ABJA INVESTMENT CO. PTE. LTD.

(Incorporated in Singapore. Registration Number: 201309883M)

ANNUAL REPORT

For the financial year ended 31 March 2021

ABJA INVESTMENT CO. PTE. LTD.
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 March 2021

Content

The directors present their statement to the members together with the audited financial statements for the financial year ended 31 March 2021.

In the opinion of the directors,

(a) the financial statements as set out on pages 8 to 41 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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:

Ms Samita Jigar Shah
Mr Hriday Nair
Mr Raghav Sud
Mr Wee Choo Peng

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:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	At 31.03.2021	At 1.4.2020 or date of appointment, if later	At 31.03.2021	At 1.4.2020 or date of appointment, if later
Ultimate holding corporation				
Tata Steel Limited				
(Ordinary shares of Rupees 10 each)				
Raghav Sud	17	17	-	-
Hriday Nair	59	59	-	-
Hriday Nair (partly paid shares)	4	4	-	-
Tata Steel Limited				
(11.5% Debentures of Rupees 1,000,000 each)				
Samita Jigar Shah	3	3	-	-

Share options

No options have been 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

Samita Jigar Shah

Raghav Sud

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABJA INVESTMENT CO. PTE. LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of ABJA Investment Co. Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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 of the Company for the financial year ended 31 March 2021;
- the balance sheet as at 31 March 2021;
- the statement of changes in equity of the Company for the financial year then ended;
- the statement of cash flows of the Company 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABJA INVESTMENT CO. PTE. LTD. (continued)

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of recoverability of intercompany receivables	
The Company has intercompany receivables consisting of notes and loans due from related companies and interest receivables from related companies, which account for approximately 98% of the Company's total assets. Management has carried out assessment of recoverability of these intercompany receivables and concluded that none of the receivables needs any allowances. Such assessment for impairment requires significant judgment and estimates which significantly impacts the carrying amount of the intercompany receivables. The Company's disclosures on intercompany receivables are set out in Notes 10 and 12 to the financial statements.	We performed following procedures: Obtained an understanding around management's process over the monitoring of receivables and the assessment of allowance for receivables. Discussed with management and evaluated the appropriateness of the assessment made by the management to determine whether any allowance for impairment to be made, by considering factors such as, the financial position and results of the respective entities, subsequent cash receipts, payment history and settlement arrangements. Assessed the adequacy and appropriateness of the disclosures made in the financial statements. Based on the above procedures, the management's assessment of recoverability of intercompany receivable were considered to be reasonable.

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 SFRS(I)s, 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.

- 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.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditor's report is Tan Boon Chok.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,

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ABJA INVESTMENT CO. PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2021

	Note	**2021** **US $'000**	2020 US $'000
Other income	4	**125,746**	176,921
Other gains, net	5	**2,356**	5,390
Other expenses	6	**(186)**	(424)
Finance expenses	7	**(140,801)**	(162,420)
Profit/(loss) before income tax		**(12,885)**	19,467
Income tax expense/(credit)	8	**2,059**	(2,464)
Profit/(loss) after income tax and total comprehensive income for the year		**(10,826)**	17,003

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

ABJA INVESTMENT CO. PTE. LTD.

BALANCE SHEET
As at 31 March 2021

	Note	**31 March 2021**	31 March 2020
		US $'000	US $'000
ASSETS			
Current assets			
Cash at bank and on hand	9	**1,527**	3,749
Other receivables	10	**27,947**	28,573
Derivatives financial instruments	11	**245**	309
Loans to related corporations	12	**21,154**	18,983
		50,873	51,614
Non-current assets			
Loan to related corporations	12	**2,455,989**	2,464,654
Derivatives financial instruments	11	**16,433**	15,502
Deferred tax assets	15	**3,304**	-
		2,475,726	2,480,156
Total assets		**2,526,599**	2,531,770
LIABILITIES			
Current liabilities			
Other payables	13	**29,114**	29,104
Current income tax liabilities	8(b)	**3,005**	3,870
		32,119	32,974
Non-current liabilities			
Borrowings	14	**2,512,676**	2,501,249
Deferred income taxes	15	**-**	86
Other payables	13	**-**	4,618
Derivatives financial instruments	11	**28**	241
		2,512,704	2,506,194
Total liabilities		**2,544,823**	2,539,168
NET LIABILITIES		**(18,224)**	(7,398)
EQUITY			
Share capital	16	**200**	200
Foreign currency translation reserve		**(10)**	(10)
Retained earnings		**(18,414)**	(7,588)
Capital deficit		**(18,224)**	(7,398)

