

T S GLOBAL HOLDINGS PTE. LTD.
(Incorporated in Singapore. Registration Number: 200813139E)

ANNUAL REPORT
For the financial year ended 31 March 2020

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T S GLOBAL HOLDINGS PTE. LTD.
DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2020.

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 43 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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, with the continuing financial support from the ultimate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Mr Koushik Chatterjee
Mr Sandip Biswas (resigned on 21 November 2019)
Ms Sethi Simran (resigned on 22 November 2019)
Mr Narendran Thachat Viswanath (appointed on 22 November 2019)
Mr Raghav Sud (appointed on 22 November 2019)
Mr Lu Kee Hong (appointed on 22 November 2019)

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 interests are held	At beginning of year	At end of year
---------------------------------------------------------------	----------------------	----------------

Tata Steel Limited

(Ordinary shares of Rupees 10 each)

Koushik Chatterjee	1,531	1,531
Sandip Biswas	4,795	4,795
Narendran Thachat Viswanath	-	-
Raghav Sud	-	-
Lu Kee Hong	-	-

T S GLOBAL HOLDINGS PTE. LTD.
DIRECTORS' STATEMENT
For the financial year ended 31 March 2020

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

Director
Raghav Sud
■

Director

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

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying financial statements of T S Global Holdings Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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 2020;
- the balance sheet as at 31 March 2020;
- 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 HOLDINGS PTE. LTD. (continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF T S GLOBAL HOLDINGS PTE.
LTD. (continued)**

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, ■

T S GLOBAL HOLDINGS PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Other income			
- Interest	4	217,490	313,043
- Dividends	4	-	22,300
Other (losses)/gains			
- Impairment losses of subsidiaries	5	(716,036)	-
- Impairment losses of financial assets	5	(13,172)	-
- Others	5	71,037	(95,266)
Expenses			
- Administrative	6	(20,997)	(24,876)
- Finance	7	(125,561)	(168,759)
Profit before income tax		(622,239)	46,442
Income tax expense	8(a)	117,031	(35,241)
Profit after tax and total comprehensive income for the year		(505,208)	11,201

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

T S GLOBAL HOLDINGS PTE. LTD.**BALANCE SHEET**

As at 31 March 2020

	Note	2020 £'000	2019 £'000
ASSETS			
Current assets			
Cash and cash equivalents	9	413,382	3,157
Other receivables	10	9,237	50,206
Derivative financial instruments	11	1,305	-
Loan receivables	12	658,918	1,360,724
		1,081,842	1,414,087
Non-current assets			
Loan receivables	12	673,974	2,876,077
Investments in subsidiaries	13(a)	4,466,159	501,706
Other non-current investments	13(b)	363,619	345,289
Other receivables	10	49,042	434,746
Equipment	14	55	*
		5,552,849	4,157,818
Total assets		6,634,691	5,571,905
LIABILITIES			
Current liabilities			
Trade and other payables	15	28,986	35,617
Derivative financial instruments	11	-	36
Current income tax liabilities	8(b)	5,725	1,120
Loan payables	16	3,450,695	2,806,074
		3,485,406	2,842,847
Non-current liabilities			
Loan payables	16	1,191,702	1,931,511
Deferred income tax liabilities	17	4	123,126
		1,191,706	2,054,637
Total liabilities		4,677,112	4,897,484
NET ASSETS		1,957,579	674,421
EQUITY			
Share capital	18	7,191,689	4,849,414
Equity portion of preference shares	16	-	603,194
Capital reserve	19	1,068,986	1,068,832
Accumulated losses		(6,303,096)	(5,847,019)
Total equity		1,957,579	674,421

* Amount is less than £ 1,000

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

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2020

	Note	Share capital £'000	Equity portion of preference shares £'000	Capital reserve £'000	Accumulated losses £'000	Total equity £'000
2020						
Beginning of financial year		4,849,414	603,194	1,068,832	(5,847,019)	674,421
Profit for the year		-	-	-	(505,208)	(505,208)
Equity portion of redeemable preference shares issued	16					
Additions during the year		826,222	-	-	-	826,222
Issue of Shares on Loan redemption		961,990	-	-	-	961,990
Transfers within equity		554,063	(603,194)	-	49,131	-
Transaction with owners, Recognised directly in equity:						
Deemed capital contribution	19	-	-	154	-	154
End of financial year		7,191,689	-	1,068,986	(6,303,096)	1,957,579
2019						
Beginning of financial year		4,849,414	204,389	1,065,038	(5,858,220)	260,621
Profit for the year		-	-	-	11,201	11,201
Equity portion of redeemable preference shares issued	16	-	398,805	-	-	398,805
Transaction with owners, Recognised directly in equity:						
Deemed capital contribution	19	-	-	3,794	-	3,794
End of financial year		4,849,414	603,194	1,068,832	(5,847,019)	674,421

