T S GLOBAL HOLDINGS PTE. LTD.
(Registration No. 200813139E)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

T S GLOBAL HOLDINGS PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

T S GLOBAL HOLDINGS 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, 2018.

In the opinion of the directors, the accompanying financial statements of the Company as set out on pages 6 to 37 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2018 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, with the continued support from its ultimate holding company, 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:

Koushik Chatterjee
Sandip Biswas
Ranganath Raghupathy Rao
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:

Name of directors and company in which interests are held	At beginning of year	At end of year
Tata Steel Limited (Ordinary shares of Rupees 10 each)		
Koushik Chatterjee	1,320	1,320
Sandip Biswas	3,868	3,868
Sanjib Nanda	484	484

T S GLOBAL HOLDINGS 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

....
Sanjib Nanda

....
Sandip Biswas

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

T S GLOBAL HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of T S Global Holdings Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2018, 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 37.

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, 2018 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.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

T S GLOBAL HOLDINGS PTE. LTD.

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.

(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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

T S GLOBAL HOLDINGS PTE. LTD.

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

Date:

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION
March 31, 2018

(Expressed in thousands Great Britain Pound)

	Note	2018	2017
		£'000	£'000
ASSETS			
Current assets			
Cash and cash equivalents	6	30,029	40,803
Other receivables	7	2,036	1,518
Derivative financial instruments	8	2,240	144
Loan receivables	9	962,144	800,226
Total current assets		996,449	842,691
Non-current assets			
Other receivables	7	197,040	1,531
Loan receivables	9	2,098,491	1,406,737
Office equipment	10	*	2
Subsidiaries	11	819,388	629,206
Total non-current assets		3,114,919	2,037,476
Total assets		4,111,368	2,880,167
LIABILITIES AND EQUITY			
Current liabilities			
Other payables	12	34,989	38,426
Derivative financial instruments	8	-	-
Loan payables	13	885,204	1,422,010
Income tax payable		1,232	1,139
Total current liabilities		921,425	1,461,575
Non-current liabilities			
Other payables	12	-	-
Loan payables	13	3,043,860	1,787,541
Deferred tax liability	14	89,351	68,370
Total non-current liabilities		3,133,211	1,855,911
Capital and accumulated losses			
Share capital	15	4,849,414	4,849,414
Capital reserve	16	1,065,038	1,060,603
Accumulated losses		(5,857,720)	(6,347,336)
Total equity		56,732	(437,319)
Total liabilities and equity		4,111,368	2,880,167

See accompanying notes to financial statements.

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2018

(Expressed in thousands Great Britain Pound)

	Note	2018	2017
		£'000	£'000
Other operating income - net	17	765,907	129,435
Impairment loss in subsidiaries	11	(127,000)	(2,334,098)
Allowance for interest receivables in subsidiaries	7	-	(524,472)
Allowance for loan receivables in subsidiary / related companies	9	-	(1,340,530)
Administrative expenses		(34,189)	(18,227)
Finance costs	18	(92,764)	(83,757)
Profit before income tax		511,954	(4,171,649)
Income tax expense	19	(22,338)	(20,704)
Profit for the year, representing total comprehensive profit for the year	20	489,616	(4,192,353)

See accompanying notes to financial statements.

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
Year ended March 31, 2018

(Expressed in thousands Great Britain Pound)

	Note	Share Capital	Capital reserve	Accumulated losses	Total
		£'000	£'000	£'000	£'000
Balance at April 1, 2016		4,849,414	1,055,845	(2,154,983)	3,750,276
Loss for the year, representing total comprehensive loss for the year		-	-	(4,192,353)	(4,192,353)
Transactions with owners, recognised directly in equity:					
Deemed capital contribution	16	-	4,758	-	4,758
Balance at March 31, 2017		4,849,414	1,060,603	(6,347,336)	(437,319)
Profit for the year, representing total comprehensive loss for the year		-	-	489,616	616,616
Transactions with owners, recognised directly in equity:					
Deemed capital contribution	16	-	4,435	-	4,435
Balance at March 31, 2018		4,849,414	1,065,038	(5,857,720)	56,732

See accompanying notes to financial statements.

