T S GLOBAL MINERALS HOLDINGS PTE. LTD.
(Incorporated in Singapore. Registration Number: 200720850Z)

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 39 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 Koushik Chatterjee
Mr Dibyendu Bose
Mr Lu Kee Hong
Mr Raghav Sud

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 the directors and company in which interest are held	At beginning of year	At end of year
Tata Steel Limited		
(Ordinary shares of Rupees 10 each)		
Koushik Chatterjee	1,531	-
Sandip Biswas	4,795	-
Dibyendu Bose	597	-

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 auditor

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 S GLOBAL MINERALS HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements of T S Global Minerals 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 S GLOBAL MINERALS 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,

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STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2020

	Note	**2020** **US $'000**	2019 US $'000
Other income			
- Interest	4	**7,092**	15,178
- Dividends	4	**-**	16,053
Other (losses)/gains			
- Allowance for impairment on receivables	9	**-**	(8,366)
- Allowance for impairment on investments		**(102,000)**	(133)
- Others	5	**2,735**	(4,364)
Expenses			
- Administrative		**(89)**	(122)
- Finance	6	**(95)**	(77)
Profit/(Loss) before tax		**(92,357)**	18,169
Income tax expense	7	**3,617**	(2,493)
Profit/(Loss) after tax and total comprehensive income for the year		**(88,740)**	15,676

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

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

BALANCE SHEET
As at 31 March 2020

	Note	**2020 US $'000**	2019 US $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**10,474**	5,780
Other receivables	9	**117,011**	120,595
Other current assets	10	**3,201**	2,996
		130,686	129,371
Non-current assets			
Investments in subsidiaries	11	**53,483**	155,483
Investment in associate	12	**-**	-
Investment in joint venture	13	**-**	-
Other non-current investment	14	**449,848**	449,848
Other receivables	9	**163,956**	101,649
		667,287	706,980
Total assets		**797,973**	836,351
LIABILITIES			
Current liabilities			
Other payables	15	**52**	93
Current income tax liabilities	7(b)	**84**	716
Borrowings	16	**10,881**	12,197
		11,017	13,006
Non-current liabilities			
Other payables	15	**56,052**	-
Borrowings	16	**449,848**	449,848
Deferred income tax liabilities	17	**4,506**	8,207
		510,406	458,055
Total liabilities		**521,423**	471,061
NET ASSETS		**276,550**	365,290
EQUITY			
Share capital	18	**1,319,190**	1,319,190
Accumulated losses		**(1,042,640)**	(953,900)
Total equity		**276,550**	365,290

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

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

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

	Note	Share capital US $'000	Accumulated losses US $'000	Total equity US $'000
2020				
Beginning of financial year		**1,319,190**	**(953,900)**	**365,290**
Profit for the year		-	(88,740)	(88,740)
End of financial year		**1,319,190**	**(1,042,640)**	**276,550**
2019				
Beginning of financial year		**1,319,190**	**(969,576)**	**349,614**
Loss for the year		-	15,676	15,676
End of financial year		**1,319,190**	**(953,900)**	**365,290**

