T STEEL HOLDINGS PTE. LTD.
(Incorporated in Singapore. Registration Number: 200609769D)

ANNUAL REPORT
For the financial year ended 31 March 2020

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(Incorporated in Singapore)

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For the financial year ended 31 March 2020

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 March 2020

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2020.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 32 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Sandip Biswas (resigned on 21 November 2019)
Ms Sethi Simran (resigned on 22 November 2019)
Mr R Ranganath (resigned on 29 May 2019)
Mr Praveen Sood (appointed on 22 November 2019)
Mr Sanjib Kumar Ghose (appointed on 22 November 2019)
Mr Lu Kee Hong (appointed on 22 November 2019)
Mr Raghav Sud (appointed on 22 November 2019)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of directors and Company in which interests are held	At beginning of the year	At end of the year
Tata Steel Limited		
(Ordinary shares of Rupees 10 each)		
Sandip Biswas	4,795	4,795
Praveen Sood	-	-
Sanjib Kumar Ghose	-	-
Lu Kee Hong	-	-
Raghav Sud	-	-

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year

Independent auditors

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the Directors

Raghav Sud	
Director	Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF T STEEL HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements of T Steel Holdings Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the financial year ended 31 March 2020;
- the balance sheet as at 31 March 2020;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF T STEEL HOLDINGS PTE. LTD. (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, ■

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2020

	Note	**2020**	2019
		£'000	£'000
Other income			
- Interest	4	**13**	-
- Others	4	**17,987**	-
Other gains/(losses)			
- Provision for impairment loss in a subsidiary	5	**(449,680)**	-
- Others	5	**20,910**	6,836
Expenses			
- Administrative	6	**(29)**	(5)
- Finance	7	**(31,519)**	(18,304)
- Others	6	**(3.464)**	-
Profit/(Loss) before tax		**(445,782)**	(11,473)
Income tax expense	8	**-**	-
Profit/(Loss) for the year and total comprehensive loss for the year		**(445,782)**	(11,473)

T STEEL HOLDINGS PTE. LTD.
BALANCE SHEET
As at 31 March 2020

	Note	**2020**	2019
		£'000	£'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**160**	178
Other receivables	10	**13**	-
Loan receivables	11	**161,663**	-
Non-current assets			
Investment in subsidiary	12(a)	**2,229,447**	894,894
Other non-current investment	12(b)	**-**	916,539
		2,229,447	1,811,433
Total assets		**2,391,283**	1,811,611
LIABILITIES			
Current liabilities			
Other payables	13	**29**	9
Borrowings	14	**161,663**	-
		161,692	9
Non-current liabilities			
Borrowings	14	**-**	928,009
Total liabilities		**161,692**	928,018
NET ASSETS		**2,229,591**	883,593
EQUITY			
Share capital	15	**8,290,501**	5,931,767
Equity portion of preference shares	14	**-**	603,194
Accumulated losses		**(6,060,910)**	(5,651,368)
Total equity		**2,229,591**	883,593

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2020

	Note	Share capital £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
2020					
Beginning of financial year		5,931,767	603,194	(5,651,368)	883,593
Profit for the year		-	-	(445,782)	(445,782)
Addition during the year		826,222	-	-	826,222
Issue of Shares on Loan Redemption		965,558	-	-	965,558
Equity portion of preference shares issued	12	-	-	-	-
Transfers within equity		566,954	(603,194)	36,240	-
End of financial year		**8,290,501**	**-**	**(6,060,910)**	**2,229,591**
2019					
Beginning of financial year		5,931,767	204,389	(5,639,895)	496,261
Loss for the year		-	-	(11,473)	(11,473)
Equity portion of preference shares issued	12	-	398,805	-	398,805
End of financial year		**5,931,767**	**603,194**	**(5,651,368)**	**883,593**

