T S GLOBAL PROCUREMENT COMPANY PTE. LTD.
(Incorporated in Singapore. Registration Number: 201008706C)

ANNUAL REPORT
For the financial year ended 31 March 2023

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(Incorporated in Singapore)

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For the financial year ended 31 March 2023

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 March 2023

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2023.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 47 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 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 Raghav Sud
Ms Samita Shah
Mr Sanjib Nanda
Mr Sundara Ramam Dwaraka Bhamidipati
Mr Girish Bajaj
Ms Swastika Basu
Mr Peeyush Gupta

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

Name of the directors and company in which interest are held	At beginning of year or date of appointment, if later	At end of year
Tata Steel Limited		
Ordinary shares of Rupees 10 each		
Koushik Chatterjee	16,360	16,360
Raghav Sud	170	170
Sanjib Nanda	4,840	4,840
Swastika Basu	4,080	4,080
11.5% Debentures of Rupees 1,000,000 each		
Samita Shah	3	3

Directors' interests in shares or debentures (continued)

Name of the directors and company in which interest are held	At beginning of year	At end of year
The Tinplate Company of India Limited		
Ordinary shares of Rupees 10 each		
Koushik Chatterjee	1,000	1,000

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

Samita Shah
Director

Raghav Sud
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF T S GLOBAL PROCUREMENT COMPANY PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of T S Global Procurement Company Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act 1967 ("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 2023 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the financial year ended 31 March 2023;
- the balance sheet as at 31 March 2023;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF T S GLOBAL PROCUREMENT COMPANY 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 FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- 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.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2023

	Note	**2023**	2022
		US$000	US$000
Revenue	4(a)	**9,223,446**	8,091,678
Cost of sales	4(b)	**(9,202,956)**	(8,069,495)
Gross profit		**20,490**	22,183
Other income			
- Interest	5	**42,348**	10,292
- Dividend	5	**-**	26,400
Other gains / (losses)	6	**(26,605)**	15,836
Expenses			
- Administrative	4(b)	**(11,276)**	(14,038)
- Finance	7	**(38,466)**	(12,940)
Profit before tax		**(13,509)**	47,733
Income tax expense	8(a)	**(2,010)**	(2,618)
Profit after tax and total comprehensive income for the year		**(15,519)**	45,115

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.

BALANCE SHEET
As at 31 March 2023

	Note	**2023**	2022
		US$'000	US$'000
ASSETS			
Current assets			
Cash and bank deposits	9	**16,638**	15,616
Trade and other receivables	10	**1,168,282**	1,496,841
Derivative financial instruments	11	**1,595**	7,765
Loan receivables	12	**1,044,372**	568,901
		2,230,887	2,089,123
Non-current assets			
Investment in subsidiaries	13	**814**	27,384
Investment in associate	14	*****	*
Equipment	15	**82**	109
Intangible assets	16	**61**	99
Right-of-use assets	17(a)	**34,370**	4,573
Deferred tax assets	18(a)	**-**	101
		35,327	32,266
Total assets		**2,266,214**	2,121,389
LIABILITIES			
Current liabilities			
Trade and other payables	19	**1,190,132**	1,513,372
Income tax liabilities	8(b)	**1,981**	3,296
Loan payables	20	**-**	129,690
Bank loans	21	**849,318**	263,673
Lease liabilities	17(b)	**4,231**	5,344
		2,045,662	1,915,375
Non-current liability			
Deferred tax liability	18(b)	**17**	-
Lease liabilities	17(b)	**30,040**	-
Total liabilities		**2,075,719**	1,915,375
NET ASSETS		**190,495**	206,014
EQUITY			
Share capital	22	**99,635**	99,635
Retained earnings		**21,567**	37,086
Amalgamation reserve	26	**69,293**	69,293
Total equity		**190,495**	206,014

*Amount is less than US$1,000

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

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2023

	Note	Share capital US$'000	Retained earnings US$'000	Amalgamation reserve US$'000	Total equity US$'000
2023					
Beginning of financial year		99,635	37,086	69,293	206,014
Profit and total comprehensive income for the year		-	(15,519)	-	(15,519)
End of financial year		**99,635**	**21,567**	**69,293**	**190,495**
2022					
Beginning of financial year		99,635	311,971	69,293	480,899
Profit and total comprehensive income for the year		-	45,115	-	45,115
Dividends paid (Refer note below)			(320,000)	-	(320,000)
End of financial year		**99,635**	**37,086**	**69,293**	**206,014**

Note:

During the financial year ended 31 March 2022, dividends declared to the immediate holding company amounting to US$ 320,000,000 (US$ 3.21 per share) were not settled in cash and net against loan due from immediate holding company (Note 12).

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2023

	Note	2023	2022
		US$'000	US$'000
Operating activities			
Profit before tax		**(13,509)**	47,733
Adjustments for:			
- Interest income	5	**(42,348)**	(10,292)
- Interest expense	7	**38,466**	12,940
- Dividend income	5	**-**	(26,400)
- Depreciation and amortisation expense	4(b)	**5,288**	6,341
- Fair value losses on derivative financial instruments		**6,170**	307
- Unrealised currency translation losses/(gains)		**1,260**	2,452
- Loss on deregistration on subsidiary		**25,867**	-
Operating cash flows before movements in working capital		**21,194**	33,081
Changes in working capital, net of effects of amalgamation:			
- Inventories		**-**	179,701
- Trade and other receivables		**344,022**	(1,011,025)
- Trade and other payables		**(327,108)**	778,304
Cash used in operations		**38,108**	(19,939)
Income tax paid		**(3,207)**	(7,287)
Net cash generated from / (used in) operating activities		**34,901**	(27,226)
Investing activities			
Receipt on deregistration of subsidiary		**703**	-
Principal receipts under sub-lease		**174**	1,860
Interest received		**26,813**	8,040
Purchase of equipment and intangible asset		**(5)**	(137)
Dividend received		**-**	26,400
Loans to related companies		**(136,250)**	(148,023)
Repayments of loans to related companies		**105**	119,283
Loan to immediate holding company		**(476,235)**	(452,501)
Repayment of loan to immediate holding company		**5,000**	226,000
Advance for investment in group company		**-**	-
Net cash (used in)/generated from investing activities		**(579,695)**	(219,078)