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
Year ended March 31, 2018

(Expressed in thousands Great Britain Pound)

	2018	2017
	£'000	£'000
Operating activities		
Loss before income tax	511,954	(4,171,649)
Adjustments for:		
Depreciation of the equipment	1	1
Finance costs	92,764	83,757
Net foreign exchange loss/(gain)	(130,103)	46,255
Interest income	(214,414)	(174,162)
Dividend income	(419,000)	-
Impairment loss in subsidiaries	127,000	2,334,098
Allowance for interest receivables in related companies	-	-
Allowance for loan receivables in related companies	-	1,340,530
Fair value (gain)/loss on derivative financial instruments	(2,096)	(1,202)
Operating cash flows before movements in working capital	(33,894)	(17,900)
Other receivables	(45)	21
Other payables	13,211	4,991
Cash used in operations	(20,728)	(12,888)
Income tax paid	(1,264)	(1,919)
Net cash used in operating activities	(21,992)	(14,807)
Investing activities		
Interest received	17,650	10,671
Dividend received	419,000	-
Investment in subsidiary	(317,182)	(264,900)
Purchase of office equipment	-	(1)
Loans and advances due from subsidiaries	(1,696,052)	(958,914)
Repayment of loans due from subsidiaries	837,046	459,270
Net cash used in investing activities	(739,538)	(753,874)
Financing activities		
Loan and advances due to subsidiaries	1,829,697	1,829,481
Repayment of loans due to subsidiaries	(1,431,865)	(1,100,033)
Finance costs paid	(98,491)	(47,484)
Issue of Non-Cumulative Redeemable Preference Share	554,131	-
Net cash from financing activities	853,472	681,964
Net increase/(decrease) in cash and cash equivalents	91,942	(86,717)
Cash and cash equivalents at the beginning of the financial year	40,803	88,897
Effect of exchange rate changes	(102,716)	38,623
Cash and cash equivalents at the end of the financial year	30,029	40,803

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 201019152H) is incorporated in Singapore with its principal place of business and registered office at 22 Tanjong Kling Road, Singapore 628048. The financial statements are expressed in Great Britain Pounds.

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

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

The financial statements of the Company for the year ended March 31, 2018 were authorised for issue by the Board of Directors on…………..

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 Singapore Financial Reporting Standards ("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 the 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 the 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.

ADOPTION OF NEW AND REVISED STANDARDS – On April 1, 2016, the company 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 that are relevant to the company were issued but not effective:

- FRS 109 *Financial Instruments* [1]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* [1]

[1] Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

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 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.
- 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.

The management is currently evaluating the potential impact of the FRS 109 in the financial statements of the company.

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.

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.

The management is currently evaluating the potential impact of the FRS 115 on the financial statements of the company.

BASIS OF CONSOLIDATION - The financial statements of the subsidiaries have not been consolidated with the Company's financial statements as the Company itself is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which prepares consolidated financial statements on a worldwide basis. Such financial statements are publicly available.

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

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

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- 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.

FINANCIAL INSTRUMENTS - 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.

<u>Effective interest method</u>

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.

Financial assets

Loans and receivables

Loans 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 method except for short-term receivables when the recognition of interest would be immaterial.

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.

Impairment of financial assets

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 future 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 receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in 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 profit or loss to the extent the carrying amount of the investment 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 risk and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets 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.

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.

Financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rmethod, with interest expense recognised on an effective yield basis.

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

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

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 8 to the financial statements. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. 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.

OFFICE EQUIPMENT - Office equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Office computers - 1 to 3 years

The estimated useful lives 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.

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).

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

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

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

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. 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 the 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 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).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements of the Company is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Great Britain Pounds, which is the functional currency of the Company.

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 in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised 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:

Assessment of impairment of investment in subsidiaries and receivables due from subsidiaries

Investments in subsidiaries are stated at cost less impairment loss. The Company follows the guidance of FRS 36 *Impairment of Assets* to determine when its investments in subsidiaries are impaired. This determination requires significant judgement and estimates. In making this judgement, the Company evaluates, among other factors, the market and economic environment in which the subsidiaries operate, economic performance of these entities, the duration and extent to which the cost of investments in these entities exceed their net tangible assets values and fair value of investments less cost to sell.