T STEEL HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2020

	Note	**2020 £'000**	2019 £'000
Cash flows from operating activities			
Profit/ (Loss) before tax		**(445,782)**	(11,473)
Adjustments for:			
- Interest income		**(18,000)**	-
- Interest expense	7	**31,519**	18,304
- Unrealised foreign exchange gain		**(20,910)**	(6,836)
- Provision for impairment loss in a subsidiary		**449,680**	-
- Other non-cash items		**3,464**	-
		(29)	(5)
Changes in working capital:			
- Other payables		**6**	1
Net cash used in operating activities		**(23)**	(4)
Cash flows from investing activities			
Investment in preference shares of a subsidiary		**(826,222)**	(949,333)
Loans to subsidiaries (net)		**(155,099)**	-
Net cash used in investing activities		**(981,321)**	(949,333)
Cash flows from financing activities			
Issuance of preference shares		**-**	949,333
Issue of Equity Capital		**826,222**	-
Finance costs paid		**155,099**	-
Net cash provided by financing activities		**981,321**	949,333
Net decrease in cash and cash equivalents		**(23)**	(4)
Cash and cash equivalents			
Beginning of financial year		**178**	182
Effect of exchange rate on translation of foreign currency cash and cash equivalents		**5**	-
Cash and cash equivalents at end of financial year	9	**160**	178

*Amount is less than £ 1,000.

Reconciliation of liabilities arising from financial activities

			Non-cash changes					
	Opening balance as at 1 April £'000	Proceeds from borrowings £'000	Equity portion of preference shares £'000	Interest expense £'000	Foreign exchange movement £'000	Others Impact on P&L on conversion £'000	Conversion of preference shares into equity £'000	Closing balance as at 31 March £'000
Borrowings								
2020	928,009	155,099	-	31,506	13,335	(728)	(965,558)	161,663
2019	349,742	949,333	(398,805)	18,304	9,435	-	-	928,009

The accompanying notes form an integral part of these financial statements.

1. General information

The Company is incorporated in Singapore with its principal place of business and registered office at 22, Tanjong Kling Road, Singapore 628048. The financial statements are expressed in Great Britain Pound.

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

The principal activities of the subsidiary are disclosed in Note 10(a) to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below:

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2019

On 1 April 2019, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

(a) Adoption of FRS 115 Revenue from Contracts with Customers

The Company has adopted the new standard using the retrospective approach with the cumulative impact of the adoption recognised in the opening retained earnings at 1 April 2018. Comparative information for the year ended 31 March 2018 are not restated.

The accounting policies for revenue from contracts with customers under FRS 115 are disclosed in Note 2.2.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2019 (continued)

(b) Adoption of FRS 109 Financial Instruments

The Company has adopted the new standard retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. Comparatives for financial year ended 31 March 2018 are not restated and the Company has recognised any difference between the carrying amounts at 31 March 2019 and 1 April 2018 in the opening retained earnings.

The accounting policies for financial instruments under FRS 109 are disclosed in Note 2.11.

The adoption of FRS 115 and FRS 109 had no material effects on the amounts reported for current and prior financial year.

2.2 Revenue

Interest income is recognised using the effective interest rate method.

2.3 Exemption from consolidation

The financial statements of the subsidiaries have not been consolidated with the Company's financial statements as the Company itself is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which prepares consolidated financial statements are publicly available. The registered address of Tata Steel Limited is Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

2.4 Investment in subsidiary

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

Control is achieved when the company:

(a) Has power over the investee;
(b) Is exposed, or has rights, to variable returns from its involvement with the investee and
(c) Has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2. Significant accounting policies (continued)

2.5 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.6 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of currency forwards are determined using actively quoted forward exchange rates.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.8 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2. Significant accounting policies (continued)

2.10 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.11 Financial assets

(a) The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

(i) Loans and receivables

Cash and cash equivalents

Bank balances are initially recognised at fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(b) The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through profit or loss (FVPL).

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and cash equivalents and other non-current investment.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(b) The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:(continued)

(ii) At subsequent measurement (continued)

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/(losses)". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains/(losses)".

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other non-current investment, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.12 Financial liabilities

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.

Financial liabilities

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

Derecognition of financial liabilities

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

2.13 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

2. Significant accounting policies (continued)

2.14 Provisions

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

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

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

2.15 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.16 Currency translation

The financial statements are presented in Great Britain Pound, which is the functional currency of the Company.

Transactions in a currency other than Great Britain Pound (“foreign currency”) are translated into Great Britain Pound using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses impacting profit or loss are presented within ‘other gains/(losses)’.