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

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

	Note	**2020 US $'000**	2019 US $'000
Cash flows from operating activities			
Profit/(loss) before tax		**(92,357)**	18,169
Adjustments for:			
- Loss on disposal of subsidiary	11	**(2,059)**	1,994
- Allowance for impairment of receivables/investment		**102,000**	8,499
- Interest income	4	**(7,092)**	(15,178)
- Dividend income	4	**-**	(16,053)
- Interest expense	6	**95**	77
- Unrealised currency translation losses/(gains)		**(1,579)**	2,384
		(992)	(108)
Changes in working capital:			
- Other receivables			-
- Other payables		**(69)**	74
Cash (used in)/provided by operations		**(1,061)**	(34)
Income tax paid		**(913)**	(3,192)
Net cash used in operating activities		**(1,974)**	(3,226)
Cash flows from investing activities			
Other capital contributions in subsidiaries		**(56,052)**	(150)
Disposal of subsidiary		**2,059**	15,101
Loan to subsidiaries		**3,699**	(13,543)
Loan to immediate holding company		**-**	(19,189)
Dividends received		**-**	16,053
Interest received		**791**	4,521
Net cash provided by investing activities		**(49,503)**	2,793
Cash flows from financing activities			
Issue of preference shares		**56,052**	-
Proceeds from borrowings from immediate holding company		**208**	469
Interest paid		**(89)**	(81)
Net cash provided by financing activities		**56,171**	388
Net (decrease)/increase in cash and cash equivalents		**4,694**	(45)
Cash and cash equivalents			
Beginning of financial year	8	**5,780**	5,832
Effects of currency translation on cash and cash equivalents		**-**	(7)
Cash and cash equivalents at end of financial year	8	**10,474**	5,780

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

Reconciliation of liabilities arising from financial activities

				Non-cash changes		
	Opening balance	Proceeds from borrowings	Principal and interest payments	Interest expense	Foreign exchange movement	Closing balance
	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Borrowings						
2020	462,045	208	(89)	95	(1,530)	460,729
2019	462,675	469	(81)	77	(1,095)	462,045

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

These notes form an integral part of and should be read in conjunction with the accompanying 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 United States dollars, which is the functional currency of the Company.

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

The principal activities of the subsidiaries, associate and joint venture are disclosed in Notes 11, 12 and 13 to the financial statements respectively.

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 2020

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 Company's accounting policies 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 modified retrospective approach with the cumulative impact of the adoption recognised in the opening retained earnings at 1 April 2018. Comparative information for 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 2020 (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 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 2.10.

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

2.2 Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable.

(a) Interest income

Interest income is recognised using the effective interest rate method.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established, it is probable that that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be reliably measured.

2.3 Borrowing costs

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

2.4 Exemption from consolidation

The financial statements of the subsidiaries, associates and joint venture have not been consolidated or equity accounted with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, Tata Steel Limited, incorporated in India, that are publicly available. The registered address of Tata Steel Limited is Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

2. Significant accounting policies (continued)

2.5 Investment in subsidiaries

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.

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

2.6 Investment in associate

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associate are stated at cost, less any impairment in net recoverable value.

2.7 Investments in joint venture

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

2.8 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 nor 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.

2. Significant accounting policies (continued)

2.8 Income taxes (continued)

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.

2.9 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).

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 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
Other receivables

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

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(i) Loans and receivables (continued)

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.

(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; and
- 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, other non-current investment and other receivables.

2. Significant accounting policies (continued)

2.10 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)

Debt instrument (continued)

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. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

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.

- 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.

2.10 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)

Debt instrument (continued)

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

For other receivables, other non current investment and cash and cash equivalents, 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.

2.11 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.

2.12 Provisions

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

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

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

2. Significant accounting policies (continued)

2.13 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.

2.14 Offsetting 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.

2.15 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.

2.16 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, and bank overdrafts.

2. Significant accounting policies (continued)

2.17 Currency translation

The financial statements are presented in United States Dollar, which is the functional currency of the Company.

Transactions in a currency other than United States Dollar ("foreign currency") are translated into United States Dollar 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 (losses)/gains'.

2.18 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.

(i) Assessment of impairment of investment in subsidiaries

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

During the financial year ended 31 March 2020, the management carried out an assessment of the recoverable amount of its cost of investment in Tata Steel Minerals UK Limited.

3. Critical accounting estimates, assumptions and judgements (continued)

(i) Assessment of impairment of investment in subsidiaries (continued)

The management carried out its assessment of the recoverable amount of its cost of investment in Tata Steel Minerals UK Limited, based on the estimation of the value in use of the cash-generating unit of Tata Steel Minerals UK Limited which pertains to its subsidiary, Tata Steel Minerals Canada Limited.

