

**TATA STEEL INTERNATIONAL  
(SINGAPORE) HOLDINGS PTE. LTD.**  
*(Incorporated in Singapore. Registration Number: 200801936W)*

**FINANCIAL STATEMENTS**  
*For the financial year ended March 31, 2020*

**TATA STEEL INTERNATIONAL (SINGAPORE)  
HOLDINGS PTE. LTD.**

*(Incorporated in Singapore)*

**FINANCIAL STATEMENTS**

*For the financial year ended March 31, 2020*

# Contents

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Financial Position	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

## TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

### DIRECTORS' STATEMENT

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

In the opinion of the directors, the financial statements as set out on pages 5 to 29 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2020 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and 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.

#### 1 DIRECTORS

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

Mr. Anil Jhanji  
Mr. Ashish Anupam  
Ms. Quek Hwee Ling (appointed on 30 November 2019)  
Mr. Raghav Sud (appointed on 29 November 2019)

#### 2 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 or debentures in the Company or any other body corporate.

#### 3 DIRECTORS' INTERESTS IN SHARES AND 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 companies, except as follows:

Name of directors and companies in which interests are held	Shareholdings registered in name of directors		Shareholdings in which director is deemed to have an interest	
	At beginning of year or date of appointment, if later	At end of year	At beginning of year or date of appointment, if later	At end of year
<b><u>Ultimate holding company - Tata Steel Limited</u></b>				
			<u>Ordinary shares of Rupees 10 each</u>	
Mr. Anil Jhanji	210	210	-	-
Mr. Ashish Anupam	-	-	199	199
Mr. Raghav Sud	17	17	-	-

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**DIRECTORS' STATEMENT**

**4 SHARE OPTIONS**

*(a) Options to take up unissued shares*

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

*(b) Options exercised*

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

*(c) Unissued shares under option*

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

**5 INDEPENDENT AUDITOR**

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

ON BEHALF OF THE DIRECTORS

.....  
Anil Jhanji

.....  
Ashish Anupam  
[date]

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBER OF TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**Report on the Audit of the Financial Statements**

**Our opinion**

In our opinion, the accompanying financial statements of Tata Steel International (Singapore) 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 financial position as at 31 March 2020;
- statement of profit or loss and other comprehensive income for the financial year then ended;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBER OF TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD. (continued)**

**Responsibilities of Management and Directors for the Financial Statements (continued)**

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.
- 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, [date]

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**  
**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2020**

	Note	2020 US\$	2019 US\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and bank deposits	6	6,331,216	23,275,465
Trade and other receivables	7	4,829,416	1,381,999
Loan receivables	8	42,673,309	43,000,000
Deposits and prepayments	9	18,834,093	23,268
Total current assets		<u>72,668,034</u>	<u>67,680,732</u>
<b>Non-current assets</b>			
Plant and equipment	10	5,489	1,599
Investment in subsidiaries	11	1,048,870	1,717,286
Investment in associate	12	1	1
Total non-current assets		<u>1,054,360</u>	<u>1,718,886</u>
<b>Total assets</b>		<u><b>73,722,394</b></u>	<u><b>69,399,618</b></u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Other payables	13	1,792,808	1,901,326
Current income tax liabilities		872,017	138,241
Total current liabilities		<u>2,664,825</u>	<u>2,039,567</u>
<b>Equity</b>			
Share capital	14	69,293,103	69,293,103
Retained earnings/(Accumulated losses)		1,764,466	(1,933,052)
Total equity		<u>71,057,569</u>	<u>67,360,051</u>
<b>Total liabilities and equity</b>		<u><b>73,722,394</b></u>	<u><b>69,399,618</b></u>

See accompanying notes to financial statements.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Financial year ended March 31, 2020**

	<u>Note</u>	<u>2020</u> <u>US\$</u>	<u>2019</u> <u>US\$</u>
Revenue	15	<b>24,625,352</b>	2,160,309
Cost of sales		<b>(18,837,110)</b>	(172,663)
Gross profit		<b>5,788,242</b>	1,987,646
Other operating income	16	<b>1,541,959</b>	71,678,178
Other losses - net	17	<b>(905,112)</b>	(57,368,977)
Selling expenses		<b>(171,959)</b>	(124,662)
Administrative expenses		<b>(1,677,408)</b>	(1,417,200)
Profit before tax		<b>4,575,722</b>	14,754,985
Income tax expense	18	<b>(878,204)</b>	(139,647)
<b>Profit for the year, representing total comprehensive income for the year</b>		<b>3,697,518</b>	14,615,338

See accompanying notes to financial statements.