2. Significant accounting policies (continued)

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investment in subsidiary and other non-current investment

During the year ended 31 March 2020, management carried out an assessment of the recoverability of the carrying amount of the investment in subsidiary as at the end of the reporting period indicators of impairment existed. Based on the assessment performed, management has recorded an impairment loss of £ 449,680,000 (2019 : Nil) as disclosed in Notes 12(a).

4. Other income

	2020	2019
	£'000	£'000
Interest income from financial assets measured at amortised cost		
- Loan to related company	13	-
Other income – on conversion of preference shares	17,987	-
	18,000	-

5. Other gains/(losses)-

	2020	2019
	£'000	£'000
Provision for impairment loss in a subsidiary	(449,680)	-
Net currency exchange gains/(losses)	(16,622)	6,836
Others – FV on debt portion of investment	37,532	-
	(428,770)	6,836

6. Expenses by nature

	2020	2019
	£'000	£'000
Administrative expenses	(29)	(5)
Other expense - on conversion of preference shares	(3,464)	-
	(3,493)	(5)

7. Finance expenses

	2020	2019
	£'000	£'000
Interest expense		
- Unwinding of interest expense on loan from ultimate holding company (Note 14)	**(31,506)**	(18,304)
- Short-term loan from holding company	**(13)**	-
	(31,519)	(18,304)

8. Income taxes

Income tax expense

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2020	2019
	£'000	£'000
Profit/(Loss) before tax	**(445,782)**	(11,473)
Tax calculated at tax rate of 17% (31 March 2019: 17%)	**(75,783)**	(1,950)
Effects of:		
- expenses not deductible for tax purposes	**75,783**	1,950
Tax charge	**-**	-

9. Cash and cash equivalents

	2020	2019
	£'000	£'000
Cash at bank and on hand	**160**	178

10. Other receivables

	2020	2019
	£'000	£'000
Accrued interest income on loan receivables from subsidiary	**13**	-

11. Loan receivables

	2020	2019
	£'000	£'000
Current		
Loan to subsidiary (i)	**161,663**	-

(i) During the year ended 31 March 2020, the company has advanced a short-term loan of US$ 200,000,000 (equivalent to £161,663,000) to its subsidiary, T S Global Holdings Pte Ltd. which is unsecured, bears interest rate at 2.9685% per annum and is repayable on 31 March 2021.

12(a). Investment in subsidiary

	2020	2019
	£'000	£'000
Unquoted equity shares, at cost *	**7,236,841**	4,849,414
Other capital contributions	**1,019,026**	1,019,026
Subscription to preference shares	**-**	603,194
	8,255,867	6,471,634
Less: Provision for impairment loss in subsidiaries	**(6,026,420)**	(5,576,740)
	2,229,447	894,894

* Unquoted equity shares, at cost	**2020**
	£'000
Existing investments in equity shares	4,849,414
Fresh investments in equity shares capital during the year	826,222
Conversion of preference shares investments into equity	1,561,204
	7,236,841

During the year ended 31 March 2020, the company has converted 5.6% non-cumulative redeemable preference shares amounting USD 1,258,000,000 (GBP 961,920,783) and 5% non-cumulative redeemable preference shares amounting to GBP 554,131,297 of its wholly-owned subsidiary, T S Global Holdings Pte Ltd into equity shares.

The difference between fair value of repurchase consideration and carrying value of equity portion of investment on the date of conversion are added to investment amounting to GBP 30,821,000 and GBP 14,331,000 on GBP and USD denominated preference shares respectively.

Investments in unquoted equity shares consists of 7,487,767,779 shares wherein:
No. of shares issued at par (i.e. GBP 1.00) - 6,229,767,779 and
No. of shares issued at USD/GBP 1.3078 -1,258,000,000
The USD denominated erstwhile preference shares were re-denominated into GBP upon its conversion to equity shares, since the company's functional and reporting currency is in GBP.

During the year ended 31 March 2020, the company has also made fresh investments in the equity share capital of T S Global Holdings Pte Ltd amounting to GBP 826,222,307

During the year ended 31 March 2019, the company has subscribed for 5.6% non-cumulative redeemable preference shares amounting USD 1,258,000,000 (GBP 949,333,000) of its wholly-owned subsidiary, T S Global Holdings Pte. Ltd. These preference shares are redeemable at the option of T S Global Holdings Pte. Ltd. and have a maturity period of 10 years. The dividend rate of 5.6% is payable at the discretion of T S Global Holdings Pte. Ltd.