The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts were derived from the most recent financial budgets approved by the management for a period of 25 years of the cash generating units and a discount rate of 8% is used to discount the future cash flows of the cash generating units. Key assumptions for the value in use calculations are those regarding expected changes to selling prices, demand and raw material costs, exchange rates and discount rates. A discount rate of 8% was used to discount the future cash flows of the cash generating unit of Tata Steel Minerals UK Limited which pertains to its subsidiary, Tata Steel Mineral Canada Limited. Management is of the view that a reasonably possible change in the key assumptions has resulted in an additional impairment charge of USD 102,000,000 in relation to its cost of investment in Tata Steel Minerals UK Limited for the financial year ended 31 March 2020.

Management has assessed that no additional impairment is necessary in relation to its cost of investment in the other subsidiaries of the Company as at 31 March 2019.

3. Critical accounting estimates, assumptions and judgements (continued)

(ii) Expected credit losses (ECL)

The financial assets of the Company which are subject to expected credit loss (ECLs) are disclosed in Note 9 and 14. These financial assets are due from members of the ultimate holding company's group of companies.

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

Based on management's assessment, the credit risk of the respective counterparties has not changed since the previous financial year and as such, apart from the related balances which have been impaired in the previous financial years as a result of specific circumstances as recorded in Note 9, no additional allowance for impairment has been determined to be necessary for the financial year ended 31 March 2020.

The identification of allowances for impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of these financial assets and the related allowance for impairment in profit or loss in the period in which such estimate has been changed.

4. Other income

	2020 US $'000	2019 US $'000
Interest income from financial assets measured at amortised cost		
- Bank balances and fixed deposits	**107**	118
- Subsidiaries	**6,255**	6,399
- Joint venture	**-**	8,366
- Immediate holding company	**730**	295
	7,092	15,178
Dividend income from equity investments in subsidiary[1]	**-**	16,053
	7,092	31,231

[1] T S Global Mineral Holdings Pte Ltd received gross dividends from Black Ginger (461) Proprietary amounting to US $ 16,898,000 (ZAR 240,000,000) before deducting withholding tax of US $ 845,000 (ZAR 12,000,000).

5. Other (losses)/gains

	2020 US $'000	2019 US $'000
Net currency exchange (losses)/gains	**676**	(2,370)
Loss on disposal of subsidiary (Note 11)	**2,059**	(1,994)
	2,735	(4,364)

6. Finance expenses

	2020 US $'000	2019 US $'000
Interest expense		
- immediate holding company	**95**	77

7. Income taxes

(a) Income tax expense

	2020 **US $'000**	2019 US $'000
Tax expense attributable to profit is made up of:		
- Current income tax	**84**	716
- Deferred income tax (Note 17)	**1,067**	1,618
	1,151	2,334
Under/(excess) provision in prior financial years		
- Current income tax	**(4,768)**	159
	(3,617)	2,493

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 **US $'000**	2019 US $'000
Profit before tax	**9,643**	18,169
Tax calculated at tax rate of 17% (2019: 17%)	**1,639**	3,089
Effects of:		
- Statutory stepped income exemption	**(13)**	(13)
- Non-deductible expense	**115**	1,621
- Income not subject to tax	**(1,553)**	(2,729)
- Under provision of tax	**(4,768)**	159
- Others	**963**	366
Tax charge	**(3,617)**	2,493

(b) Movements in current income tax liabilities

	2020 **US $'000**	2019 US $'000
Beginning of financial year	**716**	28
Income tax paid	**(707)**	(196)
Tax expense	**84**	716
Under-provision in preceding financial years	**-**	159
Foreign exchange losses	**(9)**	9
End of financial year	**84**	716

