

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

**ANNUAL REPORT**  
**For the financial year ended 31 March 2021**

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**  
(Incorporated in Singapore)

**ANNUAL REPORT**

For the financial year ended 31 March 2021

**Contents**

	Page
Directors' Statement	1
Independent Auditor's Report	3
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	11

---

## **T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

### **DIRECTORS' STATEMENT**

For the financial year ended 31 March 2021

---

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2021.

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 50 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### **Directors**

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

Mr Koushik Chatterjee  
Mr Rajiv Mukerji  
Mr Raghav Sud  
Mr Dibyendu Bose  
Mr Wee Choo Peng  
Ms Samita Shah  
Mr Sanjib Nanda

### **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:

<u>Name of the directors and company in which interest are held</u>	<u>At beginning of year</u>	<u>At end of year</u>
<b>Tata Steel Limited</b>		
<u>Ordinary shares of Rupees 10 each</u>		
Koushik Chatterjee	1,531	1,531
Dibyendu Bose	597	597
Raghav Sud	17	17
<u>Partly paid shares</u>		
Koushik Chatterjee	105	105

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**DIRECTORS' STATEMENT**

For the financial year ended 31 March 2021

---

**Directors' interests in shares or debentures** (continued)

<u>Name of the directors and company in which interest are held</u>	<u>At beginning of year</u>	<u>At end of year</u>
<b>Tata Metaliks Limited</b>		
<u>Ordinary shares of Rupees 10 each</u>		
Dibyendu Bose	100	100
<b>The Tinplate Company of India Limited</b>		
<u>Ordinary shares of Rupees 10 each</u>		
Koushik Chatterjee	1,000	1,000

**Share options**

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

**Independent auditor**

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

On behalf of the Directors

---

Samita Shah  
Director

---

Raghav Sud  
Director

■

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

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

### **Our Opinion**

In our opinion, the accompanying financial statements of T S Global Procurement Company Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, 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 2021 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 2021;
- the balance sheet as at 31 March 2021;
- 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.

### **Emphasis of Matter**

We draw attention to Note 3(ii) to the financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments in various territories, for which definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.

### **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.

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

### **Other Information (continued)**

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.

### **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.

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

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

- 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.

**Report on Other Legal and Regulatory Requirements**

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

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, ■

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.****STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 31 March 2021

	Note	<b>2021</b> <b>US\$000</b>	2020 US\$000
Revenue	4(a)	<b>3,829,516</b>	4,259,160
Cost of sales	4(b)	<b>(3,737,772)</b>	(4,096,562)
Gross profit		<b>91,744</b>	162,598
Other income	5		
- Interest		<b>8,945</b>	41,133
- Dividend income		-	50
Other gains/(losses)			
- Impairment of investments		<b>159</b>	(668)
- Provision for doubtful debts		<b>(2)</b>	-
- Other gains	6	<b>4,934</b>	36,275
Expenses			
- Administrative	4(b)	<b>(19,152)</b>	(23,996)
- Finance	7	<b>(54,747)</b>	(196,677)
Profit before tax		<b>31,881</b>	18,715
Income tax expense	8(a)	<b>(7,863)</b>	(6,098)
<b>Profit after tax and total comprehensive income for the year</b>		<b>24,018</b>	12,617

---

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



**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**BALANCE SHEET**

As at 31 March 2021

	Note	31 March		1 April
		2021	2020	2019
		US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank deposits	9	26,648	13,685	23,275
Trade and other receivables	10	1,720,789	1,349,747	2,077,292
Derivative financial instruments	11	8,071	69,505	20,040
Inventories	12	179,701	63,221	136,911
Loan receivables	13	165,976	2,417,375	1,596,311
		<b>2,101,185</b>	<b>3,913,533</b>	<b>3,853,829</b>
<b>Non-current assets</b>				
Trade and other receivables	10	-	1,365	10,732
Loan receivables	13	-	-	390,000
Investment in subsidiary	14	1,209	1,049	1,717
Investment in associate	15	*	*	*
Equipment	16	17	27	44
Intangible assets	17	98	186	304
Right-of-use assets	18(a)	12,303	25,900	40,444
Deferred tax asset	19	1,785	1,727	533
		<b>15,412</b>	<b>30,254</b>	<b>443,774</b>
<b>Total assets</b>		<b>2,116,597</b>	<b>3,943,787</b>	<b>4,297,603</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	20	736,699	397,273	504,228
Current income tax liabilities	8(b)	9,649	5,678	10,361
Loan payables	21	570,033	728,937	1,455,862
Bank loans	22	303,389	460,245	-
Lease liabilities	18(b)	10,523	24,973	25,182
		<b>1,630,293</b>	<b>1,617,106</b>	<b>1,995,633</b>
<b>Non-current liabilities</b>				
Loan payables	21	-	1,820,363	1,821,015
Lease liabilities	18(b)	5,010	13,649	36,416
		<b>5,010</b>	<b>1,834,012</b>	<b>1,857,431</b>
<b>Total liabilities</b>		<b>1,635,303</b>	<b>3,451,118</b>	<b>3,853,064</b>
<b>NET ASSETS</b>		<b>481,294</b>	<b>492,669</b>	<b>444,539</b>
<b>EQUITY</b>				
Share capital	23	99,635	99,635	99,635
Retained earnings		408,203	384,185	371,568
Foreign Currency Translation Reserve		(95,837)	(97,174)	(95,957)
Capital reserve		69,293	69,293	69,293
<b>Total equity</b>		<b>481,294</b>	<b>455,939</b>	<b>444,539</b>

\*Amount is less than US\$1,000

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

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.****STATEMENT OF CHANGES IN EQUITY**