The amount of GBP 603,194,000 is the difference between the initial fair value of the preference shares and cash advance to T S Global Holdings Pte. Ltd. and is considered a capital contribution to T S Global Holdings Pte. Ltd. and hence has been recorded as increase in Company's investment in its subsidiary.

During the year ended 31 March 2020 and 31 March 2019, management carried out an assessment of the recoverability of the carrying amount of the investment in subsidiary as at the end of the reporting period indicators of impairment existed. Based on the assessment performed, management has recorded an impairment loss of £ 449,680,000 (2019 : Nil)

12(a). Investment in subsidiary (continued)

Name of subsidiary	**Country of incorporation and operation**	**Proportion of ownership interest and voting power held**		**Principal activities**
		2020	2019	
		%	%	
Directly held by the Company				
T S Global Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Material subsidiaries indirectly held by the subsidiary of the Company				
T S Global Minerals Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Tata Steel (Thailand) Public Company Ltd.	Thailand	68	68	Manufacturing and trading in iron and steel products
NatSteel Holdings Pte. Ltd.	Singapore	100	100	Manufacturing and trading in iron and steel products
Tata Steel International (Singapore) Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Tata Steel Europe Limited	United Kingdom	100	100	Investment holding
Orchid Netherlands (No.1) B.V.	Netherlands	100	100	Investment holding
T S Global Procurement Company Pte. Ltd.	Singapore	100	100	Investment holding and trading in coal

12(b). Other non-current investment

	2020	2019
	£'000	£'000
Investment in preference shares of subsidiary	**-**	916,539

* The difference between fair value of repurchase consideration and the carrying value of the debt portion of investments on the date of conversion on GBP denominated preference shares amounting to GBP 17,259,000 (Note 4) and on USD denominated preference shares amounting to GBP 3,464,000 are credited and debited to profit & loss account respectively (Note 6).

During the year ended 31 March 2020, the company has converted 5.6% non-cumulative redeemable preference shares amounting USD 1,258,000,000 (GBP 961,920,783) and 5% non-cumulative redeemable preference shares amounting to GBP 554,131,297 of its wholly-owned subsidiary, T S Global Holdings Pte. Ltd into equity shares.

During the year ended 31 March 2019, the company has subscribed for 5.6% non-cumulative redeemable preference shares amounting USD 1,258,000,000 (GBP 949,333,000) of its wholly-owned subsidiary, T S Global Holdings Pte. Ltd. These preference shares are redeemable at the option of T S Global Holdings Pte. Ltd. and have a maturity period of 10 years. The dividend rate of 5.6% is payable at the discretion of T S Global Holdings Pte. Ltd.

The amount of GBP 603,194,000 is the difference between the initial fair value of the preference shares and cash advance to T S Global Holdings Pte. Ltd. and is considered a capital contribution to T S Global Holdings Pte. Ltd. and hence has been recorded as increase in Company's investment in its subsidiary.

During the year ended 31 March 2020 and 31 March 2019, management carried out an assessment of the recoverability of the carrying amount of the investment in preference shares of the subsidiary as at the end of the reporting period. There were no indicators of impairment found.

13. Other payables

	2020	2019
	£'000	£'000
Accrued interest expense on loan from:		
- Ultimate holding company	**13**	-
Other Payables to:		
- Ultimate holding company	**1**	-
- Non-related parties	**15**	9
	29	

14. Borrowings

	2020	2019
	£'000	£'000
Current		
Ultimate holding company (i)	**161,663**	-
Non-current		
Preference shares issued to Tata Steel Limited (ii)	**-**	1,531,203
Less: Equity portion of preference shares	**-**	(603,194)
	-	928,009
Total borrowings	**161,663**	928,009

(i) During the year ended 31 March 2020, the company has obtained a short-term loan of US$ 200,000,000 (equivalent to £161,663,000) from its ultimate holding company, Tata Steel Ltd. which is unsecured, bears interest rate at 2.9685% per annum and is repayable on 31 March 2021.