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

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities			
Profit before tax		(622,239)	46,442
Adjustments for:			
- Depreciation		17	*
- Fair value losses/(gains) on derivative financial instruments		(1,341)	2,276
- Interest income		(217,490)	(313,043)
- Dividend income		-	(22,300)
- Interest expense		125,561	168,759
- Impairment losses of subsidiaries		716,036	-
- Impairment losses of financial assets		13,172	-
- Unrealised foreign exchange gain		(34,029)	(6,441)
- Credit in P&L due to conversion of preference shares		(531)	-
		(20,843)	(124,307)
Changes in working capital:			
- Other receivables		(8)	119
- Trade and other payables		(2,714)	(3,403)
Cash used in operations		(23,565)	(127,591)
Income tax paid		(1,486)	(1,578)
Net cash used in operating activities		(25,051)	(129,169)
Cash flows from investing activities			
Investment in subsidiaries		(1,285,314)	-
Loans and advances due from subsidiaries		201,293	(2,122,372)
Repayment of loans due from subsidiaries		-	959,303
Dividends received		-	22,300
Interest received		102,609	24,628
Net cash used in investing activities		(981,412)	(1,116,141)
Cash flows from financing activities			
Issue of Equity Capital		826,222	-
Loans and advances due to subsidiaries		17,396,631	11,042,868
Repayment of loans due to subsidiaries		(16,747,508)	(11,825,485)
Repayment of principle portion of lease liabilities		(17)	-
Interest paid		(88,298)	(122,184)
Issuance of non-cumulative redeemable preference share		-	949,333
Issuance of compulsorily convertible preference share		-	1,316,626
Redemption of compulsorily convertible preference share		-	(142,720)
Net cash provided by financing activities		1,387,030	1,218,438
Net decrease in cash and cash equivalents		380,567	(26,872)
Cash and cash equivalents			
Beginning of financial year		3,157	30,029
Effect of exchange rate on translation of foreign currency cash and cash equivalents		29,658	-
Cash and cash equivalents at end of financial year	9	413,382	3,157

* Amount is less than £ 1,000

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

T S GLOBAL HOLDINGS PTE. LTD.**STATEMENT OF CASH FLOWS**

For the financial year ended 31 March 2020

Reconciliation of liabilities arising from financial activities

	Opening balance £'000	Proceeds from borrowings £'000	Principal and interest payments £'000	Non-cash changes				Closing balance £'000
				Equity portion of preference shares £'000	Bank facilities fee and interest expense £'000	Foreign exchange movement £'000	Conversion of preference shares into equity £'000	
Loan payables								
2020	4,753,951	17,396,631	(16,835,823)	-	125,561	144,039	(962,519)	4,621,840
2019	3,737,010	13,308,827	(12,090,389)	(398,805)	168,759	28,549	-	4,753,951

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

1. General information

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

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

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

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

As at 31 March 2020, the Company had net current liabilities of £2,355,393,000 (2019: £1,428,760,000). These financial statements have been prepared in going concern basis because the ultimate holding company has confirmed its intention to provide continuing financial support so that the Company is able to pay its debts as and when they fall due.

Interpretations and amendments to published standards effective in 2020

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2020
(continued)

(b) Adoption of FRS 109 Financial Instruments

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

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

The adoption of FRS 115 and FRS 109 had no material effect on the amounts reported for current or prior financial year.

2.2 Revenue

(a) Interest income

Interest income is recognised using the effective interest rate method.

(b) Dividend income

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

2.3 Borrowing costs

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

2.4 Exemption from consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.5 Investment in subsidiaries

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

Control is achieved when the Company:

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

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

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

2.6 Provisions

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

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

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

2.7 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 Equipment

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

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.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Office equipment	1 to 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.

2.9 Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

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

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

2.10 Financial assets

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

Loans and receivables

Cash and cash equivalents
Other receivables
Loan receivables

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

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

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

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

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

- Amortised cost; and
- Fair value through profit or loss (FVPL).

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of bank deposits, other receivables, loan receivables and other non-current investment.

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

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **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 (losses)/gains". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other (losses)/gains".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

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

(ii) At subsequent measurement (continued)

Debt instrument (continued)

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 other non-current investments, other receivables, loan receivables 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.

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

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.13 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.

2.14 Fair value estimation of financial assets and liabilities

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

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

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

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

2.15 Equity instruments

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Classification as debt or equity

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

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.17 Currency translation

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

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

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

2.18 Share capital

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

3. Critical accounting estimates, assumptions and judgements

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

(i) Assessment of impairment of investment in subsidiaries

During the year ended 31 March 2020, the management carried out an estimate of the recoverable amount of four of its material subsidiaries, Tata Steel Europe Limited, T S Global Minerals Holdings Pte. Ltd., Tata Steel Thailand Public Company Limited and NatSteel Holdings Pte. Ltd as indicators of impairment existed. The recoverable amount of Tata Steel Europe Limited, T S Global Minerals Holdings Pte. Ltd., Tata Steel Thailand Public Company Limited and NatSteel Holdings Pte. Ltd was determined based on the estimation of the value in use of cash generating units of the underlying subsidiaries of Tata Steel Europe Limited, T S Global Minerals Holdings Pte. Ltd Tata Steel Thailand Public Company Limited and NatSteel Holdings Pte. Ltd. Based on the assessment performed, management has recorded an impairment loss of £ 716,036,000 (2019 : Nil) as disclosed in Notes 13.

During the financial year ended 31 March 2019, the management carried out an estimate of the recoverable amount of two of its material subsidiaries, Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd. as indicators of impairment existed. The recoverable amount of Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd. was determined based on the estimation of the value in use of cash generating units of the underlying subsidiaries of Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd.

The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts were derived from the most recent financial budgets approved by the management, for 15 years at zero growth rate of the cash generating units for Tata Steel Europe

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

Limited and a period of 20 years at zero growth rate of the cash generating units.

for T S Global Minerals Holdings Pte. Ltd. Key assumptions for the value in use calculations are those regarding expected changes to selling prices, demand and raw material costs, exchange rates and discount rates. Discount rates of 8.2% and 8% are used to discount the future cash flows of the cash generating units for Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd respectively. Based on the assessment performed and recoverable amount, management had assessed that no impairment was necessary.

(ii) Expected credit losses (ECLs)

The financial assets of the Company which are subject to expected credit loss (ECLs) are disclosed in Notes 10, 12 and 13(b). These financial assets are due from members of the ultimate holding company's group of 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.