8. Cash and cash equivalents

	2020 **US $'000**	2019 US $'000
Cash at bank	**10,474**	5,780

9. Other receivables

Current	2020 US $'000	2019 US $'000
Loan to a joint venture (1)	**120,107**	120,107
Less: Allowance for impairment (1)	**(120,107)**	(120,107)
	-	-
Interest accrued on loan to a joint venture	**-**	28,608
Less: Allowance for impairment (1)	**-**	(28,608)
	-	-
Interest accrued on loans to subsidiaries	**3,726**	3,726
Less: Allowance for impairment (2)	**(3,527)**	(3,527)
	199	199
Loan to immediate holding company (3)	**116,760**	120,391
Interest accrued on loans to holding company	**51**	5
	116,812	120,396
Total other receivables - current	**117,011**	120,595
Non- current		
Loans to subsidiary (4)	**163,956**	101,649
Total other receivables – current and non-current	**280,967**	222,244

(1) As at 31 March 2020, loans of US$120,107,000 (2019: US$120,107,000) to joint venture, Minas De Benga (Mauritius) Limited is unsecured, bear interest at three month LIBOR+3.00% per annum. Interest on overdue amount is calculated on monthly basis at 2% (2019: 2.00%) per annum over and above the interest rate as mentioned.
The Company has made an allowance for impairment on the loan receivables of US$120,107,000 (2019: US$120,107,000) and interest receivable of NIL (2019: US$28,608,000) for the amounts due from Minas De Benga (Mauritius) Limited.

(2) As at 31 March 2020 company made an allowance for impairment on the interest receivable from Tata Steel Mineral Canada of US$3,527,000 (2019: US$3,527,000) on the loans which has been re-assigned to Tata Steel Minerals UK Limited.

(3) As at 31 March 2020, loan receivables of US$ 116,760,000 (2019: US$120,391,000) due from immediate holding company are under a cash-pooling arrangement, and are unsecured, bear interest 0.35% to 0.68% (2019: 0.34% to 0.70%) per annum and are repayable upon demand.

9. Other receivables (continued)

[4] In the previous financial year, loans to subsidiaries, included a loan to Black Ginger (461) Proprietary Limited amounting to US$13,160,000 which was treated as long-term and borne interest at the Johannesburg Interbank Agreed Rate ("JIBAR") plus 2.00% per annum or Nedbank OD rate whichever is lower. During the year, the amounts due from Black Ginger (461) Proprietary Limited which included the loan amounting to US $ 11,010,000 and interest of US $ 4,083,000, was recovered through the disposal of this subsidiary (Note 11).

As at 31 March 2020, loans to subsidiaries includes loans to a subsidiary, Tata Steel Minerals UK Limited of US$ 163,956,000 (2019: US$101,649,000) with a maturity date of 1 November 2023. Interest is charged at 6.00% per annum.

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

Movements in the allowance for impairment loss:

	2020 **US$'000**	2019 US$'000
At beginning of the year	**152,242**	173,226
Charge to profit or loss for the year	**-**	8,366
Allowance written off	**(28,608)**	(29,350)
At end of the year	**123,634**	152,242

10. Other current assets

	2020 **US $'000**	2019 US $'000
Current tax assets	**3,201**	2,996

The company disposed its entire shareholding in Black Ginger on 18 February 2019 to IMR Metallurgical Resources for a initial consideration of ZAR 426,537,000 (US$ 30,194,000) including withholding tax of ZAR 42,334,000 (US$ 2,996,000).

11. Investments in subsidiaries

	2020 **US $'000**	2019 US $'000
Unquoted equity shares, at cost (1) and (3)	**2,231**	7,582
Allowance for impairment (1)	**(1,276)**	(6,627)
	955	955
Other capital contributions	**617,761**	617,761
Allowance for impairment on capital contributions (2)	**(565,233)**	(463,233)
	52,528	154,528
Total	**53,483**	155,483

1) As at 31 March 2020 provision for impairment loss on equity shares of subsidiaries consists of NIL (2019: US$ 5,351,000) for Kalimati Coal Company Pty. Ltd ("KCC") and US$ 1,276,000 (2019: US$1,276,000) for Al Rimal Mining LLC.