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

T S GLOBAL PROCUREMENT COMPANY PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2023

	Note	**2022**	2022
		US$'000	US$'000
Financing activities			
Interest paid		**(32,482)**	(10,344)
Principle payments of lease liabilities		**(6,107)**	(8,757)
Loans from related companies		**-**	15,000
Repayments of loans from related companies		**-**	(25,000)
Loans from immediate holding company		**-**	528,829
Repayments of loans from immediate holding company		**-**	(223,172)
Proceeds from bank loans		**3,210,821**	2,028,563
Repayments of bank loans		**(2,626,416)**	(2,069,847)
Net cash generated from/(used in) financing activities		**545,816**	235,272
Net (decrease)/increase in cash and cash equivalents		**1,022**	(11,032)
Cash and cash equivalents at beginning of financial year Year		**15,616**	26,648
Cash and cash equivalents at end of financial year	9	**16,638**	15,616

Reconciliation of liabilities arising from financial activities

	Opening balance as at 1 April	Proceeds from borrowings	Principal and interest payments	Non-cash changes				Closing balance as at 31 March
				Interest expense	Addition - new leases	Non-cash settlement	Others*	
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Bank loans and accrued interest								
2023	263,699	3,210,821	(2,658,522)	35,881	-	-	(814)	851,065
2022	303,864	2,028,563	(2,079,447)	9,156	-	-	1,563	263,699
Loan payables and accrued interest								
2023	129,704	-	-	2,205	-	(131,909)	-	-
2022	570,066	543,829	(248,671)	3,551	-	(739,071)	-	129,704
Lease liabilities and accrued interest								
2023	5,353	-	(6,483)	380	35,105	-	(71)	34,284
2022	15,553	-	(9,002)	233	231	-	(1,662)	5,353

*Others include foreign exchange movement, modification of lease liabilities and other reclassifications.

During the year following non cash settlements were undertaken:
- loan and interest of USD 131,909,000 were repaid to Natsteel Asia Pte Ltd.
- T Steel Holdings Pte Ltd repaid loan of USD 136,145,000
- fresh loan of USD 4,236,000 was given to T S Global Holdings Pte Ltd.

1. General information

The Company is incorporated in Singapore with its principal place of business and registered office at 2 Venture Drive, #19-23 Vision Exchange, Singapore 608526.

The principal activity of the Company is that of trading of raw materials for steel making purposes, investment holding and debt financing.

The principal activities of the subsidiaries and associate are disclosed in Note 14 and 15 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.

Interpretation and amendments to published standards effective in 2021

The Company has adopted the amendments to FRS 109, FRS 107 and FRS 116 Interest Rate Benchmark Reform –Phase 2 effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to financial instruments. Comparative amounts have not been restated, and there was no impact on the current period opening reserves amounts on adoption.

<u>Financial instruments measured at amortised cost</u>

Phase 2 of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by IBOR reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change.

Effect of IBOR reform

Following the global financial crisis, the reform and replacement of Inter-bank Offered Rates ("IBOR") has become a priority for global regulators. The Company's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings and loan receivables that are linked to the USD London Inter-bank Overnight Rate ("USD LIBOR").

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretation and amendments to published standards effective in 2021 (continued)

Effect of IBOR reform (continued)

6-month USD LIBOR will lose its representativeness and 12-month USD LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Company has variable-rate USD borrowings and loan receivables which reference to 6-month and 12-month USD LIBOR and mature after

30 June 2023.The Company's communication with its debt and receivable counterparties is ongoing, but specific changes required by IBOR reform have not yet been agreed. The expected transition from USD LIBOR to SOFR had no effect on the amounts reported for the current and prior financial years.

As at 31 March 2023,the Company does not have any financial instruments which are referenced to USD LIBOR.

2.2 Revenue from contracts with customers

Revenue 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 goods and services tax, rebates and discounts.

(a) Sale of goods

Revenue from sale of products is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(b) Service income

Revenue from rendering of services of short duration is recognised when the services are completed.

2. Significant accounting policies (continued)

2.2 Revenue from contracts with customers (continued)

(c) Factoring income

The Company provides accounts receivables financing to related companies and earns a factoring income that is recognised over time on a straight-line basis over the term of the relevant contracts. The Company does not have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(d) Interest income

Interest income is recognised using the effective interest rate method.

(e) 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 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.

2.4 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are offset against the related expenses.

2. Significant accounting policies (continued)

2.5 Leases

When the Company is a lessee:

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

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

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

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

(c) Short-term and low-value leases

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

2. Significant accounting policies (continued)

2.5 Leases (continued)

(d) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

When the Company is an intermediate lessor:

In classifying a sublease, the Company as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Company allocates the consideration based on a relative stand-alone selling price basis.

2.6 Borrowing costs

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

2.7 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

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

2. Significant accounting policies (continued)

2.7 Income taxes (continued)

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

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.

