

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the company for the financial year ended March 31, 2017.

In the opinion of the directors, the accompanying financial statements as set out on pages 6 to 30 are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2017, and the financial performance, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

#### 1 DIRECTORS

The directors of the company in office at the date of this statement are:

Anil Jhanji  
Ashish Anupam  
Sanjib Nanda

#### 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

#### 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act, except as follows:

<u>Shareholdings registered in name of directors</u>		
<u>Name of directors and companies in which interests are held</u>	<u>At beginning of year</u>	<u>At end of year</u>
<u>Ultimate holding company - Tata Steel Limited</u>		
<u>Ordinary shares of Rupees 10 each</u>		
Anil Jhanji	210	210
Sanjib Nanda	484	484
Ashish Anupam	185	185

**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.

ON BEHALF OF THE DIRECTORS

.....  
Anil Jhanji

.....  
Sanjib Nanda

June 30, 2017

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

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Tata Steel International (Singapore) Pte Ltd (the "company"), which comprise the statement of financial position of the company as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 30.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

**Basis for Opinion**

We 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 are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

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

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

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

**Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

Public Accountants and  
Chartered Accountants  
Singapore

June 30, 2017

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

**STATEMENT OF FINANCIAL POSITION  
March 31, 2017**

	Note	2017 US\$	2016 US\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	6	177,810	181,436
Trade and other receivables	7	3,639,516	3,215,601
Deposits and prepayments	8	23,340	78,863
Total current assets		<u>3,840,666</u>	<u>3,475,900</u>
<b>Non-current assets</b>			
Plant and equipment	9	739	2,244
Associate	10	1,303,458	1,303,458
Total non-current assets		<u>1,304,197</u>	<u>1,305,702</u>
<b>Total assets</b>		<u><u>5,144,863</u></u>	<u><u>4,781,602</u></u>
<b><u>LIABILITY AND EQUITY</u></b>			
<b>Current liability</b>			
Trade and other payables	11	<u>105,593</u>	<u>215,515</u>
<b>Capital and reserves</b>			
Share capital	12	1,230,992	1,230,992
Retained earnings		<u>3,808,278</u>	<u>3,335,095</u>
Total equity		<u>5,039,270</u>	<u>4,566,087</u>
<b>Total liability and equity</b>		<u><u>5,144,863</u></u>	<u><u>4,781,602</u></u>

See accompanying notes to financial statements.

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Financial year ended March 31, 2017**

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$ (Reclassified)
<b>Revenue</b>	13, 18	1,434,171	2,153,195
<b>Cost of sales</b>		<u>(68,144)</u>	<u>(2,040,815)</u>
<b>Gross profit</b>		1,366,027	112,380
Other operating income	14, 18	67,662	236,860
Selling expenses		(74,078)	(113,131)
Administrative expenses		<u>(886,428)</u>	<u>(1,284,042)</u>
<b>Profit (Loss) before income tax</b>		473,183	(1,047,933)
Income tax expense	15	<u>-</u>	<u>-</u>
<b>Profit (Loss) for the year, representing total comprehensive income (loss) for the year</b>	16	<u>473,183</u>	<u>(1,047,933)</u>

See accompanying notes to financial statements.

**TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD****STATEMENT OF CHANGES IN EQUITY**  
**Financial year ended March 31, 2017**

	Share capital US\$	Retained earnings US\$	Total US\$
Balance at April 1, 2015	1,230,992	4,383,028	5,614,020
Loss for the year, representing total comprehensive loss for the year	-	(1,047,933)	(1,047,933)
Balance at March 31, 2016	1,230,992	3,335,095	4,566,087
Profit for the year, representing total comprehensive income for the year	-	473,183	473,183
Balance at March 31, 2017	1,230,992	3,808,278	5,039,270

See accompanying notes to financial statements.



