



OFFICE COPY

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

(Incorporated in Singapore. Registration Number: 200801936W)

FINANCIAL STATEMENTS

For the financial year ended March 31, 2019

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(SINGAPORE) HOLDINGS PTE. LTD.**
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Contents

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of the Company for the financial year ended March 31, 2019.

In the opinion of the directors, the accompanying financial statements as set out on pages 6 to 28 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2019, and the financial performance, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Anil Jhanji
Ashish Anupam
Simran Sethi

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the company or its related corporations, except as follows:

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

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

(c) Unissued shares under option

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

5 INDEPENDENT AUDITOR

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

ON BEHALF OF THE DIRECTORS

.....
Anil Jhanji

.....
Simran Sethi

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

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of Tata Steel International (Singapore) Holdings Pte. Ltd. (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows for the year ended on that date.

What we have audited

The Company's financial statements comprise:

- the statement of financial position of the Company as at 31 March 2019;
- the statement of profit or loss and other comprehensive income of the Company for the year then ended;
- the statement of changes in equity of the Company for the year then ended;
- the statement of cash flows of the Company for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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 FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

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

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,
30 May 2019

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION

March 31, 2019

	Note	2019 US\$	2018 US\$
<u>ASSETS</u>			
Current assets			
Cash and bank balances	6	23,275,465	23,983,618
Trade and other receivables	7	1,381,999	239,891
Loan receivables	8	43,000,000	-
Deposits and prepayments	9	23,268	2,585
Total current assets		67,680,732	24,226,094
Non-current assets			
Plant and equipment	10	1,599	-
Investment in subsidiaries	11	1,717,286	58,120,023
Investment in associate	12	1	-
Total non-current assets		1,718,886	58,120,023
Total assets		69,399,618	82,346,117
<u>LIABILITY AND EQUITY</u>			
Current liabilities			
Trade and other payables	13	1,901,326	249,233
Current income tax liabilities		138,241	137,171
Total current liabilities		2,039,567	386,404
Equity			
Share capital	14	69,293,103	69,293,103
(Accumulated losses)/Retained earnings		(1,933,052)	12,666,610
Total equity		67,360,051	81,959,713
Total liability and equity		69,399,618	82,346,117

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial year ended March 31, 2019

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		US\$	US\$
Revenue	15	2,160,309	11,743,381
Cost of sales		<u>(172,663)</u>	<u>(10,340,312)</u>
Gross profit		1,987,646	1,403,069
Other operating income	16	71,678,178	18,027,620
Other losses	17	(57,368,977)	(116,055)
Selling expenses		(124,662)	(5,283)
Administrative expenses		<u>(1,417,200)</u>	<u>(465,660)</u>
Profit before tax		14,754,985	18,843,691
Income tax expense	18	<u>(139,647)</u>	<u>(137,171)</u>
Profit for the year, representing total comprehensive income for the year		<u><u>14,615,338</u></u>	<u><u>18,706,520</u></u>

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Financial year ended March 31, 2019

	Share capital US\$	(Accumulated losses)/ Retained earnings US\$	Total US\$
Balance at April 1, 2017	69,293,103	(6,039,910)	63,253,193
Profit for the year, representing total comprehensive income for the year	-	18,706,520	18,706,520
Balance at March 31, 2018	<u>69,293,103</u>	<u>12,666,610</u>	<u>81,959,713</u>
Balance at April 1, 2018	69,293,103	12,666,610	81,959,713
Profit for the year, representing total comprehensive income for the year	-	14,615,338	14,615,338
Dividend paid to owners of the company	-	(29,215,000)	(29,215,000)
Balance at March 31, 2019	<u>69,293,103</u>	<u>(1,933,052)</u>	<u>67,360,051</u>

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
Financial year ended March 31, 2019

	2019 US\$	2018 US\$
Operating activities		
Profit after tax	14,615,338	18,706,520
Adjustments for:		
Income tax expense	139,647	137,171
Dividend income from subsidiaries	(70,981,600)	(18,000,000)
Interest income	(690,685)	(27,620)
Impairment losses in subsidiaries	57,216,837	123,000
Depreciation of plant and equipment	534	-
	<u>300,071</u>	<u>939,071</u>
Changes in working capital:		
Trade and other receivables	(864,241)	6,843,585
Deposits and prepayments	(20,683)	(2,585)
Trade and other payables	1,652,093	(1,795,972)
Cash generated from operations	<u>1,067,240</u>	<u>5,984,099</u>
Income tax paid	(138,577)	(481)
Net cash provided by operating activities	<u>928,663</u>	<u>5,983,618</u>
Investing activities		
Purchase of plant and equipment	(2,133)	-
Purchase of investment in subsidiary	(814,100)	-
Purchase of investment in associate	(1)	-
Interest received	412,818	-
Dividend received	70,981,600	18,000,000
Short-term loans to immediate holding company	(43,000,000)	-
Net cash provided by investing activities	<u>27,578,184</u>	<u>18,000,000</u>
Financing activities		
Dividend paid to owners of the company	(29,215,000)	-
Net cash used in financing activities	<u>(29,215,000)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(708,153)</u>	<u>23,983,618</u>
Cash and cash equivalents at the beginning of the year (Note 6)	23,983,618	-
Cash and cash equivalents at the end of the year (Note 6)	<u>23,275,465</u>	<u>23,983,618</u>

