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

ANNUAL REPORT
For the financial year ended 31 March 2019

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ANNUAL REPORT
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Contents

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

The directors present their statement to the members together with the audited financial statements for the financial year ended 31 March 2019.

In the opinion of the directors,

(a) the financial statements as set out on pages 06 to 42 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and

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

Directors

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

Mr Koushik Chatterjee
Mr Sandip Biswas
Mr Ranganath Raghupathy Rao
Mr Dibyendu Bose
Ms Sethi Simran

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 31.03.2019	At 1.4.2018 or date of appointment, if later	At 31.03.2019	At 1.4.2018 or date of appointment, if later
Ultimate holding corporation – Tata Steel Limited				
Koushik Chatterjee	1,320	1,531	-	-
Sandip Biswas	3,868	3,868	-	-
Sanjib Nanda	-	575		
Dibyendu Bose	502	502	-	-

Share options

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

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

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

Independent auditor

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

On behalf of the directors

Sandip Biswas

Sanjib Nanda

[Date]

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of T S Global Minerals Holdings Pte. Ltd. (the "company"), which comprise the statement of financial position of the company as at March 31, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 42.

In our opinion, the accompanying financial statements of 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 ("FRS") so as to give a true and fair view of the financial position of the company as at March 31, 2019 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conduct 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 are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

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:

(a) 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.

(b) 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.

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

(d) 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.

(e) 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.

Public Accountants and
Chartered Accountants
Singapore

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	**2019** **US $'000**	2018 US $'000
Other income			
- Interests	4	**15,178**	12,174
- Dividends	4	**16,053**	-
Other gains/(losses)			
- Allowance for receivables and impairment		**(8,499)**	(190,169)
- Others	5	**(4,364)**	1,943
Expenses			
- Others	6	**(122)**	(36)
- Finance	7	**(77)**	(58)
Profit before income tax		**18,169**	(176,146)
Income tax expense	8	**(2,493)**	(2,101)
Profit after income tax		**15,676**	(178,247)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:		**-**	-
Total comprehensive income		**15,676**	(178,247)

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

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

BALANCE SHEET
As at 31 March 2019

	Note	**2019 US $'000**	2018 US $'000
ASSETS			
Current assets			
Cash and bank deposits	9	**5,780**	5,832
Trade and other receivables	10	**120,595**	105,825
Other current assets	11	**2,996**	-
		129,371	1,11,657
Non-current assets			
Investments in			
- Subsidiaries	12	**155,483**	172,561
- Associates	13	**-**	-
- Joint Ventures	14	**-**	-
Other Non -current Investment	15	**449,848**	449,848
Loan to related corporation	16	**101,649**	84,863
		706,980	707,272
Total assets		**836,351**	818,929
LIABILITIES			
Current liabilities			
Trade and other payables	17	**93**	23
Current income tax liabilities	8(b)	**716**	28
Borrowings	18	**12,197**	12,827
		13,006	12,878
Non-current liabilities			
Borrowings	18	**449,848**	449,848
Deferred income tax liabilities	19	**8,207**	6,589
		458,055	456,437
Total liabilities		**471,061**	469,315
NET ASSETS		**365,290**	349,614
EQUITY			
Share capital	20	**1,319,190**	1,319,190
Retained earnings		**(953,900)**	(969,576)
Total equity		**365,290**	349,614

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Note	Share capital US $'000	Retained profits US $'000	Total equity US $'000
2019				
Balance as at 31 March 2018		**1,319,190**	**(969,576)**	**349,614**
Adoption of FRS 115	2.1(a)	-	-	-
Adoption of FRS 109	2.1(b)	-	-	-
Balance as at 31 March 2018		**1,319,190**	**(969,576)**	**349,614**
Profit for the year, representing total comprehensive income for the year		-	15,676	15,676
End of financial year		**1,319,190**	**(953,900)**	**365,290**
2018				
Beginning of financial year		**1,319,190**	**(791,329)**	**527,861**
Profit for the year, representing total comprehensive income for the year		-	(178,247)	(178,247)
End of financial year		**1,319,190**	**(969,576)**	**349,614**