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

**STATEMENT OF CASH FLOWS**

**Financial year ended March 31, 2017**

	2017	2016
	US\$	US\$
<b>Operating activities</b>		
Profit (Loss) before income tax	473,183	(1,047,933)
Adjustments for:		
Dividend income from associate	(49,748)	(49,154)
Non-trade receivables written off	66,125	60,647
Reversal of accruals	-	(172,605)
Depreciation of plant and equipment	1,505	11,048
Operating cash flows before movements in working capital	491,065	(1,197,997)
Trade and other receivables	(1,142,091)	684,676
Deposits and prepayments	55,523	6,474
Inventories	-	770,821
Trade and other payables	(109,925)	(160,516)
Net cash (used in) from operating activities	(705,428)	103,458
<b>Investing activities</b>		
Dividends received from associate	49,748	49,154
Cash-pooling receivable to intermediate holding company	(2,252,594)	(3,720,670)
Repayment of cash-pooling receivable to intermediate holding company	2,904,648	3,569,010
Net cash from (used in) investing activities	701,802	(102,506)
Net (decrease) increase in cash and cash equivalents	(3,626)	952
Cash and cash equivalents at the beginning of the year (Note 6)	181,436	180,484
<b>Cash and cash equivalents at the end of the year (Note 6)</b>	<b>177,810</b>	<b>181,436</b>

See accompanying notes to financial statements.

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

#### 1 GENERAL

The company (Registration No. 199201688D) is incorporated in the Republic of Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in United States dollars.

The principal activities of the company are the sale of metal products in South East Asian countries and to co-ordinate sales orders from the South East Asian countries with Tata Steel International (Asia) Limited, a related company incorporated in Hong Kong.

The financial statements of the company for the financial year ended March 31, 2017 were authorised for issue by the Board of Directors on June 30, 2017.

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2016, the company has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendment to FRS that are relevant to the company were issued but not yet effective:

- FRS 109 *Financial Instruments* <sup>(2)</sup>
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* <sup>(2)</sup>
- FRS 116 *Leases* <sup>(3)</sup>
- Amendments to FRS 7 *Statement of Cash Flow: Disclosure Initiative* <sup>(1)</sup>

(1) Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

(2) Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

(3) Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendment to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption except for the following:

#### **FRS 109 Financial Instruments**

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the application of FRS 109 in the future would result in changes to the accounting policies relating to the impairment provisions of financial assets and liabilities. Management intends to adopt FRS 109 when it becomes effective in 2018. Additional disclosures will also be made.

#### **FRS 115 Revenue from Contracts with Customers**

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management intends to adopt FRS 115 when it becomes effective in 2018. Management anticipates that the application of FRS 115 in the future may have an impact on the amounts reported and disclosures made in the company’s financial statements. However, it is not practicable to provide a reasonable estimate of the effect of FRS 115 until management completes its assessment.

#### **FRS 116 Leases**

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

The management anticipates that the initial application of FRS 116 will result in certain lease commitments of the company to be recorded in the statement of financial position. FRS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitment in Note 17. The new FRS 116 requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the company’s financial statements and the management is currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the management completes the review.

**FINANCIAL INSTRUMENT** - Financial assets and financial liabilities are recognised on the company’s statement of financial position when the company becomes a party to the contractual provisions of the instrument.

#### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

#### **Financial assets**

##### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Trade and other receivables

Trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables where the recognition of interest would be immaterial.

##### Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through the profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2017**

**Financial liabilities and equity instruments**

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.

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.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method except for short-term payables when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

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

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

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

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

ASSOCIATES - An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The investment in associate is stated at cost less accumulated impairment allowances made in recognition of impairment in value, if any.

The company is exempted under FRS 28 *Investments in Associates and Joint Ventures* from applying the equity method of accounting for the associate as the company is itself is a wholly-owned subsidiary of another company. Consolidated 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.

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

IMPAIRMENT OF NON FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

OPERATING LEASES - Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.



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

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

**PROVISIONS** - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the 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.

**REVENUE RECOGNITION** - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

#### Commission income

Commission income is recognised when goods have been delivered to the customers and upon acceptance by customers.

**BORROWING COSTS** - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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 end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination.