2.8 Exemption from preparing consolidated financial statements

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

2.9 Investment in subsidiaries and associate

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

A subsidiary is an entity that is controlled by another entity. Control is achieved when the Company:

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

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

Associates are those enterprises over which the company has significant influence but does not have control or joint control.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2. Significant accounting policies (continued)

2.11 Equipment

Equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

(a) Measurement

All items of equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of equipment that are transferred from the hedging reserve.

(b) Subsequent expenditure

Subsequent expenditure relating to 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 Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(c) Depreciation

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives of office equipment are 3 years.

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.

(d) Disposal

On disposal of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.12 Intangible assets

(a) Measurement

Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2. Significant accounting policies (continued)

2.12 Intangible assets (continued)

(b) Amortisation

Amortisation on items of intangible asset is calculated using the straight-line method to allocate their amortisable amounts over their estimated useful lives as follows:

	Useful lives
Software	5 years

The residual values, estimated useful lives and amortisation method of intangible asset 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.

2.13 Impairment of non-financial assets

Equipment and right-of-use-assets 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.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. Significant accounting policies (continued)

2.14 Financial assets

The Company classifies all of its financial assets (except for derivative financial instruments referred in Note 2.15) into the amortised cost measurement category. The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

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

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

(i) At initial recognition

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

(ii) At subsequent measurement

<u>Debt instruments</u>

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

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 manages 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.

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

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

2. Significant accounting policies (continued)

2.14 Financial assets (continued)

(ii) At subsequent measurement (continued)

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

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

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

For trade receivables (excluding trade receivables due from ultimate holding company and related companies), 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 trade receivables due from ultimate holding company and related companies, loan receivables, other receivables 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.

2.15 Derivative financial instruments

The company enters into foreign exchange forward contracts to manage its exposure to in foreign exchange rate risk. Further details are disclosed in Note 11 to the financial statements. A derivative financial instrument 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. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

2.16 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)

2.17 Borrowings

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

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

2.18 Provisions

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

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

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

2.19 Fair value estimation of financial assets and financial liabilities

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

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

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

2.20 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. Significant accounting policies (continued)

2.21 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.

2.22 Currency translation

The financial statements are presented in United States Dollar ("US$''), which is the functional currency of the Company.

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

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

2.23 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.

2.24 Business combinations under common control

Business combinations arising from transfer of businesses that are under common control are accounted for using the predecessor method of accounting using the prospective accounting approach. The difference between any consideration transferred and the aggregate carrying values of assets and liabilities of the acquired business are recognised in shareholders' equity or reserves.

3. Critical accounting estimates, assumptions and judgements

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

(i) Expected credit losses (ECL) on trade receivables from non-related companies

ECLs are unbiased probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

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

The policy for allowances for impairment of the company is based on the evaluation of collectability and management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history, the period over which the debts are aged, reasonable and supportable forecast of future economic conditions at the reporting date and the extent of any credit insurance coverage. The Company also evaluates the expected credit loss on specific customers when the Company receives objective evidence indicating the receivables are deemed uncollectible to the extent that there is no reasonable expectation of collections. Any subsequent changes to these estimates will be recognised in profit or loss in the financial year in which the estimates change. The carrying amount of trade receivables are disclosed respectively in Note 10.

As at the date of the balance sheet, management has assessed that the ECL as recorded in Note 10 is adequate.

(ii) Estimation of uncertainties relating to COVID-19

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of the financial statements and concluded no adjustment is required in these financial statements. The Company continues to monitor the future economic conditions.

4(a). Revenue from contracts with customers

	2023 US$'000	2022 US$'000
Sale of goods to ultimate holding company	**4,690,401**	3,386,776
Sale of goods to related companies	**4,150,275**	4,311,395
Sale of goods to external parties	**378,758**	384,926
	9,219,434	8,083,097
Service income from ultimate holding company	**2,767**	6,822
Service income from related companies	**1,245**	1,759
Total revenue from contracts with customers	**9,223,446**	8,091,678

4(b). Expenses by nature

	2023 US$'000	2022 US$'000
Purchases	**8,599,686**	7,519,268
Freight and handling	**603,270**	550,227
Total cost of sales	**9,202,956**	8,069,495
Administration expenses		
- Depreciation and amortisation expense	**5,288**	6,341
- Others[1]	**5,988**	7,697
Total cost of sales and admin expenses	**9,214,232**	8,083,533

(1) During the year, the Company has received US$ 29,000 (S$ 39,000) (2022: US$ 68,000 (S$ 91,000)) under the Jobs Support Scheme (JSS) from the Government. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. The scheme had been extended up to 2021 by the Government. Under the JSS, employers will receive cash grants in relation to gross monthly wages of eligible employees. The amount received has been offset by the Company against salary costs included in "others''.

5. Other income

	2023 US$'000	2022 US$'000
Interest income from financial assets measured at amortised cost		
- Bank	**100**	110
- Loan to immediate holding company	**42,220**	8,390
- Loan to related companies	**28**	1,784
- Sub-leases to related companies	**-**	8
Dividend income from a subsidiary	**-**	26,400
	42,348	36,692

6. Other gains

	2023 **US$'000**	2022 US$'000
Net fair value losses on derivative financial instruments (Note 11)	**(6,170)**	(307)
Net currency exchange gains	**5,062**	14,350
Loss on deregistration of subsidiary	**(25,867)**	-
Others	**370**	1,793
	(26,605)	15,836

7. Finance expenses

	2023 **US$'000**	2022 US$'000
Interest expense on loans from:		
- Immediate holding company	**-**	3,075
- Subsidiary	**-**	23
- Related companies	**2,205**	453
Interest expense on bank loans and external arrangements	**35,881**	9,156
Interest expense on lease liabilities	**380**	233
	38,466	12,940