KCC

During the financial year, Kalimati Coal Company Pty. Ltd (''KCC'') was de-registered.

Al Rimal Mining LLC

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

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

In order to continue with the project, further investment would be required to study the feasibility of the project and there is lack of clarity on whether there will be sufficient investment for the project to continue.

11. Investments in subsidiaries (continued)

As a result, the Company decided to withdraw from the project and wrote down its investment to its recoverable value and recorded a provision for impairment loss of US$1,276,000 for Al Rimal Mining LLC in previous years. No further impairment is required in 2020.

2) As at 31 March 2020, provision for impairment loss in other capital contributions consists of US$ Nil (2019 : US$ Nil) for Kalimati Coal Company Pty. Ltd ("KCC"), US$ 537,208,000 (2019: US$ 435,208,000) for Tata Steel Minerals UK Limited and US$ 28,025,000 (2019: US$ 28,025,000) for Lab Mag & Ke Mag Project managed by Tata Steel Minerals Canada Limited.

3) During the financial year 2020, the company has received the final consideration of ZAR 30,175,000 (US$ 2,059,000) including withholding tax of ZAR 3,018,000 (US$ 206,000) from IMR Metallurgical Resources. Entire amount received is recorded has Gain on disposal of subsidiary (Note 5)

During the financial year 2019, the company disposed its entire shareholding in Black Ginger on 18 February 2019 to IMR Metallurgical Resources for a consideration of ZAR 426,537,000 (US$ 30,194,000) including withholding tax of ZAR 42,334,000 (US$ 2,996,000).

Loss on disposal of Black Ginger:

	US$
Sales consideration (net amount)	**27,198,000**
Withholding tax receivable	**2,996,000**
Investment in Black Ginger	**(17,095,000)**
Loan to Black Ginger	**(11,010,000)**
Interest Accrued on loan to Black Ginger	**(4,083,000)**
Loss on disposal of subsidiary (Note 5)	**(1,994,000)**

Movements in the allowance for impairment for equity shares in subsidiaries:

	2020	2019
	US$'000	US$'000
At beginning of the year	**6,627**	33,503
Charge to profit or loss for the year	**-**	-
Allowance written off	**(5,351)**	(26,876)
At end of the year	**1,276**	6,627

Movements in the allowance for impairment loss in other capital contribution:

	2020	2019
	US$'000	US$'000
At beginning of the year	**463,233**	473,294
Charge to profit or loss for the year	**102,000**	133
Allowance written off	**-**	(10,194)
At end of the year	**565,233**	463,233

Details of Company's subsidiaries at end of the reporting period are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2020	2019	
		%	%	
Al Rimal Mining LLC	Oman	70	70	Mining of limestone and other mineral ores
Kalimati Coal Company Pty. Ltd [(a)]	Australia	-	100	Investment holding
Tata Steel Minerals UK Limited	United Kingdom	100	100	Investment holding Company
Subsidiaries held by subsidiaries				
Tata Steel Minerals Canada Limited	Canada	78	78	Mining of iron ore
T S Canada Capital Ltd	Canada	100	100	Financing company

(a) Liquidated during the financial year.

12. Investment in associate

	2020 **US$'000**	2019 US$'000
Quoted equity shares, at cost	**71,073**	71,073
Less: Allowance for impairment loss in associate [1]	**(71,073)**	(71,073)
	-	-

[1] Management has assessed that the investment in the associate continues to be fully impaired as at 31 March 2020 as a result of the significant decline in the share price of associate over the years and the continuing depressed global commodity and weak forecast.

Name of associate	Country of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2020	2019
			%	%
New Millennium Iron Corp. ("NML")	Canada	Mining Activities	26.18	26.18

13. Investment in joint venture

	2020 **US$'000**	2019 US$'000
Unquoted equity shares, at cost	**352,744**	352,744
Less: Allowance for impairment loss in joint venture [1]	**(352,744)**	(352,744)
	-	-

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

As at 31 March 2020, as there has been no change in the outlook of this joint venture, management has maintained the full allowance for impairment on this investment.