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

T S GLOBAL MINERALS HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2019

	Note	**2019** **US $'000**	2018 US $'000
Cash flows from operating activities			
Profit before tax		**18,169**	(176,146)
Adjustments for:			
- Net (gain)/loss on disposal of subsidiaries		**1,994**	-
- Provision for impairment of investments		**8,499**	183,661
- Interest income		**(15,178)**	(12,174)
- Dividend income		**(16,053)**	
- Interest expense		**77**	58
- Unrealised currency translation (gains)/losses		**489**	(1,661)
		(2,003)	(6,262)
Changes in working capital:			
- Trade and other receivables		**(17,303)**	6,335
- Trade and other payables		**81**	171
Cash generated from operations		**(19,225)**	244
Income tax paid		**(3,191)**	(463)
Net cash used in operating activities		**(22,416)**	(219)
Cash flows from investing activities			
Other capital contributions in subsidiaries		**(149)**	(161)
Sale of investments in subsidiaries		**30,194**	-
Loan to related corporation		**(24,553)**	-
Dividends received		**16,053**	-
Interest received		**438**	442
Net cash provided by investing activities		**21,983**	281
Cash flows from financing activities			
Proceeds from borrowings		**469**	71
Interest paid		**(81)**	(58)
Net cash provided by financing activities		**388**	13
Net increase/(decrease) in cash and cash equivalents		**(45)**	75
Cash and cash equivalents			
Beginning of financial year	9	**5,832**	5,758
Effects of currency translation on cash and cash equivalents		**(7)**	(1)
Cash and cash equivalents at end of financial year	9	**5,780**	5,832

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2019

Reconciliation of liabilities arising from financial activities

	1 March 2018 US $'000	Proceeds from borrowings US $'000	Principal and interest payments US $'000	Non-cash changes $'000 Interest expense US $'000	 Foreign exchange movement US $'000	31 March 2019 US $'000
Inter-company Borrowing						
2019	462,681	469	(81)	77	(1,105)	462,041
2018	462,378	71	(58)	58	232	462,681

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company (Registration No. 200720850Z) is incorporated in Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in United States dollars, which is the functional currency of the Company.

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

The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 12, 13 and 14 to the financial statements respectively.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2019

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

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

2. Significant accounting policies (continued)

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

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

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

There are no effects on adoption of FRS 115.

(b) *Adoption of FRS 109 Financial Instruments*

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

The accounting policies for financial instruments under FRS 109 are disclosed in Note 2.10.

There are no effects on adoption of FRS 109.

2.2 Revenue from contracts with customers

(a) Interest income

Interest income is recognised using the effective interest rate method.

(b) Dividend income

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

2.3 Borrowing costs

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

2.4 Basis of Consolidation

The financial statements of the subsidiaries, associates and joint ventures have not been consolidated or equity accounted with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, Tata Steel Limited, incorporated in India, on a worldwide basis and such financial statements are publicly available.

The registered address of Tata Steel Limited is Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

2. Significant accounting policies (continued)

2.5 Subsidiary

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

Definition of "significant control"

Control is achieved when the company:

(*a*) Has power over the investee;

(*b*) Is exposed, or has rights, to variable returns from its involvement with the investee; and

(*c*) Has the ability to use its power to affect its returns.

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

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

2.6 Associate

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

2.7 Interests in Joint Ventures

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

2. Significant accounting policies (continued)

2.8 Income taxes

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

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

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

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

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

2.9 Impairment of non-financial assets

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

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

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

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

2.10 Financial assets

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

(i) Loans and receivables

Cash and bank deposits
Trade and other receivables
Loan to related corporation

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

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

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

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are initially recognised at fair values plus transaction costs and subsequently carried at fair values. Changes in fair values are recognised in other comprehensive income and accumulated in the fair value reserve within equity.

These financial assets are recognised on the date which the Company commits to purchase the asset. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. Significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the security is impaired.

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(ii) Financial assets, available-for-sale (continued)

If there is objective evidence of impairment, the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through the profit or loss in subsequent period.

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

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

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

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

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

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

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

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(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

1. Debt instrument

Debt instruments of the Company mainly comprise of cash and bank deposits, trade receivables and loan to related corporation.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

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

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

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(ii) *At subsequent measurement* (continued)

1. Debt instrument (continued)

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

For loan to related corporation and cash and bank deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gain/(losses)", except for those equity securities which are not held for trading.

The Company has elected to recognise the changes in fair value of equity investments not held for trading in other comprehensive income as these are strategic investments and the Company considered this to be more relevant. Movement in fair values of investments classified as FVOCI are presented as "fair value gain and losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(ii) At subsequent measurement (continued)

2. Equity investments (continued)

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.