(ii) During the year ended 31 March 2020, the 5.6% non-cumulative redeemable preference shares amounting to USD 1,258,000,000 (GBP 949,333,000) and 5% non-cumulative redeemable preference shares amounting to GBP 554,131,297 issued to its ultimate holding company Tata Steel Limited were converted into equity shares amounting to GBP 978,379,220 and GBP 554,131,297 respectively.

The difference between fair value of repurchase consideration and the carrying value of the debt portion of preference shares issued on the date of conversion on GBP denominated preference shares amounting to GBP 301,000 and on USD denominated preference shares amounting to GBP 427,000 are credited to profit & loss account (Note 4).

During the year ended 31 March 2019, the Company issued 5.6% non-cumulative redeemable preference shares to its ultimate holding company Tata Steel Limited amounting to USD 1,258,000,000 (GBP 949,333,000). These preference shares are redeemable at the option of T Steel Holdings Pte. Ltd. and have a maturity period of 10 years. The dividend rate of 5.6% is payable at the discretion of Company. The carrying amount shown above only represents the present value of contractual obligation relating to this preference share.

	2020	2019
	£'000	£'000
Face value of preference shares (including foreign exchange movement)	**-**	1,512,899
Less: Equity component of preference shares *	**-**	(603,194)
Add: Unwinding of interest expense	**-**	18,304
	-	928,009

* The equity component of the preference shares is the difference between the initial fair value of the preference shares issued to Tata Steel Limited and the cash advanced to the Company and is considered a capital contribution to the Company. The equity portion of the preference shares is presented on the face of the balance sheet.

The difference between fair value of repurchase consideration and the carrying value of the equity portion of preference shares issued on the date of conversion on GBP denominated preference shares amounting to GBP 28,488,000 and on USD denominated preference shares amounting to GBP 7,752,000 are added to retained profits

15. Share capital

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the company.

	2020	2019	**2020**	2019
	Number of ordinary shares with no par value ('000)		£'000	£'000
Issued and paid up:				
At beginning and end of the year	**8,290,501**	5,931,767	**8,290,501**	5,931,767

No. of shares issued at par (i.e. GBP 1.00) – 7,312,121,292 and
No. of shares issued at USD/GBP 1.2858 -1,258,000,000
The USD denominated erstwhile preference shares were re-denominated into GBP upon its conversion to equity shares, since the company's functional and reporting currency is in GBP.

16. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by treasury personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by the management team.

(a) Market risk

(i) Currency risk

The Company adopts the Great Britain Pound as its functional currency as its main investment is a sterling denominated asset. At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in functional currency are as follows:

	Assets		Liabilities	
	2020	2019	**2020**	2019
	£'000	£'000	**£'000**	£'000
Euro	**83**	100	**-**	-
Singapore dollars	*****	*	**8**	9
United States dollars	**161,719**	566,841	**161,677**	560,779

***Amount is less than GBP 1,000**

If the Great Britain Pound strengthens by 10% against the relevant foreign currency, loss before tax will decrease/(increase) by:

16. Financial risk management (continued)

Financial risk factors (continued)

	Impact to profit or loss	
	2020	2019
	£'000	£'000
Euro	**(8)**	(10)
Singapore dollars	**1**	1
United States dollars	**(4)**	(606)

If the Great Britain Pound weakens by 10% against the relevant foreign currencies, the impact on profit for the year will be converse of the above.

(ii) Interest rate risk

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan receivables and loan payables which have floating rates. The Company is not exposed to interest rate risk as it does not have any floating rate interest bearing assets or liabilities.

Interest rate sensitivity

No sensitivity analysis has been prepared by management as the Company is not exposed to any floating rate interest bearing assets or liabilities.

(b) Credit risk

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

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are bank deposits and other non-current investment in a subsidiary.

For banks and financial institutions, the Company mitigates its credit risk by transacting only with counterparties with high credit ratings.

Impairment of financial assets

The Company has no financial assets that are subject to more than immaterial credit losses where the expected credit loss model has been applied.

The Company has applied 3 stage general approach to measure the expected credit losses for other non-current investment in a subsidiary.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties high ratings independent rating agencies.

The Company has assessed the amount due from subsidiary to have immaterial credit loss given the financial strength of the subsidiary.

16. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

In 2019, the impairment of the financial assets were assessed based on the incurred loss impairment model.