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

1 GENERAL INFORMATION

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

The principal activities of the company are those of trading in steel related products in South East Asian countries and to co-ordinate sales orders from the South East Asian countries. The principal activities of the subsidiary corporations are disclosed in Note 11 to the financial statements.

The financial statements of the Company for the year ended March 31, 2019 were authorised for issue by the Board of Directors on 30 May 2019.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

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

These financial statements are the separate financial statements of Tata Steel International (Singapore) Holdings Pte. Ltd. The company is exempted from preparation of consolidated financial statements as the company is a wholly-owned subsidiary of Tata Steel Limited, an India-incorporated company which produces consolidated financial statements available for public use.

Interpretations and amendments to published standards effective in 2019

On April 1, 2018, 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 accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

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

The Company has adopted the new standards using the revenue recognition principle based on when the performance obligation has been satisfied, which happens upon transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled.

The accounting policies for revenue from contracts with customers under FRS115 are disclosed in Note 2.11.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

(b) *Adoption of FRS109 Financial Instruments*

The Company has adopted the new standards retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. Comparatives for financial year ended 2018 are not restated.

(i) Impairment of financial assets

The Company has the following financial assets subject to the expected credit loss impairment model under FRS109:

- Cash and bank balances
- Trade and other receivables
- Loan receivables

The impairment methodology for each of these classes of financial assets under FRS109 are different as disclosed in Note 2.3 and Note 4(b).

2.2 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 April 1, 2019 and which the Company has not early adopted:

FRS 116 Leases (effective for annual periods beginning on or after April 1, 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, the Company has non-cancellable operating lease commitments of US\$54,051, see Note 20. Of these commitments, approximately US\$11,706 relate to short-term leases and US\$42,345 to low value leases which will both be recognised on a straight-line basis as expense in profit or loss.

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

The Company is still assessing the impact of FRS116 and does not expect a material impact on the financial statements upon of the interpretation.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 FINANCIAL ASSETS

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

Loans and receivables

Cash and cash equivalents
Trade and other receivables

Cash and cash equivalents and trade and other receivables are initially recognised at fair value 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 is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

The Company classifies its financial assets at amortised cost.

(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.

(ii) At subsequent measurement

Financial assets which are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using effective interest rate method.

(iii) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Recognition and derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial assets, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 TRADE AND OTHER PAYABLES

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

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

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 OPERATING LEASES PAYMENTS

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

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

2.7 PLANT AND EQUIPMENT

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

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

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

Computers	-	33%
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The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.8 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATE

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

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset 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 CASH AND CASH EQUIVALENTS

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

2.11 REVENUE RECOGNITION

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

(a) Sale of goods

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

(b) Dividend income

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

(c) Commission income

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

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 EMPLOYEE COMPENSATION

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

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

2.13 INCOME TAX

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 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; and

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.14 CURRENCY TRANSLATION

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

Transactions in a currency other than United States Dollars ("foreign currency") are translated into the United States Dollars using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

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

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 SHARE CAPITAL

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

2.16 DIVIDENDS

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Group's accounting policies

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

(ii) Key sources of estimation uncertainty

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

Impairment of investment in subsidiaries (Note 11)

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

The Company has assessed the value of its investments and provided an impairment loss of US\$57,216,837 in two subsidiaries (2018: reversed a provision of impairment loss in a subsidiary of US\$123,000), following plans by management to initiate a liquidation of these subsidiaries. The carrying amount of investment in subsidiaries at the end of the reporting period is disclosed in Note 11.