Based on management's assessment of the recoverability of these financial assets, apart from the balances which have been impaired in the previous financial years as a result of specific circumstances as recorded in Notes 10, 12 and 13(b), no additional allowance for impairment has been determined to be necessary for the financial year ended 31 March 2019.

The identification of allowances for impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such differences will impact the carrying value of these financial assets and the related allowance for impairment in profit or loss in the period in which such estimate has been changed.

T S GLOBAL HOLDINGS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

4. Other income

	2020 £'000	2019 £'000
Interest income from financial assets measured at amortised cost		
- Bank	2,780	959
- Subsidiaries	214,036	311,335
- Loan to related company	674	749
	217,490	313,043
Dividend income from subsidiary	-	22,300
	217,490	335,343

5. Other (losses)/gains

	2020 £'000	2019 £'000
Fair value (losses)/gains on derivative financial instruments	1,341	(2,276)
Net currency exchange (losses)/gains	34,028	(93,092)
Others - service income from subsidiaries	137	102
Others - conversion of preference shares	531	-
Impairment losses in subsidiary	(716,036)	-
Impairment of loan and interest receivables in subsidiaries	(13,172)	-
	(693,171)	(95,266)

6. Administrative expenses

	2020 £'000	2019 £'000
Depreciation of plant and equipment	17	*
Other expenses	20,980	24,876
	20,997	24,876

* Amount is less than £ 1,000

7. Finance expenses

	2020 £'000	2019 £'000
Interest expense		
- Bank	847	-
- Bank borrowings	868	42,563
- Related company	58,793	54,865
- Subsidiaries	24,835	28,247
Imputed interest expense arising from fair value of long-term interest free loan from a related company	2,685	4,205
Interest on debt portion of preference shares	37,532	18,304
Bank facility and arrangement fees	-	20,575
Finance charges on leases	1	-
	125,561	168,759

T S GLOBAL HOLDINGS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 March 2020

8. Income taxes

(a) Income tax expense

	2020	2019
	£'000	£'000
Tax expense attributable to profit is made up of:		
- Current income tax	6,091	1,120
- Deferred income tax (Note 17)	(123,122)	33,775
Under provision in prior financial years		
- Current income tax	-	346
	(117,031)	35,241

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

	2020	2019
	£'000	£'000
Profit before tax	(622,239)	46,442
Tax calculated at tax rate of 17% (2019: 17%)	(105,781)	7,895
Effects of:		
- profit that is exempt from taxation and tax rebate	(19)	(10)
- revenue that is exempt from taxation	111,891	(3,791)
- under provision of tax	-	346
- expenses not deductible for tax purposes	(123,122)	30,801
Tax charge	(117,031)	35,241

(b) Movements in current income tax liabilities

	2020	2019
	£'000	£'000
Beginning of financial year	1,120	1,232
Income tax paid	(1,486)	(1,578)
Tax expense	6,091	1,120
Under-provision in preceding financial years	-	346
End of financial year	5,725	1,120

T S GLOBAL HOLDINGS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

9. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank	413,382	3,157

10. Other receivables

	2020 £'000	2019 £'000
Accrued interest income on loan receivables from related company and subsidiaries	10,111	50,182
Others	30	10
Subsidiary	-	14
Less: Allowance for impairment of interest receivables due from subsidiaries	(904)	-
Total current portion	9,237	50,206
Accrued interest income on loan receivables from related company and subsidiaries	3,733	959,218
Less: Allowance for impairment of interest receivables due from subsidiaries	-	(524,472)
Others	45,309	-
Total non-current portion	49,042	434,746

11. Derivative financial instruments

Derivative financial instruments comprise of the Singapore Dollar currency forwards used to manage the exposure from loan receivables in foreign currencies. The contracted notional principal amount of the derivative outstanding at balance sheet date is £68,672,000 (2019: £68,233,000).

	2020 £'000	2019 £'000
Asset:		
Forward foreign exchange contracts - unrealised fair value gain	1,305	-
Liability:		
Forward foreign exchange contracts - unrealised fair value loss		36

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

11. Derivative financial instruments (continued)

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

	2020	2019
	£'000	£'000
Forward foreign exchange contracts	68,672	68,233

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

Changes in the fair value of derivative financial instruments

	2020	2019
	£'000	£'000
Opening fair value of derivative financial instruments	(36)	2,240
Fair value (losses) /gains:		
- recognised in profit or loss (Note 5)	1,341	(2,276)
Closing fair value of derivative financial instruments	1,305	(36)

The following table details the forward foreign currency contracts outstanding as at 31 March 2020:

Outstanding contracts	Average exchange rate	Foreign currency FC\$'000	Contract value £'000	Fair value (losses) £'000
Buy USD				
less than 3 months	0.79	86,611	68,672	1,305
Total			68,672	1,305

The following table details the forward foreign currency contracts outstanding as at 31 March 2019:

Outstanding contracts	Average exchange rate	Foreign currency FC\$'000	Contract value £'000	Fair value (losses) gains £'000
Buy USD				
less than 3 months	0.77	88,873	68,233	(36)
Total			68,233	(36)

T S GLOBAL HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

12. Loan receivables

	2020	2019
	£'000	£'000
Related companies ^{(i) and (ii)}	35,159	35,159
Allowance for impairment receivables from related companies ^{(i) and (ii)}	(35,159)	(35,159)
Subsidiaries ^{(iv), (v), (vi), (xii), (xiii), (xiv) and (xv)}	705,186	1,360,724
Allowance for impairment of receivables from subsidiary ^(xv)	(47,268)	-
Current portion	657,918	1,360,724
Related company ⁽ⁱⁱⁱ⁾	3,072	16,733
Subsidiaries ^{(vii), (viii), (ix), (x), (xi)}	670,902	4,199,874
Allowance for impairment of receivables from subsidiary ^(vii)	-	(1,340,530)
Non-current portion	673,974	2,876,077
Total loan receivables	1,331,892	4,236,801

