



OFFICE COPY

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

(Incorporated in Singapore. Registration Number: 199201688D)

FINANCIAL STATEMENTS

For the financial year ended March 31, 2019

**PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants**

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

(Incorporated in Singapore. Registration Number: 199201688D)

FINANCIAL STATEMENTS

For the financial year ended March 31, 2019

**TATA STEEL INTERNATIONAL
(SINGAPORE) PTE LTD**
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended March 31, 2019

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) PTE LTD

DIRECTORS' STATEMENT

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

In the opinion of the directors, the financial statements as set out on pages 6 to 23 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 covered by the financial statements and 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.

These financial statements are prepared on a realisation basis because management intends to liquidate the Company within 12 months from the balance sheet date.

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 in, or debentures of, 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 director		Shareholdings in which director is deemed to have an interest	
	At beginning of year or date of appointment, if after	At end of year	At beginning of year or date of appointment, if after	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) 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, has 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) PTE LTD

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements of Tata Steel International (Singapore) 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 March 31, 2019 and of the financial performance, changes in equity and cash flows of the Company 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) 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. Note 2.1 to the financial statements refers to the intention of the management of the Company to liquidate the Company subsequent to the balance sheet date, subject to approval from the Company's shareholders.

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. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative basis used by management is acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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) PTE LTD (continued)**

Emphasis of Matter

We draw attention to note 2.1 to the financial statements which refers to the intention of the Company's directors to liquidate the Company subsequent to the balance sheet date, subject to approval from the Company's shareholders. These financial statements have therefore been prepared on a liquidation basis of accounting. Our opinion is not qualified in respect of this matter.

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 provision of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD**STATEMENT OF FINANCIAL POSITION
As at March 31, 2019**

	Note	2019 US\$	2018 US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	5	-	183,246
Trade and other receivables	6	-	3,227,253
Deposits and prepayments	7	-	19,935
Total current assets		-	3,430,434
Non-current assets			
Plant and equipment	8	-	2,666
Investment in associate	9	-	1,303,458
Total non-current assets		-	1,306,124
Total assets		-	4,736,558
<u>LIABILITY AND EQUITY</u>			
Current liability			
Trade and other payables	10	-	44,046
Equity			
Share capital	11	1,230,992	1,230,992
(Accumulated losses)/Retained earnings		(1,230,992)	3,461,520
Total equity		-	4,692,512
Total liability and equity		-	4,736,558

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
Year ended March 31, 2019

	<u>Note</u>	<u>2019</u> US\$	<u>2018</u> US\$
Revenue	12	-	143,765
Cost of sales	16	-	<u>(81,353)</u>
Gross profit		-	62,412
Other (losses)/gains - net	13	(1,330,835)	69,768
Other operating income	14	66,845	60,607
Selling expenses	16	-	(40,747)
Administrative expenses	16	<u>(32,922)</u>	<u>(498,798)</u>
Loss before income tax		(1,296,912)	(346,758)
Income tax expense	15	<u>-</u>	<u>-</u>
Loss for the year, representing total comprehensive loss		<u>(1,296,912)</u>	<u>(346,758)</u>

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2019

	Share capital US\$	Retained earnings/ (Accumulated losses) US\$	Total US\$
Balance at April 1, 2017	1,230,992	3,808,278	5,039,270
Loss for the year, representing total comprehensive loss for the year	-	(346,758)	(346,758)
Balance at March 31, 2018	<u>1,230,992</u>	<u>3,461,520</u>	<u>4,692,512</u>
Balance at April 1, 2018	1,230,992	3,461,520	4,692,512
Loss for the year, representing total comprehensive loss for the year	-	(1,296,912)	(1,296,912)
Dividend paid to owners of the company	-	(3,395,600)	(3,395,600)
Balance at March 31, 2019	<u><u>1,230,992</u></u>	<u><u>(1,230,992)</u></u>	<u><u>-</u></u>

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

STATEMENT OF CASH FLOWS
Year ended March 31, 2019

	2019	2018
	US\$	US\$
Operating activities		
Loss after tax	(1,296,912)	(346,758)
Adjustments for:		
Loss on sale of investment	1,303,457	-
Dividend income from associate	(49,856)	(49,448)
Interest income	(13,453)	(8,100)
Depreciation of plant and equipment	533	1,272
	<u>(56,231)</u>	<u>(403,034)</u>
Changes in working capital:		
Trade and other receivables	12,472	1,374,450
Deposits and prepayments	19,935	3,405
Trade and other payables	(44,046)	(61,547)
Net cash (used in)/generated from operating activities	<u>(67,870)</u>	<u>913,274</u>
Investing activities		
Purchase of fixed assets	-	(3,199)
Sale of fixed assets	2,133	-
Sale of investments in associates	1	-
Dividend received from associate	49,856	49,448
Payments into cash-pooling arrangement with intermediate holding company	(37,444,447)	(32,029,248)
Receipts from cash-pooling arrangement with intermediate holding company	40,658,131	31,068,158
Interest received	14,550	7,003
Net cash provided by/(used in) investing activities	<u>3,280,224</u>	<u>(907,838)</u>
Financing activities		
Dividend paid to owners of the company	(3,395,600)	-
Net cash used in financing activities	<u>(3,395,600)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	(183,246)	5,436
Cash and cash equivalents at the beginning of the year (Note 5)	183,246	177,810
Cash and cash equivalents at the end of the year (Note 5)	<u><u>-</u></u>	<u><u>183,246</u></u>

See accompanying notes to financial statements.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

1 GENERAL INFORMATION

The company (Registration No. 199201688D) 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 Company is inactive as at March 31, 2019 as management intends to liquidate the Company within 12 months from the balance sheet date.