During the year ended March 31, 2017, the management carried out an estimate of the recoverable amount of two of its material subsidiaries, Tata Steel Europe Limited and NatSteel Holdings Pte. Ltd. as indicators of impairment existed.

The carrying value of the company's investments in Tata Steel Europe Limited are tested annually for impairment using and enterprise value ("EV") calculation. The calculation in 2017 uses Earnings before interest, tax, depreciation and amortization ("EBITDA") forecasts based on the more recently approved financial budgets and strategic forecasts approved by the Board which covers a period of five years. Key assumptions for the EV calculations are those regarding expected changes to selling price and raw materials cost, European ("EU") steel demands, exchange rates and EU steel industry EV/EBITDA ratio of 6.99. Changes in selling prices, raw materials cost, exchange rate and EU steel demands are based on expectations of the future changes in the steel market based on external market sources. The EV/EBITDA ratio of 6.99 is derived from the EV/EBITDA ratios of EU steel companies that are comparable to Tata Steel Europe Limited. The outcome of the test at March 31, 2017 resulted in an impairment of £2,314,998,000 in the value of the company's equity investment and £1,865,002,000 in the value of loan investments in Tata Steel Europe Limited, due to weaker market conditions in mainly European Steel market, which are expected to remain weak over the near and medium term.

The recoverable amount of NatSteel Holdings Pte. Ltd. was determined based on the carrying amount of the investee's net assets which approximates the value in use. Based on the assessment performed, management has made a provision for impairment loss of £19,100,000 for NatSteel Holdings Pte. Ltd. in the year ended March 31, 2017.

No impairment is assessed to be necessary for other subsidiaries as there are no indicators of impairment.

During the year ended March 31, 2016, the management carried out an estimate of the recoverable amount of three of its material subsidiaries, Tata Steel Europe Limited, T S Global Minerals Holdings Pte. Ltd. and NatSteel Holdings Pte. Ltd. as indicators of impairment existed. The recoverable amount of Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd. was determined based on the estimation of the value in use of the cash-generating units of the underlying subsidiaries of Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd. The recoverable amount of NatSteel Holdings Pte. Ltd. was determined based on the carrying amount of the investee's net assets.

The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The cash flow forecasts were derived from the most recent financial budgets approved by the management, for 15 years at 2% growth rate of the cash generating units for Tata Steel Europe Limited and a period ranging from 10 to 16 years at zero growth rate of the cash generating units for T S Global Minerals Holdings Pte. Ltd. Discount rate of 7.4% and discount rates in the range of 8.3% to 15.4% are used to discount the future cash flows of the cash generating units for Tata Steel Europe Limited and T S Global Minerals Holdings Pte. Ltd respectively.

Based on the assessment performed, management had made a provision for impairment loss of £457,000,000, £124,000,000 and £33,000,000 for Tata Steel Europe Limited, T S Global Minerals Holdings Pte. Ltd. and NatSteel Holdings Pte. Ltd. respectively in the year ended March 31, 2016. No impairment was assessed to be necessary for other subsidiaries as there were no indicators of impairment.

If the performance of the subsidiaries and/or market condition was to deteriorate which will affect the Company's investments in subsidiaries, additional impairment may be required.

Where necessary, the Company makes allowances for bad and doubtful receivables on its receivables due from subsidiaries and related companies based on an assessment of their recoverability. There is no allowance made for receivables due from subsidiaries and related companies except for amounts disclosed in Note 9 and the carrying amount of receivables due from subsidiaries and related companies at the end of the reporting period is disclosed in Notes 7 and 9 to the financial statements. Allowances are applied to receivables due from subsidiaries and related companies where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables due from subsidiaries and related companies and doubtful receivables expenses in the period in which such estimate has been changed.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	2018	2017
	£'000	£'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	3,289,740	2,250,815
Financial liabilities		
At amortised cost	3,964,053	3,247,977

(b) Financial risk management objectives and policies

The Company's overall risk management policy seeks to minimise potential adverse effects of financial performance of the Company.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risks.

(i) Credit risk management

The Company is an investment holding company and does not have significant credit risk exposures with outside parties. The management is of the opinion that adequate allowances have been made for credit risks from intercompany receivables. Management monitors these exposures on a regular basis.