Loan receivables consist of:

- (i) A short-term loan to a related company, Tata Steel Asia (Hong Kong) Ltd, of £9,643,000 [2019: £9,643,000] which is interest-free, unsecured and repayable on demand and was fully provided for in 2016.
- (ii) A short-term loan to a related company, Tata Steel (KZN) Pty Ltd, of £25,516,000 [2019: £25,516,000] which is interest free, unsecured and repayable on demand and was fully provided for in 2016.
- (iii) As at 31 March 2020, the long-term loan of US\$3,800,000 (equivalent to £3,072,000) was given to a related company, Abja Investment Co. Pte. Ltd, which is unsecured, bears interest rate of 1.50% + 6 months USD LIBOR, resulting in an interest rate of 3.28% per annum during the year. During the year, USD 18,000,000 were repaid. In 2020, the maturity date of the loan was extended from 26 January 2020 to 25 January 2021.

As at 31 March 2019, the long-term loan of US\$21,800,000 (equivalent to £16,733,000) was given to a related company, Abja Investment Co. Pte. Ltd, which is unsecured, bears interest rate of 1.50% + 6 months USD LIBOR, resulting in an interest rate of 4.33% per annum during the year. In 2019, the maturity date of the loan was extended from 26 January 2020 to 25 January 2021.
- (iv) A short-term loan of AU\$12,999,567 (equivalent to £6,418,000) [2019: AU\$12,999,567 (equivalent to £7,070,000)] to a subsidiary, T S Global Minerals Holdings Pte. Ltd. which is interest-free, unsecured and repayable on demand.
- (v) Short-term loan receivables of £344,098,000 (2019: £735,783,000) due from subsidiaries which are under a cash-pooling arrangement, unsecured, bear interest ranging from 0.87% to 3.71% (2019: 0.90% to 3.54%) per annum during the year and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

12. Loan receivables (continued)

- (vi) As at 31 March 2020, a loan of SGD 120,000,000 (equivalent to £68,064,000) was given to a subsidiary, NatSteel Holdings Pte. Ltd., which is unsecured, bears interest rate of 2.90% + 1 month SGD SORF, resulting in an interest rate ranging from 3.58% to 4.87% per annum during the year, which is repayable by 1 June 2019. The said loan was partially provided in 2020 £12,804,000.

As at 31 March 2019, a loan of SGD 120,000,000 (equivalent to £67,954,000) was given to a subsidiary, NatSteel Holdings Pte. Ltd., which is unsecured, bears interest rate of 2.90% + 1 month SGD SORF, resulting in an interest rate ranging from 4.22% to 4.83% per annum during the year, which is repayable by 1 June 2019.

- (vii) On 30 September 2019, various long-term loans of £2,162,815,000 (2019: £2,162,815,000) to a subsidiary, Tata Steel Europe Limited, which are unsecured and repayable by 20 December 2021, were partially waived off to the extent of £323,998,000 and balance outstanding of £1,838,817,000 were equitized. Interest is charged at 6 months LIBOR + 500 basis points (2019: 6 months LIBOR + 500 basis points), resulting in an interest rate ranging from 4.15% to 6.03% (2019: 4.72% to 6.03%) per annum during the year.

Out of these long-term loan, an amount of £1,340,530,000 has been provided for in the previous financial years.

- (viii) On 30 September 2019, various long-term loans of Euro 1,102,500,000 (equivalent to £976,787,000) [2019: Euro 1,102,500,000 (equivalent to £949,977,000)] to a subsidiary, Tata Steel Europe Limited, which are unsecured and repayable by 20 December 2021, were equitized. Interest is charged at 6 months EURIBOR + 500 basis points (Interest is charged at 6 months EURIBOR + 500 basis points), resulting in an interest rate of 5% (2019: 5%) per annum during the year.
- (ix) On 30 September 2019, long-term loan of £450,000,000 (2019: £450,000,000) to a subsidiary's subsidiary, Tulip UK (No.3) Holdings Limited which is unsecured and repayable by 20 December 2021, was fully waived. Interest is charged at 6 months LIBOR + 500 basis points (2019: 6 months LIBOR + 500 basis points), resulting in interest rates ranging from 5.35% to 6.03% (2019: 5.58% to 6.03%) per annum during the year.
- (x) A long-term loan of US\$ 530,000,000 (equivalent to £428,407,000) [2019: US\$ 530,000,000 (equivalent to £406,812,000)] to a subsidiary T S Global Procurement Co. Pte. Ltd. which is unsecured and repayable by 24 January 2028. Interest is charged at the rate of 565 basis points per annum during the year.
- (xi) A long-term loan of US\$ 300,000,000 (equivalent to £ 242,495,000) [2019: US \$300,000,000 (equivalent to £230,270,000)] to a subsidiary T S Global Procurement Co. Pte. Ltd. which is unsecured and repayable by 23 July 2023. Interest is charged at the rate of 465 basis points per annum during the year.
- (xii) On 30 September 2019, a short-term loan of Euro 635,113,223 (equivalent to £562,694,000) [2019: Euro 635,113,223 (equivalent to £547,250,000)] to a subsidiary, Tata Steel Europe Limited, which is unsecured and repayable by 20 December 2021, were equitized. Interest is charged at 12 months EURIBOR + 358 basis points per annum during the year.
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T S GLOBAL HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

- (xiii) Various short-term loans of Euro 1,766,000 (including interest capitalized Euro 16,000) (equivalent to £1,564,000) [2019: Euro 3,095,000 (equivalent to £2,667,000)] to a subsidiary Orchid Netherlands B.V., which are unsecured and repayable by 31 December 2020. Interest is charged at EURIBOR + 400 basis points per annum during the year.
- (xiv) A short-term loan of US \$ 200,000,000 and US\$ 110,000,000 (equivalent to £161,663,000 and £88,915,000) to a subsidiary T S Global Procurement Co. Pte. Ltd. which is unsecured and repayable by 31 March 2021 and 29 July 2020 respectively. Interest is charged at the rate of 2.9685% and 3.2835% per annum respectively during the year.
- (xv) A short-term loan of £ 34,463,000 to a subsidiary Tata Steel Europe Ltd. which is unsecured and repayable by 30 Sep 2020 and is fully provided for in 2020. Interest is charged at the 12 month LIBOR + 4% per annum.

