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

ANNUAL REPORT
For the financial year ended 31 March 2021

T STEEL HOLDINGS PTE. LTD.
(Incorporated in Singapore)

ANNUAL REPORT
For the financial year ended 31 March 2021

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 March 2021

The directors present their statement to the member 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 6 to 32 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 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:

Mr Praveen Sood
Mr Sanjib Kumar Ghose
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:

Name of directors and Company in which interests are held	At beginning of the year	At end of the year
Tata Steel Limited		
(Ordinary shares of Rupees 10 each)		
Sanjib Kumar Ghose	116	116
Raghav Sud	17	17

Share options

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

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

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

Independent auditors

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

On behalf of the Directors

Sanjib Kumar Ghose Director	Raghav Sud Director

[▪]

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

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements of T Steel Holdings Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 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 for the financial year ended 31 March 2021;
- the balance sheet as at 31 March 2021;
- 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.

Emphasis of Matter

We draw attention to:

(i) Note 3(ii) to the financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments in various territories, for which definitive assessment of the impact is dependent upon future economic conditions.

(ii) Note 12 to the financial statements which states that the ability of an indirect subsidiary of the Company, Tata Steel Europe (TSE), to continue as a going concern is dependent on the outcome of measures taken as stated therein and the availability of future funding requirements, which could have a consequential impact on the carrying amount of investment of £2,229,447,000 (net of provision for impairment amounting to £6,026,420,000) in TSGH as at 31 March 2020.

Our opinion is not modified in respect of these matters.

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- 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, [■]

T STEEL HOLDINGS PTE. LTD.

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

	Note	**2021**	2020
		£'000	£'000
Other income			
- Interest	4	**8,045**	13
- Others	4	**-**	14,523
Other (losses)/gains			
- Impairment losses of investments in subsidiary	5	**-**	(449,680)
- Others	5	*****	20,910
Expenses			
- Administrative	6	**(20)**	(29)
- Finance	7	**(8,045)**	(31,519)
Loss before tax		**(20)**	(445,782)
Income tax expense	8	**-**	-
Loss for the year and total comprehensive loss for the year		**(20)**	(445,782)

* Amount is less than £ 1,000.

T STEEL HOLDINGS PTE. LTD.

BALANCE SHEET
As at 31 March 2021

	Note	2021	2020
		£'000	£'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**798**	160
Other receivables	10	**9**	13
Loan receivables	11	**145,082**	161,663
		145,889	161,836
Non-current assets			
Other receivables	10	**3,430**	-
Loan receivables	11	**725,410**	-
Investment in subsidiary	12	**2,229,447**	2,229,447
		2,958,287	2,229,447
Total assets		**3,104,176**	2,391,283
LIABILITIES			
Current liabilities			
Other payables	13	**683**	29
Loan payables	14	**145,082**	161,663
		145,765	161,692
Non-current liabilities			
Other payables	13	**3,430**	-
Loan payables	14	**725,410**	-
		728,840	-
Total liabilities		**874,605**	161,692
NET ASSETS		**2,229,571**	2,229,591
EQUITY			
Share capital	15	**8,290,501**	8,290,501
Other reserves	16	**36,240**	36,240
Accumulated losses		**(6,097,170)**	(6,097,150)
Total equity		**2,229,571**	2,229,591

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

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

	Note	Share capital	Equity portion of preference shares	Other reserves	Accumulated losses	Total equity
		£'000	£'000		£'000	£'000
2021						
Beginning of financial year		8,290,501	-	36,240	(6,097,150)	2,229,591
Loss for the year		-	-	-	(20)	(20)
End of financial year		**8,290,501**	**-**	**36,240**	**(6,097,170)**	**2,229,571**
2020						
Beginning of financial year		5,931,767	603,194		(5,651,368)	883,593
Loss for the year		-	-		(445,782)	(445,782)
Issuance of ordinary shares	15	826,222	-		-	826,222
Conversion of preference shares to ordinary shares	14,15,16	1,532,512	(603,194)	36,240	-	965,558
End of financial year		**8,290,501**	**-**	**36,240**	**(6,097,150)**	**2,229,591**

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

T STEEL HOLDINGS PTE. LTD.