On disposal, the differences between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

2.11 Derivative financial instruments

A derivative financial instruments for which no hedge accounting is applied is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Company does not apply hedge accounting for its derivative financial instruments.

2.12 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. Significant accounting policies (continued)

2.13 Borrowing

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

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

2.14 Offsetting financial instruments

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

2.15 Financial guarantees

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of FRS 115; and

(b) the amount of expected loss computed using impairment methodology under FRS 109.

Prior to 1 April 2018, financial guarantees were subsequently measured at the higher of (a) and the expected amount payable to the banks in the event it is probable that the Company will reimburse the bank.

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. 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. Significant accounting policies (continued)

2.17 Currency translation

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

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

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within 'finance cost'. All other foreign exchange gains and losses impacting profit or loss are presented within 'other gains/losses'.

2.18 Share capital

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

3. Critical accounting estimates, assumptions and judgements

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

(a) <u>Uncertain tax positions</u>

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) 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.

Assessment of impairment of investment in subsidiaries, associate and joint ventures

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

Investment in subsidiaries (Note 12)

During the year ended March 31, 2019, the management carried out an estimate of the recoverable amounts of the following subsidiaries as indicators of impairment existed: Tata Steel Minerals UK Limited, Tata Steel Mineral Canada Limited and Black Ginger (461) Proprietary Limited.

(a) The management had carried out an estimate of the recoverable amount of Tata Steel Minerals UK Limited, based on the estimation of the value in use of the cash-generating units of Tata Steel Minerals UK Limited which pertains to its subsidiary, Tata Steel Mineral Canada Limited. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts are derived from the most recent financial budgets approved by the management for a period of 16 years of the cash generating units and a discount rate of xxx is used to discount the future cash flows of the cash generating units.

(b) The management had carried out an estimate of the recoverable amount of Black Ginger (461) Proprietary Limited, based on the estimation of the value in use of the cash-generating units of Black Ginger (461) Proprietary Limited. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts are derived from the most recent financial budgets approved by the management for a period of 16 years based on the life of the mine and a discount rate of xxx is used to discount the future cash flows of the cash generating units.

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

Based on the assessments performed in 2019, management had made additional provision of US$121,000 for Tata Steel Cote D'Ivoire and US$12,000 for Kalimati Coal Company which had been fully provided for in prior year for the further amount remitted during the year to exit the project. No impairment is assessed to be necessary for the other subsidiaries.

Other receivables due from subsidiaries, associate, joint venture and related company

The Company has other receivables due from subsidiaries of US$ 101,649,000(2018 :US$121,673,000),due from joint venture of US$148,714,000(2018: US$140,348,000) and due from holding company of US$120,397,000 (2018: US$101,893,000).

Based on assessment performed in 2019, management has made an additional allowance US$ 8,366,000 for interest receivable form Minas De Benga (Mauritius) Limited at the end of the reporting period.

Other than as disclosed below on allowance recorded, management had evaluated and considered the operations of the respective subsidiaries, associate, joint ventures and related company, and are of the view that the remaining receivables will be repaid when these entities generate cash flow from their operations.

Based on assessment performed in 2018, management has made an additional allowance US$ 6,335,000 for interest receivable form Minas De Benga (Mauritius) Limited at the end of the reporting period.

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4. Other income

	2019 US $'000	2018 US $'000
Interest income from financial assets measured at amortised cost		
- Bank balances and fixed deposits	**118**	68
- Subsidiary (Note 12)	**6,399**	5,397
- Joint Ventures (Note 14)	**8,366**	6,335
- Immediate holding company (Note 30)	**295**	374
	15,178	12,174
Dividend income from equity investments in subsidiary[1]	**16,053**	-
	31,231	

[1] T S Global Mineral Holdings Pte Ltd received dividend from Black Ginger US $ 16,053,000 (ZAR 228,000,000) after deducting withholding tax of US $ 2,996,000 (ZAR 12,000,000)

5. Other gains/(losses)

	2019 US $'000	2018 US $'000
Net currency exchange gains/(losses)	**(2,370)**	1943
Net gain / (loss) on sale of investments		
- on sale of subsidiaries	**(1,994)**	-
	(4,364)	1943

