Financial Liabilities				
Loan from intermediate holding company	7%	-	31 500 000	31 500 000
Loan from holding company	-	-	715 620	715 620
Other payables	-	3 034 687	-	3 034 687
Total financial liabilities		3 034 687	32 215 620	35 250 307

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Company's activities are exposed to the financial risks of changes in interest rates.

15. Financial instruments *(continued)*

(c) Market risk *(continued)*

(i) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates.

The Company is not exposed to any foreign currency risk as it does not hold any financial assets and liabilitites which are denominated in foreign currencies.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates.

The Company is not exposed to any interest rate risk as it does not have any interest bearing financial assets and have fixed interest bearing financial liabilities.

(d) Fair values

Fair value of financial instruments

Financial Instruments that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 on the degree to which fair value is observable:

- Level 1 – Fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- Level 2 – Fair value measurement are those derived from inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs)

All the financial assets and financial liabilities are realised or settled within a short period of time, except for the loan which will be repaid by the end of December 2018. The carrying amount of these assets and liabilities approximate their fair values.

16. Related party transactions

(a) Identity of related parties

The directors regard Tata Africa Holdings (SA) (Proprietary) Limited, a company incorporated in South Africa, as the holding company, Tata International Singapore Pte. Limited, a company incorporated in Singapore, as the intermediate holding company and Tata International Limited, a company incorporated in India, as the ultimate holding company.

(b) Related party balances

Name of entity	Relationship	Nature of transactions	2016 USD	2015 USD
Tata Africa Holdings (SA) (Proprietary) Limited	Holding company	Balance of loan payable at end of year	**715 620**	715 620
		Loan advanced	**510 000**	-
		Loan repaid	**(500 000)**	-
		Balance of loan payable at end of year	**10 000**	-
Tata International Singapore Pte. Limited	Intermediate holding company	Balance of loan and interest payable at beginning of year	**34 520 563**	32 284 938
		Loan advanced	**1 600 000**	-
		Interest for the year	**2 279 978**	2 235 625
		Balance of loan and interest payable at end of year	**38 400 541**	34 520 563

(c) Transactions

	2016	2015
Interest on loan from Tata International Singapore Pte. Limited	**2 279 978**	2 235 625

DTOS Ltd provides key management personnel services, administrative and related services to the Company. A sum amounting to USD 15,475 (2015: USD 16,775) was expensed during the year in respect of the aforesaid services, out of which USD 2,000 (2015: USD 1,950) relates to director fees.

Compensation to key management personnel

No compensation was paid to key management personnel during the years ended 31 March 2016 and 31 March 2015.

17. Notes to the statements of cash flows

	2016 USD	2015 USD
(a) Cash utilised in operations		
Loss before taxation	(2 309 685)	(2 264 873)
Adjustments for –		
Interest expense	2 279 978	2 235 625
Operating loss before working capital changes	(29 707)	(29 248)
Decrease/(increase) in other receivables	200	(250)
Increase in other payables	6 595	3 699
	(22 912)	(25 799)

(b) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank.

	2016 USD	2015 USD
Cash and cash equivalents	19 561	32 473

18. Basis of preparing the financial statements - going concern

At 31 March 2016, the Company had a shareholder's deficit of USD 3 510 230 (2015: USD 2 600 545) and net current liabilities of USD 5 310 230 (2015: USD 3 000 545). The Company finances its day to day working capital requirements through advances from the intermediate holding company. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumes that the Company would continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the holding company.

The intermediate holding company confirmed that it would continue to provide financial support to the Company to enable it to meet its obligations as they fall due. The directors consider it appropriate to prepare the financial statements on this basis.

19. Subsequent events

Pursuant to a board resolution dated 1 April 2016, the Company made additional investment of USD 300,000 in Mpumalanga Mining Resources SA.

TAHL (Mauritius) Mining Projects Limited

Detailed statement of profit or loss and other comprehensive income

for the year ended 31 March 2016

	2016 USD	2015 USD
Expenditure	**29 707**	29 248
Auditors' remuneration	**7 315**	6 966
Disbursement	**400**	-
Licence fees	**2 125**	2 125
Legal and professional fees	**16 215**	17 457
Communication charges	**330**	410
Bank Charges	**3 322**	2 290
Loss from operations	**(29 707)**	(29 248)
Finance cost	**(2 279 978)**	(2 235 625)
Loss before taxation	**(2 309 685)**	(2 264 873)
Income tax expense	**-**	-
Loss for the year	**(2 309 685)**	(2 264 873)
Other comprehensive income	**-**	-
Total comprehensive loss for the year	**(2 309 685)**	(2 264 873)