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

ABJA INVESTMENT CO. PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2021

	Note	Share capital US $'000	Foreign currency translation reserve US $'000	Retained Profits US $'000	Total equity US $'000
2021					
Balance as at 1 April 2020		**200**	**(10)**	**(7,588)**	**(7,398)**
Total comprehensive income for the year		-	-	(10,826)	(10,826)
Balance as at 31 March 2021		**200**	**(10)**	**(18,414)**	**(18,224)**
2020					
Balance as at 1 April 2019		**200**	**(10)**	**(24,591)**	**(24,401)**
Total comprehensive income for the year		-	-	17,003	17,003
Balance as at 31 March 2020		**200**	**(10)**	**(7,588)**	**(7,398)**

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

ABJA INVESTMENT CO. PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2021

	Note	**2021 US $'000**	2020 US $'000
Cash flows from operating activities			
Profit before tax		**(12,885)**	19,467
Adjustments for:			
- Interest income		**(125,746)**	(176,921)
- Interest expense		**140,801**	162,420
- Guarantee Commission		**-**	247
- Unrealised currency translation (gains)/losses		**(2,045)**	(5,017)
		125	196
Changes in working capital:			
- Trade and other payables		**(220)**	(17)
- Derivative financial instruments		**-**	-
Cash generated from/(used in) operations		**(95)**	179
Income tax paid		**(2,248)**	(3,013)
Net cash used in operating activities		**(2,343)**	(2,834)
Cash flows from investing activities			
Advances of loans to a related corporation		**(9,200)**	(186,849)
Repayment of loan by a related corporation		**7,446**	664,194
Interest received		**148,290**	189,622
Net cash provided by investing activities		**146,536**	666,967
Cash flows from financing activities			
Repayments of borrowings		**(3,800)**	(518,000)
Interest paid		**(142,697)**	(162,512)
Guarantee commission paid		**-**	(7,085)
Net cash used in financing activities		**(146,497)**	(687,597)
Net (decrease)/increase in cash and cash equivalents		**(2,304)**	(23,464)
Cash and cash equivalents			
Beginning of financial year	9	**3,749**	27,142
Effects of currency translation on cash and cash equivalents		**82**	71
Cash and cash equivalents at end of financial year	9	**1,527**	3,749

Reconciliation of liabilities arising from financing activities:

				Non-cash changes US $'000			
	1 April US $'000	Proceeds from borrowings US $'000	Principal and interest payments US $'000	Interest expense	Foreign exchange movement	Amortized issue expenses	31 March US $'000
Borrowings (including accrued interest payable)							
2021	2,532,694	-	(146,497)	138,250	12,732	2,551	2,539,730
2020	3,059,792	-	(680,512)	159,094	(9,006)	3,326	2,532,694

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 statement of comprehensive income, balance sheet, statement of changes in equity and statement of cash flows.

1. General information

The Company (Registration No. 201309883M) 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 ("US$").

The principal activity of the Company consists of provision of treasury services.

As at 31 March 2021, the Company has a capital deficiency of US$ 18,224,000 (2020: US$ 7,398,000), current assets in excess of current liabilities of US$ 18,754,000 (2020: current assets in excess of current liabilities of US$ 18,640,000) and current year total comprehensive income of US$ (10,826,000) (2020: US$ 17,003,000).

The financial statements are prepared on a going concern basis as Management had considered and assessed that (i) the total notes of US$ 2,512,676,000 (2020: US$ 2,497,449,000) (Note 14) issued by the Company, out of which US$ 1,000,000,000 and S$ 300,000,000 including any current and future related interest payables, are guaranteed by the ultimate holding company; (ii) the cash flows from interest income expected to be received from loans to related companies will be sufficient to cover the interest expenses that the Company expects to incur as the interest rate charges are higher than the interest rate payable on the debt. Management has assessed that there are no material uncertainties on the Company's ability to continue as going concern and the cash flows from interest income expected to be received from loans to related companies will be sufficient to cover the interest expenses that the Company expects to incur as the interest rate charges are higher than the interest rate payable on the debt which will sufficiently cover the Company's existing net capital deficiency in the future.

2. Significant accounting policies

2.1 Basis of preparation

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

The preparation of these financial statements in conformity with SFRS(I) 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.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

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 any changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue

Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognized using the effective interest method.

2.3 Borrowing costs

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

2.4 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 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)

2.4 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.

2.5 Financial assets

The accounting for financial assets are as follows:

(a) Classification and measurement

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

- Amortised cost

The classification 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.

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.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash at bank and on hand, other receivables and loans to related corporations.

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 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.

(b) Impairment

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

For cash at bank and on hand, other receivables and loans to related corporations, 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.

(c) Recognition and derecognition

Regular way purchases and sales of these financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss.

2. Significant accounting policies (continued)

2.6 Derivative financial instruments

The Company enters into certain financial instruments to manage its exposure to foreign exchange risk and interest rate, including forward foreign exchange contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 11.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities. The Company does not apply hedge accounting for its derivative financial instruments.

2.7 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.

2.8 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. Significant accounting policies (continued)

2.9 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.