13(a). Investments in subsidiaries

	2020	2019
	£'000	£'000
Unquoted equity shares, at cost	10,017,155	5,334,391
Quoted equity shares, at cost	121,387	123,661
Other capital contributions	183,618	183,618
	10,322,160	5,641,670
Less: Provision for impairment loss in subsidiaries	(5,856,000)	(5,139,964)
	4,466,159	501,706

Other capital contributions relates to long-term advances to certain subsidiaries which are deemed to be investments in these subsidiaries.

During the year ended 31 March 2020, the management carried out an estimate of the recoverable amount of four of its material subsidiaries, Tata Steel Europe Limited, T S Global Minerals Holdings Pte. Ltd., Tata Steel Thailand Public Company Limited and NatSteel Holdings Pte. Ltd as indicators of impairment existed. Based on the assessment performed, management has recorded an impairment loss of £ 716,036,000 (2019 : Nil).

T S GLOBAL HOLDINGS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

13(a). Investments in subsidiaries (continued)

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

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2020	2019	
		%	%	
T S Global Minerals Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Tata Steel (Thailand) Public Company Ltd.	Thailand	68	68	Manufacturing and trading in iron and steel products
NatSteel Holdings Pte. Ltd.	Singapore	100	100	Manufacturing and trading in iron and steel products
Tata Steel International (Singapore) Holdings Pte. Ltd.	Singapore	100	100	Investment holding
Tata Steel Europe Limited	United Kingdom	100	100	Investment holding
Orchid Netherlands (No.1) B.V.	Netherlands	100	100	Investment holding
T S Global Procurement Company Pte. Ltd.	Singapore	100	100	Investment holding and trading in coal
Tata Steel UK Holding Limited	United Kingdom	100	100	Investment holding
Tata Steel Netherlands Holdings B.V.	Netherlands	100	100	Investment holding
Corus Group Limited	United Kingdom	100	100	Investment holding
Tata Steel IJmuiden BV	Netherlands	100	100	Manufactures and sales of steel throughout the world
Tata Steel Nederland BV	Netherlands	100	100	Investment holding

T S GLOBAL HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

13(b). Other non-current investments

	2020	2019
	£'000	£'000
Investment in preference share of subsidiary ⁽¹⁾	363,619	345,289
Investment in non-cumulative redeemable preference shares of a subsidiary ⁽²⁾	-	62,500
Allowance for impairment in non-cumulative redeemable preference shares of a subsidiary ⁽²⁾	-	<u>(62,500)</u>
	363,619	<u>345,289</u>

- (1) The preference shares are issued at US \$ 1 par value and do not hold any voting rights. It is junior to all Secured Loans, Unsubordinated creditors, pari passu with any further issuance of preference shares, senior only to ordinary share capital and any other securities at par with ordinary share capital of the issuer.

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

Conversion price is to be mutually agreed upon conversion. Dividend is discretionary at the option of the issuer and is non-cumulative.

- (2) During the year ended 31 March 2020, allowance for impairment in non-cumulative redeemable preference shares were reversed and the preference shares were redeemed by the subsidiary.

14. Equipment

	R-O-U Asset £'000	Office equipment £'000
2020		
Cost		20
Beginning and end of financial year	-	
Additions	72	
Accumulated depreciation	-	
Beginning of financial year	-	19
Depreciation charge (Note 6)	<u>17</u>	<u>1</u>
End of financial year	<u>37</u>	-
Net book value end of financial year	<u>55</u>	<u>-</u>
2019		
Cost		20
Beginning and end of financial year	-	
Accumulated depreciation	-	
Beginning of financial year	-	19
Depreciation charge (Note 6)	-	*
End of financial year	<u>-</u>	<u>19</u>
Net book value end of financial year	<u>-</u>	<u>*</u>

* Amount is less than £ 1,000

T S GLOBAL HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

15. Other payables

	2020	2019
	£'000	£'000
Accrued expenses		
- Non-related parties	14,172	19,247
- Ultimate holding corporation	4	4
Accrued interest expense on loans from:		
- Subsidiaries	1,558	5,512
- Related company	13,252	10,854
	28,986	35,617

16. Loan payables

	2020	2019
	£'000	£'000
Current		
Related company ^{(i) and (xi)}	78,209	113,147
Subsidiaries ^{(ii), (vi) and (xii)}	1,933,657	1,471,571
Preference shares issued ^(viii)	1,277,121	1,221,356
Ultimate holding company ^(x)	161,663	-
Lease Liabilities ^(xii)	45	-
	3,450,695	2,806,074
Non-current		
Related companies ^{(iii), (iv) and (ix)}	1,191,692	1,003,503
Preference shares issued ^(vii)	-	1,531,202
Less: Equity portion of preference shares	-	(603,194)
Lease Liabilities ^(xii)	10	-
	1,191,702	1,931,511
Total loan payables	4,642,397	4,737,585

Loan payables consist of:

- (i) Loans payable to a related company, NatSteel Asia Pte. Ltd. which are interest-free, unsecured as at 31 March 2020 was due to mature in July 2020.