**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**STATEMENT OF CHANGES IN EQUITY**  
**Financial year ended March 31, 2020**

	Share capital US\$	Retained earnings/ (Accumulated losses) US\$	Total US\$
Balance at April 1, 2018	69,293,103	12,666,610	81,959,713
Profit for the year, representing total comprehensive income for the year	-	14,615,338	14,615,338
Dividend paid to owners of the Company (Note 19)	-	(29,215,000)	(29,215,000)
Balance at March 31, 2019	<b>69,293,103</b>	<b>(1,933,052)</b>	<b>67,360,051</b>
<b>Balance at April 1, 2019</b>	69,293,103	(1,933,052)	67,360,051
Profit for the year, representing total comprehensive income for the year	-	3,697,518	3,697,518
<b>Balance at March 31, 2020</b>	<b>69,293,103</b>	<b>1,764,466</b>	<b>71,057,569</b>

See accompanying notes to financial statements.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**STATEMENT OF CASH FLOWS**  
**Financial year ended March 31, 2020**

	<b>2020</b>	2019
	<b>US\$</b>	US\$
<b>Cash flows from operating activities</b>		
Profit after tax	<b>3,697,518</b>	14,615,338
Adjustments for:		
- Income tax expense	<b>878,204</b>	139,647
- Dividend income from subsidiaries	-	(70,981,600)
- Dividend income from associate	<b>(50,013)</b>	-
- Interest income	<b>(1,491,946)</b>	(690,685)
- Impairment losses in subsidiaries	<b>668,416</b>	57,216,837
- Depreciation of plant and equipment	<b>1,439</b>	534
	<b>3,703,618</b>	300,071
Changes in working capital:		
- Trade and other receivables	<b>(3,537,798)</b>	(864,241)
- Deposits and prepayments	<b>(18,810,825)</b>	(20,683)
- Other payables	<b>(108,518)</b>	1,652,093
Cash generated from operations	<b>(18,753,523)</b>	1,067,240
Income tax paid	<b>(144,428)</b>	(138,577)
<b>Net cash (used in)/provided by operating activities</b>	<b>(18,897,951)</b>	928,663
<b>Cash flows from investing activities</b>		
Additions to plant and equipment	<b>(5,329)</b>	(2,133)
Purchase of investment in subsidiary	-	(814,100)
Purchase of investment in associate	-	(1)
Interest received	<b>1,582,327</b>	412,818
Dividend received	<b>50,013</b>	70,981,600
Short-term loans to immediate holding company	<b>(19,673,309)</b>	(43,000,000)
Repayment of short-term loan from immediate holding company	<b>20,000,000</b>	-
<b>Net cash provided by investing activities</b>	<b>1,953,702</b>	27,578,184
<b>Cash flows from financing activity</b>		
Dividend paid to owners of the Company	-	(29,215,000)
<b>Net cash used in financing activity</b>	-	(29,215,000)
<b>Net decrease in cash and cash equivalents</b>	<b>(16,944,249)</b>	(708,153)
Cash and cash equivalents at the beginning of the year (Note 6)	<b>23,275,465</b>	23,983,618
<b>Cash and cash equivalents at the end of the year (Note 6)</b>	<b>6,331,216</b>	23,275,465

See accompanying notes to financial statements.

## TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2020

#### 1 GENERAL INFORMATION

Tata Steel International (Singapore) Holdings Pte Ltd (the "Company") (Registration No. 200801936W) is incorporated and domiciled in Singapore. The address of its registered office is 22 Tanjong Kling Road, Singapore 628048.

The principal activities of the Company are those of trading in steel related products in South East Asian countries and to co-ordinate sales orders from the South East Asian countries. The principal activities of the subsidiaries are disclosed in Note 11 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 assumptions and estimates are significant to the financial statements are disclosed in Note 3.