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

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

	2019	2018
	US\$	US\$
Financial assets		
Loans and receivables (including cash and cash equivalents)	67,673,331	24,224,372
Financial liabilities		
Amortised cost	1,901,326	249,233

(b) *Financial risk management policies and objectives*

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

(i) Foreign exchange risk management

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

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

	Assets		Liabilities	
	2019	2018	2019	2018
	US\$	US\$	US\$	US\$
Great Britain Pound	365,625	14,235	-	70,151
Euro	8,928,895	30,218	-	-
Singapore Dollar	626,975	344,926	125,437	177,457
Other	790	-	480,630	-

Foreign currency sensitivity

As at March 31, 2019, if the relevant foreign currency strengthens by 10% against the functional currency of the Company, profit or loss before tax for the year will decrease by approximately:

	2019	2018
	US\$	US\$
Great Britain Pound	(36,563)	(5,592)
Euro	(892,890)	(3,022)
Singapore Dollar	(50,154)	(16,747)

If the relevant foreign currency weakens by 10% against the functional currency of the Group's entities, the effect on profit or loss before tax for the year (2018: profit or loss before tax for the year) will be equal and opposite.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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

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

(ii) Interest rate risk management

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

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

(iii) Credit risk management

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

(a) *Risk management*

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

For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient security where appropriate to mitigate credit risk. In determining the recoverability of a receivable, the Company considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date and the past collection history of each customer. Accordingly, the management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

Management has considered the credit quality of trade receivables which are not past due and determined that no allowance for doubtful debts is necessary. The Company does not hold any collateral over these balances.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller. As at 31 March 2019, 100% (2018 : 100%) of trade receivables are due from related companies. Credit risk is mitigated as the major customers are covered by credit insurance. Credit risk is also managed by monitoring payments from customers regularly.

Loan to immediate holding corporation is provided under the overall group treasury strategy. The Group Treasury entity has sufficient financial assets and other committed credit lines to meet the cash flow needs of the Group.

There are no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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

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

(iii) Credit risk management (continued)

(b) *Credit rating*

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

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

(c) *Impairment of financial assets*

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

The Company has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data.

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

The Company's credit risk management under FRS 39 as at 31 March 2018 is set out as follow:

In 2018, the impairment of the financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Company considered that there was evidence if any of the following indicators were present:

- There is significant difficulty of the debtor.
- Breach of contract, such as default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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

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

(iii) Credit risk management (continued)

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

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company

(ii) *Financial assets that are past due but not impaired*

Included in the Company's trade receivables balance are debtors with a carrying amount of US\$66,661 which are past due at the reporting date for which the Company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Aging of receivables that are past due but not impaired:

	<u>2018</u>
	US\$
< 1 month	19,446
> 1 to 2 months	17,503
>2 months	<u>29,712</u>
	<u>66,661</u>

Other than the above, there are no credit loss allowance for other financial asset at amortised cost as at March 31, 2018.

(iv) Liquidity risk management

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

All financial liabilities in 2018 and 2019 are repayable on demand or due within 1 year from the end of the reporting period and are non-interest bearing.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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

(c) *Capital management policies and objectives*

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

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

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of T S Global Holdings Pte. Ltd., incorporated in Republic of 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 transactions and arrangements are between members of the Group and the effects of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Other than as disclosed elsewhere in the financial statements, during the year, the Company entered into the following significant transactions with related companies.

	2019	2018
	US\$	US\$
Sales of goods to related company	(205,170)	-
Purchases of goods from related companies	-	10,369,977
Commission income from ultimate holding company	(1,047,967)	(1,019,496)
Commission income from related companies	(406,080)	(146,481)
Interest income from immediate holding company	(354,867)	-
Dividend income from subsidiaries	(70,981,600)	(18,000,000)
Dividend payment to immediate holding company	29,215,000	-
Expenses incurred on behalf of the company by subsidiary	-	22,808
Payment made on behalf of subsidiary	6,976	-
Services rendered to immediate holding company	(1,012)	-
Services rendered to related companies	(505,973)	-
Services rendered from immediate holding company	132,972	118,908
Services rendered from related companies	706,357	269,307

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the company. These directors are paid remuneration by a related company in their capacity as directors of the related company.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

6 CASH AND BANK BALANCES

2019	2018
US\$	US\$
23,275,465	23,983,618

Cash and bank balances

7 TRADE AND OTHER RECEIVABLES

2019	2018
US\$	US\$
288,419	119,733
452,673	120,158
6,579	-
278,806	-
355,522	-
1,381,999	239,891

Related companies

Ultimate holding company

Other receivables due from related company

Other receivables due from immediate holding company

Other receivables due from non-related parties

The average credit period on sales of goods is 66 days (2018: 150 days). No interest is charged on outstanding receivables.