8. Income taxes

(a) Income tax expense

	2022 **US$'000**	2022 US$'000
Current income tax		
- current year	**1,981**	3,296
- (over)/under provision in prior year	**(89)**	(2,362)
Deferred tax (Note 18)		
- current year	**118**	1,684
Total tax expense	**2,010**	2,618

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

	2022 **US$'000**	2022 US$'000
Profit before tax	**(13,509)**	47,733
Income tax at statutory rate 17% (2020: 17%)	**(2,297)**	8,115
Expenses not deductible for tax purposes – loss on deregistration of subsidiary	**4,397**	-
(Over)/under provision in prior year	**(89)**	(2,362)
Tax-exempt income and rebate	**(12)**	(4,713)
Reversal of deferred tax assets resulting from utilisation of allowance for impairment (Note 18)	**-**	1,581
Others	**11**	(3)
	2,010	2,618

8. Income taxes (continued)

(b) Movements in current income tax liabilities

	2023 US$'000	2022 US$'000
Beginning of financial year	**3,296**	9,649
	-	-
Income tax paid	**(3,207)**	(7,287)
Tax expense	**1,981**	3,296
(Over)/under provision in prior year	**(89)**	(2,362)
End of financial year	**1,981**	3,296

During the financial year ended 31 March 2018, the company was awarded an extension to its Global Trader Programme ("GTP") status by International Enterprise Singapore ("IE Singapore") for a period of 4 years 10 months, effective from 1 June 2017 and ending on 31 March 2022. Under the GTP status, the company enjoys a concessionary tax rate of 10% for profits derived from qualifying activities. Profits from non-qualifying sources, if any, are taxed at 17%. However, during the financial year company has voluntarily withdrawn from GTP status due to the non-fulfillment of prerequisite conditions and all profit are now taxed at 17%.

9. Cash and bank deposits

	2023 US$'000	2022 US$'000
Cash at bank	**16,638**	15,616

10. Trade and other receivables

	2023 US$'000	2022 US$'000
Trade receivables#		
Sales of goods to ultimate holding company	**493,183**	778,282
Sales of goods to related companies	**571,469**	557,981
Non-related parties	**45,176**	17,234
	1,109,828	1,353,497

10. Trade and other receivables (continued)

	2023 US$'000	2022 US$'000
Other receivables		
Accrued interest income on loans to immediate holding company	**18,035**	2,500
Accrued interest income on finance sublease	**-**	*
Advances to related companies [1]	**-**	34
Other receivables from related companies [1]	**17**	116
Other receivables from subsidiary[1]	**69**	-
Other receivable from immediate holding company[1]	**18**	17
Prepayments	**2,673**	1,806
Non-related parties	**26,279**	108,686
Finance lease receivable from related companies (Note 17(c))	**-**	174
Deferred expenses	**11,363**	30,011
	58,454	143,344
Total current trade and other receivables	**1,168,282**	1,496,841

The average credit period on sales of goods is 3 to 180 days (2022: 3 to 180 days).
***** Amount is less than US$1,000

[1] Advances to related companies and other receivables from related companies are unsecured, interest-free and repayable on demand.

The basis of the determination of the allowance is disclosed in Note 3.

Movement in the allowance for impairment

	2023 US$'000	2022 US$'000
Balance at beginning of year	**-**	9,881
Foreign currency revaluation	**-**	(248)
Utilised during the year	**-**	(9,633)
Balance at end of year	**-**	-

11. Derivative financial instruments

	2023 US$'000	2022 US$'000
Asset:		
Forward foreign exchange contracts - unrealised fair value gain	**213**	365
Forward commodity contracts - unrealised fair value gain	**1,382**	7,400
	1,595	7,765

The company utilises currency and commodity derivatives to hedge significant future transactions and cash flows. The company is party to a variety of forward contracts and commodity contracts in the management of its exchange rate exposures and commodity prices exposure respectively.

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

	2023 US$'000	2022 US$'000
Forward foreign exchange contracts	**41,518**	115,830
Forward commodity contracts	**28,671**	20,298
	70,189	136,128

These arrangements are designed to address significant exchange exposure during the financial year.

Changes in the fair value of derivative financial instruments

	2023 US$'000	2022 US$'000
Opening fair value of derivative financial instruments	**7,765**	8,072
Fair value losses on derivative financial instruments recognised in profit or loss (Note 6)	**(6,170)**	(307)
Net closing fair value of derivative financial instruments	**1,595**	7,765

11. Derivative financial instruments (continued)

The following table details the forward foreign currency contracts outstanding as at 31 March 2023:

Outstanding contracts	Average exchange rate	Foreign currency	Contract value	Fair value gains
		FC$'000	US$'000	US$'000
Sell GBP less than 3 months	1.24	651	806	**1**
Buy EUR less than 3 months	1.08	37,247	40,351	**212**
Buy SGD less than 3 months	0.75	316	238	*
Buy CNY less than 3 months	0.15	843	123	*
Total			41,518	**213**

The following table details the forward foreign currency contracts outstanding as at 31 March 2022:

Outstanding contracts	Average exchange rate	Foreign currency	Contract value	Fair value gains / (losses)
		FC$'000	US$'000	US$'000
Buy EUR less than 3 months	1.11	104,260	115,830	365
Total			115,830	365

11. Derivative financial instruments (continued)

The following table details the commodity contracts outstanding as at 31 March 2023.