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

	Note	**2021**	2020
		£'000	£'000
Cash flows from operating activities			
Loss before tax		**(20)**	(445,782)
Adjustments for:			
- Interest income	4	**(8,045)**	(13)
- Net gain on conversion of preference shares in a subsidiary	4	**-**	(14,523)
- Interest expense	7	**8,045**	31,519
- Unrealized foreign exchange loss/(gain)	5	*****	16,622
- Fair value gain on debt portion of investment	5	**-**	(37,532)
Impairment losses of investment in subsidiary	5	**-**	449,680
		(20)	(29)
Changes in working capital:			
- Other payables		**10**	7
Net cash used in operating activities		**(10)**	(22)
Cash flows from investing activities			
Investment in subsidiary		**-**	(826,222)
Loans to subsidiary		**(731,058)**	(155,099)
Interest received from subsidiary		**4,319**	-
Net cash used in investing activities		**(726,739)**	(981,321)
Cash flows from financing activities			
Issuance of equity shares		**-**	826,222
Proceeds from borrowings from holding company		**731,058**	155,099
Interest paid to holding company		**(3,671)**	-
Net cash provided by financing activities		**727,387**	981,321
Net increase/(decrease) in cash and cash equivalents		**638**	(22)
Cash and cash equivalents			
Beginning of financial year		**160**	178
Effect of exchange rate on translation of foreign currency cash and cash equivalents		*****	4
Cash and cash equivalents at end of financial year	9	**798**	160

* Amount is less than £ 1,000.

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

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

Reconciliation of liabilities arising from financial activities

	Opening balance as at 1 April	Proceeds from borrowings	Non-cash changes		Closing balance as at 31 March
			Interest expense	Foreign exchange movement	
	£'000	£'000	£'000	£'000	£'000
Borrowings from holding company					
2021	161,676	731,058	8,045	(26,848)	873,931
2020	-	155,099	13	6,564	161,676

	Opening balance as at 1 April	Proceeds from borrowings	Non-cash changes				Closing balance as at 31 March
			Equity portion of preference shares	Interest expense	Foreign exchange movement	Conversion of preference shares into equity	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Preference shares issued							
2021	-	-	-	-	-	-	-
2020	928,009	-	-	31,506	6,043	(965,558)	-

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

1. General information

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

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

The principal activities of the subsidiary are disclosed in Note 12 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretation and amendments to published standards effective in 2019

On 1 April 2019, the Company adopted 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 is recognised using the effective interest rate method.

2.3 Exemption from consolidation

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

2. Significant accounting policies (continued)

2.4 Investment in subsidiary

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

Control is achieved when the company:

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

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

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

2.5 Offsetting of financial instruments

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

2.6 Fair value estimation of financial assets and liabilities

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

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

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

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

2.7 Cash and cash equivalents

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

2. Significant accounting policies (continued)

2.8 Trade and other payables

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

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

2.9 Borrowing costs

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

2.10 Income taxes

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

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. Significant accounting policies (continued)

2.11 Financial assets

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

- Amortised cost;
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

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

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

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

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instrument

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

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

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

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(ii) At subsequent measurement

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

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

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

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

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

2.12 Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

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

Derecognition of financial liabilities

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

2. Significant accounting policies (continued)

2.13 Impairment of non-financial assets

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

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

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

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

2.14 Provisions

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

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

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

2.15 Borrowings

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

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

2. Significant accounting policies (continued)

2.16 Currency translation

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

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

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

2.17 Share capital

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

3. Critical accounting estimates, assumptions and judgements

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

(i) Assessment of impairment of investment in subsidiary

During the year ended 31 March 2021, management carried out an assessment of the recoverability of the carrying amount of the investment in subsidiary as at the end of the reporting period. There were no indicators of impairment found.

As described in Note 12, during the financial year ended 31 March 2020, management carried out an assessment of the recoverability of the carrying amount of its investment in subsidiary, T S Global Holdings Pte. Ltd. (TSGH) as indicators of impairment existed at the end of the reporting period.

As a result of the impairment assessment performed, the Company recorded a total impairment loss of £449,680,000 in profit of loss for the financial year ended 31 March 2020.

Further details on the impairment assessment and key assumptions are set out in Note 12.

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

(ii) 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.