8 LOAN RECEIVABLES

2019	2018
US\$	US\$
43,000,000	-

Immediate holding company

As of 31 March, 2019, short-term loan receivables of US\$43,000,000 (2018 : nil), have been extended to the immediate holding company, T S Global Holdings Pte. Ltd. These are unsecured, bear interests ranging from 2.80% to 3.25% per annum and are repayable on 31 March 2020. The immediate holding company has an option to repay the loans earlier without any penalty.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

9 DEPOSITS AND PREPAYMENTS

	2019	2018
	US\$	US\$
Deposits	15,867	863
Sundry prepayments	7,401	1,722
	<u>23,268</u>	<u>2,585</u>

10 PLANT AND EQUIPMENT

	Computers Total US\$
Cost:	
As at April 1, 2018	-
Addition	2,133
As at March 31, 2019	<u>2,133</u>
Accumulated depreciation:	
As at April 1, 2018	-
Depreciation	534
As at March 31, 2019	<u>534</u>
Carrying amount:	
As at April 1, 2018	<u>-</u>
As at March 31, 2019	<u>1,599</u>

11 INVESTMENT IN SUBSIDIARIES

	2019	2018
	US\$	US\$
<i>Unquoted equity shares, at cost</i>		
At April 1	69,293,103	69,293,103
Acquisition	814,100	-
	<u>70,107,203</u>	<u>69,293,103</u>
Less: Provision for impairment	(68,389,917)	(11,173,080)
At March 31	<u>1,717,286</u>	<u>58,120,023</u>

Movement in allowance for impairment loss:

	2019	2018
	US\$	US\$
Balance at beginning of year	11,173,080	11,050,080
Provision for impairment loss (Note 17)	57,216,837	123,000
Balance at end of year	<u>68,389,917</u>	<u>11,173,080</u>

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

11 INVESTMENT IN SUBSIDIARIES (continued)

Details of the company's subsidiaries at March 31, 2019 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest		Proportion of voting power held		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Tata Steel International (Asia) Limited	Hong Kong	100	100	100	100	Sales and marketing of iron and steel products
Tata Steel International (Thailand) Limited ^(a)	Thailand	-	49	-	83	Provide marketing and supporting services to its related companies
TSIA Holdings (Thailand) Limited ^(c)	Thailand	-	100	-	91	Investment holding
Tata Steel International (Singapore) Pte Ltd	Singapore	100	100	100	100	Sales and marketing of iron and steel products
Tata Steel International (Shanghai) Ltd ^(b)	China	100	100	100	100	Sales, purchasing and marketing services for iron and steel products
<u>Held by TSIA Holdings (Thailand) Limited</u>						
Tata Steel International (Thailand) Limited ^(a)	Thailand	-	51	-	17	Provide marketing and supporting services to its related companies

(a) The Company holds the entire equity interest in the ordinary shares of Tata Steel International (Thailand) Limited, representing a voting right of 83%. The subsidiary, TSIA Holdings (Thailand) Limited holds more than 99.9% equity interest in the preference shares of Tata Steel International (Thailand) Limited, representing a voting right of 17%. The proportion of ownership interests and voting rights for this subsidiary are different as the shares of this subsidiary include preference shares with lower proportion of voting rights compared to the ordinary shares. The preference shares are entitled to a yearly cumulative dividend of 12% on the value of the preference shares. The Company, Tata Steel International (Thailand) Limited has been liquidated on 23 April 2018.

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

(c) The Company holds the entire equity interest in the ordinary shares of TSIA Holdings (Thailand) Limited, representing a voting right of 91%. The proportion of ownership interest and voting right for the subsidiary is different as the shares of the subsidiary include preference shares with lower proportion of voting rights compared to the ordinary shares. The preference shares are entitled to a yearly non-cumulative dividend of 3% on the value of the preference shares. The company has been liquidated on 3 July 2018.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

12 INVESTMENT IN ASSOCIATE

	<u>2019</u>	<u>2018</u>
	US\$	US\$
Unquoted shares, at cost	<u>1</u>	<u>-</u>

Details of the associate are as follows:

<u>Name of associate</u>	<u>Country of incorporation and operations</u>	<u>Principal activities</u>	<u>Proportion of ownership interest and voting power held</u>	
			<u>2019</u>	<u>2018</u>
			%	%
European Profiles (M) Sdn. Bhd.	Malaysia	Manufacturing and fabrication of building envelope systems and composite floor decking	20	0

On 29 March 2019, the company purchased the above investment from its subsidiary, Tata Steel International (Singapore) Pte. Ltd., at a consideration of S\$ 1.00, or equivalent US\$ 0.07.