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements are measured and presented in United States dollar, which is the currency of the primary economic environment in which the company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

#### **(i) Critical judgements in applying the company's accounting policies**

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

#### **(ii) Key sources of estimation uncertainty**

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

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

#### Impairment of investment in associate

Management of the company performs impairment assessment of the recoverable amount of the investments in associate at the end of each reporting period to determine whether there is any indication that its associates is impaired. Where there is an indicator of impairment, the recoverable amounts of investment in associate would be determined based on higher of fair value less costs to sell and value-in- use calculations. The value-in-use calculations require the use of judgements and estimates. Arising from management's assessment, no impairment was recognised for 2016 and 2017.

The carrying amount of investment in associate at the end of the reporting period is disclosed in Note 10 to the financial statements.

#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

##### **(a) Categories of financial instruments**

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<b>Financial assets</b>		
Loans and receivables (including cash and cash equivalents)	<u>3,837,629</u>	<u>3,468,130</u>
<b>Financial liabilities</b>		
Amortised cost	<u>105,593</u>	<u>215,515</u>

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

The company has adopted risk management policies that seek to mitigate financial risks in a cost-effective manner. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Details of the company's financial risk management objectives and policies are as follows:

(i) Foreign currency risk management

Foreign currencies that the company transacts mainly in are the Great Britain Pound, Euro and Singapore dollar. The company 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	
	2017	2016	2017	2016
	US\$	US\$	US\$	US\$
Great Britain pound	366,921	361,823	2,292	-
Euro	23,476	-	-	-
Singapore dollar	699,215	283,591	103,301	215,515

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If the Great Britain pound were to strengthen/weaken by 10% against the United States dollar, profit/loss before tax will increase/decrease by approximately US\$36,463 (2016 : US\$36,182).

If the Euro were to strengthen/weaken by 10% against the United States dollar, profit/loss before tax will increase/decrease by approximately US\$2,348 (2016 : US\$Nil).

If the Singapore dollar were to strengthen/weaken by 10% against the United States dollar, profit/loss before tax will increase/decrease by approximately US\$59,591 (2016 : US\$6,808).

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

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

(ii) Interest rate risk management

The company's exposure to interest rate risk 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 principal financial assets consist of cash and cash equivalents, trade receivables and other receivables.

Cash and cash equivalents mainly comprise of bank balances, which are held with creditworthy financial institutions.

The company's credit risk is primarily attributable to its trade and other receivables. The amount presented in the statement of financial position is net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company manages credit risks by dealing with creditworthy customers. The company's sales are concentrated on a few key customers and exposure to credit risk is mitigated as the major customers are covered by credit insurance. Credit risk is also managed by monitoring payments from customers regularly. The company also has significant trade and other receivables from related companies. Management considers the credit risk relating to these receivables to be low.

Credit risk is managed by a credit evaluation process which includes assessment and evaluation of existing and potential customers' credit standing to determine credit terms. Payments are monitored for compliance with credit terms.

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

**NOTES TO FINANCIAL STATEMENTS**

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The maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amounts of these assets in the statement of financial position.

(iv) Liquidity risk management

The company maintains sufficient liquidity to finance its activity. The company's operations are financed mainly through equity.

All financial assets and financial liabilities in 2016 and 2017 are repayable on demand or due within 1 year from the end of the reporting period and are non-interest bearing other than interest bearing receivable from intermediate holding company (Note 7).

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables approximates their respective fair values due to the relatively short-term maturity of these financial instruments.

**(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. The company uses external borrowings from time to time. The company's overall strategy remains unchanged from prior year.

## TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD

### NOTES TO FINANCIAL STATEMENTS

March 31, 2017

#### 5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The company is a wholly-owned subsidiary of Tata Steel International (Singapore) Holdings Pte Ltd, incorporated in 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.

Some 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 are reflected in these financial statements. The intercompany balance is unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the company entered into the following transactions with holding and related companies:

	2017	2016
	US\$	US\$
Purchases of goods from related companies	68,144	1,251,054
Commission income from related companies	(1,349,631)	(217,722)
Interest income from intermediate holding company	(5,699)	(5,187)
Services rendered from related company	39,152	38,930

#### **Compensation of directors and key management personnel**

	2017	2016
	US\$	US\$
Short-term benefits	-	140,296

In 2017, there were no key management personnel other than the directors of the company. No remuneration was paid by the company in 2017 to the directors. These directors were paid remuneration by related companies in their capacity as directors and/or executives of the related companies.