(ii) Interest rate risk management

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan receivables and loan payables which have floating rates. The interest rate and terms of repayment are as disclosed in Notes 9 and 13 to the financial statements respectively. Management monitors these exposures on a regular basis.

Interest rate sensitivity

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

If interest rates had been 10 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would increase/decrease by £3,821,180 (2017 : decrease/increase by £976,000).

(iii) Foreign exchange risk management

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

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

	Assets		Liabilities	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Singapore dollars	68,732	78,549	203,226	246,771
United States dollar	780,981	897,713	2,442,219	1,780,856
Thailand baht	-	6,107	-	1,660
Australia dollars	11,231	12,706	4,076	4,672
Euro	1,042,495	797,345	84,584	14,381
Hong Kong dollars	27	-	27	-

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

	Profit or loss	
	2018	2017
	£'000	£'000
Singapore dollars	13,449	16,822
United States dollar	166,154	88,314
Thailand baht	-	(445)
Australia dollars	(715)	(803)
Euro	(95,791)	(78,296)

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

(iv) Liquidity risk management

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

Liquidity and interest risk analysis

Non-derivative financial liabilities

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2018						
Non-interest bearing	-	34,989	156,271	-	-	191,260
Fixed interest rate instruments	1.7-6.75	85,098	588,822	1,666,260	(488,761)	1,851,419
Variable interest rate instruments	3	918,217	1,145,114	-	(141,957)	1,921,374
		1,038,304	1,890,207	1,666,260	(630,718)	3,964,053

2017						
Non-interest bearing	-	38,426	194,126	-	-	232,552
Fixed interest rate instruments	1.7-6.75	20,238	496,907	-	(80,572)	436,573
Variable interest rate instruments	2.03	1,402,617	1,360,349	-	(184,114)	2,578,852
		1,461,281	2,051,382	-	(264,686)	3,247,977

Non-derivative financial assets

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

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2018						
Non-interest bearing	-	9,131	197,040	-	-	206,171
Variable interest rate instruments	4.01	1,098,623	2,399,906	-	(414,960)	3,083,569
		1,107,754	2,596,946	-	(414,960)	3,289,740
2017						
Non-interest bearing	-	15,604	1,531	-	-	17,135
Variable interest rate instruments	3.59	827,708	1,735,186	-	(329,214)	2,233,680
		843,312	1,736,717	-	(329,214)	2,250,815

Derivative financial instruments

As at the end of the reporting period, the company's derivative financial instruments comprise of foreign exchange forward contracts with contracted net cash inflow amounting to £2,240,000 (2017 : net cash inflow amounted to £144,000) (Note 8). Further information of these derivative financial instruments is disclosed in Note 8.

(v) Fair value of financial assets and financial liabilities

Some of the company's financial asset and financial liability is measured at fair value at the end of each reporting period. The following table gives information about how the values of these financial asset and financial liability are determined, and where relevant, the valuation techniques and inputs used.

Financial asset (liability)	**Fair value as at (£'000)**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	2018	**2017**		
	Asset (Liability)	**Asset (Liability)**		
Derivative Financial Instruments (Note 8)				
Forward foreign exchange contract - unrealised fair value gain	2,240	144	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Forward foreign exchange contract - unrealised fair value loss	-	-	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no significant transfer between Level 1 and Level 2 of the fair value hierarchy in the period.

The carrying amounts of financial assets and financial liabilities approximate their respective net fair values due to the relatively short-term maturity of these financial instruments, other than the non-current other receivables, loan receivables and loan payables. Management estimates that the carrying amounts of the non-current other receivables, loan receivables and loan payables approximate their fair values as the management expects the borrowing rates to be similar to those made available to the company at the end of the reporting period.

(c) Capital management policies and objectives

The Company manages 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 consists only of issued capital, loan payables and capital reserves.