13 OTHER PAYABLES

	<u>2019</u>	<u>2018</u>
	US\$	US\$
Other payables due to:		
Third parties	1,071	1,211
Related parties	522,328	70,151
Subsidiary	-	1,625
Immediate holding company	11,066	120,046
Accruals	<u>1,366,861</u>	<u>56,200</u>
	<u>1,901,326</u>	<u>249,233</u>

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

14 SHARE CAPITAL

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	Number of ordinary shares		US\$	US\$
Issued and paid up:				
At beginning and end of the year	<u>96,000,000</u>	<u>96,000,000</u>	<u>69,293,103</u>	<u>69,293,103</u>

As at March 31, 2019 and 2018, an outstanding amount of US\$1,324,072 remains unpaid. Accordingly, the share capital at the end of the financial year ended March 31, 2019 and March 31, 2018 represents the capital contributions from its immediate holding company which have been paid.

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

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

15 REVENUE

	2019	2018
	US\$	US\$
Sale of goods to related company (Note 5)	205,170	-
Sale of goods to third party	-	10,577,404
Commission income from ultimate holding and related companies (Note 5)	1,454,047	1,165,977
Management income from related companies (Note 5)	501,092	-
	<u>2,160,309</u>	<u>11,743,381</u>

16 OTHER OPERATING INCOME

	2019	2018
	US\$	US\$
Dividend income from subsidiaries (Note 5)	70,981,600	18,000,000
Interest income from immediate holding company (Note 5)	354,867	-
Interest income from bank	335,818	-
Other income from ultimate holding company and related companies (Note 5)	5,893	27,620
	<u>71,678,178</u>	<u>18,027,620</u>

17 OTHER (LOSSES)/GAINS

	2019	2018
	US\$	US\$
Net foreign exchange (losses)/gains	(152,140)	6,945
Impairment loss in subsidiaries (Note 11)	(57,216,837)	(123,000)
	<u>(57,368,977)</u>	<u>(116,055)</u>

18 INCOME TAX EXPENSE

	2019	2018
	US\$	US\$
Tax expense attributable to profit is made up of:		
Current income tax	138,241	137,171
Under provision in prior financial year	1,406	-
	<u>139,647</u>	<u>137,171</u>

Domestic income tax is calculated at 17% (2018 : 17%) of the estimated assessable profit (loss) for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The total charges for the year can be reconciled to the accounting profit as follows:

	2019	2018
	US\$	US\$
Profit before income tax	<u>14,754,985</u>	<u>18,843,691</u>
Tax expense at the domestic income tax rate of 17% (2018 : 17%)	2,508,347	3,203,427
Effect of revenue that is exempt from taxation	(12,066,872)	(3,039,090)
Effect of tax exempt income and rebate	(28,690)	(27,166)
Effect of items that are not deductible in determining taxable profit	9,726,862	-
Income tax expense	<u>139,647</u>	<u>137,171</u>

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

18 INCOME TAX EXPENSE (continued)

Movement in current income tax liabilities

	2019 US\$	2018 US\$
Beginning of financial year	137,171	481
Income tax paid	(138,577)	(481)
Tax expense	138,241	137,171
Under-provision in preceding financial year	1,406	-
	<u>138,241</u>	<u>137,171</u>

19 PROFIT FOR THE YEAR

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

Profit for the year has been arrived at after charging:

	2019 US\$	2018 US\$
Staff cost	386,784	-
Cost of defined contribution plans	23,414	-
Central regional marketing development costs	193,048	256,131
Management fees	603,556	121,271
Professional fees	62,463	60,463
Rental expenses on operating lease	52,713	12,662
Travelling and entertainment expenses	65,091	-
Payment made on behalf of subsidiary	6,976	-
Sales and marketing expense	64,824	-
IT and telecommunication expense	45,945	-
Depreciation of plant and equipment	534	-
Others	36,514	20,416
Cost of inventories recognised as expense	<u>172,663</u>	<u>10,340,312</u>

20 OPERATING LEASE COMMITMENTS

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2019 US\$	2018 US\$
Within one year	36,608	49,121
In the second year	17,443	8,441
	<u>54,051</u>	<u>57,562</u>

Operating lease payments represents rental payable by the company for its office premise and staff accommodation under non-cancellable operating lease agreements. The leases are contracted for a period ranging from 1 to 2 years (2018: 1 year) and rentals are fixed for the duration of the leases.

TATA STEEL INTERNATIONAL (SINGAPORE) HOLDINGS PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

21 SUBSEQUENT EVENTS

The Company extended loans of US\$11,000,000 and EUR7,915,409 on 4 April 2019 with interest rates of 2.75% and 0.10% respectively, per annum to immediate holding corporation. These loans are repayable by 4 October 2019 and 6 Jan 2020. The immediate holding corporation has an option to repay the loan earlier without any penalty.