The loans are measured at amortised cost using the effective interest method. The effective interest rate applied is based upon the borrowing rate which the management expects would be available to the Company.

The carrying amount of the loans at 31 March 2020 is SGD 110,831,000 (equivalent to £62,864,000) [2019: SGD 199,806,000 (equivalent to £113,147,000)] based on effective interest method with effective interest rates of 2.5% (2019: 2.5%) per annum.

- (ii) Short-term loan payables of £1,864,700,000 (2019: £1,139,214,000) due to subsidiaries under a cash-pooling arrangement are unsecured, bear interest ranging from 0.00% to 0.68% (2019: 0.01% to 0.70%) per annum and are repayable upon demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

16. Loan payables (continued)

- (iii) As at 31 March 2020, long term loans with original value of SGD 26,457,000 (equivalent to £15,006,000) [2019: SGD 26,457,000 (equivalent to £14,982,000)] from a related company, Abja Investments Co. Pte. Ltd. The loan is unsecured, bears interest rate at 5.10% per annum and is repayable by 20 December 2021.
- (iv) As at 31 March 2020, long term loans with original value of US\$ 990,000,000 and US\$ 297,860,000 (equivalent to £800,233,000 and £ 240,765,000 respectively) [(2019: US\$ 990,000,000 and US\$ 297,860,000 (equivalent to £759,893,000 and £ 228,628,000 respectively)] from a related corporation, Abja Investments Co. Pte. Ltd. The loan is unsecured, bears interest rate at 5.65% and 4.65% per annum and is repayable by 24 January 2028 and 24 July 2023 respectively.
- (v) As at 31 March 2020, current maturities of long term loan with original value of US\$ 500,000,000, present outstanding US\$ NIL (equivalent to £ NIL) [2019: US\$ 390,000,000 (equivalent to £299,352,000)] from a subsidiary, T S Global Procurement Co. Pte. Ltd. The loan was unsecured, with interest rate at 6.75% per annum was repaid on the due date 30 January 2020.

Partial repayment of US\$ 110,000,000 was made during the financial year ended 31 March 2019.

- (vi) Short-term loan payable of US\$ 12,000,000, US\$ 11,000,000, US\$ 11,000,000 and Euro 7,915,000 (equivalent to £9,701,000, £8,891,000, £ 8,891,000 and £ 7,011,000) due to a subsidiary, Tata Steel International (Singapore) Holdings Pte. Ltd. which is unsecured, bears interest rate at 2.3%, 1.70%, 1.70% and 0.10% per annum and is repayable on 27 December 2020, 30 March 2021, 4 April 2020 and 6 Jan 2020 respectively.

Short-term loan payable of US\$ 32,000,000 and US\$ 11,000,000 (equivalent to £24,562,000 and £ 8,443,000) due to a subsidiary, Tata Steel International (Singapore) Holdings Pte. Ltd. which is unsecured, bears interest rate at 3.25% and 2.80% per annum was repaid on due date 27 December 2019 and 30 March 2020 respectively.

- (vii) During the year ended 31 March 2020, the 5.6% non-cumulative redeemable preference shares amounting to USD 1,258,000,000 (GBP 949,333,000) and 5% non-cumulative redeemable preference shares amounting to GBP 554,131,297 issued to its holding company T Steel Holdings Pte Ltd were converted into equity shares amounting to GBP 961,920,783 and GBP 554,131,297 respectively.

The difference between fair value of repurchase consideration and the carrying value of the debt portion of preference shares issued on the date of conversion on GBP denominated preference shares amounting to GBP 229,000 and on USD denominated preference shares amounting to GBP 302,000 are credited to profit & loss account (Note 5).

During the year ended 31 March 2019, the company issued 5.6% non-cumulative redeemable preference shares to its holding company T Steel Holdings Pte. Ltd. amounting to US\$ 1,258,000,000 (equivalent to £ 949,333,000). These preference shares are redeemable at the option of T S Global Holdings Pte. Ltd. and have a maturity period of 10 years. The dividend rate of 5.6% is payable at the discretion of the Company.

T S GLOBAL HOLDINGS PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2020

16. Loan payables (continued)

	2020	2019
	£'000	£'000
Face value of preference shares (including foreign exchange movement)	-	1,512,898
Less: Equity component of preference shares *	-	(603,194)
Add: Unwinding of interest expense	-	18,304
	<u>-</u>	<u>928,008</u>

* The equity component of the preference shares is the difference between the initial fair value of the preference shares and the cash advanced to the Company and is considered a capital contribution to the Company. The equity portion of the preference shares is presented on the face of the balance sheet.

The difference between fair value of repurchase consideration and the carrying value of the equity portion of preference shares issued on the date of conversion on GBP denominated preference shares amounting to GBP 30,820,000 and on USD denominated preference shares amounting to GBP 18,311,000 are added to retained profits.

- (viii) As at 31 March 2020, compulsorily convertible preference shares ("CCPS") issued to its related company NatSteel Asia Pte. Ltd. ("NSA"), amounted to USD 1,121,662,000 and EURO 418,266,000 (equivalent to £906,658,000 and £370,463,000 respectively). [2019: USD 1,121,662,000 and EURO 418,266,000 (equivalent to £860,953,000 and £360,403,000 respectively)]

During the year ended 31 March 2019, the Company issued compulsorily convertible preference shares ("CCPS") to its related company NatSteel Asia Pte. Ltd. ("NSA") amounting to US\$ 1,260,000,000 and EURO 468,508,000 (equivalent to £ 903,745,000 and £412,881,000 respectively).