The Company considered that there was evidence if any of the following indicators were present:

- There is significant difficulty of the debtor.
- Breach of contract, such as default or past due event
- It becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

(c) Liquidity risk

The Company relies on the holding company for financial support to fund its existing and continuing commitments. New investments are likely to be funded similarly.

16. Financial risk management (continued)

Financial risk factors (continued)

(c) Liquidity risk (continued)

Non-derivative financial liabilities

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	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2020						
Non-interest bearing	-	16	-	-	-	16
Fixed interest rate instruments	2.9685	161,676	-	-	-	161,676
Variable interest rate instruments	-	-	-	-	-	-
Preference shares	-	-	-	-	-	-
		161,692	-	-	-	161,692

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2019						
Non-interest bearing	-	9	-	-	-	9
Fixed interest rate instruments	-	-	-	-	-	-
Variable interest rate instruments	-	-	-	-	-	-
Preference shares	5.0 – 5.6	-	-	1,531,203	(603,194)	928,009
		9	-	1.531,203	(603,194)	9,28,018

16. Financial risk management (continued)

(c) Liquidity risk (continued)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the Company's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2020						
Non-interest bearing	-	-	-	-	-	-
Fixed interest rate instruments	2.9685	161,676	-	-	-	161,676
Variable interest rate instruments	0.505	160	-	-	-	160
		161,836	-	-	-	161,836
2019						
Non-interest bearing	-	-	-	-	-	-
Fixed interest rate instruments	5.0 – 5.6	-	-	916,539	-	916,539
Variable interest rate instruments	0.578	178	-	-	-	178
		178	-	916,539	-	916,717

(d) Capital risk

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

The Company's overall strategy remains unchanged from prior year.

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

16. Financial risk management (continued)

Financial risk factors (continued)

(d) Capital risk (continued)

The Board of Director's monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

	2020	2019
	£'000	£'000
Net debt	**161,532**	927,840
Total equity	**2,229,591**	883,593
Total capital	**2,391,123**	1,811,433

The Company is not subject to any externally imposed capital requirements

(e) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
As at 31 March 2020				
Financial assets, at FVPL	-	-	-	-
As at 31 March 2019				
Financial assets, at FVPL	-	-	916,539	916,539

Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.

(f) Financial instruments by category

The carrying amounts of financial assets measured at fair value (financial assets, at fair value through profit and loss) are disclosed on the face of the balance sheet and in Note 12(b) to the financial statements.

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost / FVPL are as follows:

16. Financial risk management (continued)

Financial risk factors (continued)

(d) Financial instruments by category (continued)

	2020	2019
	£'000	£'000
Loans and receivables		
Financial Assets, at amortised cost	**161,836**	178
Financial Assets, at FVPL	**-**	916,539
Financial liabilities, at amortised cost	**161,692**	928,018

17. Immediate and ultimate holding corporation

The Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

18. Related party transactions

During the year, the Company has entered into the following significant transactions with related companies:

	2020	2019
	£'000	£'000
Interest income from short term loan to subsidiary company	**13**	-
Loan receivables	**161,663**	-
Investment in preference shares of a subsidiary	**-**	949,333

Outstanding balances as at 31 March 2020 arising from finance provided by ultimate holding company is disclosed in note 13 and 14.

	2020	2019
	£'000	£'000
Interest expense on short term loan from holding company	**13**	-
Borrowings	**161,663**	
Issuance of preference shares	**-**	949,333

Outstanding balances as at 31 March 2020 arising from finance provided to subsidiary is disclosed in notes 10 and 11.

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the Company. The directors are paid remuneration by related corporations in their capacity as directors and/or executives of those related corporations.

19. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2020 and which the Company has not early adopted:

(a) FRS 116 Leases (effective for annual periods beginning on or after 1 April 2019)

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the Company's commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

The new standard also introduces expanded disclosure requirements and changes in presentation.

As at balance sheet date the Company does not have any leases and hence adoption of this standard is not expected to have a material impact on the Financial Statement of the Company.

(b) INT FRS 123 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 April 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored

iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment

iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and

v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Company does not expect additional tax liability to be recognised arising from the adoption of this standard.

20. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of T Steel Holdings Pte. Ltd. on ▪.