Outstanding contracts	Average forward rate	Volume	Contract value	Fair value gains
	US$/Ton	Ton'000	US$'000	US$'000
Buy 0.5% VLSFO Singapore	511.98	56	28,671	1,382

The following table details the commodity contracts outstanding as at 31 March 2022.

Outstanding contracts	Average forward rate	Volume	Contract value	Fair value gains
	US$/Ton	Ton'000	US$'000	US$'000
Buy 0.5% VLSFO Singapore	534.16	38	20,298	7,400

12. Loan receivables

	2023	2022
	US$'000	US$'000
Immediate holding company	**1,044,372**	568,901
	1,044,372	568,901

Loan receivables consist of:

(i) As at 31 March 2023, a loan receivable of US$ 1,044,372,000 (2022: US$ 568,901,000) is due from immediate holding company, T S Global Holdings Pte. Ltd, under a multi-currency revolving credit facility arrangement of US$ 2,500,000,000 (2022: US$ 1,000,000,000), which is unsecured and bears interest rate ranging of SOFR + 240 basis points (2022: LIBOR + 200 basis points) resulting interest rate from 3.55% to 7.79% per annum.

13. Investment in subsidiaries

	2023	2022
	US$'000	US$'000
Unquoted equity shares, at cost#	**814**	27,384

#Unquoted equity shares, at cost	**2023**	2022
	US$'000	US$'000
Existing investments in equity shares	**27,384**	814
Elimination of investments in equity shares following deregistration of subsidiary	**(26,570)**	-
Additions related to acquisition	**-**	26,570
Total	**814**	27,384

Details of company's subsidiaries as at 31 March 2023 are as follows:

Name of subsidiary	**Country of incorporation and operation**	**Proportion of ownership interest and voting power held**		**Principal activities**
		2023 %	2022 %	
Tata Steel International (Shanghai) Limited	China	100	100	Sales, purchasing and marketing services for iron and steel products
TS Asia (Hong Kong) Limited(1) (2)	Hongkong	-	100	Trading of ferro alloys and minerals products.

(1) The deregistration of T S Asia (Hong Kong) Limited in Hong Kong was completed with effect from 10th March 2023.

(2) Transfer of the entire shareholdings in T S Asia (Hong Kong) Limited ("TSAHK") from Natsteel Asia Pte. Ltd. ("NSA") was completed upon receipt of approval from the Inland Revenue Department of Hong Kong on 28 April 2021. This acquisition was part of group restructuring and at a consideration of US$26,570,000.

14. Investment in associate

	2023	2022
	US$'000	US$'000
Unquoted equity shares, at cost	*	*

* Amount is less than US$ 1000.

Details of the associate are as follows:

Name of associate	**Country of incorporation and operation**	**Proportion of ownership interest and voting power held**		**Principal activities**
		2023	2022	
		%	%	
European Profiles (M) Sdn. Bhd.	Malaysia	20	20	Manufacturing and fabrication of building envelope systems and composite floor decking.

15. Equipment

	Office equipment
	US$'000
Cost:	
At 1 April 2021	1,908
Additions	102
At 31 March 2022	2,010
Additions	5
Reclassified as revenue expenditure	(20)
Disposals	(1,799)
At 31 March 2023	196
Accumulated depreciation:	
At 1 April 2021	(1,891)
Depreciation expense	(10)
At 31 March 2022	(1,901)
Disposals	1,799
Depreciation expense	(12)
At 31 March 2023	(114)
Carrying amount:	
At 31 March 2023	82
At 31 March 2022	109

16. Intangible assets

	Software US$'000
Cost:	
At 1 April 2021	684
Additions	35
At 31 March 2022	719
Additions	-
At 31 March 2023	719
Accumulated amortization:	
At 1 April 2021	(586)
Amortization expense	(34)
At 31 March 2022	(620)
Amortization expense	(38)
At 31 March 2023	(658)
Carrying amount:	
At 31 March 2023	61
At 31 March 2022	99

17(a). Right of use assets

	Right-of-use Buildings US$'000	Right-of-use Plant and Machinery US$'000	Total US$'000
Cost:			
At 1 April 2021	329	39,399	39,728
Additions	231	-	231
Modification of lease liabilities	(329)	(19,906)	(20,235)
At 31 March 2022	231	19,493	19,724
Additions	551	34,554	35,105
Modification of lease liabilities	(105)	-	(105)
At 31 March 2023	677	54,047	54,724
Accumulated depreciation:			
At 1 April 2021	238	27,187	27,425
Depreciation expense	137	6,160	6,297
Modification of lease liabilities	(321)	(18,250)	(18,571)
At 31 March 2022	54	15,097	15,151
Depreciation expense	260	4,977	5,237
Modification of lease liabilities	(34)	-	(34)
At 31 March 2023	280	20,074	20,354
Carrying amount:			
At 31 March 2023	397	33,973	34,370
At 31 March 2022	177	4,396	4,573

See Note 17(b) for the nature of these right-of-use assets.

17(b). Leases – The Company as a lessee

	2023	2022
	US$'000	US$'000
Non-related parties' leases	**392**	168
Related parties' leases	**33,879**	5,176
	34,271	5,344
Related parties' leases	**(30,040)**	-
	4,231	5,344

The Company's significant leasing arrangements relate to assets specifically set up for dedicated use by the Company under time charter of vessels. Other leases include dwelling premises for providing accommodations to employees.

Lease terms are agreed on individual basis and contain wide range of different terms and conditions. Each lease generally imposes a restriction that, unless there is a contractual right to sublet the asset to other party, the right of use asset can only be used by the company. Extension and termination options are included in all leases. There is no externally imposed covenant on these lease arrangements.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset, finance lease receivable and lease liability. Payments made under such leases are expensed on a straight-line basis over the lease term.