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

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

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

2.11 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 interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

2. Significant accounting policies (continued)

2.12 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. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.13 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 the functional currency (“foreign currency”) are translated into functional currency 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 in the income statement within "Other gains / (losses) - net".

2.14 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.

(a) *Uncertain tax positions*

The Company has no open tax assessments with tax authority at the balance sheet date. As management believes that the tax positions are sustainable, the Company has not recognised any additional tax liability.

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

(b) *Functional currency*

SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* requires the Company to determine its functional currency to prepare the financial statements. When determining its functional currency, the Company considers the primary economic environment in which it operates i.e. the one in which it primarily generates and expends cash. The Company also considers the funds generated from financing activities.

During the year ended 31 March 2021, management had reassessed and determined that the functional currency of the Company continues to be United States dollars on the basis that its majority funding and its significant transactions are denominated in United States dollars.

(c) *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.

Loan receivables and interest receivables from related companies. The Company has interest receivables and loan receivables due from related companies of US$ 27,545,000 (2020: US$ 28,170,000) (Note 10) and US$ 2,477,143,000 (2020: US$ 2,483,637,000) (Note 12) respectively.

The policy for credit risk allowances for intercompany receivables of the Company is based on the evaluation of collectability and management's judgement. Judgement is required in assessing the ultimate realisation of these receivables from these related companies. If the financial conditions of related companies were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Based on management's evaluation, no impairment is assessed to be necessary for loan receivables and interest receivables from these related companies. The carrying amount of interest receivables and loan receivables are disclosed in Notes 10 and 12 respectively.

(d) *Estimation of uncertainties relating to COVID-19*

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in Singapore and across the world have taken significant measures to curtail the wide spread of virus, including country wide lockdown and restriction in economic activities.

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

(d) *Estimation of uncertainties relating to COVID-19 (continued)*

In view of the impact of COVID-19, the company has assessed the carrying amounts of financial assets. In assessing the recoverable value of such assets, the company has considered various internal and external information such as long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions across various geographies.

The principal activity of the Company consists of provision of treasury services. As per the Company's current assessment of recoverability of these assets, no significant impact on carrying amounts of these assets is expected.

The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements.

4. Other income

	2021 **US$'000**	2020 US$'000
Interest income on loans to related corporations (Note 12 and 19)	**124,825**	175,845
Interest income from financial institutions	**2**	16
Interest income on derivative financial instruments	**919**	1,060
	125,746	176,921

5. Other gains, net

	2021 **US$'000**	2020 US$'000
Net fair value gains on currency forwards (Note 11)	**1,540**	1,533
Net fair value (losses)/gains on Interest rate swaps (Note 11)	**(460)**	(620)
Net currency exchange gains/(losses)	**1,276**	4,477
	2,356	5,390

6. Other expenses

	2021 US$'000	2020 US$'000
Guarantee commission (Note 18)	**-**	247
Other expenses	**186**	177
	186	424

7. Finance expenses

	2021 US$'000	2020 US$'000
Interest expense		
- Loan payable due to related corporation (Note 14 and 19)	**49**	849
- Guaranteed Notes (Note 14)	**70,351**	90,388
- Notes (Note 14)	**67,850**	67,850
- Others	**-**	7
Amortisation of borrowing costs	**2,551**	3,326
	140,801	162,420

8. Income taxes

(a) Income tax expense

	2021 US$'000	2020 US$'000
Tax expense attributable to profit is made up of:		
- Current income tax	**1,505**	**3,870**
- Deferred income tax (Note 15)	**(3,390)**	**(1,109)**
	(1,885)	**2,761**
Under/(over) provision in prior financial years		
- Current income tax	**(174)**	**(297)**
	(2,059)	**2,464**

8. **Income taxes** (continued)

(a) Income tax expense (continued)

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

	2021 **US$'000**	2020 US$'000
Profit before tax	**(12,885)**	19,467
Tax calculated at tax rate of 17% (2019: 17%)	**(2,190)**	3,309
Effects of:		
- statutory stepped income exemption	**(13)**	(13)
- non-taxable income, net	**3,699**	(525)
- over provision of tax	**(3,564)**	(297)
- others	**9**	(10)
Tax charge	**(2,059)**	2,464

(b) Movements in current income tax liabilities

	2021 **US$'000**	2020 US$'000
Beginning of financial year	**3,870**	3,302
Income tax paid	**(2,248)**	(3,013)
Tax expense	**1,505**	3,870
Foreign exchange (gain)/loss	**52**	8
Overprovision in prior years	**(174)**	(297)
End of financial year	**3,005**	3,870

9. Cash at bank and on hand

	2021 US$'000	2020 US$'000
Cash and cash equivalents	**1,527**	3,749

10. Other receivables

	2021 US$'000	2020 US$'000
Accrued interest income on loan receivables due from related corporations	**27,545**	28,170
Interest receivables on derivative financial instruments	**402**	403
	27,947	36,426

11. Derivative financial instruments

	2021 US$'000	2020 US$'000
Current Assets:		
Forward foreign exchange contracts – unrealised fair value gains	**245**	309
Non -Current Assets:		
Forward foreign exchange contracts – unrealised fair value gains	**15,206**	13,815
Interest rate swaps – unrealised fair value gains	**1,227**	1,687
	16,433	15,502
Non -Current liabilities:		
Forward foreign exchange contracts – unrealised fair value gains	**28**	241

Forward foreign exchange contracts

The Company uses currency derivatives in the management of its foreign exchange exposures.