For the financial year ended 31 March 2021

---

	<u>Share capital</u> \$'000	<u>Retained earnings</u> \$'000	<u>Foreign Currency Translation Reserve</u> \$'000	<u>Capital earnings</u> \$'000	<u>Total equity</u> \$'000
<b>2021</b>					
<b>Beginning of financial year</b>	<b>99,635</b>	<b>384,185</b>	<b>(97,174)</b>	<b>69,293</b>	<b>455,939</b>
Profit for the year	-	24,018	1,337	-	25,355
<b>End of financial year</b>	<b>99,635</b>	<b>408,203</b>	<b>(95,837)</b>	<b>69,293</b>	<b>481,294</b>
<b>2020</b>					
<b>Beginning of financial year</b>	<b>99,635</b>	<b>371,568</b>	<b>(95,957)</b>	<b>69,293</b>	<b>444,539</b>
Profit for the year	-	12,617	(1,217)	-	11,400
<b>End of financial year</b>	<b>99,635</b>	<b>384,185</b>	<b>(97,174)</b>	<b>69,293</b>	<b>455,939</b>

---

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

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.****STATEMENT OF CASH FLOWS**

For the financial year ended 31 March 2021

	Note	2021	2020
		US\$'000	US\$'000
<b>Operating activities</b>			
Profit before tax		<b>31,881</b>	18,715
Adjustments for:			
- Interest income		<b>(8,945)</b>	(41,133)
- Interest expense		<b>54,747</b>	196,677
- Depreciation and amortisation expense		<b>13,770</b>	10,524
- Fair value gains on derivative financial instruments		<b>31,307</b>	(19,337)
- Other non-cash items		<b>(160)</b>	668
Operating cash flows before movements in working capital		<b>122,600</b>	166,114
Changes in Working capital			
Inventories		<b>(116,480)</b>	73,690
Trade receivables		<b>(319,264)</b>	620,058
Other receivables		<b>(63,617)</b>	81,229
Trade payables		<b>299,419</b>	(63,429)
Other payables and accrued expenses		<b>59,858</b>	6,064
Cash generated from operations		<b>(17,484)</b>	883,726
Income tax paid		<b>(4,785)</b>	(11,078)
Net cash generated from operating activities		<b>(22,269)</b>	872,648
<b>Investing activities</b>			
Principal receipts under sub-lease		<b>6,434</b>	9,725
Interest received		<b>15,718</b>	45,894
Purchase of equipment and intangible asset		<b>(22)</b>	(26)
Loans to related companies		<b>(341,645)</b>	(470,834)
Repayments of loans to related companies		<b>368,898</b>	467,805
Loan to immediate holding company		<b>(4,492,442)</b>	(19,689,582)
Repayment of loan to immediate holding company		<b>6,717,850</b>	19,246,446
Net cash generated from investing activities		<b>2,274,791</b>	(390,592)

---

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

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**STATEMENT OF CASH FLOWS**

For the financial year ended 31 March 2021

	<u>Note</u>	<b>2021</b> <b>US\$'000</b>	2020 US\$'000
<b>Financing activities</b>			
Interest paid		<b>(79,912)</b>	(235,777)
Principle payments of lease liabilities		<b>(22,023)</b>	(22,207)
Loan from related company		<b>139,690</b>	-
Repayments of loans from related companies		<b>(988,000)</b>	(500,000)
Loans from immediate holding company		<b>1,918,310</b>	13,046,462
Repayments of loans from immediate holding company		<b>(3,050,768)</b>	(13,240,369)
Proceeds from bank loans		<b>1,059,884</b>	1,555,609
Repayments of bank loans		<b>(1,216,740)</b>	(1,095,364)
Net cash used in financing activities		<b>(2,239,559)</b>	(491,646)
Net increase / (decrease) in cash and cash equivalents		<b>12,963</b>	(9,590)
Cash and cash equivalents at beginning of financial Year		<b>13,685</b>	23,275
<b>Cash and cash equivalents at end of financial year</b>	9	<b>26,648</b>	13,685

\*Amount is less than US\$1,000

**Reconciliation of liabilities arising from financial activities**

	Opening balance as at 1 April US \$'000	Proceeds from borrowings US \$'000	Principal and interest payments US \$'000	Non-cash changes				Closing balance as at 31 March US \$'000
				Interest expense US \$'000	Adoption of FRS116 \$'000	Addition - new leases \$'000	Write-off \$'000	
<b>Bank borrowings</b>								
2021	460,569	1,059,883	(1,229,797)	13,207				303,864
2020	-	1,555,609	(1,106,642)	11,603	-	-	-	460,569
<b>Loan payables</b>								
2021	2,576,102	2,058,045	4,101,386	39,669			(2,363)	570,066
2020	3,338,133	13,017,807	(13,961,401)	182,779	-	-	(1,196)	2,576,102
<b>Lease liabilities#</b>								
2021	38,646		(23,256)	1,230		53	(1,119)	15,554
2020			(24,478)	2,295	61,598	276	(1,045)	38,646

# Lease liabilities includes accrued interest expense on lease liabilities payable to related companies (Note 20).

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

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

**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.

**Interpretations and amendments to published standards effective in 2020**

On 1 April 2020, 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.

**2.2 Revenue from contracts with customers**

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

(a) Sale of goods

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies** (continued)

**2.2 Revenue from contracts with customers** (continue)

(b) Service income

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

(c) Interest income

Interest income is recognised using the effective interest rate method.

(d) 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 Employee compensation**

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

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

**2.4 Leases**

*When the Company is an lessee:*

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

(a) Right-of-use assets

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

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

---

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies** (continued)

**2.4 Leases** (continued)

(b) Lease liabilities

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

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

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

(c) Short-term and low-value leases

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

(d) Variable lease payments

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

*When the Company is an intermediate lessor:*

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies (continued)**

**2.5 Borrowing costs**

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

**2.6 Income taxes**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

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.

These financial statements are the separate financial statements of the Company. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which prepares consolidated financial statements available for public use. The registered address of Tata Steel Limited where the consolidated financial statements can be obtained is as follows: Bombay House, 24 Homi Mody Street, Mumbai 400001, India.

**2.8 Investment in subsidiary**

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.