The financial statements of the company for the financial 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. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

These financial statements are prepared on a realisation basis because management intends to liquidate the Company within 12 months from the balance sheet date.

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 Company's accounting policies nor did they have a material effect on the amounts reported for the current or prior financial year.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

**NOTES TO FINANCIAL STATEMENTS
March 31, 2019**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 FINANCIAL ASSETS

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

Loan 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.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 FINANCIAL ASSETS (continued)

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

(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.

2.3 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.

2.4 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.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, 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:

Furniture and fittings	-	20%
Renovations	-	33%
Office equipment	-	20%
Computers	-	33%

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.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 INVESTMENTS IN ASSOCIATE

Investments in associates is 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.

The company is exempted under FRS 28 "Investments in Associates" from applying the equity method of accounting for the associate as the company is itself is a wholly-owned subsidiary of another company. The financial statements are prepared by ultimate holding company, Tata Steel Limited, incorporated in India, on a worldwide basis and such financial statements are publicly available.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment and investments 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.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 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.

2.9 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.

2.10 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.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 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.

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

2.12 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 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.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "administrative expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other (losses)/gains - net".

2.13 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.

2.14 DIVIDENDS

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

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

3 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019	2018
	US\$	US\$
Financial assets		
Loans and receivables (including cash and cash equivalents)	-	3,425,187
Financial liabilities		
Amortised cost	-	44,046

(b) Financial risk management policies and objectives

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

(i) Foreign currency risk management

Foreign currencies that the company transacts mainly in are the Great Britain Pound and Singapore Dollar and therefore is exposed to foreign exchange risk related to certain cash and cash equivalents, trade receivables and trade payables.

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	-	382,003	-	-
Singapore Dollar	-	152,958	-	44,046

Foreign currency sensitivity

The Company is mainly exposed to fluctuations in the foreign currencies disclosed above.

The following table details the Company's sensitivity to a 10% increase and decrease in the foreign exchange against the functional currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

**NOTES TO FINANCIAL STATEMENTS
March 31, 2019**

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

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

(i) Foreign currency risk management (continued)

Foreign currency sensitivity (continued)

If the relevant foreign currency strengthens by 10% against the functional currency of the Company, loss before tax for the year (2018: loss before tax for the year) will increase by approximately:

	2019	2018
	US\$	US\$
Great Britain Pound	-	(38,200)
Singapore Dollar	-	(10,892)

If the relevant foreign currency weakens by 10% against the functional currency, the effect on loss before tax for the year (2018: loss before tax for the year) will be the equal opposite.

(ii) Interest rate risk management

The Company's exposure to market risk for changes in interest rate environment is limited to excess funds placed with banks on a short-term basis. Fluctuations in interest rates are not expected to have a material impact on the Company's operating results.

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

The Company's ownership of financial assets involves the risk that counter parties may be unable to settle their financial and contractual obligations to the Company, resulting in financial losses. The Company has a credit policy in place and exposures to credit risk are subject to on-going monitoring by management.

The Company's principal financial assets consist of cash and cash equivalents, trade receivables and other receivables.

As at March 31, 2019, nil (2018 : 99%) of trade and other 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. Accordingly, the management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The credit risk on bank balances is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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

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

(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.

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

(c) Capital risk management policies and objectives

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

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

4 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Tata Steel International (Singapore) Holdings Pte Ltd, incorporated in Republic of Singapore. The Company's intermediate holding company is 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.

Many of the transactions and arrangements are between members of the Company 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	-	(102,585)
Commission income from related companies	-	(36,516)
Interest income from intermediate holding company	(13,453)	(8,100)
Services rendered from related company	-	31,601
Payment made on behalf of immediate holding company	-	22,808

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) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

5 CASH AND CASH EQUIVALENTS

2019	2018
US\$	US\$
-	183,246

Cash on hand and at bank

6 TRADE AND OTHER RECEIVABLES

2019	2018
US\$	US\$
Trade receivables due from:	
Third party	6,766
Related company	3,777
Other receivables due from:	
Third parties	304
Intermediate holding company ⁽¹⁾	3,214,781
Immediate holding company	1,625
-	3,227,253

⁽¹⁾ Other receivables due from intermediate holding company under cash-pooling arrangement, unsecured, bear interest at 0.29% to 0.59% (2018 : 0.16% to 0.43%) per annum and are repayable upon demand. As at March 31, 2019, the amount were fully settled.

The average credit period on sale of goods is nil (2018 : 77 days). No interest is charged on outstanding receivables.