At the end of the reporting period, the total notional amount of outstanding forward foreign exchange contracts to which the Company is committed are as follows:

	2021 US$'000	2020 US$'000
Forward foreign exchange contracts	**181,787**	173,295

11. Derivative financial instruments (continued)

Changes in the fair value of derivative financial instruments

	2021 **US$'000**	2020 US$'000
Opening fair value of derivative financial Instruments	**13,883**	12,350
Net fair value gains of derivative financial instruments recognised in profit or loss (Note 5) during the year	**1,540**	1,533
Closing fair value of derivative financial instruments representing unrealised net fair value gains	**15,423**	13,883

The following table details information on the forward foreign currency contracts outstanding as at 31 March 2021:

Outstanding contracts	**Average exchange rate**	**Foreign currency** FC$'000	**Contract value** US$'000	**Fair value gains (losses)** US$'000
Sell Euro with maturity date less than 1 year	1.70	1,650	1,937	245
Sell Euro with maturity date on 2 May 2023	1.76	75,000	88,065	8,929
Sell Euro with maturity date on 2 May 2023	1.73	75,000	88,065	6,277
Buy SGD with maturity on 2 May 2023	1.34	5,000	3,720	(28)
Total			181,787	15,423

11. Derivative financial instruments (continued)

The following table details information on the forward foreign currency contracts outstanding as at 31 March 2020:

Outstanding contracts	Average exchange rate	Foreign currency	Contract value	Fair value gains (losses)
		FC$'000	US$'000	US$'000
Sell Euro with maturity date less than 1 year	1.70	3,300	3,616	309
Sell Euro with maturity date before 2023	1.78	1,650	1,808	228
Sell Euro with maturity date on 2 May 2023	1.76	75,000	82,181	8,275
Sell Euro with maturity date on 2 May 2023	1.73	75,000	82,181	5,312
Buy SGD with maturity on 2 May 2023	1.34	5,000	3,509	(241)
Total			173,295	13,883

Interest rate swaps

The Company uses interest rate swaps to manage its exposure to interest rate movements. Contracts with nominal values of S$150,000,000 (2020: S$150,000,000) have been entered where it will pay fixed interest payments at an average rate of 4.789% (2020: 4.789%) on the Euro notional principal equivalent of S$150,000,000 (2020: S$150,000,000) and receive fixed interest receipt at 4.950% (2020: 4.950%) on the Singapore dollar notional principal of S$150,000,000 (2020: S$150,000,000). These contracts are for the period until 2 May 2023, (2020: 2 May 2023).

Changes in the fair value of derivative financial instruments

	2021	2020
	US$'000	US$'000
Opening fair value of derivative financial Instruments	**1,687**	2,307
Net fair value gains (losses)/gains of derivative financial instruments recognised in profit or loss (Note 5) during the year	**(460)**	(620)
Closing fair value of derivative financial instruments representing unrealised net fair value gains	**1,227**	1,687

11. Derivative financial instruments (continued)

The following table details information on the interest rate swap contracts outstanding as at 31 March 2021:

Outstanding floating for fixed contracts	Notional principal amount S$'000	Fair value gain US$'000
With maturity date on 2 May 2023	150,000	1,227

The following table details information on the interest rate swap contracts outstanding as at 31 March 2020:

Outstanding floating for fixed contracts	Notional principal amount S$'000	Fair value gain US$'000
With maturity date on 2 May 2023	150,000	1,687

The interest rate swaps are settled net on a semi-annually basis.

12. Loans to related corporations

	2021	2020
	US$,000	US$'000
Current assets		
Loan to a related corporation (1)	**21,154**	18,983
Non-current assets		
Loans to related corporations (2)	**2,455,989**	2,464,654
	2,455,989	2,464,654
Total loans to related corporations	**2,477,143**	2,483,637

(1) Current loans to a related corporation

As at 31 March 2021, short-term loan of US$ 5,554,000, Euro 4,500,000, S$ 1,500,000, US$ 6,000,000 and US$ 3,200,000 to related corporation, T S Global Holdings Pte. Ltd. ("TSGH"), is unsecured, bears interest rate of 1.15%, 0.1%,1.15%,2.45% and 2.34% per annum and repayable by 15 April 2021, 27 November 2021,27 November 2021, 05 August 2021 and 27 November 2021 respectively.