These financial statements are the separate financial statements of Tata Steel International (Singapore) Holdings Pte. Ltd. The Company is exempted from preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Tata Steel Limited, an India-incorporated company which produces consolidated financial statements available for public use. The registered office of Tata Steel Limited where the consolidated financial statements can be obtained is as follows: Bombay House, 24-Homi Mody Street, Fort, Mumbai - 400 001.

##### ***Interpretations and amendments to published standards effective in 2020***

On April 1, 2019, the Company adopted the new or amended FRS and Interpretations to 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 except for the adoption of FRS 116 *Leases*.

##### **Adoption of FRS 116 *Leases***

###### When the Company is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Company's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.6.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

***Interpretations and amendments to published standards effective in 2020*** (continued)

On initial application of FRS 116, the Company has elected to apply the following practical expedients:

- i) For all contracts entered into before 1 April 2019 and that were previously identified as leases under FRS 17 *Lease* and INT FRS 104 *Determining whether an Arrangement contains a Leases*, the Company has not reassessed if such contracts contain leases under FRS 116; and
- ii) On a lease-by-lease basis, the Company has:
  - a) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
  - b) accounted for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases; and
  - c) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 April 2019.

An explanation of the differences between the operating lease commitments previously disclosed in the Company's financial statements as at 31 March 2019 and the lease liabilities recognised in the balance sheet as at 1 April 2019 are as follows:

	<b>US\$</b>
Operating lease commitments disclosed as at 31 March 2019	54,051
Less: Short-term leases	(11,706)
Less: Low-value leases	(42,345)
Lease liabilities recognised as at 1 April 2019	<u>-</u>

2.2 NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

2.3 FINANCIAL ASSETS

The Company classifies all its financial assets at amortised cost.

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.

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

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 FINANCIAL ASSETS (continued)

(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 cash and bank deposits, trade and other receivables and loans to immediate holding company.

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.

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 trade receivables, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For loans to immediate holding company and cash and bank deposits, 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.

2.4 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.

## TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2020

#### 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 LEASES

(a) The accounting policy for leases before 1 April 2019 are as follows:

*Operating leases – where the Company is the lessee*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) The accounting policy for leases from 1 April 2019 are as follows:

When the Company is the lessee

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

- Lease liabilities

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

## 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.6 LEASES (continued)

(b) The accounting policy for leases from 1 April 2019 are as follows: (continued)

- Lease liabilities (continued)

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term and low-value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

### 2.7 PLANT AND EQUIPMENT

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives, on the following bases:

Computers	33%
-----------	-----

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

### 2.8 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

Investments in subsidiaries and associate are stated at cost less accumulated impairment losses in the statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

## TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2020

#### 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Plant and equipment, and investment in subsidiaries and associate are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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 (or CGU) 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 amortisation or 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 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.

##### 2.11 REVENUE

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Company.

###### (a) Sale of goods

Revenue from sales of goods is recognised when the Company has delivered the parts to locations specified by its customers and the customers have accepted the parts in accordance with the sales contract. It is recognised at a point in time.

###### (b) Dividend income

Dividend income is recognised when the right to receive payment is established.



**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 REVENUE (continued)

(c) Commission income

Commission income is recognised when goods have been delivered to the customers and upon acceptance by customers. It is recognised at point in time.

(d) Service income

Service income pertains to the provision of Business Development, Sales and Marketing and Procurement Services to related companies. Revenue from the provision of the above services are recognised as the services are rendered. It is recognised over time.

2.12 EMPLOYEE COMPENSATION

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.13 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 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.

2.14 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.

All foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other losses - net".

2.15 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.

2.16 DIVIDENDS

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

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) Critical judgements in applying the Group's accounting policies**

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements apart from those involving estimates (see below).

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

**(ii) Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of investment in subsidiaries (Note 11)

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 the subsidiaries, the duration and extent to which the cost of investments in these entities exceed their recoverable values and where applicable, fair value of investments less costs to sell.

The Company has assessed the value of its investments and provided an impairment loss of US\$668,416 in one subsidiary (2019: impairment loss in two subsidiaries of US\$57,216,837), following plans by management to initiate a liquidation of these subsidiaries. The carrying amount of investment in subsidiaries at the end of the reporting period is disclosed in Note 11.