**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies** (continued)

**2.9 Inventories**

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

**2.10 Equipment**

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

(a) Measurement

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

*Components of costs*

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

(b) Subsequent expenditure

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

(c) Depreciation

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

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

(d) Disposal

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies (continued)**

**2.11 Intangible Assets**

(a) Measurement

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

(b) Amortisation

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

Software	<u>Useful lives</u> 5 years
----------	--------------------------------

The residual values, estimated useful lives and amortisation method of intangible asset are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

**2.12 Impairment of non-financial assets**

Equipment and right-of-use-assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

If the recoverable amount of the asset or cash-generating units (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies (continued)**

**2.13 Financial assets**

The Company classifies all of its financial assets (except for derivative financial instruments referred in Note 2.14) into the amortised cost measurement category. The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

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

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

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instrument

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

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company manages these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/(losses)". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies** (continued)

**2.13 Financial assets** (continued)

(ii) At subsequent measurement (continued)

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

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

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

For trade receivables (excluding trade receivables due from ultimate holding company and related companies), the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For trade receivables due from ultimate holding company and related companies, loan receivables, other receivables and cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

**2.14 Derivative financial instruments**

The company enters into foreign exchange forward contracts to manage its exposure to in foreign exchange rate risk. Further details are disclosed in Note 11 to the financial statements. A derivative financial instrument for which no hedge accounting is applied is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Company does not apply hedge accounting for its derivative financial instruments. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

**2.15 Trade and other payables**

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies (continued)**

**2.16 Borrowings**

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

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

**2.17 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.18 Fair value estimation of financial assets and financial liabilities**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2. Significant accounting policies** (continued)

**2.19 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.

**2.20 Cash and cash equivalents**

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

**2.21 Currency translation**

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

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

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

**2.22 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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**3. Critical accounting estimates, assumptions and judgements**

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

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

The majority of the Company's receivables are due from ultimate holding company, related companies, immediate holding company and subsidiaries as disclosed in Notes 10 and 13.

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

Allowances are applied to receivables due from ultimate holding company, related companies, immediate holding company and a subsidiary where it has been assessed based on management's best estimates that the counterparty will not be able to meet its contractual cash flows. Where expectations changes from the original estimate, such differences will impact the carrying value of receivables due from ultimate holding company, related companies, immediate holding company and a subsidiary and related allowance for impairment in profit or loss in the period in which such estimate changes.

As at the date of the balance sheet, management has assessed that there is no material ECLs that needs to be recorded on its receivables due from ultimate holding company, related companies, immediate holding company and a subsidiary.

**4(a). Revenue from contracts with customers**

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Sale of goods to ultimate holding company	<b>972,420</b>	1,326,742
Sale of goods to related companies	<b>2,727,887</b>	2,836,144
Sale of goods to subsidiaries	<b>304</b>	-
Sale of goods to external parties	<b>119,592</b>	19,029
	<b>3,820,203</b>	4,181,915
Service income from subsidiaries	<b>2</b>	-
Service income from related companies	<b>5,926</b>	75,184
Service income from ultimate holding company	<b>3,385</b>	2,061
	<b>3,829,516</b>	4,259,160

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 March 2021

---

**4(b). Expenses by nature**

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Purchases	<b>3,455,333</b>	3,770,342
Freight and handling	<b>275,473</b>	326,220
Total cost of sales	<b>3,730,806</b>	4,096,562
Administration expenses	<b>19,152</b>	23,996
<b>Total cost of sales and admin expenses</b>	<b>3,749,958</b>	4,120,558

**5. Other income**

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Interest income from financial assets measured at amortised cost		
- Bank	<b>103</b>	75
- Loan to subsidiary		
- Loan to immediate holding company	<b>1,282</b>	30,589
- Loan to related companies	<b>7,284</b>	9,752
- Sub-leases to related companies	<b>276</b>	717
Dividend income from associate company	-	50
	<b>8,945</b>	41,183

**6. Other gains**

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Net fair value gains on derivative financial instruments (Note 11)	<b>(31,305)</b>	58,155
Net currency exchange gains	<b>34,887</b>	(23,399)
Others	<b>1,352</b>	1,519
	<b>4,934</b>	36,275

**7. Finance expenses**

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Interest expense on loans from:		
- Immediate holding company	<b>24,897</b>	89,471
- Related companies	<b>14,772</b>	93,308
Interest expense on bank loans	<b>13,848</b>	11,603
Interest expense on lease liabilities	<b>1,230</b>	2,295
	<b>54,747</b>	196,677

---



**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**8. Income taxes**

(a) Income tax expense

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Current income tax		
- current year	<b>3,777</b>	5,871
- under provision in prior year	<b>4,070</b>	1,474
Deferred tax (Note 19)		
- current year	<b>16</b>	(1,247)
Total tax expense	<b>7,863</b>	6,098

The income tax varied from the amount of income tax determined by applying the Singapore income tax rate of 17% to profit before income tax as a result of the following differences:

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Profit before tax	<b>31,881</b>	18,715
Income tax at statutory rate 17% (2020: 17%)	<b>5,420</b>	3,182
Effect of tax concession on losses arising from GTP transactions	<b>(1,469)</b>	2,481
Under provision in prior year	<b>4,070</b>	1,474
Tax-exempt income and rebate	<b>(13)</b>	(13)
Other	<b>(145)</b>	(1,026)
	<b>7,863</b>	6,098

(b) Movements in current income tax liabilities

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Beginning of financial year	<b>6,587</b>	10,361
Income tax paid	<b>(4,785)</b>	(11,078)
Tax expense	<b>3,777</b>	5,871
Under-provision in preceding financial years	<b>4,070</b>	1,474
Foreign currency translation		(41)
End of financial year	<b>9,649</b>	6,587

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

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**9. Cash and bank deposits**

	31 March <b>2021</b> <b>US\$'000</b>	2020 US\$'000	1 April 2019 US\$'000
Cash at bank	<b>26,648</b>	13,685	23,275

\* Amount is less than US\$ 1,000.