In view of such lockdowns, operations at the Tata Steel Group's steel making facilities in India, Europe, South East Asia and Canada have also been scaled down over various periods and are being operated as per the local guidelines, wherever permitted.

In view of the impact of COVID-19, the Company has assessed the carrying amounts of investments and other 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 Company is an investment holding company for Tata Steel Limited. As per the Company's current assessment of recoverability of these assets, other than the impairment recorded in the financial statements, no other significant impact on carrying amounts of the Company's assets is expected.

The eventual outcome of the impact of the global health pandemic may be different from those estimated as of 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	2020
	£'000	£'000
Interest income from financial assets measured at amortised cost		
- Long-term loan to subsidiary (effective interest method)	**3,411**	-
- Short-term loan to subsidiary	**4,634**	13
Other income – on conversion of preference shares	**-**	14,523
	8,045	14,536

5. Other (losses)/gains

	2021	2020
	£'000	£'000
Impairment losses of investments in subsidiary	-	(449,680)
Net currency exchange (losses)/gains	*	(16,622)
Fair value gain on debt portion of investment	-	37,532
	*	(428,770)

* Amount is less than £ 1,000.

6. Expenses by nature

	2021	2020
	£'000	£'000
Administrative expenses	(20)	(29)

7. Finance expenses

	2021	2020
	£'000	£'000
Interest expense		
- Unwinding of interest expense on loan from holding company (Note 14)	-	(31,506)
- Short-term loan from holding company	(4,634)	(13)
- Long-term loan from holding company (effective interest method)	(3,411)	-
	(8,045)	(31,519)

8. Income taxes

Income tax expense

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

	2021	2020
	£'000	£'000
Loss before tax	(20)	(445,782)
Tax calculated at tax rate of 17% (31 March 2020: 17%)	(3)	(75,783)
Effects of:		
- expenses not deductible for tax purposes	1,371	84,635
- income not subject to tax	(1,368)	(8,852)
Tax charge	-	-

9. Cash and cash equivalents

	2021	2020
	£'000	£'000
Cash at bank and on hand	**798**	160

10. Other receivables

	2021	2020
	£'000	£'000
Accrued interest income on loan receivables from subsidiary – Non - current	**3,430**	-
Accrued interest income on loan receivables from subsidiary – Current	**9**	13
	3,439	13

11. Loan receivables

	2021	2020
	£'000	£'000
Current		
Loan to subsidiary (i)	**145,082**	161,663
Non-Current		
Loan to subsidiary (ii)	**725,410**	-
	870,492	161,663

(i) During the year ended 31 March 2021, short-term loan of US$ 200,000,000 (equivalent to £145,082,000) [2020: US$ 200,000,000 (equivalent to £161,663,000)] advanced to its subsidiary, T S Global Holdings Pte Ltd. which is unsecured, bears interest rate of 2.00% + 12 months USD LIBOR, resulting in an interest rate of 2.28% per annum (2020: 2.97% per annum) and is repayable by 31 March 2022.

(ii) During the year ended 31 March 2021, the Company has advanced a long-term loan of US$ 1,000,000,000 (equivalent to £725,410,000) to its subsidiary, T S Global Holdings Pte Ltd. which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at the rate of 6.75% + 6 months USD LIBOR and is repayable by 16 Feb 2027.

The loan is measured at amortised cost using the effective interest method. The effective interest rate applied is based upon the borrowing rate that exactly discounts future contractual interest payments throughout the expected life of the loan to the carrying amount of the loan. Based on the above, effective interest rate comes to 3.92%.

12. Investment in subsidiary

	2021	2020
	£'000	£'000
Unquoted equity shares, at cost	**7,236,841**	7,236,841
Other capital contributions	**1,019,026**	1,019,026
	8,255,867	8,255,867
Less: Provision for impairment loss in subsidiary	**(6,026,420)**	(6,026,420)
	2,229,447	2,229,447

Provision for impairment loss in subsidiary

During the year ended 31 March 2021, management carried out an assessment of the recoverability of the carrying amount of the investment in subsidiary as at the end of the reporting period. There were no indicators of impairment found.

During the financial year ended 31 March 2020, management carried out an assessment of the recoverable amount of its investment in subsidiary, T S Global Holdings Pte. Ltd. (TSGH) as at the end of the reporting period as indicators of impairment existed.