Before accepting any new customer, the Company will assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are assessed periodically.

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. 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.

Carrying amount of the company's trade receivables balance is nil (2018 : US\$10,174) 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

2019	2018
US\$	US\$
1 month	2,397
More than 2 months	7,777
-	10,174

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

7 DEPOSITS AND PREPAYMENTS

	2019	2018
	US\$	US\$
Deposits	-	14,992
Sundry prepayments	-	4,943
	<u>-</u>	<u>19,935</u>

8 PLANT AND EQUIPMENT

	Furniture And fittings	Renovations	Office equipment	Computers	Total
	US\$	US\$	US\$	US\$	US\$
Cost:					
As at April 1, 2018	5,900	24,543	19,387	58,771	108,601
Disposal	-	-	-	(3,199)	(3,199)
As at March 31, 2019	<u>5,900</u>	<u>24,543</u>	<u>19,387</u>	<u>55,572</u>	<u>105,402</u>
Accumulated depreciation:					
As at April 1, 2018	5,900	24,543	19,387	56,105	105,935
Depreciation	-	-	-	533	533
Disposal	-	-	-	(1,066)	(1,066)
As at March 31, 2019	<u>5,900</u>	<u>24,543</u>	<u>19,387</u>	<u>55,572</u>	<u>105,402</u>
Carrying amount:					
As at March 31, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at March 31, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,666</u>	<u>2,666</u>

During the year, the company transferred fixed assets of US\$2,133 to its holding company.

9 INVESTMENT IN ASSOCIATE

	2019	2018
	US\$	US\$
<i>Equity investments at cost</i>		
As at April 1	1,303,458	1,303,458
Disposal	(1,303,458)	-
As at March 31	<u>-</u>	<u>1,303,458</u>

Details of the associate are as follows:

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

On 29 March 2019, the company transferred all of its investment in associate to its holding company at a consideration of S\$ 1.00, or equivalent US\$ 0.07.

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

10 TRADE AND OTHER PAYABLES

	2019	2018
	US\$	US\$
Other payables due to:		
Third parties	-	519
Accruals	-	43,527
	-	44,046

11 SHARE CAPITAL

The Company's share capital comprise fully paid-up 1,700,000 (2018: 1,700,000) ordinary shares with no par value, amounting to a total of US\$1,230,992 (2018: US\$1,230,992).

12 REVENUE

	2019	2018
	US\$	US\$
Sale of goods to:		
Related company (Note 4)	-	102,585
Commission income from:		
Third parties	-	4,664
Related companies (Note 4)	-	36,516
	-	143,765

13 OTHER (LOSSES)/GAINS - NET

	2019	2018
	US\$	US\$
Losses on disposal of investment	(1,303,457)	-
Foreign currency exchange adjustment (loss)/gain - net	(27,378)	69,768
	(1,330,835)	69,768

14 OTHER OPERATING INCOME

	2019	2018
	US\$	US\$
Dividend income from associate	49,856	49,448
Interest income	13,453	8,100
Others	3,536	3,059
	66,845	60,607

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

15 INCOME TAX EXPENSE

	2019	2018
	US\$	US\$
Income tax expense	-	-

Domestic income tax is calculated at 17% (2018: 17%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	2019	2018
	US\$	US\$
Loss before income tax	(1,296,912)	(346,758)
Tax benefit at the domestic income tax rate of 17% (2018 : 17%)	(220,475)	(58,949)
Income not subjected to tax	(8,476)	(8,406)
Effect of tax incentives	(601)	(520)
Effect of non-deductible items	221,981	8,335
Deferred tax benefit not recognised in current year	7,571	59,540
Income tax expense	-	-

The amount of unutilised tax losses carried forward for the company amounted to approximately US\$8,850,000 (2018 : US\$8,805,000). The tax losses can be carried forward for an unlimited future period subject to the conditions imposed by law.

16 LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2019	2018
	US\$	US\$
Staff costs*	20,325	364,593
Cost of defined contribution plans	(399)	19,632
Professional fees	9,239	21,798
Travelling and entertainment expenses	(96)	44,274
Payment made on behalf of immediate holding company	-	22,808
Office rental expenses	-	29,392
Equipment rental expenses	486	2,827
IT and telecommunication expenses	-	18,123
Office supplies and storage document expenses	44	4,796
Depreciation of plant and equipment (Note 8)	533	1,272
Cost of inventories recognised as expense	-	81,353
Others	2,790	10,030

*Included in staff costs are rental expenses on operating leases amounting to US\$37,230 (2018: US\$65,802).

TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

17 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:

	<u>2019</u>	<u>2018</u>
	US\$	US\$
Within one year	-	<u>57,012</u>

Operating lease payments represents rentals payable by the company for its office premise and staff accommodation under non-cancellable operating lease agreements. There is no lease contract in the current year (2018: 1 to 2 years), whose rentals are fixed for the duration of the leases.

**TATA STEEL INTERNATIONAL
(SINGAPORE) PTE LTD**
(Registration No. 199201688D)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED
MARCH 31, 2019**