**10. Trade and other receivables**

	31 March <b>2021</b> <b>US\$'000</b>	2020 US\$'000	1 April 2019 US\$'000
<b>Trade receivables*</b>			
Sales of goods to ultimate holding company	<b>138,442</b>	113,808	83,387
Sales of goods to related companies	<b>1,400,406</b>	1,146,564	1,316,484
Non-related parties	<b>42,372</b>	1,585	482,144
	<b>1,581,220</b>	1,261,957	1,882,015
<b>Other receivables</b>			
Accrued interest income on loans to immediate holding company (Note13)	-	739	7,165
Accrued interest income on loans to related companies (Note13)	<b>1,383</b>	7,403	5,737
Accrued interest income on finance sublease	<b>4</b>	19	-
Advances to a related company	<b>3,826</b>	5,414	8,389
Other receivables from related companies	<b>97,987</b>	55,498	13,724
Prepayments	<b>2,120</b>	513	964
Non-related parties	<b>23,559</b>	597	144,568
Finance lease receivable from related companies (Note 18(c))	<b>2,034</b>	11,429	-
Other receivable from ultimate holding company	<b>44</b>	16	1
Deferred expenses	<b>8,610</b>	7,527	4,306
	<b>139,567</b>	89,155	184,854
Total trade and other receivables	<b>1,720,787</b>	1,351,112	2,066,869
Less: Finance lease receivables due from related companies in more than 12 months		(1,365)	
Total current trade and other receivables	<b>1,720,787</b>	1,349,747	2,066,869

\* The average credit period on sales of goods is 0 to 180 days (2020: 3 to 180 days).

Advances to a related company and other receivables from related companies are unsecured, interest-free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**11. Derivative financial instruments**

	31 March <b>2021</b> US\$'000	2020 US\$'000	1 April 2019 US\$'000
Asset:			
Forward foreign exchange contracts - unrealised fair value gain	<b>5,406</b>	39,377	20,040
Forward commodity contracts - unrealised fair value gain	<b>2,666</b>	-	-
	<b>8,072</b>	39,377	20,040

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

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

	31 March <b>2021</b> US\$'000	2020 US\$'000	1 April 2019 US\$'000
Forward foreign exchange contracts	<b>325,543</b>	2,288,441	2,451,397
Forward commodity contracts	<b>23,468</b>	-	-
	<b>349,011</b>	2,288,441	2,451,397

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

**Changes in the fair value of derivative financial instruments**

	31 March <b>2021</b> US\$'000	2020 US\$'000	1 April 2019 US\$'000
Opening fair value of derivative financial	<b>39,377</b>	20,040	(12,864)
Fair value gains on derivative financial instruments recognised in profit or loss (Note 6)	<b>(31,305)</b>	19,337	32,904
Net closing fair value of derivative financial	<b>8,072</b>	39,377	20,040

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

For the financial year ended 31 March 2021

**11. Derivative financial instruments (continued)**

The following table details the forward foreign currency contracts outstanding as at 31 March 2021:

Outstanding contracts	Average exchange rate	Foreign currency FC\$'000	Contract value US\$'000	Fair value gains / (losses) US\$'000
Sell GBP less than 3 months	1.41	158,500	223,662	<b>5,436</b>
Buy EUR less than 3 months	1.18	46,300	54,659	<b>(228)</b>
Sell EUR less than 3 months	1.18	40,000	47,222	<b>197</b>
Sell SGD less than 3 months				
Total			<b>325,543</b>	<b>5,405</b>

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 US\$'000	Fair value gains / (losses) US\$'000
Sell GBP less than 3 months	1.27	1,555,971	1,968,629	<b>42,720</b>
Sell EUR less than 3 months	1.09	235,060	256,664	<b>(2,118)</b>
Buy SGD less than 3 months	0.72	11,060	7,987	<b>(225)</b>
Sell SGD less than 3 months	0.69	800,000	55,161	<b>(1,000)</b>
Total			<b>2,288,441</b>	<b>39,377</b>

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

For the financial year ended 31 March 2021

**11. Derivative financial instruments** (continued)

The following table details the forward foreign currency contracts outstanding as at 01 April 2019:

Outstanding contracts	Average exchange rate	Foreign currency FC\$'000	Contract value US\$'000	Fair value gains / (losses) US\$'000
Buy GBP less than 3 months	1.23	2,247	2,764	<b>(27)</b>
Sell GBP less than 3 months	1.27	1,555,971	2,046,984	<b>17,555</b>
Sell EUR less than 3 months	1.13	294,970	334,536	<b>2,623</b>
Buy SGD less than 3 months	0.74	11,060	8,170	<b>(9)</b>
Sell SGD less than 3 months	0.74	80,000	58,943	<b>(102)</b>
Total			<b>2,451,397</b>	<b>20,040</b>

The following table details the commodity contracts outstanding as at March 31, 2021.

Outstanding contracts	Average exchange rate	Foreign currency FC\$'000	Contract value US\$'000	Fair value gains / (losses) US\$'000
Buy 0.5% VLSFO Singapore	409.93	57	23,468	<b>2,667</b>

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

For the financial year ended 31 March 2021

**12. Inventories**

	31 March	1 April	
	<b>2021</b>	2020	
	<b>US\$'000</b>	US\$'000	
		2019	
		US\$'000	
Goods held for sale	<b>179,701</b>	63,221	136,911

**13. Loan receivables**

	31 March	1 April	
	<b>2021</b>	2020	
	<b>US\$'000</b>	US\$'000	
		2019	
		US\$'000	
Immediate holding company <sup>(i)</sup> <sup>(ii)</sup>	-	2,224,146	1,796,111
Related companies <sup>(iii)</sup>	<b>165,976</b>	193,229	190,200
	<b>165,976</b>	2,417,375	1,986,311
Less: Non-current portion of loan receivables from immediate holding company <sup>(ii)</sup>	-	-	(390,000)
	<b>165,976</b>	2,417,375	1,596,311