(a) Expense charged to profit and loss

	2023	2022
	US$'000	US$'000
Interest expenses on lease liabilities	**380**	233
Depreciation on ROU assets	**5,237**	6,297

(b) Lease expense not capitalised in lease liabilities

	2023	2022
	US$'000	US$'000
Short term leases	**35**	204

(c) Total cash outflow for all leases (for principal repayment, interest payment and short-term leases) during the financial year was US$ 6,518,000 (2022:US$ 9,206,000).

17(c). Leases – The Company as a lessor

Nature of the Company's leasing activities – Company as a lessor

Subleases – classified as finance leases

The Company's sub-lease of its right-of-use of the time charter vessel to related companies is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease.

Right-of-use assets relating to the head leases with sub-leases classified as finance lease is derecognised. The net investment in the sub-lease is recognised under "Trade and other receivables" as finance lease receivable.

Finance income on the net investment in sub-lease during the financial year is US$ NIL (2022: US$ 8,000).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	2023	2022
	US$'000	US$'000
Less than one year	**-**	174
Total undiscounted lease payments	**-**	174
Less: Unearned finance income	**-**	-
Net investment in finance lease	**-**	174
Current (Note 10)	**-**	174
Total	**-**	174

18(a). Deferred tax asset

	2023	2022
	US$'000	US$'000
Beginning of financial year	**101**	1,785
Tax charged to profit or loss (Note 8)	**(101)**	(1,684)
End of financial year	**-**	101

18(b). Deferred tax liability

	2023	2022
	US$'000	US$'000
Beginning of financial year	**-**	-
Tax charged to profit or loss (Note 8)	**17**	-
End of financial year	**17**	-

18(b). Deferred tax liability (continued)

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

	On recognition of leases US$'000	Trade and other receivables US$'000	Total US$'000
At 1 April 2021	204	1,581	1,785
Charged to profit or loss for the year (Note 8(a))	(103)	(1,581)	(1,684)
At 31 March 2022	101	-	101
Charged to profit or loss for the year (Note 8(a))	(118)	-	(118)
At 31 March 2023	(17)	-	(17)

19. Trade and other payables

	2023 US$'000	2022 US$'000
Trade payables*		
- Non-related parties	**1,076,715**	1,340,065
- Ultimate holding company	**(9)**	3,797
- Related parties	**54,426**	31,856
	1,131,132	1,375,718
Accrued interest expense on loans from:		
- Related companies	**-**	14
Accrued interest expense on short-term bank loans	**1,747**	26
Withholding tax payable	**812**	226
Advance from ultimate holding company	**17,416**	-
Advance from others	**49**	-
Other payables to:		
- Ultimate holding company (1)	**14**	13
- Related companies# (1)	**26,597**	106,134
- Subsidiary (1)	**175**	272
Other payables and accrued expenses	**817**	1,405
Deferred income	**11,373**	29,564
	59,000	137,654
	1,190,132	1,513,372

***** The credit period on trade payables ranges from 2 to 180 days (2022: 2 to 180 days). Interest is not charged on the outstanding balances.

Other payables to related companies include accrued interest expense on lease liabilities amounting to US$ 13,000 (2022: US$9,000) payable to related companies.

(1) Other payables to ultimate holding company, related companies and subsidiary are unsecured, interest free and repayable on demand.

20. Loan payables

	2023	2022
	US$'000	US$'000
Related companies (i)	**-**	129,690
	-	129,690

Loan payables consist of:

(i) As at 31 March 2022, outstanding short-term loan payables of US$ 129,690,000 was due to the related company, Natsteel Asia Pte. Ltd. ("NSA") which was unsecured and bore interest at 2% per annum. During financial year ended 31 March 2023, NSA amalgamated into T Steel Holdings Pte Ltd (TSH) and the said loan was netted off against loan given to TSH.

21. Bank loans

	2022	2021
	US$'000	US$'000
Short-term bank loans	**849,318**	263,673

As at 31 March 2023, bank loans of US$ 849,318,000 (2022: US$ 263,673,000) are unsecured and bears interest at rates ranging from 0.3% to 6.78% (2022: 1% to 3.25%) per annum.

22. Share capital

	Number of ordinary shares			
	2023	2022	**2023**	2022
			US$'000	US$'000
Issued and paid up:				
At beginning and end of year	**99,635,239**	99,635,239	**99,635**	99,635

The Company's share capital comprises fully paid-up 99,635,239 (2022: 99,635,239) ordinary shares amounting to a total of US$ 99,635,239 (2022: US$ 99,635,239). The ordinary shares have no par value and carry a right to one vote per share and equal rights to dividends.

23. Financial risk management

Financial risk factors

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

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

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

(a) Market Risk

(i) Currency risk

The company transacts business in various foreign currencies, including the British pound ("GBP"), Singapore dollar ("SGD") and Euro and therefore is exposed to foreign exchange risk. These exposures are managed, to the extent possible by offsetting financial assets and liabilities that are denominated in the same currencies. The company also uses forward contracts to hedge its exposure to foreign currency risk in the local reporting currency. Further details on these derivative financial instruments are found in Note 11 to the financial statements.

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	
	2023	2022	**2023**	2022
	US\$'000	US\$'000	**US\$'000**	US\$'000
British pound	**867**	2,890	**62**	2,363
Singapore dollar	**260**	1,004	**3,954**	3,989
Euro	**22**	26,436	**40,445**	125,319

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

	Impact to profit or loss	
	2023	2022
	US\$'000	US\$'000
British pound	**(81)**	(53)
Singapore dollar	**369**	299
Euro	**4,042**	9,888

23. Financial risk management (continued)

(a) Market Risk (continued)

(ii) Interest rate risk

Interest rate risk arises from the potential change in interest rates that may have an adverse effect on the Company in the current and future years.