Under the terms of the CCPS, NSA is entitled to an option to convert the preference shares into ordinary shares of the Company upon maturity at the end of 10 years, which is in 2028; dividend payout is discretionary at the option of the Company; and either the Company or NSA can call for redemption of the CCPS at any time before maturity. The conversion price is subject to be mutually agreed upon conversion.

Out of the above compulsorily convertible preference shares, an amount of US\$ 138,338,000 and EUR 50,242,000 were redeemed during the year (equivalent to £ 98,443,000 and £ 44,277,000 respectively).

	2020	2019
	£'000	£'000
Issuance of preference shares (including foreign exchange movement)	1,277,121	1,370,830
Less: Redemption of preference shares (including foreign exchange movement)	-	(149,474)
	<u>1,277,121</u>	<u>1,221,356</u>

- (ix) During the year ended 31 March 2020, the company obtained a long-term loan of EUR 153,196,875 (equivalent to £135,688,000) from a related company, Abja Investments Co. Pte. Ltd. which is unsecured, bears interest rate at 8.25% per annum and is repayable on 2 May 2023.

T S GLOBAL HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

- (x) During the year ended 31 March 2020, the company obtained a short-term loan of USD 200,000,000 (equivalent to £ 161,663,000) from its holding company, T Steel Holdings Pte. Ltd. which is unsecured, bears interest rate at 2.9685% per annum and is repayable on 31 March 2021.

- (xi) During the year ended 31 March 2020, the company obtained a short-term loan of USD 19,200,000, Euro 4,500,000 and SGD 1,500,000 (£ 10,508,000, £ 3,986,000 and £ 851,000 respectively) from a related company, Abja Investments Co. Pte. Ltd. which is unsecured, bears interest rate at 2.81%, 0.10% and 1.69% per annum and is repayable on 15 April 2020, 27 November 2020 and 27 November 2020 respectively.

- (xii) During the year ended 31 March 2020, right-of-use buildings gave rise to lease liabilities amounting to £ 55,000. The lease liabilities have been further classified into current and non-current portion amounting to £ 45,000 and £ 10,000 respectively.

- (xiii) During the year ended 31 March 2020, the company obtained a short-term loan of £ 34,463,000 from its subsidiary company, T S Global Procurement Co. Pte. Ltd. which is unsecured, bears interest rate at 12 months LIBOR plus 4% per annum and is repayable on 30 Sep 2020.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

17. Deferred income tax liabilities

	2020 £'000	2019 £'000
Beginning of financial year	123,126	89,351
Tax charged to:		
- profit or loss (Note 8(a))	(123,122)	33,775
End of financial year	4	123,126

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

Deferred income tax liabilities	Unremitted interest income £'000
2020	
Beginning of financial year	123,126
Charged to:	
- profit or loss (Note 8(a))	(123,122)
End of financial year	4
2019	
Beginning of financial year	89,351
Charged to:	
- profit or loss (Note 8(a))	33,775
End of financial year	123,126

18. Share capital

The Company's share capital comprise fully paid-up 7,191,688,562 (2019: 4,849,414,175) ordinary shares with no par value, carry one vote per share and carry right to dividends, amounting to a total of £7,191,688,562 (2019: £4,849,414,175)

	2020	2019	2020	2019
	£'000		£'000	£'000
Number of ordinary shares with no par value				
Issued and paid up:				
At beginning and end of the year	7,191,688,562	4,849,414,175	7,191,689	4,849,414

No. of shares issued at par (i.e. GBP 1.00) – 6,229,767,779 and

No. of shares issued at USD/GBP 1.3058 -1,258,000,000

The USD denominated erstwhile preference shares were re-denominated into GBP upon its conversion to equity shares, since the company's functional and reporting currency is in GBP.

19. Capital reserves

	2020 £'000	2019 £'000
Beginning of the year	1,068,832	1,065,038
Additions	154	3,794
At end of the year	1,068,986	1,068,832

T S GLOBAL HOLDINGS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

This reserve relates to the differences between the initial fair value of the unsecured interest-free long term loan payable to a related company and the cash advanced to the Company.

20. 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 has determined that Great Britain Pounds is its functional currency as its main investment is a sterling denominated asset.

At the year end, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in functional currency are as follows:

	Assets		Liabilities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Singapore dollar	46,577	64,850	109,553	160,775
United States dollar	1,936,797	1,726,947	2,260,198	2,864,671
Australia dollars	6,418	11,223	-	4,078
Euro	103,269	1,580,303	788,848	411,317

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

	Profit or loss	
	2020 £'000	2019 £'000
Singapore	6,298	9,592
United States dollar	32,340	113,772
Australia	(642)	(715)
Euro	68,558	(116,899)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan receivables and loan payables which have floating rates. The interest rate and terms of repayment are as disclosed in Notes 12 and 16 to the financial statements respectively. Management monitors these exposures on a regular basis.

Interest rate sensitivity

The sensitivity analyses below have been determined based on year-end balance which is subject to floating interest rates at the end of the reporting period.

If interest rates had been 10 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended 31 March 2020 would increase/decrease by £2,574,000 (2019: increase/decrease by £4,652,000).

(b) Credit risk

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

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

Bank deposits are placed with financial institutions that have high credit ratings and as such, bank deposits are not subject to any material credit risk.

Impairment of financial assets

The Company has applied 3 stage general approach to measure the expected credit losses for its other receivables, loan receivables and other non-current investments.

In its recoverability, management has considered amongst other factors, the carrying amount of the respective counterparty's net assets, estimation of future cash flows expected to arise from cash-generating units and current and future developments in the business and as a result of its assessment, management has determined that there has been no material changes in the credit risk of its other receivables, loan receivables and other non-current investments as compared to the previous financial year.