Loan receivables consist of:

- (i) As at 31 March 2021, loan receivables of Nil (2020: US\$ 2,181,473,000; 2019: US\$ 1,363,111,000) from immediate holding company, T S Global Holdings Pte. Ltd. which are under cash-pooling arrangement, unsecured, bear interest ranging from Nil (2020: 0.26% to 0.65%; 2019: 0.26% to 0.65%) per annum and are repayable upon demand.
- (ii) As at 31 March 2021, a loan receivable of Nil (2020: 42,673,000; 2019: US\$ 433,000,000) is due from immediate holding company, T S Global Holdings Pte. Ltd. Subsequently, these loans were repaid during the year.
- (iii) As at 31 March 2021, US\$ 149,180,000 (2020: US\$153,229,000; 2019: US\$ 150,200,000) is due from a related company, Tata Steel Europe Ltd, US\$ 7,211,000 (2020: US\$40,000,000; 2019: US\$40,000,000) is due from Tata Steel Minerals Canada Limited and US\$ 9,596,000 (2020: Nil; 2019: Nil) is due from Natsteel Asia Pte Ltd.

Loan receivables from Tata Steel Europe Ltd are unsecured and bear interest at 12 months LIBOR + 4.00% per annum (2020: 12 months LIBOR + 4.00% per annum; 2019: 12 months LIBOR + 4.00% per annum). These loans are repayable by August 2021. The related company has the option to repay the loans earlier without any penalty. The loan of US\$ 149,180,000 has been fully repaid subsequent to 31 March 2021.

Loan receivables from Tata Steel Minerals Canada Limited are unsecured, bear interest at 7% and are repayable within 1 year from the balance sheet date. The related company has the option to repay the loans earlier without any penalty. A loan receivable of USD 7,211,000 along with the interest accrued till 5 April 2021 was assigned to T S Global Holdings Pte. Ltd. subsequent to 31 March 2021.

Loan receivables from Natsteel Asia Pte Ltd. are unsecured, bear interest at 2.09% and are repayable within 1 year from the balance sheet date. Loan has been fully repaid subsequent to 31 March 2021

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**14. Investment in subsidiary**

	31 March	
	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Unquoted equity shares, at cost		
At April 1	<b>70,107</b>	70,107
Acquisition	-	-
Written off	<b>(16,180)</b>	-
Less: Provision for impairment	<b>(52,718)</b>	(69,058)
At March 31	<b>1,209</b>	1,049

Movement in allowance for impairment loss:

	31 March	
	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Balance at beginning of year	<b>69,058</b>	68,390
Provision for impairment loss	<b>(16,180)</b>	668
Impairment reversal	<b>(160)</b>	-
Balance at end of year	<b>52,718</b>	69,058

Details of company's subsidiary at 31 March 2021 are as follows:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held			Principal activities
		<u>2021</u> %	<u>2020</u> %	<u>2019</u> %	
TataSteel International (Asia) Limited	Hongkong	100	100	100	Sales and marketing of iron and steel products
Tata Steel International (Shanghai) Limited	China	100	100	100	Sales, purchasing and marketing services for iron and steel products
Tata Steel International (Singapore) Pte Ltd*	Singapore	-	-	100	Sales and marketing of iron and steel products

\* Tata Steel International (Singapore) Pte. Ltd. has been struck off on 09 December 2019.

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**15. Investment in associate**

	31 March		01 April
	<b>2021</b>	2020	2019
	<b>US\$'000</b>	US\$'000	US\$'000
Unquoted equity shares, at cost	<b>1</b>	1	1

Details of the associate are as follows:

Name of associate	Country of incorporation and operation	Proportion of ownership interest and voting power held			Principal activities
		<u>2021</u> %	<u>2020</u> %	<u>2019</u> %	
European Profiles (M) Sdn. Bhd.	Malaysia	20	20	20	Manufacturing and fabrication of building envelope systems and composite floor decking.

On 27 November 2020, the Company purchased the above investment from earliest known Tata Steel International (Singapore) Holdings Pte. Ltd., at a consideration of S\$ 1.00, or equivalent US\$ 0.73 as a part of group restructuring.

**16. Equipment**

	Office Equipment US\$'000
Cost:	
At 1 April 2019	1,883
Additions	15
At 31 March 2020	1,898
Additions	11
Disposals	(1)
At 31 March 2021	1,908
Accumulated depreciation:	
At 1 April 2019	1,839
Depreciation expense	32
At 31 March 2020	1,871
Depreciation expense	21
Disposals	(1)
At 31 March 2021	1891
Carrying amount:	
At 31 March 2021	17
At 31 March 2020	27
At 01 April 2019	44



**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**17. Intangible assets**

	Software US\$'000
Cost:	
At 1 April 2019	657
Additions*	16
At 31 March 2020	<u>673</u>
Additions*	11
At 31 March 2021	<u>684</u>
Accumulated amortization:	
At 1 April 2019	353
Amortization expense	134
At 31 March 2020	<u>487</u>
Amortization expenses	99
At 31 March 2021	<u>586</u>
Carrying amount:	
At 31 March 2021	<u>98</u>
At 31 March 2020	<u>186</u>
At 01 April 2019	<u>304</u>

\*Intangible assets under development as at 31 March 2021 amounted to Nil (2020: US\$ 16,000).