If the performance of the subsidiaries and/or market conditions were to deteriorate, which will affect the Company's investments in subsidiaries, additional impairment may be required.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

**(a) Categories of financial instruments**

The carrying amount of the different categories of financial instruments are as follows:

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Financial assets, at amortised cost	<b>53,845,579</b>	67,673,331
Financial liabilities, at amortised cost	<b>1,792,808</b>	1,901,326

**(b) Financial risk management policies and objectives**

Management monitors and manages the financial risks relating to the operations of the Company to ensure appropriate measures are implemented in a timely and effective manner. There has been no significant change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

**(i) Foreign exchange risk management**

The Company has investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Company does not hedge the currency translation exposure arising from such investments as they are deemed to be long term in nature.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

**(b) Financial risk management policies and objectives** (continued)

(i) Foreign exchange risk management (continued)

At the end of the reporting period, 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 US\$	2019 US\$	2020 US\$	2019 US\$
Great Britain Pound	<b>26,692</b>	365,625	-	-
Euro	<b>8,709,972</b>	8,928,895	-	-
Singapore Dollar	<b>336,851</b>	626,975	<b>199,693</b>	125,437
Chinese Yuan	-	-	<b>475,363</b>	480,630
Others	<b>789</b>	790	<b>1,259</b>	-

*Foreign currency sensitivity*

As at March 31, 2020, if the relevant foreign currency strengthens by 10% against the functional currency of the Company, profit or loss before tax for the year will increase/(decrease) by approximately:

	2020 US\$	2019 US\$
Great Britain Pound	<b>2,669</b>	36,563
Euro	<b>870,997</b>	892,890
Singapore Dollar	<b>13,716</b>	50,154
Chinese Yuan	<b>(47,536)</b>	(48,063)

If the relevant foreign currency weakens by 10% against the functional currency of the Company, the effect on profit or loss before tax for the year (2019: profit or loss before tax for the year) will be equal and opposite.

(ii) Interest rate risk management

Interest rate risk arises from the potential change in the interest rates that may have an adverse effect on the Company in the current reporting period or in future year. The interest rates of the short-term loans are disclosed in Note 8 to the financial statements. Interest rate risk on these loans due from immediate holding company and bank balances is insignificant.

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

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

**(b) Financial risk management policies and objectives** (continued)

(iii) Credit risk management

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

(a) *Risk management*

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are rated "A" and above by independent rating agencies.

For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history. The Company does not hold any collateral over these balances.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Company's credit controller based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the credit controller. Credit risk is mitigated as the major customers are covered by credit insurance. Credit risk is also managed by monitoring payments from customers regularly.

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

Loans to immediate holding company is provided under the overall group treasury strategy. The immediate holding company has sufficient financial assets and other committed credit lines to meet its cash flow obligations.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

**(b) Financial risk management policies and objectives** (continued)

(iii) Credit risk management (continued)

(b) *Credit rating*

The Company uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

<b>Category of internal credit rating</b>	<b>Definition of category</b>	<b>Basis for recognition of expected credit losses</b>
Performing	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses
Write-off	Interest and/or principal repayments has no reasonable expectation of recovery	Asset is written off

(c) *Impairment of financial assets*

The Company has financial assets that are subject to immaterial credit losses where the expected credit loss model has been applied.

*Trade receivables*

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and forward-looking macroeconomic data. The historical loss rates are adjusted based on expected changes in these factors.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Based on management's assessment the expected credit losses on trade receivables are immaterial.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

**(b) Financial risk management policies and objectives** (continued)

(iii) Credit risk management (continued)

(c) *Impairment of financial assets* (continued)

*Loans to immediate holding company*

The Company monitors the credit risk of the immediate holding company based on its financial position to assess if there is any significant increase in credit risk. The immediate holding company has made payments on a timely basis and considered to have low risk of default. The loan balances of US\$42,673,309 (2019: US\$ 43,000,000) is measured on 12-month expected credit losses. The credit loss is immaterial.