6. Expenses by nature

	2019 US $'000	2018 US $'000
Other expenses	**122**	36
Total administrative expenses	**122**	36

7. Finance expenses

	2019 US $'000	2018 US $'000
Interest expense		
- immediate holding company (Note 30)	**77**	58
	77	58

8. Income taxes

(a) Income tax expense

	2019 US $'000	2018 US $'000
Tax expense attributable to profit is made up of:		
- Current income tax	**716**	27
- Deferred income tax (Note 19)	**1,618**	2,070
	2,334	2,097
Under/(over) provision in prior financial years		
- Current income tax	**159**	4
- Deferred income tax (Note 19)	**-**	-
	2,493	2,101

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

	2019 US $'000	2018 US $'000
Profit before tax	**18,169**	(176,146)
Tax calculated at tax rate of 17% (2018: 17%)	**3,089**	(29,945)
Effects of:		
- statutory stepped income exemption	**(13)**	35
- expenses not deductible for tax purposes		
- income not subject to tax	**(1,108)**	32,067
- tax incentives		
- under provision of tax	**159**	4
- others	**366**	(60)
Tax charge	**2493**	2,101

(b) Movements in current income tax liabilities

	2019 US $'000	2018 US $'000
Beginning of financial year	**28**	447
Adoption of FRS 115 (Note 2.1a)		
Balance after adoption of FRS 115	**28**	447
Income tax paid	**(196)**	(463)
Tax expense	**716**	27
(Over)/Under-provision in preceding financial years	**159**	4
Forex (Gain)/Loss	**(1)**	13
others	**10**	-
End of financial year	**716**	28

9. Cash and bank deposits

	2019 US $'000	2018 US $'000
Cash at bank and on hand	**5,780**	5,832
	5,780	5,832

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2019 US $'000	2018 US $'000
Cash and bank deposits (as above)	**5,780**	5,832
Less : Bank overdrafts	**-**	-
Cash and cash equivalents per statement of cash flows	**5,780**	5,832

10. Trade and other receivables

	2019 US $'000	2018 US $'000
Loans to a subsidiaries (1)	**-**	29,351
Less: Allowances for doubtful advances (2)	**-**	(29,351)
Loan to a joint venture (3)	**120,107**	120,107
Less: Allowances for doubtful receivable (3)	**(120,107)**	(120,107)
	-	-
Interest accrued on loan to joint venture	**28,608**	20,241
Less: Allowance for interest receivable (3)	**(28,608)**	(20,241)
Interest accrued on loan to joint venture	**-**	-
Interest accrued on loans to subsidiaries	**3,726**	7,459
Less: Allowance for interest receivable(4)	**(3,527)**	(3,527)
	199	3,932
Loan to holding company (5)	**120,391**	101,861
Interest accrued on loans to holding company	**5**	32
	120,596	105,825

10. Trade and other receivables (continued)

(1) As at March 31, 2019, loans to a subsidiary, Kalimati Coal Company Pty. Ltd of US$ Nil (2018: US$29,351,000) is unsecured, interest-free and repayable on demand.

Board has approved the de-registration of the Company's wholly-owned subsidiary, Kalimati Coal Company Pty. Ltd due to inactive in its operation.

Board has approved wavier of A$ 45,482,000 (US $ 32,287,000) being amount owing by KCC to the company as at 21st March 2019.

	A $	**US $**
Advances	25,203,000	17,892,000
Capital contribution	7,279,000	5,167,000
Advances	13,000,000	9,228,000
	45,482,000	**32,287,000**

(2) Relates to allowance for loan receivables of US$0(2018: US$29,351,000) for the amount due from Kalimati Coal Company Pty. Ltd.

(3) As at March 31, 2019, loans of US$120,107,000 (2018: US$120,107,000) to joint venture, Minas De Benga (Mauritius) Limited is unsecured, bear interest at three month LIBOR+3.00% per annum. Interest on overdue amount is calculated on monthly basis at 2% (2018: 2.00%) per annum over and above the interest rate as mentioned.

The Company has made an allowance for loan receivables of US$120,107,000 (2018: US$120,107,000) and interest receivable of US$28,608,000 (2018: US$20,241,000) for the amounts due from Minas De Benga (Mauritius) Limited.

(4) As at March 31, 2019 company made an allowance for interest receivable from Tata Steel Mineral Canada of US$3,527,000(2018: US$3,527,000) on the loans which has been re-assigned to Tata Steel Minerals UK Limited.