**18(a). Right of use assets**

	Right-of- use Buildings US\$'000	Right-of- use Plant and Machinery US\$'000	Total US\$'000
Cost:			
At 1 April 2019			
Adoption of FRS 116		40,444	40,444
Additions	276		276
Disposal		(1,045)	(1,045)
At 31 March 2020	<u>276</u>	<u>39,399</u>	<u>39,675</u>
Additions	53	-	53
At 31 March 2021	<u>329</u>	<u>39,399</u>	<u>39,728</u>
Accumulated depreciation:			
At 1 April 2020			
Depreciation expense	74	13,701	13,775
At 31 March 2021	<u>74</u>	<u>13,701</u>	<u>13,775</u>
Depreciation expense	164	13,486	13,650
At 31 March 2021	<u>238</u>	<u>27,187</u>	<u>27,425</u>
Carrying amount:			
At 31 March 2021	<u>91</u>	<u>12,212</u>	<u>12,303</u>

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

For the financial year ended 31 March 2021

At 31 March 2020	202	25,698	25,900
------------------	-----	--------	--------

See Note 18(b) for the nature of these right-of-use assets.

**18(b). Leases – The Company as a lessee**

	31 March		1 April
	2021	2020	2019
	US\$'000	US\$'000	US\$'000
Non-related parties' leases	86	204	-
Related parties' leases	15,447	38,418	61,598
	<u>15,533</u>	<u>38,622</u>	<u>61,598</u>
Less: Lease payable due in more than 12 months			
Non-related parties' leases	-	(55)	-
Related parties' leases	(5,010)	(13,594)	(36,416)
	<u>10,523</u>	<u>24,973</u>	<u>25,182</u>

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

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

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

## (a) Expense charged to profit and loss

	2021	2020
	US\$'000	US\$'000
Interest expenses on lease liabilities	1,230	2,295
Depreciation on ROU assets	13,486	13,775

## (b) Lease expense not capitalised in lease liabilities

	2021	2020
	US\$'000	US\$'000
Short term leases	81	119

## (c) Total cash outflow for all leases (for principal repayment and interest payment) during the financial year was US\$ 23,256,000 (2020: US\$ 24,478,000).

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**18(c). Leases – The Company as a lessor**

**Nature of the Company’s leasing activities – Company as a lessor**

Subleases – classified as finance leases

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

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

Finance income on the net investment in sub-lease during the financial year is US\$ 276,000 (2020: US\$ 717,000)

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

	31 March <b>2021</b> <b>US\$’000</b>	2020 US\$’000	1 April 2019 US\$’000
Less than one year	<b>2,046</b>	10,064	10,422
One to two years		1,671	10,064
Two to three years	-	-	1,671
<b>Total undiscounted lease payments</b>		11,735	22,157
Less: Unearned finance income	<b>12</b>	306	1,004
<b>Net investment in finance lease</b>	<b>2,034</b>	11,429	21,153
Current (Note 10)	<b>2,034</b>	10,064	10,422
Non-current (Note 10)	-	1,365	10,731
<b>Total</b>	<b>2,034</b>	11,429	21,153

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS**For the financial year ended 31 March 2021

---

**19. Deferred tax asset**

	<b>2021</b> <b>US\$'000</b>	2020 US\$'000
Beginning of financial year	<b>1,727</b>	533
Tax (credited)/charged to:		
- profit or loss (Note 8)	<b>(16)</b>	1,247
- Foreign currency translation	<b>74</b>	(53)
End of financial year	<b>1,785</b>	1,727

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

	On recognition of leases	Trade and other receivables	Unrealized fair value gain on derivative financial instruments	Total
	US\$'000	US\$'000		US\$'000
At 1 April 2019	-	538	(5)	533
Charged to profit or loss for the year (Note 8(a))	220	1022	5	1247
Foreign currency	-	(53)		(53)
At 31 March 2020	220	1507	-	1727
Credited to profit or loss for the year (Note 8(a))	(16)	-	-	(16)
Foreign currency	-	74	-	74
At 31 March 2021	204	1581	-	1785

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**20. Trade and other payables**

	31 March		1 April
	<b>2021</b>	2020	2019
	<b>US\$'000</b>	US\$'000	US\$'000
Trade payables*			
- Non-related parties	<b>618,325</b>	350,120	399,293
- Ultimate holding company	<b>1,635</b>	1,635	-
- Related parties	<b>36,949</b>	5,781	5,988
	<b>656,909</b>	357,536	405,281
Accrued interest expense on loans from:			
Immediate holding company		11,208	44,637
Related companies	<b>33</b>	11,775	16,600
Accrued interest expense on short-term bank loans	<b>475</b>	324	-
Accrued interest expense on leases	<b>20</b>	24	-
Withholding tax payable	<b>123</b>	320	
Other payable to:			
Immediate holding company		-	
Ultimate holding company	<b>30</b>	172	15
Related companies	<b>23,196</b>	2,419	16,731
Other payables and accrued expenses	<b>46,726</b>	7,508	6,996
Deferred income	<b>9,187</b>	7,861	13,968
	<b>79,790</b>	41,611	98,947
	<b>736,699</b>	399,147	504,228

\* The credit period on trade payables ranges from 2 to 180 days (2020: 3 to 60 days). Interest is not charged on the outstanding balances.

Other payables to immediate holding company, ultimate holding company and related companies are unsecured, interest free and repayable on demand.

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

For the financial year ended 31 March 2021

**21. Loan payables**

	31 March		1 April
	<b>2021</b>	2020	2019
	<b>US\$'000</b>	US\$'000	US\$'000
Immediate holding company <sup>(i)</sup>	<b>430,343</b>	1,562,756	1,785,318
Related companies <sup>(ii) and (iii)</sup>	<b>139,690</b>	990,363	1,491,560
	<b>570,033</b>	2,553,119	3,276,878
Less: Loan payables due in more than 12 months <sup>(i)and (ii)</sup>	-	(1,820,363)	(1,821,015)
	<b>570,033</b>	732,756	1,455,863

Loan payables consist of:

- <sup>(i)</sup> As at 31 March 2021, short-term loan payables of Nil (2020: US\$422,756,000; 2019: US\$955,318,000) due to the immediate holding company, T S Global Holdings Pte. Ltd. under the cash-pooling arrangement are unsecured, bear interest ranging from Nil (2020: 0.85% to 3.71%; 2019: 0.85% to 3.71%) per annum and are repayable upon demand.