The Company’s exposure to fluctuation in interest rates is limited to the floating rate loan receivables (Note 12) and bank loans (Note 21).

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the company’s profit for the year ended 31 March 2023 would increase by US$ 935,000 (2022: decrease by US$ 567,000). This is mainly attributable to the company’s net exposure to its variable rate loan receivables (Note 12) and variable rate bank loans (Note 21).

(b) Credit risk

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

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

Impairment of trade receivables

The Company applies the simplified approach in measuring expected credit losses which uses lifetime expected credit loss allowance for trade receivables. To measure the expected credit losses they are grouped based on shared risk characteristics.

In assessing the allowance for impairment the Company has used relevant historical information and loss experience, incorporated forward looking information, including significant changes in external market indicators and considered the amounts subject to credit insurance cover. More details on the Company’s estimates and judgements for allowances for impairment for trade receivables are described in Note 3.

For banks and financial institutions, the Company mitigates its credit risk by transacting only with counterparties with high credit ratings, as determined by international credit rating agency. The cash and bank deposit are measured on 12 months expected credit loss and subject to immaterial credit loss.

23. Financial risk management (continued)

(b) Credit risk (continued)

The Company has assessed that there is no material credit risk for the outstanding trade receivables amount of US$ 1,109,828,000 as of 31 March 2023.

As at 31 March 2022, the Company has assessed that there is no material credit risk for the trade receivables amount of US$ 1,353,497,000.

Impairment of loan receivables and other receivables

The Company's loan receivables and other receivables are mainly due from immediate holding company and related companies.

The Company does not associate these receivables with any material credit risk. The Company has applied 3 stage general approach to measure the expected credit losses for amount due from immediate holding company and related companies.

The risk of default on the amounts due from immediate holding company and related companies was minimal given the financial strength of the ultimate holding company and related companies.

Other receivables from non-related parties and finance lease receivables are subject to immaterial credit losses.

(c) Liquidity risk

The table below analyses the Company's non-derivative financial assets that are used to hedge foreign currency purchases into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial assets

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
As at March 2023						
Non-interest bearing	-	1,170,965	-	-	-	1,170,965
Fixed interest rate instrument	7.61-8.29	1,126,008	-	-	(81,635)	1,044,373
		2,296,973	-	-	(81,635)	2,215,338

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
As at March 2022						
Non-interest bearing	-	1,480,524	-	-	-	1,480,524
Fixed interest rate instrument	2.17-3.49	583,010	-	-	(13,934)	569,076
		2,063,534	-	-	(13,934)	2,049,600

23. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities that are used to hedge foreign currency purchases into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

	Average effective interest rate %	On demand or within 1 year US$'000	Within 2 to 5 years US$'000	After 5 years US$'000	Adjustment US$'000	Total US$'000
As at March 2023						
Non-interest bearing	-	1,160,419	-	-	-	1,160,419
Variable interest rate instrument	5.76-6.78	854,620	-	-	(5,302)	849,318
Fixed interest rate instrument	5.95	6,262	24,548	11,491	(8,030)	34,271
		2,021,301	24,548	11,491	(13,332)	2,044,008
As at March 2022						
Non-interest bearing	-	1,483,244	-	-	-	1,483,244
Variable interest rate instrument	1-3.26	264,667	-	-	(994)	263,673
Fixed interest rate instrument	2	137,775	-	-	(2,741)	135,034
		1,885,686	-	-	(3,735)	1,881,951

Derivative financial instruments

As at the end of the reporting period, the company's derivative financial instruments comprise of foreign exchange forward contracts with contracted net cash inflow amounting to US$ 1,595,000 (2022: net cash inflow amounting to US$ 7,765,000). Further information of these derivative financial instruments is disclosed in Note 11.

23. Financial risk management (continued)

(d) Capital risk

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure.

The Board of Director's monitors its capital based on net debt and total capital. Net debt is calculated as the total of bank loans, loans payables, trade and other payables and lease liabilities less cash and bank deposits. Total capital is calculated as equity plus net debt.

	2023	2022
	US$'000	US$'000
Net debt	**2,057,083**	1,896,463
Total equity	**190,495**	206,014
Total capital	**2,247,578**	2,102,477

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

(e) Fair value measurement

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

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2);
(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
As at 31 March 2023				
Derivative financial instruments	**-**	1,595	-	1,595
As at 31 March 2022				
Derivative financial instruments	**-**	7,765	-	7,765

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

23. Financial risk management (continued)

(f) Financial instruments by category

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

	2023	2022
	US$'000	US$'000
Financial assets, at amortised cost	**2,215,338**	2,049,600
Financial assets, at FVPL	**1,595**	7,765
Financial liabilities, at amortised cost	**2,044,008**	1,881,951

(g) Offsetting financial assets and financial liabilities

Financial instruments subject to offsetting, enforceable master netting arrangement and similar agreements

2023

Financial asset

	(a)	(b)	(c) = (a) - (b)
Type of financial asset	Gross amounts of recognized financial asset	Gross amounts of recognized financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US$'000	US$'000	US$'000
Derivative financial instruments (Note 11)	1,595	-	1,595

2022

Financial asset

	(a)	(b)	(c) = (a) - (b)
Type of financial asset	Gross amounts of recognized financial asset	Gross amounts of recognized financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US$'000	US$'000	US$'000
Derivative financial instruments (Note 11)	7,765	-	7,765

23. Financial risk management (continued)

(g) Offsetting financial assets and financial liabilities (continued)

In reconciling the 'Net amounts of financial asset and financial liability presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

24. Holding company and related company transactions

The Company is a wholly owned subsidiary of T S Global Holdings Pte. Ltd., 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 including associates and joint ventures.