(5) As at March 31, 2019, loan receivables of US$120,391,000 (2018 : US$101,861,000) due from immediate holding company which are under a cash-pooling arrangement, are unsecured, bear interest xxx to xxx (2018 : 0.34% to 0.81%) per annum and are repayable upon demand.

Management estimates the fair values of other receivables to approximate its carrying amount.

Movements in the allowance for doubtful receivables:

	2019	2018
	US$'000	US$'000
At beginning of the year	173,226	166,718
Charge to profit or loss for the year	8,499	6,508
Provision write back	(29,483)	-
At end of the year	152,242	173,226

11. Other current assets

	2019 **US $'000**	2018 US $'000
Current tax assets	**2,996**	-
	2,996	-

The company disposed its entire shareholding in Black Ginger on 18.02.2019 to INR Metallurgical Resources for a consideration of ZAR 426,537,000 (US $ 30,193,000) including Withholding tax of ZAR 42,334,000 (US $ 2,995,000).

12. Investments in subsidiaries

	2019 **US $'000**	2018 US $'000
Unquoted equity shares, at cost	**51,553**	51,553
Disposal of subsidiary [4]	**(17,095)**	-
Provision for diminution in value of investments [1]	**(33,503)**	(33,503)
	955	18,050
Other capital contributions [1] and [2]	**617,761**	627,805
Provision on capital contributions [3]	**(463,234)**	(473,294)
	154,528	154,511
Total	**155,483**	172,561

1) As at March 31, 2019 provision for impairment loss in equity shares in subsidiaries consists of US$ 0 (2018: US$26,876,000) for Tata Steel Cote D'Ivoire, S.A. ("TSCI"), US$ 5,351,000 (2018: US$5,351,000) for Kalimati Coal Company Pty. Ltd ("KCC") and US$1,276,000(2018: US$1,276,000) for Al Rimal Mining LLC.

TSCI

The Company had invested a total of US$29,935,000 (including other capital contribution of US$3,059,000) in TSCI for conducting prefeasibility studies in respect of the Bonglo project.

During the current financial year, TSCI has undergone voluntary liquidation due to which Investment in equity and other capital contributions of US$26,876,000 and US$ 3,059,000 was written off from the books.

Based on management's assessment, the entire investment is irrecoverable as the management intend to exit from the project held by the subsidiary in the view of the current market price and the uncertainty of further investment to bring in long term benefits and hence this investment was fully impaired and has made a provision for impairment loss in equity shares and other capital contributions of US$ Nil (2018 : US$26,876,000) and US$ Nil (2018 : US$ 2,938,000) respectively for TSCI.

12. Investments in subsidiaries (continued)

KCC

Board has approved the de-registration of the Company's wholly-owned subsidiary, Kalimati Coal Company Pty. Ltd due to inactive in its operation.

Company has approved wavier capital contribution of A$ 7,279,000 (US $ 5,167,000) being amount owing by KCC to the company as at 21st March 2019.

During the year ended March 31, 2019, the management has made no furthur provision for impairment loss in equity shares and has provided impairment loss of US$12,000 in other capital contribution which is waived off.

Al Rimal

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

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

In order to continue with the project, further investment would be required to study the feasibility of the project and there is lack of clarity of further investing in the project as on date.

Based on the above situation, the Company decided to withdraw from the project. The net assets being entirely recoverable as per the liquidation clause mentioned in the shareholders' agreement, and on prudent basis the company wrote down its investment to the recoverable value.

Based on the assessments performed, management had made a provision for impairment loss of US$1,276,000 for Al Rimal Mining LLC in previous years and no further impairment is required in 2019.

2) Other capital contribution relates to long-term advances to certain subsidiaries and projects which are deemed to be investments in these subsidiaries. During the year ended March 31, 2019, an additional US$ 149,000 (2018 : US$161,000) of other capital contribution was invested in three subsidiaries.

During the year ended March 31, 2019, the Company made other capital contribution in its wholly-owned subsidiaries, KCC, for a total sum of US$ 12,000 , Tata Steel Cote D'Ivoire, S.A. ("TSCI") for a sum of US$121,000 and Tata Steel Minerals UK Ltd. ("TSMUK") for a sum of US$ 16,000.