A significant amount of the Company's investment in TSGH has in turn been invested by TSGH into Tata Steel Europe Limited (TSE).

As at 31 March 2020, TSGH has a carrying amount of investment in TSE amounting to £4,087,353,000 (gross cost of £8,997,427,000 and accumulated impairment loss of £4,910,074,000). TSE is a private limited company incorporated and domiciled in the United Kingdom which has various subsidiaries as well as interests in joint ventures and associated companies.

The recoverable amount of the Company's investment in TSGH was estimated based on the value in use of the underlying businesses of TSGH, which includes mainly TSE's businesses.

The recoverable amount of TSE's businesses was estimated based on the value in use calculations of its underlying businesses using cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which have been prepared on the basis that TSE is a going concern and covers a period of three years and future projections which takes the analysis out into perpetuity. The key assumptions in the value in use calculations are a long-term growth rate of 1.25% and a weighted average pre-tax discount rate of 8.00% as per management's estimate.

Based on the assessment performed, the Company has recorded an additional impairment loss of £ 449,680,000 for the financial year ended 31 March 2020.

12. Investment in subsidiary (continued)

Provision for impairment loss in subsidiary (continued)

As described above, the cash flow forecasts used to estimate the recoverable amount of TSE as at 31 March 2020 have been prepared on the assumption that TSE is a going concern and will continue in operation for the foreseeable future.

TSE has assessed the potential impact of the downturn in steel demand due to the COVID-19 pandemic on its future business outlook. Based on an initial assessment, the outlook for its UK operation is expected to be adversely impacted with respect to its ability to continue as a going concern and meet its liquidity requirements. In response to the COVID-19 pandemic, TSE as a whole including its subsidiary, Tata Steel UK Limited (TSUK) continues to implement various measures aimed at conserving cash including but not limited to deferral of capital expenditures, reduction in administrative expenses, use of non-recourse securitisation programmes, seeking Government backed funding etc.

TS Global Procurement Company Pte. Ltd., a wholly owned subsidiary of TSGH has also undertaken to provide working capital funding support to TSE including TSUK.

Given that the severity and length of the downturn in steel demand on account of the pandemic remains unpredictable, the directors of TSE observed that while there is a reasonable expectation that TSE has the adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty surrounding the impact of the COVID-19 pandemic on its financial situation. The financial statements of TSE for the financial year ended 31 March 2020 are prepared on a going concern basis and do not include any adjustments regarding going concern of TSUK.

The directors of the Company have considered the above information and concur that while there is a reasonable expectation that TSE has adequate resources to continue operating for the foreseeable future, there exists a material uncertainty as explained above.

If TSE is unable to continue as a going concern, adjustments may have to be made to the impairment loss of £449,680,000 recorded in profit or loss during the financial year ended 31 March 2020 on its investment in TSGH as well as the related carrying amount of the Company's investment in TSGH which amounted to £2,229,447,000 as at 31 March 2020.

Conversion of preference shares investments into equity and additional investments in equity shares

During the year ended 31 March 2021, the Company has no investments in preference shares.

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

12. Investment in subsidiary (continued)

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held 2021 %	2020 %	Principal activities
Directly held by the Company				
T S Global Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Material subsidiaries indirectly held by the subsidiary of the Company				
T S Global Minerals Holdings Pte. Ltd. (i)	Singapore	-	100	Investment holding
Tata Steel (Thailand) Public Company Ltd.	Thailand	68	68	Manufacturing and trading in iron and steel products
NatSteel Holdings Pte. Ltd.	Singapore	100	100	Manufacturing and trading in iron and steel products
Tata Steel International (Singapore) Holdings Pte. Ltd. (ii)	Singapore	-	100	Investment holding
Tata Steel Europe Limited	United Kingdom	100	100	Investment holding
Orchid Netherlands (No.1) B.V.	Netherlands	100	100	Investment holding
T S Global Procurement Company Pte. Ltd.	Singapore	100	100	Investment holding and trading in coal
Al Rimal Mining LLC (iii)	Oman	70	-	Mining of limestone and other mineral ores.
Tata Steel Minerals UK Limited (iii)	United Kingdom	100	-	Investment holding

(i) With effect from 1 Feb 2021, T S Global Minerals Holdings Pte. Ltd.(TSGMH) got amalgamated with its immediate holding company, T S Global Holdings Pte. Ltd.(TSGH).