*Cash and bank deposits*

The Company held cash and bank deposits of US\$6,331,216 (2019: US\$23,275,465) with banks which are rated A (2019: A) based on Standard & Poor and considered to have low credit risk. The cash and bank deposits are measured on 12-months expected credit losses and subject to immaterial credit loss.

(iv) Liquidity risk management

The Company maintains sufficient cash and cash equivalents and internally generated cash flows to finance its activities. The Company finances its liquidity needs through equity and minimises liquidity risk by keeping committed credit lines with various financial institutions.

All financial liabilities in 2019 and 2020 are repayable on demand or due within 1 year from the end of the reporting period and are non-interest bearing.

**(c) Capital management policies and objectives**

The Company reviews its capital structure annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises of issued capital and retained earnings as disclosed in relevant notes to financial statements. The Company's overall strategy remains unchanged from the previous financial year.

The Company is not subject to any externally imposed capital requirements.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**

5 HOLDING COMPANY AND RELATED COMPANIES TRANSACTIONS

The Company's immediate holding company is T S Global Holdings Pte. Ltd., incorporated in Singapore. The ultimate holding company is Tata Steel Limited, incorporated in India.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related companies:

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Sales of goods to related company	-	(205,170)
Purchases of goods from related companies	<b>18,831,235</b>	-
Commission income from ultimate holding company	<b>(2,060,656)</b>	(1,047,967)
Commission income from related companies	<b>(2,840,863)</b>	(406,080)
Interest income from immediate holding company	<b>(1,436,575)</b>	(354,867)
Dividend income from subsidiaries	-	(70,981,600)
Dividend payment to immediate holding company	-	29,215,000
Payment made on behalf of subsidiary	<b>8,833</b>	6,976
Services rendered to immediate holding company	-	(1,012)
Services rendered to related companies	<b>(695,180)</b>	(505,973)
Services rendered from immediate holding company	<b>174,488</b>	132,972
Services rendered from related companies	<b>801,046</b>	706,357

***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 a related company in their capacity as directors of the related company.

6 CASH AND BANK DEPOSITS

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Cash and bank deposits	<b>6,331,216</b>	23,275,465

7 TRADE AND OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Trade receivables from:		
- Related companies	<b>2,703,174</b>	288,419
- Ultimate holding company	<b>1,935,170</b>	452,673
	<b>4,638,344</b>	741,092
Non-trade receivables from:		
- Related companies	<b>3,586</b>	6,579
- Immediate holding company	<b>187,486</b>	278,806
- Non-related parties	-	355,522
	<b>4,829,416</b>	1,381,999



TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

8 LOAN RECEIVABLES

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Immediate holding company	<b>42,673,309</b>	43,000,000

As of March 31, 2020, short-term loan receivables of US\$42,673,309 (2019: US\$43,000,000), have been extended to the immediate holding company, T S Global Holdings Pte. Ltd. These are unsecured, bear interests ranging from 0.10% to 2.30% per annum (2019: 2.80% to 3.25% per annum) and are repayable on March 31, 2021. The immediate holding company has an option to repay the loans earlier without any penalty.

9 DEPOSITS AND PREPAYMENTS

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Deposits	11,638	15,867
Prepayments	<b>18,822,455</b>	7,401
	<b>18,834,093</b>	23,268

10 PLANT AND EQUIPMENT

	Computers Total US\$
2020	
<i>Cost</i>	
Beginning of financial year	2,133
Additions	5,329
End of financial year	<u>7,462</u>
<i>Accumulated Depreciation</i>	
Beginning of financial year	534
Depreciation charge	1,439
End of financial year	<u>1,973</u>
<b>Net book value</b>	
<b>End of financial year</b>	<b><u>5,489</u></b>

	Computers Total US\$
2019	
<i>Cost</i>	
Beginning of financial year	-
Additions	2,133
End of financial year	<u>2,133</u>
<i>Accumulated Depreciation</i>	
Beginning of financial year	-
Depreciation charge	534
End of financial year	<u>534</u>
<b>Net book value</b>	
<b>End of financial year</b>	<b><u>1,599</u></b>