The Company's overall strategy remains unchanged from prior year.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

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

Many of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	2018	2017
	£'000	£'000
Interest expense to:		
Subsidiaries	29,732	30,679
Related companies	6,970	750
Interest income to:		
Subsidiaries	(212,785)	(172,260)
Related companies	(662)	(782)
Service income from subsidiaries	(315)	(374)

6 CASH AND CASH EQUIVALENTS

	2018	2017
	£'000	£'000
Cash at bank	30,029	40,803

7 OTHER RECEIVABLES

	2018	2017
	£'000	£'000
Accrued interest income on loans receivables from related company and subsidiaries (Notes 5 and 9)	1,893	1,420
Others	15	24
Subsidiary (Note 11)	128	74
Total current portion	2,036	1,518
Accrued interest income on loans receivables from related company and subsidiaries (Notes 5 and 9)	721,512	526,003
Allowance for doubtful interest receivables due from subsidiaries(1)	(524,472)	(524,472)
Total non-current portion	197,040	1,531

(1) This relates to accrued interest income on interest-bearing long-term loans to subsidiaries which is only due for repayment by December 2021. The accrued interest is charged at the same interest rate applicable to the loans (Note 9). The accrued interest is fully provided for in 2017.

8 DERIVATIVE FINANCIAL INSTRUMENTS

	2018	2017
	£'000	£'000
Asset:		
Forward foreign exchange contracts - unrealised fair value gain	2,240	144
Liability:		
Forward foreign exchange contracts - unrealised fair value loss	-	-

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

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

	2018	2017
	£'000	£'000
Forward foreign exchange contracts	530,265	69,099

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

Changes in the fair value of derivative financial instruments

	2018	2017
	£'000	£'000
Opening fair value of derivative financial instruments	144	(1,058)
Fair value gains/(losses) of derivative financial instruments recognized in profit or loss (Note 17)	2,096	1,202
Net closing fair value of derivative financial instruments	2,240	144

The following table details the forward foreign currency contracts outstanding as at March 31, 2018.

Outstanding contracts	Average exchange rate	Foreign currency	Contract Value	Fair value (losses) gains
		FC$'000	£'000	£'000
Sell EUR				
less than 3 months	0.88	185,000	163,060	1,049
Sell GBP				
less than 3 months	1.00	300,000	301,426	1,390
Buy USD				
less than 3 months	0.71	92,220	65,779	(199)
Total			530,265	2,240

The following table details the forward foreign currency contracts outstanding as at March 31, 2017.

Outstanding contracts	Average exchange rate	Foreign currency	Contract value	Fair value (losses) gains
		FC$'000	£'000	£'000
Buy USD				
less than 3 months	0.80	86,289	69,099	144
Total			69,099	144

9 LOAN RECEIVABLES

	2018	2017
	£'000	£'000
Related companies (Note 5)	50,672	35,159
Allowance for doubtful receivables due from related companies	(35,159)	(35,159)
Subsidiaries (Note 11)	946,631	800,226
Current portion	962,144	800,226
Related company (Note 5)	-	30,339
Subsidiaries (Note 11)	3,439,021	2,716,928
Allowance for doubtful receivables due from subsidiary	(1,340,530)	(1,340,530)
Non-current portion	2,098,491	1,406,737

Total loan receivables	3,060,635	2,206,963

Loan receivables consist of:

(i) A short-term loan to a related company, Tata Steel Asia (Hong Kong) Ltd, of £9,643,000 which is interest-free, unsecured and repayable on demand, was fully provided for in 2016.

(ii) A short-term loan to a related company, Tata Steel (KZN) Pty Ltd, of £25,516,000 which is interest free, unsecured and repayable on demand, was fully provided for in 2016.

(iii) The short-term loan of US$21,800,000 (equivalent to £15,513,000) [2017 : US$37,800,000 (equivalent to £30,339,000)] was given to a related company, Abja Investment Co. Pte. Ltd, which is unsecured, bears interest rate of 1.50% + 6 months USD LIBOR with interest rates of 3.45% (2017 : 2.86%) per annum. In 2018, the maturity date of the loan was extended from January 27, 2019 to January 26, 2020.

(iv) A short term loan of AU$12,999,567 (equivalent to £7,096,000) [2017 : AU$12,999,567 (equivalent to £7,979,000)] to a subsidiary, T S Global Minerals Holdings Pte. Ltd. which is interest-free, unsecured and repayable on demand.

(v) Short-term loan receivables of £939,536,000 (2017 : £786,140,000) due from subsidiaries which are under a cash-pooling arrangement, unsecured, bear interest ranging from 0.34% to 1.99% (2017 : 0.34% to 1.99%) per annum and are repayable upon demand.