12. Loans to related corporations (continued)

(2) Non-current loans to a related corporation

As at 31 March 2021, long-term loans of US$ Nil (2020: US$ 988,000,000) to related corporation, T S Global Procurement Company Pte. Ltd and long-term loans of US$ 2,455,989,000 (2020: US$ 1,474,291,000) to related corporation, T S Global Holdings Pte. Ltd. (“TSGH”) consist of:

T S Global Procurement Pte. Ltd

- A long-term loan of US$ Nil (2020: US$ 988,000,000) which bear interest rate at 6.03% (2020: 6.92%) per annum and was repayable on 30 July 2024. However during the year, this loan was novated to T S Global Holdings Pte Ltd.

T S Global Holdings Pte. Ltd

- As at 31 March 2021, a long-term loan of S$ 26,457,000 (equivalent to US$ 19,683,000) [2020: S$ 26,457,000 (equivalent to US$18,565,000] to related corporation, T S Global Holdings Pte. Ltd. (“TSGH”), is unsecured, bears interest rate of 5.03% (2020: 5.10%) per annum and repayable by 30 April 2023. This loan is measured at amortised cost of US$ 19,654,000 based on effective interest rate at 5.08% per annum.

- As at 31 March 2021, long-term loan of US$ 990,000,000 (2020: US$ 990,000,000) and US$ 297,860,000 (2020: US$ 297,860,000) to related corporation, T S Global Holdings Pte. Ltd. (“TSGH”), is unsecured, bears interest rate of 5.53% and 4.53% per annum and repayable by 24 January 2028 and 24 July 2023 respectively. These loans are measured at amortised cost of US$ 988,472,000 and US$ 297,462,000 respectively based on effective interest rate at 5.63% and 4.65% per annum respectively.

- As at 31 March 2021, long-term loan of Euro 153,197,000 (equivalent to US$ 179,884,000) [2020: Euro 153,197,000 (equivalent to US$ 167,866,000)] to related corporation, T S Global Holdings Pte. Ltd. (“TSGH”), is unsecured, bears interest rate of 5.03% (2020:8.25%) per annum and repayable by 2 May 2023. This loan is measured at amortised cost of US$ 177,110,000 based on effective interest rate at 5.90% per annum.

(3) Non-current loans to a related corporation

Management is of opinion that fair value of these loan receivables approximates the carrying values as these are either charged at floating rates or at approximate rates which the management expects would be available to the related companies based on transfer pricing studies by qualified tax specialist.

13. Other payables

	2021	2020
Current	**US$'000**	US$'000
Accrued interest expenses on Notes (Note14)	**27,054**	26,827
Other payables		
-Related parties	**12**	-
-Third parties	**2,043**	2,031
-Ultimate holding corporation	**5**	246
	29,114	29,104
Non-Current		
Accrued interest expense payable to a related corporation (Note 14)	**-**	4,618
Total other payables	**29,114**	33,722

14. Borrowings

	2021	2020
	US $'000	US $'000
Non-current		
Loans from a related corporation (4)	**-**	3,800
Guaranteed notes at amortised cost		
- 2023 Notes (1)	**222,657**	209,726
- 2024 Notes (2)	**996,590**	995,567
Notes at amortised cost		
- 2023 Notes (3)	**298,989**	298,540
- 2028 Notes (3)	**994,440**	993,616
	2,512,676	2,501,249
Total borrowings	**2,512,676**	2,501,249

1. Guaranteed notes (the "Guaranteed 2023 Notes") with principal amount of S$300,000,000 which bear interest rate at 4.95% per annum were issued on 3 May 2013 with maturity on 3 May 2023. These 2023 Notes are listed on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). These 2023 Notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding company, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of these 2023 Notes which shall be S$375,000,000

14. Borrowings (continued)

(the "Guaranteed Amount"). These Guaranteed 2023 Notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

These Guaranteed 2023 Notes bear interest at a rate of 4.95% per annum. Interest is paid on the Guaranteed 2023 Notes semi-annually in arrears on May 3 and November 3 of each year, beginning on 4 November 2013. Unless previously repurchased, cancelled or redeemed, these 2023 Notes will mature on 3 May 2023. Issue related costs amounted to approximately S$3,210,000 (equivalent to US$2,551,000).

As at 31 March 2021, these Guaranteed 2023 Notes are measured at an amortised cost of S$299,286,000 (equivalent to US$222,657,000) [2020: S$298,879,000 (equivalent to US$209,726,000)].

2. Guaranteed notes with principal amount of US$ 1,000,000,000 which bear interest rate at 5.95% per annum (the "2024 Notes") was issued on 31 July 2014 with maturity on 31 July 2024.

   The above guaranteed notes are listed on the Freiverkehr (Open Market) of the Frankfurte Wertpapierborse ("Frankfurt Stock Exchange").