25. Related company transactions

The transactions and arrangements are between members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand except as disclosed in Notes 13 and 20 to the financial statements.

Other than as disclosed elsewhere in the financial statements, significant transactions with related corporation during the year are as follows:

	2023	2022
	US$'000	US$'000
Sales of goods to ultimate holding company	**(4,690,401)**	(3,386,776)
Service income from ultimate holding company	**(2,767)**	(6,822)
Purchase of goods from ultimate holding company	**5,039**	54,556
Service expense to ultimate holding company	**39**	26
Interest expenses to immediate holding company	**-**	3,075
Interest income from immediate holding company	**(42,220)**	(8,390)
Service received from immediate holding company	**33**	134
Payment on behalf of immediate holding company	**(90)**	(80)
Dividend paid to immediate holding company	**-**	320,000
Purchase of goods from subsidiary	**-**	18
Interest expense to subsidiary	**-**	23
Service received from subsidiary	**737**	1,124
Dividend income from subsidiary	**-**	(26,400)
Sales of goods to related companies	**(4,150,275)**	(4,311,395)
Other income from related companies	**(1,596)**	(1,525)
Payment on behalf of related companies	**(17)**	(30)
Commission income arising from the servicing of third-party debt on behalf of a related company	**-**	(776)

25. Related company transactions (continued)

	2023	2022
	US$'000	US$'000
Services received from related companies	**157,106**	228,992
Purchase of goods from related companies	**419,888**	300,474
Interest income from related companies	**(28)**	(1,784)
Interest expenses to related companies	**2,205**	453
Interest income from sub-leases to related companies	**-**	(8)
Interest expenses on leases from related companies	**361**	229

Compensation of directors and key management personnel

There are no key management personnel other than the directors of the company. These directors are paid remuneration by related companies in their capacity as directors and/or executives of these related companies.

26. Business combinations under common control

A business combination is under common control if:

i. the combining entities are ultimately controlled by the same party (or parties) both before and after the combination, and
ii. common control is not transitory.

As a part of corporate restructuring within the Group, the following arrangements took place in financial year ended 31 March 21.

1. On 1 August 2020, Proco Issuer Pte. Ltd.("PIPL"), a wholly owned subsidiary of the Company, amalgamated with the Company at Nil consideration, resulting in the Company being the surviving legal entity from the amalgamation.
2. On 25 September 2020, the Company acquired 100% shareholding in Tata Steel International (Asia) Limited ("TSIA") from Tata Steel International (Singapore) Holdings Pte. Ltd.(TSISH') at Nil consideration.
3. On 27 November 2020, the Company acquired 20% shareholding in European Profiles (M) Sdn. Bhd. ("EPM") from of TSISH at consideration of SGD 1.
4. On 1 December 2020, TSISH amalgamated with the Company at Nil consideration, resulting in the Company being the surviving legal entity from the amalgamation.

The Company entered into these arrangements in order to simplify group structure and the above-mentioned combining entities are ultimately controlled by the same party (Tata Steel Limited) both before and after the combination, hence it is a common control transaction.

The Company has accounted for the above transactions in point (1) and (4) using the predecessor accounting prospectively. The detailed application of this approach is that:

i. assets and liabilities of the acquired entity are stated at predecessor carrying values.
ii. any difference between the consideration given and the net carrying value of the assets and liabilities of the entities at the date of the transaction is included in equity as retained earnings or in a separate reserve which includes the share capital of TSISH considered as capital contribution.

26. Business combinations under common control (continued)

		PIPL US$'000	TSISH US$'000	Total US$'000
(A)	Purchase consideration	-	-	-
	Add: Investment in subsidiary	*	-	*
	Total purchase consideration	*	-	*

* Amount is less than US$ 1000.

		PIPL US$'000	TSISH US$'000	Total US$'000
(B)	Effect on cash flows of the Company			
	Cash paid	-	-	-
	Less: Cash and cash equivalents in amalgamated entity	38	40,300	40,338
	Cash inflow following amalgamation	38	40,300	40,338

		PIPL US$'000	TSISH US$'000	Total US$'000
(C)	Identifiable assets and liabilities acquired			
	ASSETS			
	Current assets			
	Cash and bank deposits	38	40,300	40,338
	Trade and other receivables	10,336	4,006	14,342
	Less: Allowance for impairment (Note 10)	(9,306)	-	(9,306)
	Loan receivables	25,837	34,000	59,837
	Non-current assets			
	Investment in subsidiary (Note 14)	-	814	814
	Equipment (Note 16)	-	6	6
	Deferred tax asset (Note 19)	1,581	-	1,581
	Total assets	**28,486**	**79,126**	**107,612**
	LIABILITIES			
	Current liabilities			
	Trade and other payables	92	1,352	1,444
	Current income tax liabilities (Note 8)	1	1,621	1,622
	Total liabilities	**93**	**2,973**	**3,066**
	Total identifiable net assets	**28,393**	**76,153**	**104,546**
	Less: Retained earnings as of amalgamation date	(28,393)	(6,860)	(35,253)
	Amalgamation reserve	*****	**69,293**	**69,293**

* Amount is less than US$ 1000.

27. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

28. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of T S Global Procurement Company Pte. Ltd. on ________