Remuneration in 2016 relates to key management personnel who are directors of the company.

#### 6 CASH AND CASH EQUIVALENTS

	2017	2016
	US\$	US\$
Cash and bank balances	177,810	181,436



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

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

7 TRADE AND OTHER RECEIVABLES

	2017	2016
	US\$	US\$
Trade receivables due from outside parties	6,128	-
Trade receivables due from related companies (Note 5)	1,345,942	310,953
Other receivables due from outside parties	2,990	-
Other receivables due from related companies (Note 5)	31,573	-
Other receivables due from intermediate holding company <sup>(1)</sup> (Note 5)	2,252,883	2,904,648
	<u>3,639,516</u>	<u>3,215,601</u>

<sup>(1)</sup> Other receivables due from intermediate holding company are under cash-pooling arrangement, unsecured, bear interest at 0.07% to 0.24% (2016 : 0.02% to 0.18%) per annum and are repayable upon demand.

The average credit period on sale of goods and provision of services is 14 days (2016 : 14 to 90 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. As at March 31, 2017, 99% (2016 : 100%) of trade receivables are due from related companies. Credit risk is mitigated as the major customers are covered by credit insurance. Credit risk is also managed by monitoring payments from customers regularly. Accordingly, the management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

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

Included in the company's trade receivables balance are debtors with a carrying amount of US\$508,891 (2016 : US\$204,911) 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. The aging profile of these receivables are as follows:

(i) Aging of trade receivables that are past due but not impaired

	2017	2016
	US\$	US\$
< 1 month	415,325	13,620
> 1 to 2 months	11,252	6,918
>2 months	82,314	184,373
	<u>508,891</u>	<u>204,911</u>

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

**NOTES TO FINANCIAL STATEMENTS  
March 31, 2017**

8 DEPOSITS AND PREPAYMENTS

	2017	2016
	US\$	US\$
Deposits	23,293	71,093
Sundry prepayments	47	7,770
	<u>23,340</u>	<u>78,863</u>

9 PLANT AND EQUIPMENT

	Furniture And fittings	Renovations	Office equipment	Computers	Total
	US\$	US\$	US\$	US\$	US\$
Cost:					
As at April 1, 2015, March 31, 2016 and March 31, 2017	5,900	24,543	19,387	55,572	105,402
Accumulated depreciation:					
As at April 1, 2015	5,350	20,200	17,900	48,660	92,110
Depreciation	550	4,253	1,487	4,758	11,048
As at March 31, 2016	5,900	24,453	19,387	53,418	103,158
Depreciation	-	90	-	1,415	1,505
As at March 31, 2017	5,900	24,543	19,387	54,833	104,663
Carrying amount:					
As at March 31, 2017	-	-	-	739	739
As at March 31, 2016	-	90	-	2,154	2,244

10 ASSOCIATE

	2017	2016
	US\$	US\$
Unquoted shares, at cost	<u>1,303,458</u>	<u>1,303,458</u>

Details of the associate are as follows:

<u>Name of associate</u>	<u>Country of incorporation and operations</u>	<u>Principal activities</u>	Proportion of ownership interest and voting power held	
			2017	2016
			%	%
European Profiles (M) Sdn. Bhd.	Malaysia	Manufacturing and fabrication of building envelope systems and composite floor decking	20	20

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

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

11 TRADE AND OTHER PAYABLES

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Trade payables due to outside parties	9,390	2,588
Other payables due to outside parties	-	19,723
Accruals	<u>96,203</u>	<u>193,204</u>
	<u><u>105,593</u></u>	<u><u>215,515</u></u>

The average credit period on purchases of goods is 75 days (2016 : 75 days). No interest is charged on outstanding balances.