(ii) With effect from 1 Dec 2020, Tata Steel International (Singapore) Holdings Pte. Ltd. got amalgamated with T S Global Procurement Company Pte. Ltd.

(iii) Post TSGMH's amalgamation with TSGH, Al Rimal Mining LLC and Tata Steel Minerals UK Limited became subsidiaries of TSGH w.e.f. 1 Feb 2021.

12. Investment in subsidiary (continued)

The Company's subsidiary T S Global Holdings Pte. Ltd. had issued in the year ended 31 March 2019, preference shares denominated both in Euro and US$ to NatSteel Asia Pte. Ltd. (NSA), wholly owned subsidiary of Tata Steel Ltd. During the year ended 31 Mar 2021, the terms of the preference shares were amended, pursuant to which the holders of preference shares obtained voting rights (five (5) votes for each Preference Share held in the Company's subsidiary T S Global Holdings Pte Ltd.).

13. Other payables

	2021	2020
	£'000	£'000
Accrued interest expense on loan from:		
- Holding company	**9**	13
Other payables to:		
- Holding company	**1**	1
- Non-related parties	**673**	15
Total current portion	**683**	29
Less: Accrued interest expense on loan from		
- Holding company - Non – current	**3,430**	-
Total non-current portion	**3,430**	-

14. Loan payables

	2021	2020
	£'000	£'000
Current		
Holding company (i)	**145,082**	161,663
Non-current		
Holding company (ii)	**725,410**	-
Total loan payables	**870,492**	161,663

(i) During the year ended 31 March 2021, short-term loan of US$ 200,000,000 (equivalent to £145,082,000) [2020: US$ 200,000,000 (equivalent to £161,663,000)] from its holding company, Tata Steel Ltd., which is unsecured, bears interest of 2.00% + 12 months USD LIBOR, resulting in an interest rate of 2.28% per annum (2020: 2.97% per annum) and is repayable by 31 March 2022.

(ii) During the year ended 31 March 2021, the Company has obtained a long-term loan of US$ 1,000,000,000 (equivalent to £725,410,000) from its holding company, Tata Steel Ltd. which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 6.75% + 6 months USD LIBOR and is repayable by 16 Feb 2027.

14. Loan payables (continued)

The loan is measured at amortised cost using the effective interest method. The effective interest rate applied is based upon the borrowing rate that exactly discounts future contractual interest payments throughout the expected life of the loan to the carrying amount of the loan. Based on the above, effective interest rate comes to 3.92%.

(iii) During the year ended 31 March 2021, the Company does not have any outstanding preference shares.

During the year ended 31 March 2020, the 5.6% non-cumulative convertible preference shares amounting to USD 1,258,000,000 (GBP 949,333,000) and 5% non-cumulative convertible preference shares amounting to GBP 554,131,297 issued to its holding company Tata Steel Limited were converted into equity shares of the Company (Note 15).

15. Share capital

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

	No. of ordinary shares	Issued share capital £'000
2021		
Beginning and end of financial year	8,570,121,292	8,290,501
	8,570,121,292	8,290,501
2020		
Beginning of financial year	5,931,767,688	5,931,767
Issuance of ordinary shares	826,222,307	826,222
Preference shares converted into equity (Note 14)	1,812,131,297	1,532,512
End of financial year	8,570,121,292	8,290,501

16. Other reserves

	2021	2020
	£'000	£'000
Other reserves	**36,240**	36,240

17. Financial risk management

Financial risk factors

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

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

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

(a) Market risk

(i) Currency risk

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

	Assets		Liabilities	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Euro	**53**	83	**-**	-
Singapore dollars	**27**	*	**26**	8
United States dollars	**874,624**	161,719	**874,579**	161,677

*Amount is less than £ 1,000

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

	Impact to profit or loss	
	2021	2020
	£'000	£'000
Euro	**(5)**	(8)
Singapore dollars	*****	1
United States dollars	**(5)**	(4)

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

*Amount is less than £ 1,000

17. Financial risk management (continued)

(a) Market risk

(ii) Interest rate risk

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates.