As at 31 March 2021, short-term loan payables of Nil (2020: US\$ 110,000,000 2019: Nil) and Nil (2020: US\$ 200,000,000; 2019: Nil) due to the immediate holding company, T S Global Holdings Pte. Ltd. are unsecured, bear interest at 3.28% and 2.97% per annum.

As at 31 March 2021, long term loans payable amounting to Nil (2020: US\$ 530,000,000; 2019: US\$ 530,000,000) and Nil (2020: US\$ 300,000,000; 2019: US\$ 300,000,000) due to the immediate holding company, T S Global Holdings Pte. Ltd are unsecured, bear interest at 5.65% and 4.65% per annum.

- <sup>(ii)</sup> As at 31 March 2021, long-term loans from a related company, Abja Investment Co. Pte. Ltd. amounting Nil (2020: US\$988,000,000; 2019: US\$988,000,000) is unsecured, bear interest at 6.92% per annum. Long term loan of US\$500,000,000 as at 1 April 2019, which was unsecured, bearing interest at 5.92% was repaid during the preceding financial year.

This long-term loan is measured at an amortised cost of Nil (2020: US\$990,363,000; 2019: US\$991,015,000) and based on effective interest method with effective interest rate Nil (2020: 6.88%; 2019: 6.88%) per annum.

- <sup>(iii)</sup> As at 31 March 2021, short-term loans from a related company, Tata Steel Asia (HK) Ltd. amounting 10,000,000 (2020: Nil; 2019: Nil) is unsecured, bear interest at 0.2% per annum. Short-term loans from a related company, Natsteel Asia Pte. Ltd. amounting 129,690,000 (2020: Nil; 2019: Nil) is unsecured, bear interest at 0.34% per annum.

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**22. Bank loans**

	31 March <b>2021</b> <b>US\$'000</b>	2020 US\$'000	1 April 2019 US\$'000
Short-term bank loans	<b>303389</b>	460,245	-

As at 31 March 2021, bank loans of US\$ 303,389,000 (2020: US\$ 460,245,000) were unsecured and bore interest at rates ranging from 1.72% to 2.40% per annum.

**23. Share capital**

	<u>Number of ordinary shares</u>					
	31 March <b>2021</b>	2020	1 April 2019	31 March <b>2021</b> <b>US\$'000</b>	2020 US\$'000	1 April 2019 US\$'000
Issued and paid At beginning and end of year		99,635,239			99,635	

The Company's share capital comprises fully paid-up 99,635,239 (2020: 99,635,239; 2019: 99,635,239) ordinary shares amounting to a total of US\$ 99,635,239 (2020: US\$ 99,635,239; 2019: US\$ 99,635,239). The ordinary shares have no par value and carry a right to one vote per share and equal rights to dividends.

**24. 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.

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**24. Financial risk management** (continued)

Financial risk factors (continued)

(a) Market Risk

(i) Currency risk

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

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

	<u>Assets</u>			<u>Liabilities</u>		
	31 March <b>2021</b> <b>US\$'000</b>	2020 US\$'000	1 April 2019 US\$'000	31 March <b>2021</b> <b>US\$'000</b>	2020 US\$'000	1 April 2019 US\$'000
British pound	<b>221,004</b>	1,995,631	1,851,946	<b>1,804</b>	5,490	2,619
Singapore	<b>1,039</b>	38,076	42,729	<b>762</b>	4,001	4,423
Euro	<b>73,472</b>	365,688	245,509	<b>54,465</b>	102,991	20,719
CAD	-	-	40,000	-	-	-



**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**24. Financial risk management** (continued)

Financial risk factors (continued)

(a) Market Risk (continued)

(i) Currency risk (continued)

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

	Impact to profit or loss	
	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
British pound	<b>(21,920)</b>	(199,014)
Singapore dollar	<b>(28)</b>	(3,408)
Euro	<b>(1,901)</b>	(26,270)

---

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**24. Financial risk management** (continued)

Financial risk factors (continued)

(a) Market Risk (continued)

(ii) Interest rate risk

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

The Company's exposure to fluctuation in interest rates is limited to the floating rate loan receivables (Note 13) and bank loans (Note 22).

*Interest rate sensitivity*

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

If interest rates had been 50 basis points higher and all other variables were held constant, the company's profit for the year ended 31 March 2021 would decrease by US\$1,119,000 (2020: increase by US\$760,000) respectively. This is mainly attributable to the company's net exposure to its variable rate loan receivables (Note 13) and variable rate bank loans (Note 22).

(b) Credit risk

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

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

The Company's trade receivables are mainly due from the ultimate holding company and related companies.

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

The Company does not associate these companies with any material credit risk.

*Impairment of financial assets*

The Company has no financial assets that are subject to more than immaterial credit losses where the expected credit loss model has been applied.

The Company has applied 3 stage general approach to measure the expected credit losses for amount due from ultimate holding company, related companies and subsidiary.

---

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**24. Financial risk management** (continued)

Financial risk factors (continued)

(b) Credit risk

The Company has assessed the amounts due from immediate holding company, related companies and subsidiary to ensure minimal credit loss given the financial strength of these companies.