12 SHARE CAPITAL

	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	Number of ordinary shares		US\$	US\$
Issued and paid up:				
At beginning and end				
of the year	<u>1,700,000</u>	<u>1,700,000</u>	<u>1,230,992</u>	<u>1,230,992</u>

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

13 REVENUE

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Sale of goods	75,240	1,935,473
Commission income:		
Outside parties	9,300	-
Related companies (Note 5)	<u>1,349,631</u>	<u>217,722</u>
	<u><u>1,434,171</u></u>	<u><u>2,153,195</u></u>

**TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD****NOTES TO FINANCIAL STATEMENTS****March 31, 2017**

## 14 OTHER OPERATING INCOME

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Dividend income from associate	49,748	49,154
Reversal of accruals	-	172,605
Others	17,914	15,101
	<u>67,662</u>	<u>236,860</u>

## 15 INCOME TAX EXPENSE

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Income tax expense	<u>-</u>	<u>-</u>

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit (loss) for the year.

The total charges for the year can be reconciled to the accounting profit (loss) as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Profit (Loss) before income tax	<u>473,183</u>	<u>(1,047,933)</u>
Tax expense (benefit) at the domestic income tax rate of 17% (2016 : 17%)	80,441	(178,149)
Effect of non-deductible items	8,712	7,877
Deferred tax benefit previously not recognised now utilised	(89,153)	-
Deferred tax benefit not recognised in current year	-	170,272
Income tax expense	<u>-</u>	<u>-</u>

The amount of unutilised tax losses carried forward for the company amounted to approximately US\$8,454,000 (2016 : US\$8,979,000). No deferred tax assets arising from these unutilised tax losses have been recognised in the financial statements in view of the uncertainty of their recoverability. The tax losses can be carried forward for an unlimited future period subject to the conditions imposed by law.

**TATA STEEL INTERNATIONAL (SINGAPORE) PTE LTD****NOTES TO FINANCIAL STATEMENTS****March 31, 2017**

## 16 PROFIT (LOSS) FOR THE YEAR

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

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Staff costs	488,471	822,125
Cost of defined contribution plans (included in staff costs)	29,156	45,878
Non-trade receivables written off	66,125	60,647
Foreign currency exchange adjustment loss - net	70,991	24,504
Depreciation of plant and equipment	1,505	11,048
Cost of inventories recognised as expense	<u>68,144</u>	<u>2,037,017</u>

## 17 OPERATING LEASE COMMITMENTS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Minimum lease payments under operating leases recognised as an expense in the year	<u>115,392</u>	<u>185,671</u>

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

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Within one year	66,199	111,146
In the second year	<u>53,513</u>	<u>-</u>
	<u>119,712</u>	<u>111,146</u>

Operating lease payments represents rentals payable by the company for its office premise and staff accommodation under non-cancellable operating lease agreements. The leases are contracted for a period of 1 to 2 years (2016 : 1 to 2 years) and rentals are fixed for the duration of the leases.

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

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2017**

18 RECLASSIFICATIONS AND COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements due to changes in principal activities to include earning commission income from the co-ordination of sales orders. Accordingly, commission revenue has been reclassified from other operating income to revenue by management.

As a result, comparative figures have been amended in the statement of profit or loss and other comprehensive income and the related notes to the financial statements to conform to the current year's presentation.

	<u>Previously reported</u>	<u>After reclassification</u>
	2016	2016
	US\$	US\$
Revenue	1,935,473	2,153,195
Other operating income	<u>454,582</u>	<u>236,860</u>

The above has no impact on the statement of financial position.

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

**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS**

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

**DIRECTORS' STATEMENT AND  
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED  
MARCH 31, 2017**



Prepared on

The attached draft financial statements, which have been prepared by management of the Company, are subject to changes that may arise from the resolution of outstanding audit matters which are set out in the attached appendices and comments and adjustments from our engagement quality assurance review. The draft audit report included in the attached financial statements should not be provided to any other party or used for any purpose without our prior written permission.

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

**DIRECTORS' STATEMENT AND  
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED  
MARCH 31, 2017**