Interest rate sensitivity

No sensitivity analysis has been prepared by management as the Company's exposure to floating rate interest bearing assets or liabilities are off-setting in nature, thus having no impact on Company's loss for the year ended 31 March 2021.

(b) Credit risk

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

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. The Company's major classes of financial assets are bank deposits, loan receivables and other receivables.

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

Impairment of financial assets

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

The Company has applied 3 stage general approach to measure the expected credit losses for loan receivables.

The Company does not associate its loan receivables due from its subsidiary with any material credit risk.

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

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

17. Financial risk management (continued)

(c) Liquidity risk

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

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2021						
Non-interest bearing	-	683	3,430	-	-	4,113
Fixed interest rate instruments	2.28	148,429	-	-	(3,347)	145,082
Variable interest rate instruments	6.95	-	134,177	770,369	(179,136)	725,410
		149,112	137,607	770,369	(182,483)	874,605

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2020						
Non-interest bearing	-	29	-	-	-	29
Fixed interest rate instruments	2.97	166,449	-	-	(4,786)	161,663
		166,478	-	-	(4,786)	161,692

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2021						
Non-interest bearing		9	3,430	-	-	3,439
Fixed interest rate instruments	2.28	148,429	-	-	(3,347)	145,082
Variable interest rate instruments	6.95	798	134,177	770,369	(179,136)	726,208
		149,236	137,607	770,369	(182,483)	874,729
2020						
Non-interest bearing		13	-	-	-	13
Fixed interest rate instruments	2.97	166,449	-	-	(4,786)	161,663
Variable interest rate instruments		160	-	-	-	160
		166,622	-	-	(4,786)	161,836

17. Financial risk management (continued)

(d) Capital risk

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

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

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

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

	2021	2020
	£'000	£'000
Net debt	**873,807**	161,532
Total equity	**2,229,571**	2,229,591
Total capital	**3,103,378**	2,391,123

The Company is not subject to any externally imposed capital requirements

(e) Fair value measurements

The carrying amounts of financial assets and liabilities approximate their respective fair value, due to maturity of these financial instruments.

(f) Financial instruments by category

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

	2021	2020
	£'000	£'000
Financial assets, at amortised cost	**874,729**	161,836
Financial liabilities, at amortised cost	**874,605**	161,692

18. Immediate and ultimate holding corporation

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

19. Related party transactions

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

	2021	2020
	£'000	£'000
Interest income from loans to subsidiary	**8,045**	13
Loan receivables from subsidiary	**731,058**	155,099
Interest expense on loans from holding company	**8,045**	13
Loan payable to holding company	**731,058**	155,099
Recharge by holding company	**1**	1
Recharge by subsidiary	*****	3

***Amount is less than £ 1,000**

Outstanding as at 31 March 2021:

	2021	2020
	£'000	£'000
Interest payable on loans from holding company	**3,439**	13
Loan payable to holding company	**870,492**	161,663
Interest receivable on loans to subsidiary	**3,439**	13
Loan receivable from subsidiary	**870,492**	161,663
Other payables to holding company	**1**	1

Outstanding balances as at 31 March 2021 are disclosed in notes 10, 11, 13 and 14.

Compensation of directors and key management personnel

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

20. Authorisation of financial statements

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

21. Events after reporting period

(i) On 12 April 2021, the Company has obtained a long-term loan of US$ 345,000,000 (equivalent to £250,267,000) from its holding company, Tata Steel Ltd. which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 3.96 % + 6 months USD LIBOR and is repayable by 12 April 2027.

(ii) On 20 April 2021, the Company has obtained a long-term loan of US$ 655,000,000 (equivalent to £475,144,000) from its holding company, Tata Steel Ltd. which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 6.75 % + 6 months USD LIBOR and is repayable by 20 April 2027.

21. Events after reporting period (continued)

(iii) On 12 April 2021, the Company has advanced a long-term loan of US$ 345,000,000 (equivalent to £250,267,000) to its subsidiary, T S Global Holdings Pte Ltd., which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 3.96 % + 6 months USD LIBOR and is repayable by 12 April 2027.

(iv) On 20 April 2021, the Company has advanced a long-term loan of US$ 655,000,000 (equivalent to £475,144,000) to its subsidiary, T S Global Holdings Pte Ltd., which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 6.75 % + 6 months USD LIBOR and is repayable by 20 April 2027.