3) As at March 31, 2019, provision for impairment loss in other capital contributions consists of US$ Nil (2018 : US$ 2,938,000) for Tata Steel Cote D'Ivoire, S.A. ("TSCI"), US$ Nil (2018 : US$7,123,000) for Kalimati Coal Company Pty. Ltd ("KCC"), US$ 435,208,000 (2018 : US$ 435,208,000) for Tata Steel Minerals UK Limited and US$28,025,000 (2018 : US$28,025,000) for Lab Mag & Ke Mag Project managed by Tata Steel Minerals Canada Limited.

12. Investments in subsidiaries (continued)

Black Ginger (461) Proprietary Limited

4) The company holds the entire issued and paid-up share capital of Black Ginger (461) Proprietary Limited (" Black Ginger ") and Black Ginger in turn holds 64% of the issued and paid-up share capital of Sedibeng Iron Ore (Pty) Ltd ("SeiO"),South Africa.

The company disposed its entire shareholding in Black Ginger on 18.02.2019 to INR Metallurgical Resources for a consideration of ZAR 426,537,000 (US $ 30,193,000) including TDS of ZAR 42,334,000 (US $ 2,995,000).

Computation of Gain/ (Loss) on disinvestment of stake in Sedibeng Iron Ore.

	US$
Sales consideration	27,198,000
TDS receivable	2,995,000
Investment in Black Ginger	(17,095,000)
Loan to Black Ginger	(11,010,000)
Interest Accrued on Loan to Black Ginger	(4,082,000)
Gain/(Loss) on sale of Investment in subsidiary(Note 5)	(1,994,000)

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

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2019	2018	
		%	%	
Black Ginger (461) Proprietary Limited (4)	South Africa	0	100	Investment holding for South African mining companies
Al Rimal Mining LLC	Oman	70	70	Mining of limestone and other mineral ores
Kalimati Coal Company Pty. Ltd	Australia	100	100	Investment holding
Tata Steel Minerals UK Limited	United Kingdom	100	100	Investment holding Company
Subsidiaries held by subsidiaries				
Tata Steel Minerals Canada Limited	Canada	78	78	Mining of iron ore
T S Canada Capital Ltd	Canada	100	100	Financing company
Sedibeng Iron Ore (Pty) Limited (4)	South Africa	0	64	Mining of iron ore

13. Investments in Associate

	2019	2018
	US$'000	US$'000
Quoted equity shares, at cost	71,073	71,073
Reclassification from investment revaluation reserve on full impairment of investment in associate	(5,583)	(5,583)
Less: Provision for impairment loss in associate [1]	(65,490)	(65,490)
	-	-

As at March 31, 2019, the value of the above mentioned investment in associate based on quoted closing market prices on the last market day of the financial year was US$ 2,487,000(2018 : US$2,943,000).

(1) In 2015, the value of the above mentioned investment in associate, New Millennium Iron Corp. ("NML") was estimated to be irrecoverable by the management due to continued decline in the share prices of more than 50% over March 2014 and 80% over March 2013 along with the write down taken by NML in its books for a number of claims which did not represent any future economic value. Further, NML is unable to honour the cash calls made by Tata Steel Minerals Canada Limited ("TSMC") for the direct shipping ore project ("DSO projects") due to severe liquidity crunches. In addition to the above and considering the depressed global commodity prices and weak future forecast, the investment in the associate has been fully impaired since 2015.

Name of associate	Country of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2019	2018
			%	%
New Millennium Iron Corp. ("NML")	Canada	Mining Activities	26.18	26.18

14. Investments in Joint venture

	2019	2018
	US$'000	US$'000
Unquoted equity shares, at cost	352,744	352,744
Less: Provision for impairment loss in joint venture [1]	(352,744)	(352,744)
	-	-

14. Investments in Joint venture(continued)

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

Based on the assessment performed, management has made a full provision for impairment loss of US$352,744,000 for Minas De Benga (Mauritius) Limited in prior years prior years.

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

Name of joint venture	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2019	2018	
		%	%	
Held by the Company				
Minas De Benga (Mauritius) Limited	Mauritius	35	35	Holding company

15. Other Non current Investment

	2019 **US $'000**	2018 US $'000
Investment in preference shares	**449,848**	449,848
	449,848	449,848

During the year ended 31st March, 2017,companyhas subscribed to the preference shares issued by Tata Steel Minerals UK Limited.