13. Investment in joint venture (continued)

Details of Company's joint ventures at the end of reporting period are as follows:

Name of joint venture	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2020	2019	
		%	%	
Held by the Company				
Minas De Benga (Mauritius) Limited	Mauritius	35	35	Holding company

14. Other non-current investment

	2020 US $'000	2019 US $'000
Investment in preference shares[1]	**449,848**	449,848

(1) The Company in the year 2017 has subscribed to the preference shares issued by Tata Steel Minerals UK Limited.

The preference shares are issued at US $ 1 par value and do not hold any voting rights. It is junior to all Secured Loans, Unsubordinated creditors, pari passu with any further issuance of preference shares, senior only to ordinary share capital and any other securities at par with ordinary share capital of the issuer.

Issuer or holder can call for redemption of the preference shares together, before 10th year from the deemed date of allotment. It is compulsorily convertible at maturity after 10 years.

Conversion price to be mutually agreed upon conversion. Dividend is discretionary at the option of the issuer and is non-cumulative.

15. Other payables

	2020 US $'000	2019 US $'000
Current		
Other accruals for operating expenses	**45**	92
Accrued interest on loans from		
- Immediate holding company	**7**	1
	52	93
Non-current		
Creditors for other liabilities	**56,052**	-
	56,052	-

16. Borrowings

	2020 US $'000	2019 US $'000
Current		
Loans from immediate holding company(1)	**10,881**	12,197
	10,881	12,197
Non-current		
Long term borrowings(2)	**449,848**	449,848
	449,848	449,848
Total borrowings	**460,729**	462,045

(1) **Current**

The short term loans from immediate holding company consist of:

a) Short-term loan payable to immediate holding company amounting to US$7,940,000 (2019: US$ 9,225,000) which is denominated in Australian dollar ("AUD"), is unsecured, interest-free and repayable on demand.

b) Loan payable of US$ 2,941,000 (2019: US$ 2,972,000) to immediate holding company which are under a cash-pooling arrangement, are unsecured, bear interest ranging from 0.89% to 3.16% (2019: 0.90% to 3.05%) per annum and are repayable upon demand.

(2) **Non-current**

The preference shares are issued to the immediate holding company at US $ 1 par value and do not hold any voting rights. It is junior to all Secured Loans, Unsubordinated creditors, pari passu with any further issuance of preference shares, senior only to ordinary share capital and any other securities at par with ordinary share capital of the issuer.

Issuer or holder can call for redemption of the preference shares together, before 10th year from the deemed date of allotment. It is compulsorily convertible at maturity after 10 years.

Conversion price to be mutually agreed upon conversion. Dividend is discretionary at the option of the Company and is non-cumulative.

17. Deferred income tax liabilities

	2020 US $'000	2019 US $'000
Beginning of financial year	**8,207**	6,589
Tax (credited)/charged to:		
- profit or loss (Note 7(a))	**(3,701)**	1,618
End of financial year	**4,506**	8,207

The deferred tax liability is recognised by the Company in the current year on account of interest from foreign sources not remitted to Singapore. The movement in deferred income tax liabilities (prior to offsetting of balances) during the financial year is as follows:

17. Deferred income tax liabilities (continued)

	Unremitted interest income US $'000
2020	
Beginning of financial year	8,207
Charged to:	
- profit or loss	(3,701)
End of financial year	4,506
2019	
Beginning of financial year	6,589
Charged to:	
- profit or loss	1,618
End of financial year	8,207

18. Share capital

	2020	2019	**2020**	2019
	Number of ordinary shares		**US$'000**	US$'000
Issued and paid up:				
At beginning and end of the year	**1,319,190,035**	1,319,190,035	**1,319,190**	1,319,190

Fully paid ordinary shares, par value US$1, carry one vote per share and carry a right to dividends when declared by the Company.