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

(c) Liquidity risk

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

*Non-derivative financial assets*

	Average effective interest rate %	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
<b>As at March 2021</b>						
Non-interest bearing		1,730,544				1,730,544
Variable interest rate instrument	4.07	151,433			(2,253)	149,180
Fixed interest rate instrument	2.70	18,860			(30)	18,830
		<u>1,900,837</u>			<u>(2,283)</u>	<u>1,898,554</u>

	Average effective interest rate %	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
<b>As at March 2020</b>						
Non-interest bearing	-	1,320,567	-	-	-	1,320,567
Variable interest rate instrument	3.57	2,346,666	-	-	(11,964)	2,334,702
Fixed interest rate instrument	5.82	95,537	1,671	-	(3,106)	94,102
		<u>3,762,770</u>	<u>1,671</u>		<u>(15,070)</u>	<u>3,749,371</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**24. Financial risk management** (continued)

Financial risk factors (continued)

(c) Liquidity risk (continued)

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

*Non-derivative financial liabilities*

	Average effective interest rate %	On demand or within 1 year US\$'000	Within 2 to 5 years US\$'000	After 5 years US\$'000	Adjustment US\$'000	Total US\$'000
<b>As at March 2021</b>						
Non-interest bearing		689,714				689,714
Variable interest rate instrument	2.33	304,462			(1,073)	303,389
Fixed interest rate instrument	1.52	591,301	5,113		(10,848)	585,566
		<u>1,585,477</u>	<u>5,113</u>		<u>(11,921)</u>	<u>1,578,669</u>
<b>As at March 2020</b>						
Non-interest bearing		376,550	-	-	-	376,550
Variable interest rate instrument	6.08	951,578	-	-	(68,577)	883,001
Fixed interest rate instrument	6.22	455,993	1,688,257	615,510	(590,774)	2,168,986
		<u>1,784,121</u>	<u>1,688,257</u>	<u>615,510</u>	<u>(659,351)</u>	<u>3,428,537</u>

*Derivative financial instruments*

As at the end of the reporting period, the company's derivative financial instruments comprise of foreign exchange forward contracts and commodity forward contracts with contracted 8,071,000 (2020: net cash inflow amounting to US\$ 39,377,000; 2019: net cash inflow amounting to US\$ 20,040,000) (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 2021

**24. Financial risk management** (continued)

Financial risk factors (continued)

(d) Capital risk

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

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

	<b>2021</b> <b>US\$'000</b>	31 March 2020 US\$'000	1 April 2019 US\$'000
Net debt	<b>1,599,006</b>	3,437,448	3,819,428
Total equity	<b>481,294</b>	455,939	444,539
Total capital	<b>2,080,300</b>	3,893,387	4,263,967

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

(e) Fair value measurement

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

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

	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Level 3</u> US\$'000	<u>Total</u> US\$'000
<b>As at 31 March 2021</b>				
Derivative financial instruments	-	8,072	-	8,072
<b>As at 31 March 2020</b>				
Derivative financial instruments	-	39,377	-	39,377
<b>As at 31 March 2020</b>				
Derivative financial instruments	-	20,040	-	20,040

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.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**24. Financial risk management** (continued)

(f) Financial instruments by category

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

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Financial assets, at amortised cost	<b>1,898,554</b>	3,749,371
Financial assets, at FVPL	<b>8,071</b>	39,377
Financial liabilities, at amortised cost	<b>1,578,669</b>	3,428,537

(g) Offsetting financial assets and financial liabilities

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

**2021**

**Financial asset**

Type of financial asset	(a)	(b)	(c) = (a) - (b)
	Gross amounts of recognized financial asset	Gross amounts of recognized financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US\$'000	US\$'000	US\$'000
Derivative financial instruments (Note 11)	8,304	233	8,071

**2020**

**Financial asset**

Type of financial asset	(a)	(b)	(c) = (a) - (b)
	Gross amounts of recognized financial asset	Gross amounts of recognized financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US\$'000	US\$'000	US\$'000
Derivative financial instruments (Note 11)	69,505	30,128	39,377

**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**2019**

**Financial asset**

	(a)	(b)	(c) = (a) - (b)
Type of financial asset	Gross amounts of recognized financial asset	Gross amounts of recognized financial liability set off in the statement of financial position	Net amounts of financial asset presented in the statement of financial position
	US\$'000	US\$'000	US\$'000
Derivative financial instruments (Note 11)	20,040	-	20,040

---

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

**25. Holding company and related company transactions**

The company is a wholly-owned subsidiary of T S Global Holdings Pte. Ltd., incorporated in Singapore. The company's ultimate holding company is Tata Steel Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies including associates and joint ventures.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

**26. Related company transactions**

The transactions and arrangements are between members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand except as disclosed in Notes 13 and 19 to the financial statements.

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

	<b>2021</b>	2020
	<b>US\$'000</b>	US\$'000
Sales of goods to ultimate holding company	<b>(972,420)</b>	(1,326,742)
Service rendered to ultimate holding company	<b>(5,704)</b>	(1,993)
Interest expenses to immediate holding company	<b>24,897</b>	89,471
Interest income from immediate holding company	<b>(1,282)</b>	(30,589)
Service received from immediate holding company	<b>165</b>	401
Sales of goods to subsidiary	<b>(304)</b>	-
Interest income from subsidiary	-	-
Service received from subsidiary	<b>618</b>	-
Sales of goods to related companies	<b>(2,727,887)</b>	(2,836,144)
Other income from related companies	<b>(4,646)</b>	(4,015)
Service received from related companies	<b>2,331</b>	76,505
Purchases of goods from related companies	<b>101,632</b>	18,831
Payment on behalf of immediate holding company	<b>(200)</b>	(142)
Payment on behalf of related companies	<b>(196)</b>	(238)
Payment on behalf of subsidiary	-	(9)
Commission income arising from the servicing of third-party debt on behalf of a related company	<b>(1,655)</b>	(2,496)
Freight expenses from related companies	<b>120,754</b>	101,131
Dividend Received from related companies		(50)
Interest income from related companies	<b>(7,284)</b>	(9,752)
Interest expenses to related companies	<b>14,772</b>	93,308
Interest income from sub-leases to related companies	<b>(276)</b>	(717)
Interest expenses on leases from related companies	<b>1,222</b>	2,289

**Compensation of directors and key management personnel**

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



**T S GLOBAL PROCUREMENT COMPANY PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2021

---

**27. Events after the reporting period**

On 28 April 2021, the Company has acquired 100% shareholding in TS Asia (Hong Kong) Limited, a subsidiary of Natsteel Asia Pte. Ltd. at US\$ 26,570,324 consideration.

**28. New of revised accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**29. Authorisation of financial statements**

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