(vi) Original long-term loan of Thai baht 270,596,276 to a subsidiary, Tata Steel (Thailand) Public Company Ltd, which is unsecured and interest-free. The loan was repaid on January 12, 2018.

The outstanding amortised cost of the loan at March 31, 2018 is Thai baht Nil [2017: Thai baht 261,926,000 (equivalent to £6,107,000)] based on effective interest method with effective interest rates of Nil (2017 : 4.42%) per annum.

(vii) A loan of SGD120,000,000 (equivalent to £65,087,000) [2017 : SGD120,000,000 (equivalent to £68,910,000)] was given to a subsidiary, NatSteel Holdings Pte. Ltd., which is unsecured bears interest rate of 2.90% + 3 months SGD SORF with interest rates of 4.22% (2017 : 3.46% to 3.57%) per annum, which is repayable by June 1, 2019.

(viii) Various long-term loans of £1,992,990,000 (2017 : £1,353,859,000) to a subsidiary, Tata Steel Europe Limited, which are unsecured and repayable by December 20, 2021. Interest is charged at 6 months LIBOR + 500 basis points (2017 : 6 months LIBOR + 500 basis points), with interest rate ranging from 5.40% to 5.82% (2017 : 5.50% to 5.75%) per annum during the year.

Allowance for loan receivables due from subsidiary of £1,340,530,000 is partially provided for in 2017.

(ix) Various long-term loans of Euro1,063,400,000 (equivalent to £930,944,000) [2017 : Euro983,750,000 (equivalent to £844,159,000)] to a subsidiary, Tata Steel Europe Limited, which are unsecured and repayable by December 20, 2021. Interest is charged at 6 months EURIBOR + 500 basis points, with interest rate of 5.00% (2017 : 5.00%) per annum during the year.

(x) A long-term loan of £450,000,000 (2017 : £450,000,000) to a subsidiary's subsidiary, Tulip UK (No.3) Holdings Limited which is unsecured and repayable by December 20, 2021. Interest is charged at 6 months LIBOR + 500 basis points (2017 : 6 months LIBOR

+ 500 basis points), with interest rates ranging from 5.45% to 5.82% (2017 : 5.53% to 5.75%) per annum during the year.

Movements in the allowance for doubtful receivables:

	2018	2017
	£'000	£'000
At beginning of the year	1,375,689	35,159
Charge to profit or loss for the year	-	1,340,530
At end of the year	1,375,689	1,375,689

10 OFFICE EQUIPMENT

	Office computers
	£'000
Cost:	
At April 1, 2016	19
Additions	1
At March 31, 2017	20
Additions	-
At March 31, 2018	20
Accumulated depreciation:	
At April 1, 2016	17
Depreciation	1
At March 31, 2017	18
Depreciation	1
At March 31, 2018	19
Carrying value at March 31, 2018	*
Carrying value at March 31, 2017	1

* Amount is less than £1,000.

11 SUBSIDIARIES

	2018	2017
	£'000	£'000
Unquoted equity shares, at cost	5,334,391	5,334,391
Quoted equity shares, at cost	123,661	123,661
Non-cumulative redeemable preference shares	379,682	62,500
Other capital contributions	183,618	183,618
	6,021,352	5,704,170
Less: Provision for impairment loss in subsidiaries	(5,201,964)	(5,074,964)
	819,388	629,206

Information on impairment loss is disclosed in Note 3.

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

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

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2017	2016	
		%	%	
T S Global Minerals Holdings Pte. Ltd. *	Singapore	100	100	Investment holding
Tata Steel (Thailand) Public Company Ltd *	Thailand	68	68	Manufacturing and trading in iron and steel products
NatSteel Holdings Pte. Ltd. *	Singapore	100	100	Manufacturing and trading in iron and steel products
Tata Steel International (Singapore) Holdings Pte. Ltd. *	Singapore	100	100	Investment holding
Tata Steel Europe Limited	United Kingdom	100	100	Investment holding
Orchid Netherlands (No.1) B.V.	Netherlands	100	100	Investment holding
T S Global Procurement Company Pte. Ltd. *	Singapore	100	100	Investment holding and trading in coal
Tata Steel UK Holding Limited	United Kingdom	100	100	Investment holding
Tata Steel Netherlands Holdings B.V.	Netherlands	100	100	Investment holding
Corus Group Limited	United Kingdom	100	100	Investment holding
Tata Steel IJmuiden BV	Netherlands	100	100	Manufactures and sales of steel throughout the world
Tata Steel Nederland BV	Netherlands	100	100	Investment holding

* Significant subsidiaries of these companies are disclosed in the financial statements of the respective companies.