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

19. Financial risk management (continued)

Financial risk factors (continued)

a) Market risk (continued)

(i) Currency risk (continued)

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

	Assets		Liabilities	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Australian dollars	**4,601**	5,335	**7,940**	9,228
Great Britain pound	**19**	20	**-**	-
Singapore dollars	**3,201**	-	**7,571**	3,716
Euro	**17**	18	**-**	-
South African rand	**-**	-	**-**	-

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

	Impact to profit or loss	
	2020	2019
	US$'000	US$'000
Australian dollars	**(334)**	(389)
Singapore dollars	**(437)**	(372)
Great Britain pound	**2**	2
South African rand	**-**	-
Euro	**2**	2

If the United States dollars weaken by 10% against relevant foreign currencies, the impact on profit/loss for the year will be converse of the above.

(i) Interest rate risk management

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

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

19. Financial risk management (continued)

Financial risk factors (continued)

a) Market risk (continued)

(i) Interest rate risk management

In respect of the above amounts for which are charged at floating rates, based on the balance at year end, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the impact on the Company's profit would be an increase/decrease of US$ 1,796,000 (2019: the impact on the Company's profit would be an increase/decrease of US$ 1,201,000).

(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 in the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are other receivables and other non-current investment in subsidiaries.

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

Impairment of financial assets

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

In its recoverability, management has considered amongst other factors, the carrying amount of the respective counterparty's net assets, estimation of future cash flows expected to arise from cash-generating units and current and future developments in the business and as a result of its assessment, management has determined that there has been no material changes in the credit risk of its other receivables, loan receivables and other non-current investments as compared to the previous financial year.

19. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

As a result, apart from the related balances which have been impaired in the previous financial years as a result of specific circumstances as recorded in Note 9 no additional allowance for impairment has been determined to be necessary for the financial year ended 31 March 2019.

In 2018, 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 immediate holding company (Note 20) for financial support to fund its existing and continuing commitments. New investments and advances will be funded similarly.

All of the Company's financial liabilities are due within 1 year from the balance sheet date apart from the long term borrowings amounting to US$ 449,848,000 (Note 16) which can be redeemed at the option of the issuer or holder together before its maturity date of 10 years from the date of allotment.

19. Financial risk management (continued)

Financial risk factors (continued)

(d) Capital Risk

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.

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

	2020	2019
	US $'000	US $'000
Net debt	**506,359**	456,358
Total equity	**378,550**	365,290
Total capital	**884,909**	821,648

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
	US $'000	US $'000	US $'000	US $'000
As at 31 March 2020				
Financial assets, at FVPL	-	-	449,848	449,848
As at 31 March 2019				
Financial assets, at FVPL	-	-	449,848	449,848

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.

19. Financial risk management (continued)

Financial risk factors (continued)

(e) Fair value measurements (continued)

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

(f) Financial instruments by category

The aggregate carrying amount of loans and receivables, financial assets and financial liabilities at amortised cost /FVPL are as follows:

	2020 **US $'000**	2019 US $'000
Loans and receivables	**-**	-
Financial assets, at amortised cost	**291,441**	228,024
Financial assets, at FVPL	**449,848**	449,848
Financial liabilities, at amortised cost	**460,781**	462,138

20. Immediate and ultimate holding corporation

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

21. Related party transactions

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

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

21. Related party transactions (continued)

	2020 **US$'000**	2019 US$'000
Interest income from subsidiaries	**(6,255)**	(6,399)
Interest income from joint venture	**-**	(8,366)
Interest income from immediate holding company	**(730)**	(295)
Interest expense to immediate holding company	**95**	77
Dividend income from subsidiary	**-**	(16,053)

Compensation of directors and key management personnel

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

22. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of T S Global Minerals Holdings Pte. Ltd. on ■.