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

11 INVESTMENT IN SUBSIDIARIES

	<b>2020</b>	2019
	<b>US\$</b>	US\$
<i>Unquoted equity shares, at cost</i>		
At April 1	<b>70,107,203</b>	69,293,103
Acquisition	-	814,100
	<b>70,107,203</b>	70,107,203
Less: Provision for impairment	<b>(69,058,333)</b>	(68,389,917)
At March 31	<b>1,048,870</b>	1,717,286

Movement in allowance for impairment loss:

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Balance at beginning of year	<b>68,389,917</b>	11,173,080
Provision for impairment loss (Note 17)	<b>668,416</b>	57,216,837
Balance at end of year	<b>69,058,333</b>	68,389,917

Details of the Company's subsidiaries at March 31, 2020 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2020	2019	2020	2019	
		%	%	%	%	
Tata Steel International (Asia) Limited	Hong Kong	<b>100</b>	100	<b>100</b>	100	Sales and marketing of iron and steel products
Tata Steel International (Singapore) Pte Ltd <sup>(a)</sup>	Singapore	-	100	-	100	Sales and marketing of iron and steel products
Tata Steel International (Shanghai) Ltd <sup>(b)</sup>	China	<b>100</b>	100	<b>100</b>	100	Sales, purchasing and marketing services for iron and steel products

(a) Tata Steel International (Singapore) Pte. Ltd. has been struck off on 09 December 2019.

(b) On 28 December 2018, the Company purchased investment in Tata Steel International (Shanghai) Ltd. from its subsidiary, Tata Steel International (Asia) Limited at a consideration of US\$814,100.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

12 INVESTMENT IN ASSOCIATE

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Unquoted shares, at cost	<b>1</b>	1

Details of the associate are as follows:

<u>Name of associate</u>	<u>Country of incorporation and operations</u>	<u>Principal activities</u>	<u>Proportion of ownership interest and voting power held</u>	
			<u>2020</u>	<u>2019</u>
			%	%
European Profiles (M) Sdn. Bhd.	Malaysia	Manufacturing and fabrication of building envelope systems and composite floor decking	<b>20</b>	20

On 29 March 2019, the Company purchased the above investment from its subsidiary, Tata Steel International (Singapore) Pte. Ltd., at a consideration of S\$ 1.00, or equivalent US\$ 0.74.

13 OTHER PAYABLES

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Other payables to:		
- Non-related parties	<b>177</b>	1,071
- Related companies	<b>515,619</b>	522,328
- Immediate holding company	-	11,066
	<b>515,796</b>	534,465
Other accruals for operating expenses	<b>1,277,012</b>	1,366,861
	<b>1,792,808</b>	1,901,326

Other payables to related companies and immediate holding company are unsecured, interest free and repayable on demand.

14 SHARE CAPITAL

	<b>2020</b>	2019	<b>2020</b>	2019
			<b>US\$</b>	US\$
Number of ordinary shares				
Issued and paid up:				
At beginning and end of the year	<b>96,000,000</b>	96,000,000	<b>69,293,103</b>	69,293,103

As at March 31, 2020 and 2019, an outstanding amount of US\$1,324,072 remains unpaid. Accordingly, the share capital at the end of the financial year ended March 31, 2020 and March 31, 2019 represents the capital contributions from its immediate holding company which have been paid.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

14 SHARE CAPITAL (continued)

Ordinary shares, which have no par value, carry one vote per share and carry a right to dividends when declared by the Company.

15 REVENUE

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Sale of goods to non-related parties	<b>19,028,653</b>	-
Sale of goods to related company (Note 5)	-	205,170
Commission income from ultimate holding and related companies (Note 5)	<b>4,901,519</b>	1,454,047
Management income from related companies (Note 5)	<b>695,180</b>	501,092
	<b>24,625,352</b>	2,160,309

16 OTHER OPERATING INCOME

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Dividend income from subsidiaries (Note 5)	-	70,981,600
Dividend income from associate	<b>50,013</b>	-
Interest income from immediate holding company (Note 5)	<b>1,436,575</b>	354,867
Interest income from bank	<b>55,371</b>	335,818
Other income from ultimate holding company and related companies (Note 5)	-	5,893
	<b>1,541,959</b>	71,678,178