16. Loan to related corporation

	2019 **US $'000**	2018 US $'000
Loans to subsidiaries [1]	**101,649**	84,863
	101,649	84,863

16. Loan to related corporation (continued)

(1) As at March 31, 2019, this includes loans to a subsidiary, Black Ginger (461) Proprietary Limited of US$ Nil (2018 : USUS13,160,000) which is treated as long-term, which the subsidiary repay. Interest is charged at Johannesburg Interbank Agreed Rate ("JIBAR") plus 2.00% per annum or Nedbank OD rate whichever is lower.

During the year Black Ginger (461) Proprietary Limited has repaid total outstanding Loan amounts to ZAR 155,598,000 (US $ 11,010,000) along with interest ZAR 57,688,000 (US $ 4,082,000)

As at March 31, 2019, this also includes loans to a subsidary,Tata Steel Minerals UK Limited of US$ 76,102,000 (2018 : 71,703,000) with maturity date of November 1,2023.Interest is charged at 6.00% per annum.During the year, interest receivable of US$ 4,400,000 was converted to loans to a subsidiary.

During the current financial year ,addition loans to a subsidary,Tata Steel Minerals UK Limited of US$ 24,553,000 with maturity date of November 1,2023 was given by the company .Interest is charged at 6.00% per annum.During the year, interest receivable of US$ 994,000 was converted to loans to a subsidiary.

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

17. Trade and other payables

	2019 US $'000	2018 US $'000
Other accruals for operating expenses	**92**	17
Accrued interest on loans from		
- immediate holding company	**1**	6
	93	23

18. Borrowings

	2019 US $'000	2018 US $'000
Current		
Loans from immediate holding company[1]	**12,197**	12,827
	12,197	12,827
Non-current		
Long Term Borrowings[2]	**449,848**	449,848
	449,848	449,848
Total borrowings	**462,045**	462,675

18. Borrowings (Continued)

(1) **Current**

The Short term Loans from immediate holding company consist of:

a) Short-term loan payable to immediate holding company amounting to US$9,225,000 (2018: US$ 9,987,000) which is denominated in Australian dollar ("AUD"), is unsecured, interest-free and repayable on demand.

b) Loan payables of US$ 2,972,000 (2018: US$2,840,000) to immediate holding company which are under a cash-pooling arrangement, are unsecured, bear interest ranging from xxx to xxx (2018: 0.90% to 2.42%) per annum and are repayable upon demand.

(2) **Non-current**

During the 31st March,2017 the company has raised an amount from one of the group companies to meet the requirements of normal capital expenditure, debt repayment and working capital requirements, Investment in subsidiaries. The amount was raised by issuing compulsorily convertible preference shares.

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

Preference shares issued earlier to NSA was redeemed at par and fresh preference shares for the same value were issued to TSGH during the year.

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

Holder shall have the right to novate, transfer or assign all or part of its rights and/or the benefits in connection with the Preference Share. Issuer shall not assign or transfer any of its rights or obligations in connection with the Preference Share, except with the prior written consent of Holder.

19. Deferred income taxes

	2019 **US $'000**	2018 US $'000
Beginning of financial year	**6,589**	4,519
Adoption of FRS 109 (Note 2.1b)	**-**	-
Balance after adoption of FRS 109	**6,589**	4,519
Tax (credited)/charged to:		
- profit or loss (Note 8(a))	**1,618**	2,070
End of financial year	**8,207**	6,589

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

Deferred income tax liabilities

	Accelerated tax depreciation US $'000	Fair value gains US $'000	Other US $'000	Total US $'000
2019				
Beginning of financial year	**-**	**-**	**6,589**	**6,589**
(Credited)/charged to:				
- profit or loss	**-**	**-**	**1,618**	**1,618**
End of financial year	**-**	**-**	**8,207**	**8,207**
2018				
Beginning of financial year	-	-	4,519	4,519
(Credited)/charged to:				
- profit or loss	-	-	2,070	2,070
End of financial year	-	-	6,589	6,589

20. Share capital

	2019	2018	2019	2018
	Number of ordinary shares		US$'000	US$'000
Issued and paid up:				
At beginning of the year	1,319,190,035	1,319,190,035	1,319,190	1,319,190
Transfer from capital reserve on issuance of share	-	-	-	-
At end of the year	1,319,190,035	1,319,190,035	1,319,190	1,319,190

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

21. 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.