   The guaranteed notes are unsecured senior obligations of the Company and are irrevocably guaranteed on an unsecured basis (the "Guarantee") by the Company's ultimate holding corporation, Tata Steel Limited (the "Guarantor"), provided that, at all times, the Guarantee shall be in respect of an amount not exceeding 125% of the outstanding principal amount of the guaranteed notes which shall be US$ 1,250,000,000 (the "Guaranteed Amount"). These guaranteed notes are unsecured obligations of the Company, will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of the Guarantor's subsidiaries.

   These 2024 Notes bear interest at a rate of 5.95% per annum. Interest is paid on semi-annually in arrears on January 31 and July 31 of each year, beginning on 31 January 2015. Unless previously repurchased, cancelled or redeemed, these 2024 Notes will mature on 31 July 2024 respectively. Issue related costs of 2024 Notes amounted to approximately US$10,231,000.

   As at 31 March 2021, these 2024 Notes are measured at an amortised cost of US$ 996,590,000 (2020: US$ 995,567,000) respectively.

14. Borrowings (continued)

3. Notes with principal amount of US$ 300,000,000 which bear interest rate at 4.45% per annum (the "2023 Notes") and US$ 1,000,000,000 which bear interest rate at 5.45% per annum (the "2028 Notes") were issued on 24 January 2018 with maturity on 24 July 2023 and 24 January 2028 respectively. These guaranteed notes are listed on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

   Each of the US$ 300,000,000 4.45% Notes due 2023 (the "2023 Notes") and the US$ 1,000,000,000 5.45% Notes due 2028 (the "2028 Notes") will be the unsecured senior obligations of ABJA Investment Co. Pte. Ltd. (the "Issuer"), and will rank pari passu with all of its other existing and future unsubordinated obligations and will be effectively subordinated to its secured obligations and the obligations of its subsidiaries. Tata Steel Limited has provided a non-binding letter of comfort to the Trustee on behalf of the note holders in connection with the issuance of the Notes.

   The 2023 Notes will bear interest at a rate of 4.45% per year. Interest will be paid on the 2023 Notes semi-annually in arrears on January 24 and July 24 of each year, beginning on 24 July 2018. Unless previously repurchased, cancelled, exchanged or redeemed, the 2023 Notes will mature on 24 July 2023. The 2028 Notes will bear interest at a rate of 5.45% per year. Interest will be paid on the 2028 Notes semi-annually in arrears on January 24 and July 24 of each year, beginning on 24 July 2018. Unless previously repurchased, cancelled, exchanged or redeemed, the 2028 Notes will mature on 24 January 2028. Issue related costs amounted to approximately US$ 10,708,000.

   As at 31 March 2021, these 2023 Notes and 2028 Notes are measured at an amortised cost of US$ 298,989,000 (2020: US$ 298,540,000) and US$ 994,440,000 (2020: US$ 993,616,000) respectively.

4. As at 31 March 2021, a long-term loan of US$ Nil (2020: US$ 3,800,000) payable to a related corporation, T S Global Holdings Pte. Ltd has been repaid along with accrued interest.

   As at 31 March 2021, the fair values of the Guaranteed 2023 Notes, 2024 Notes, 2023 Notes and 2028 Notes approximates S$ 308,295,000 (equivalent to US$ 229,359,000), US$ 1,082,800,000, US$ 308,475,000 and US$ 1,033,310,000 respectively. The fair values are classified under Level 1 of the fair value hierarchy (Note 2).

   As at 31 March 2020, the fair values of the Guaranteed 2023 Notes, 2024 Notes, 2023 Notes and 2028 Notes approximates S$ 247,362,000 (equivalent to US$ 173,576,000), US$ 828,300,000, US$ 246,780,000 and US$ 722,700,000 respectively. The fair values are classified under Level 1 of the fair value hierarchy (Note 2).

15. Deferred income taxes

	2021 **$'000**	2020 $'000
Beginning of financial year	**86**	1,195
Tax (credited)/charged to:		
- Profit or loss (Note 8(a))	**(3,390)**	(1,109)
End of financial year	**(3,304)**	86

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follows:

Deferred income tax liabilities/ (assets)

	Others $'000
2021	
Beginning of financial year	**86**
(Credited)/charged to:	
- Profit or loss	**(3,390)**
End of financial year	**(3,304)**
2020	
Beginning of financial year	1,195
(Credited)/charged to:	
- Profit or loss	(1,109)
End of financial year	86

16. Share capital

	31 March		31 March	
	2021	2020	**2021**	2020
	Number of ordinary shares		**US$'000**	US$'000
Issued and paid up:				
At beginning and end of year	**200,000**	200,000	**200**	200

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

17. Financial risk management

Financial risk factors

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

Currency risk arises when transactions are denominated in foreign currencies other than functional currency. Certain of the Company's financial assets and financial liabilities are denominated in currencies other than its functional currency and hence the Company is therefore exposed to foreign exchange risk. The Company uses forward foreign exchanges contracts to manage its exposure to foreign currency risk in the local reporting currency. Further details on these derivative financial instruments are disclosed in Note 11.