17 OTHER LOSSES - NET

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Net foreign exchange losses	<b>(236,696)</b>	(152,140)
Impairment loss in subsidiaries (Note 11)	<b>(668,416)</b>	(57,216,837)
	<b>(905,112)</b>	(57,368,977)

18 INCOME TAXES

(a) Income tax expense

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Tax expense attributable to profit is made up of:		
- Current income tax	<b>872,017</b>	138,241
Under-provision in prior financial year	<b>6,187</b>	1,406
	<b>878,204</b>	139,647

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

18 INCOME TAXES (continued)

(a) Income tax expense (continued)

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

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Profit before tax	<b>4,575,722</b>	14,754,985
Tax calculated at tax rate of 17% (2019: 17%)	<b>777,873</b>	2,508,347
- income not subject to tax	<b>(8,502)</b>	(12,066,872)
- statutory stepped income exemption	<b>(12,680)</b>	(28,690)
- expenses not deductible for tax purposes	<b>115,326</b>	9,726,862
- under-provision of tax in prior financial year	<b>6,187</b>	-
Tax charge	<b>878,204</b>	139,647

(b) Movement in current income tax liabilities

	<u>2020</u>	<u>2019</u>
	US\$	US\$
Beginning of financial year	<b>138,241</b>	137,171
Income tax paid	<b>(144,428)</b>	(138,577)
Tax expense	<b>872,017</b>	138,241
Under-provision in prior financial year	<b>6,187</b>	1,406
End of financial year	<b>872,017</b>	138,241

19 DIVIDENDS

	<u>2020</u>	<u>2019</u>
	US\$	US\$
<i>Ordinary dividends</i>		
Interim dividend paid in respect of the previous financial year of \$Nil (2019: 30.43 cents) per share	-	29,215,000

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

**20 PROFIT FOR THE YEAR**

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

Profit for the year has been arrived at after charging:

	<b>2020</b>	2019
	<b>US\$</b>	US\$
Staff cost	<b>502,855</b>	386,784
Cost of defined contribution plans	<b>23,667</b>	23,414
Central regional marketing development costs	<b>326,855</b>	193,048
Management fees	<b>606,345</b>	603,556
Professional fees	<b>54,994</b>	62,463
Rental expenses	<b>53,429</b>	52,713
Travelling and entertainment expenses	<b>88,133</b>	65,091
Payment made on behalf of subsidiary	<b>8,833</b>	6,976
Sales and marketing expense	<b>93,396</b>	64,824
IT and telecommunication expense	<b>52,773</b>	45,945
Depreciation of plant and equipment	<b>1,439</b>	534
Others	<b>36,648</b>	36,514
Cost of inventories recognised as expense	<b>18,837,110</b>	172,663

**21 OPERATING LEASE COMMITMENTS**

*Operating leases – where the Company is the lessee*

Operating lease payments represents rental payable by the Company for its office premise and staff accommodation under non-cancellable operating lease agreements. The leases are contracted for a period of 1 to 2 years and rentals are fixed for the duration of the leases.

As at 31 March 2019, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>2019</u>
	US\$
Within one year	36,608
In the second year	<u>17,443</u>
	<u>54,051</u>

As disclosed in Note 2.1, the Company has adopted FRS 116 on 1 April 2019. No lease payments have been recognised as ROU assets and lease liabilities on the balance sheet as at 31 March 2020, as they pertain entirely to short-term and low value leases.

**TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2020**

**22 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

Subsequent to the outbreak of the Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, a series of measures to curb the COVID-19 outbreak have been and continues to be implemented in countries where the Company operates. The Company has assessed the impact of COVID-19 on the impairment of its financial assets and determined there to be immaterial credit losses. As at the date of these financial statements, the Company is not aware of any material impact on the financial statements arising from the COVID-19 outbreak.

The Company is closely monitoring the development of the COVID-19 outbreak and its related impact on the Company’s businesses subsequent to the financial year end.

**23 SUBSEQUENT EVENTS**

The Company extended an additional loan of US\$11,000,000 on 3 April 2020 bearing an interest rate of 1.7% per annum to its immediate holding company. This loan is repayable by 1 April 2021. The immediate holding company has the option to repay the loan earlier without any penalty.

**24 AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Tata Steel International (Singapore) Holdings Pte Ltd on \_\_\_\_\_.