29. Financial risk management (continued)

a) *Market risk*

(i) Currency risk

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

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

	Assets		Liabilities	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Australian dollars	5,335	5,755	9,228	9,987
Great Britain pound	20	-		
Singapore dollars	-	15	3,716	2,891
Euro	18			
South African rand	-	16,893	-	-

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

	2019	2018
	US$'000	US$'000
Australian dollars	(389)	(423)
Singapore dollars	(372)	(288)
Great Britain pound	2	-
South African rand	-	1,689
Euro	2	-

29. Financial risk management (continued)

a) Market risk (continued)

(i) Currency risk (continued)

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

(ii) Interest rate risk management

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

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

In respect of the above amounts for which are charged at floating rates, based on the balance at year end, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the impact on the Company's profit would be an increase/decrease of US$ 1,201,000(2018 : US$1,333,000).

(b) Credit risk

The Company's credit risk is primarily attributable to its cash at bank and other receivables. The Company places its cash with reputable financial institutions. Other than as disclosed in Note-3(b), management has assessed that credit risk arising from other receivables is not significant as the remaining amounts are due from the Company's subsidiaries and a related company which management has assessed are capable of repaying the advances over the period when these entities generate cash flow from their operations.

(c) Liquidity risk

The Company relies on the immediate holding company (Note 30 & 31) for financial support to fund its existing and continuing commitments. New investments and advances will be funded similarly.

All financial liabilities in 2019and 2018 are non-derivative in nature, non-interest yielding and repayable on demand or due within 1-10 years from the end of the reporting period other than certain interest bearing loans from immediate holding company as disclosed in Note 18 to the financial statements.

All financial assets in 2019 and 2018 are non-derivative in nature, non-interest yielding and repayable on demand or due within 1-10 years from the end of the reporting period, except for certain other receivables which are due after 1 year as disclosed in Note 10 to the financial statements.

29. 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
2019						
Non-interest bearing		5,986				5,986
Variable interest rate instrument	5.38	120,391				120,391
Fixed interest rate instrument	6			132,923	(31,273)	101,649
		126,377		132,923	(31,273)	228,026

	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
2018						
Non-interest bearing		9,796				9,796
Variable interest rate instrument	5.38	101,861	13,160			115,021
Fixed interest rate instrument	6	2,210	17,743	76,475	(24,725)	71,703
		113,867	30,903	76,475	(24,725)	196,520

29. 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.

	2019 **US $'000**	2018 US $'000
Net debt	**456,358**	456,866
Total equity	**365,290**	349,614
Total capital	**821,648**	806,480

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

29. Financial risk management (continued)

(e) Fair value measurements (continued)

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

(f) Financial instruments by category

The carrying amounts of financial assets measured at fair value (financial assets, at fair value through profit and loss) are disclosed on the face of the balance sheet and in Note 9, Note 10 and Note 16 to the financial statements respectively.

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

29. Financial risk management (continued)

(f) Financial instruments by category (continued)

	2019 US $'000
Financial assets, at amortised cost	228,024
Financial liabilities, at amortised cost	462,138

	2018 US $'000
Financial assets, at amortised cost	196,520
Financial liabilities, at amortised cost	462,698

30. Immediate and ultimate holding corporation

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

31. Related party transactions

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

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

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

31. Related party transactions(continued)

	2019 **US$'000**	2018 US$'000
Interest income from subsidiaries	**(6,399)**	((5,397)
Interest income from a related company	**-**	**-**
Interest income from joint venture	**(8,366)**	(6,335)
Interest income from immediate holding company	**(295)**	(374)
Interest expense to immediate holding company	**77**	58
Dividend income from subsidiary	**(16,053)**	-
Loan to subsidiary	**24,553**	**-**
Other capital contribution to subsidiaries	**149**	161

Compensation of directors and key management personnel

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

32. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 January 2019 and which the Company has not early adopted:

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

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

As at the reporting date, there are no non-cancellable operating lease commitments.

The Company expects that net profit after tax will decrease by approximately Nil for 2019 as a result of adopting FRS116. Operating cash flows will increase and financing cash flows decrease by approximately Nil as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

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

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

32. New or revised accounting standards and interpretations(continued)

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

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

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

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

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

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

The Company does not expect additional tax liability to be recognised arising from the uncertain tax positions as disclosed in Note 3(a) on the adoption of the interpretation on 1 April 2019.

32. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of ………