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:

	Liabilities		Assets	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Euro	**-**	-	**187,178**	176,108
Singapore dollar	**227,210**	214,266	**23,729**	22,475

17. Financial risk management (continued)

(i) Currency risk (continued)

	Hedged exposure		Unhedged exposure	
	2021	2020	**2021**	2020
	US$'000	US$'000	**US$'000**	US$'000
Euro	**176,130**	164,363	**11,048**	11,745
Singapore dollar	**194,767**	183,706	**8,713**	8,084

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

	Profit or loss	
	2021	2020
	US$'000	US$'000
Euro	**(1,105)**	(1,174)
Singapore dollar	**871**	808

(ii) Interest rate risk

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan payables which have floating rates. The interest rate and terms of repayments for the notes payables are as disclosed in Note 14.

(a) Interest rate sensitivity

The sensitivity analyses below have been determined based on year-end balance which is subject to floating interest rates at the end of the reporting period.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's Profit for the year ended 31 March 2021 would increase/ decrease by US$ Nil (2020: profit for the year would increase/decrease by US$ 218,000).

17. Financial risk management (continued)

(b) Credit risk

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

The Company's credit risk is primarily attributable to its cash and cash equivalents, loans to related corporations and interest receivables due from related corporations.

Cash balances are held with creditworthy financial institutions. At 31 March 2021, the Company has a concentration of credit risk from loan receivables and interest receivables due from 1 (2020: 2) related companies which account for: 99.9%, (2020: 99.9%), amounting to approximately US$ 2,504,688,000 (2020: US$ 2,511,807,000) of total receivables. Management has evaluated the credit quality of these receivables and who the counterparties are and has assessed that the credit risk for these amounts to be manageable.

(c) Liquidity risk

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due. The Company's strategy to manage liquidity risk is to ensure that the Company has sufficient funds to meet its potential liabilities as they fall due. As at 31 March 2021, the Company has a capital deficiency of US$ 18,224,000 (2020: US$ 7,398,000), current assets in excess of current liabilities of US$ 18,754,000 (2020: current assets in excess of current liabilities of US$ 18,640,000), and management has assessed as disclosed in Note 1 that the Company will have sufficient funds to operate as a going concern. In addition, management is of the opinion that, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

<u>Financial liabilities</u>

The Company's operations are largely financed by notes issued in public (Note 14). The Company's financial liabilities are due within one year, except for derivative financial instruments (Note 11), principal and interest-bearing loan from a related corporation (Note 14) repayable on January 2022 and interest-bearing notes (Note 14) which are repayable between may 2023 to january 2028.

<u>Non-derivative financial liabilities</u>

The following table detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal

17. Financial risk management (continued)

(c) Liquidity risk (continued)

cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

	Average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	US$'000	US$'000	US$'000	US$'000	US$'000
2021						
Non-interest bearing	-	29,114	-	-	-	29,114
Variable interest rate Instrument	-	-	-	-	-	-
Fixed interest rate Instrument	4.45 - 5.95	138,398	1,912,796	1,104,307	(642,825)	2,512,676
		167,512	1,912,796	1,104,307	(642,825)	2,541,790
2020						
Non-interest bearing	-	29,104	4,618	-	-	33,722
Variable interest rate Instrument	4.74	-	8,851	-	(5,051)	3,800
Fixed interest rate Instrument	4.45 - 5.95	138,041	1,996,864	1,190,750	(828,206)	2,497,449
		167,145	2,010,333	1,190,750	(833,257)	2,534,971

Financial assets

The Company's financial assets comprise cash at bank and on hand, other receivables and loans to related corporations as disclosed in Notes 9, 10 and 12 respectively.

17. Financial risk management (continued)

(c) Liquidity risk (continued)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statement of financial position.

	Average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	US$'000	US$'000	US$'000	US$'000	US$'000
2021						
Non-interest bearing		29,474	-	-	-	29,474
Fixed interest rate Instrument	0.1 – 6.03	158,985	1,876,893	1,094,837	(653,572)	2,477,143
		188,459	1,876,893	1,094,837	(653,572)	2,506,617
2020						
Non-interest bearing		28,577	-	-	-	28,577
Fixed interest rate Instrument	4.65 – 8.25	157,030	2,044,613	1,216,381	(930,643)	2,487,381
		185,607	2,044,613	1,216,381	(930,643)	2,515,958

Derivative financial instruments

As at the end of the reporting period, the Company's derivative financial instruments comprise of foreign exchange forward contracts with contracted net cash inflow amounting to US$ 15,423,000, (2020: net cash inflow amounted to US$ 13,883,000) (Note 11) and interest rate swaps with contracted net cash inflow amounting US$ 1,227,000 (2020:net cash inflow amounting to US$ 1,687,000). Further information of these derivative financial instruments is disclosed in Note 11.