As a result, apart from the balances which have been impaired in the previous financial years as a result of specific circumstances as recorded in Notes 10, 12, and 13(b) no additional allowance for impairment has been determined to be necessary for the financial year ended 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. Financial risk management (continued)

Financial risk factors (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

In 2019, the impairment of the financial assets were assessed based on the incurred loss impairment model.

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

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

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

(c) Liquidity risk

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

Non-derivative financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. Financial risk management (continued)

Financial risk factors (continued)

(c) Liquidity risk (continued)

Non-derivative financial liabilities (continued)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
<u>2020</u>						
Non-interest bearing	-	91,849	-	1,277,121	-	1,368,970
Fixed interest rate instruments	0.10-8.25	216,673	464,267	1,152,920	(430,610)	1,403,250
Variable interest rate instruments	0.03	1,899,716	-	-	(552)	1,899,164
Preference shares	-	-	-	-	-	-
		<u>2,280,237</u>	<u>464,267</u>	<u>2,430,041</u>	<u>(431,162)</u>	<u>4,671,383</u>
<u>2019</u>						
Non-interest bearing	-	148,764	-	-	-	148,764
Fixed interest rate instruments	2.80-6.75	404,347	266,329	1,109,560	(444,376)	1,335,860
Variable interest rate instruments	0.39	1,139,247	-	-	(33)	1,139,214
Preference shares	5.0 – 5.6	<u>1,221,356</u>	-	<u>1,531,202</u>	<u>(603,194)</u>	<u>2,149,364</u>
		<u>2,913,714</u>	<u>266,329</u>	<u>2,640,762</u>	<u>(1,047,603)</u>	<u>4,773,202</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. Financial risk management (continued)

(c) Liquidity risk (continued)

Non-derivative financial assets

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

	Weighted average effective interest rate %	On demand or within 1 year £'000	Within 2 to 5 years £'000	After 5 years £'000	Adjustment £'000	Total £'000
<u>2020</u>						
Non-interest bearing	-	429,037	49,041	-	-	478,078
Variable interest rate instruments	0.35	405,393	-	-	(1,399)	403,994
Fixed interest rate instruments	2.97-5.65	256,321	279,743	617,220	(231,803)	921,481
		<u>1,090,751</u>	<u>328,784</u>	<u>617,220</u>	<u>(233,201)</u>	<u>1,803,553</u>
<u>2019</u>						
Non-interest bearing	-	57,277	434,746	-	-	492,023
Variable interest rate instruments	3.84	1,518,291	2,560,034	748,176	(593,614)	4,232,887
		<u>1,575,568</u>	<u>2,994,780</u>	<u>748,176</u>	<u>(593,614)</u>	<u>4,724,910</u>

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 £ 1,305,000 (2019: net cash outflow amounting to £ 36,000) (Note 11). Further information of these derivative financial instruments is disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. Financial risk management (continued)

(d) Capital Risk

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

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

	2020 £'000	2019 £'000
Net debt	4,258,001	4,770,045
Total equity	1,957,579	674,421
Total capital	6,215,580	5,444,466

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

(e) Fair value measurements

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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);
- (b) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	<u>Level 1</u> £'000	<u>Level 2</u> £'000	<u>Level 3</u> £'000	<u>Total</u> £'000
As at 31 March 2020				
Financial assets, at FVPL	-	-	363,619	363,619
Derivative financial instruments	-	1,305	-	1,305
As at 31 March 2019				
Financial assets, at FVPL	-	-	345,289	345,289
Derivative financial instruments	-	(36)	-	(36)

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.

Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

20. Financial risk management (continued)

(f) Financial instruments by category

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

	2020 £'000	2019 £'000
Loans and receivables		-
Financial assets, at amortised cost	1,803,553	4,724,910
Financial assets, at FVPL	364,924	345,289
Financial liabilities, at amortised cost	4,671,383	4,773,202
Financial liabilities, at FVPL	-	36

21. Holding company and related company transactions

The Company is a wholly-owned subsidiary of T Steel 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 Company's transactions and arrangements are between members of the group and the effect 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.

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

	2020 £'000	2019 £'000
Interest expense to:		
Subsidiaries	24,835	28,247
Related companies	58,793	54,865
Interest income from:		
Subsidiaries	(214,036)	(311,335)
Related company	(674)	(749)
Service income from subsidiaries	(137)	(102)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. Contingent Liabilities

As at financial year ended 31 March 2020, the Company had 2 separate guarantee and indemnity agreements with its indirect, wholly-owned subsidiaries and 1 separate guarantee and indemnity agreement with its related corporation whereby the Company agreed to act as guarantor to guarantee the underlying amounts under the facility/financing arrangement of these related companies for amounts up to Euro 50,320,000, Euro 151,020,000, Euro 418,265,948 and US\$ 1,151,662,198

As at financial year ended 31 March 2019, the Company had 2 separate guarantee and indemnity agreements with its indirect, wholly-owned subsidiaries and 1 separate guarantee and indemnity agreement with its related corporation whereby the Company agreed to act as guarantor to guarantee the underlying amounts under the facility/financing arrangement of these related companies for amounts up to Euro 50,320,000, Euro 151,020,000, Euro 418,265,948 and US\$ 1,151,662,198.

Guarantee of US\$ 460,000,000 have been terminated during the financial year ended 31 March 2019.

23. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2020 and which the Company has not early adopted:

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

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed.

Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the Company's commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

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

As at balance sheet date the Company does not have any leases and hence adoption of this standard is not expected to have a material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

- (a) INT FRS 123 Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 April 2019)

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

- i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored
- iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment
- iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty, and
- v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Company does not expect additional tax liability to be recognised arising from the adoption of this standard.

24. 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 Holdings Pte. Ltd. on ■.