17. Financial risk management (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.

	2021	2020
	US $'000	US $'000
Net debt	**2,540,263**	2,531,222
Total equity	**(18,224)**	(7,398)
Total capital	**2,522,039**	2,523,824

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

(e) Fair value measurements

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

	Level 1	Level 2	Level 3	Total
	US $'000	US $'000	US $'000	US $'000
As at 31 March 2021				
Derivative financial instruments (Assets)	-	16,678	-	16,678
Derivative financial instruments (Liabilities)	-	(28)	-	(28)
As at 31 March 2020				
Derivative financial instruments (Assets)	-	15,811	-	15,811
Derivative financial instruments (Liabilities)	-	(241)	-	(241)

The fair value of financial instruments traded in active markets (financial assets, at FVOCI/ Available-for-sale, listed equity investments) are determined based on quoted current bid prices at the balance sheet date. These instruments are included in Level 1 fair value measurement hierarchy.

The fair value of financial instruments that are not traded in an active market (over-the-counter currency forwards) is determined using quoted forward exchange rates at the balance sheet date. These instruments are included in Level 2.

There were no transfers between level 1 and level 2 fair values during the year.

17. Financial risk management (continued)

(e) Fair value measurements (continued)

The carrying value of trade payables and borrowings are approximate to their fair values. The fair value of non-current financial liabilities and financial asset are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. The fair value of non-current borrowings and loans to related corporations are disclosed in Note 12 and Note 14 respectively.

(f) Financial instruments by category

The carrying amounts of financial assets measured at fair value (derivative financial instruments) are disclosed on the face of the balance sheet and in Note 11 to the financial statements respectively.

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

	2021
	US $'000
Financial assets, at amortised cost	2,506,617
Derivative financial instruments	16,678
Total financial assets	**2,523,295**
Financial liabilities, at amortised cost	2,541,790
Derivative financial instruments	28
Total financial liabilities	**2,541,818**

	2020
	US $'000
Financial assets, at amortised cost	2,515,959
Derivative financial instruments	15,811
Total financial assets	**2,531,770**
Financial liabilities, at amortised cost	2,534,971
Derivative financial instruments	241
Total financial liabilities	**2,535,212**

(g) Offsetting financial assets and financial liabilities

There were no offsetting or netting arrangements in 2021 and 2020 for financials asset and liability.

18. Immediate and ultimate holding corporations

The Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which is also the Company's ultimate holding corporation.

During the year, other than as disclosed elsewhere in the financial statements, the Company entered into the following significant transactions with its ultimate holding corporation:

	2021	2020
	US$'000	US$'000
Guarantee commission expense on guaranteed notes charged by ultimate holding corporation	**-**	(247)
Internal Audit Fees	**(5)**	-

For outstanding balances as at 31 March 2021 arising from transactions with holding corporation, refer Note 13.

19. Related party transactions

(a) Related corporations in these financial statements refer to members of the holding corporation's group of companies.

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

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

	2021	2020
	US$'000	US$'000
Interest income from loans to related corporations	**124,825**	175,845
Interest expenses on loan from a related corporation	**(49)**	(849)
Recharges from related corporations	**(43)**	-

For outstanding balances, as at 31 March 2021 arising from transactions with related corporations, refer to Notes 12, 13 and 14.

(b) Key management personnel compensation

There are no key managerial personnel other than the directors of the Company. No remuneration is paid by the Company to the directors. The directors are paid

19. Related party transactions (continued)

(b) Key management personnel compensation

remuneration by related corporations in their capacity as directors and/or executives of those related corporations.

20. Events occurring after balance sheet date

1. After the end of reporting period, the management of the company has decided to extend maturity of S$ 1,500,000, US$ 5,554,000, US$ 6,000,000 and US$ 3,200,000 lent to related corporation, T S Global Holdings Pte. Ltd. ("TSGH") from 27 November 2021, 15 April 2021, 05 August 2021, 27 November 2021 to 02 May 2023, 31 July 2024, 24 January 2028 and24 January 2028 respectively. Interest rate has been changed from 1.15%, 1.15%, 2.45% and 2.34% to 5.03%, 6.03%, 5.53% and 5.53% respectively.

2. Short term loan of Euro 4,500,000 lent to related corporation, T S Global Holdings Pte. Ltd. ("TSGH") has been redenominated in S$ Currency and outstanding loan amount will be S$ 7,102,350 with maturity date extended to 02 May 2023 from 27 November 2021.Interest rate has been changed from 0.1% to 5.03%.

3. Long-term loan of Euro 153,197,000 (equivalent to US$ 179,884,000) lent to related corporation, T S Global Holdings Pte. Ltd. ("TSGH) has been segregated into two different loans of Euro 150,000,000 and redenominated S$ 5,045,000 (Euro 3,197,000) with maturity date 02 May 2023. Interest rate will be 5.03%.

21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of ABJA Investment Co. Pte. Ltd. On [●].