12 OTHER PAYABLES

	2018	2017
	£'000	£'000
Other payable to:		
Subsidiaries	-	1,660
Ultimate holding company (Note 5)	-	*
Accrued interest expense on loans from:		
Subsidiaries	4,357	26,721
Related company	6,507	321
Accrued interest expense on bank loans	1,471	1,885
Accrued expenses	22,654	7,839
	34,989	38,426
Less: Subsidiary - non-current	-	-
Current portion	34,989	38,426

* Amount is less than £1,000.

13 LOAN PAYABLES

	2018	2017
	£'000	£'000
Related company (Note 5)	-	-
Subsidiaries (Note 5)	885,204	1,422,010
Current portion	885,204	1,422,010
Related company (Note 5)	1,087,078	209,319
Non-cumulative preference shares	554,131	-
Subsidiary (Note 5)	355,806	401,315
Bank loans	1,046,845	1,176,907
Non-current portion	3,043,860	1,787,541

Loan payables consist of:

(i) Various loans payable to a related company, NatSteel Asia Pte. Ltd. which are interest-free, unsecured and with maturity that was extended from July 31, 2016 to July 31, 2017 on April 2016. In 2017, the maturity date of the loan was extended from July 31, 2017 to July 31, 2018, the loan has been reclassified from short-term to long-term.

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

The outstanding amortised cost of the loans at March 31, 2018 is SGD288,117,000 (equivalent to £156,271,000) [(2017 : SGD338,051,000 (equivalent to £194,126,000)] based on effective interest method with effective interest rates of 2.5% (2017 : 2.5%) per annum.

(ii) Short-term loan payables of £874,530,000 (2017 : £1,401,945,000) due to subsidiaries under a cash-pooling arrangement are unsecured, bear interest ranging from 0.01% to 0.99% (2017 : 0.01% to 0.99%) per annum and are repayable upon demand.

(iii) Short-term loan payable of USD15,000,000 (equivalent to £10,674,000) due to a subsidiary's subsidiary, Tata Steel International (Asia) Limited which is unsecured, bears interest rate at 2.04% per annum and is repayable by Jun 4, 2018.

(iv) As at March 31, 2018, a long term loan with original value of SGD26,457,000 (equivalent to £14,350,000) [(2017 : SGD26,457,000 (equivalent to £15,193,000)] from a related company, Abja Investments Co. Pte. Ltd. The loan is unsecured, bears interest rate at 5.10% per annum and is repayable by December 20, 2021.

(v) As at March 31, 2018, a long term loan with original value of USD500,000,000 (equivalent to £355,806,000) from a subsidiary, T S Global Procurement Co. Pte. Ltd. The loan is unsecured, bears interest rate at 6.75% per annum and is repayable by January 30, 2020.

(vi) As at March 31, 2018, long term syndicate loans with original value of US$1,500,000,000 which were taken from bank. The loans were unsecured and bear interest at (a) USD LIBOR + 215 basis points on US$750,000,000 and are repayable by November 2020 and (b) USD LIBOR + 250 basis points on US$750,000,000 and are repayable by November 2021.

These long term syndicated loans are measured at an amortised cost of US$1,469,180,000 (equivalent to £1,046,844,000) [2017 : US$1,459,498,000 (equivalent to £1,176,907,000)] as at March 31, 2018.

14 DEFERRED TAX LIABILITY

	2018	2017
	£'000	£'000
Deferred tax liability	89,351	68,370

The deferred tax liability recognised by the Company, and the movements thereon, during the current period are as follows:

	Unremitted interest income
	£'000
At April 1, 2016	49,249
Charge to profit and loss for the year (Note 19)	19,121
At March 31, 2017	68,370
Charge to profit and loss for the year (Note 19)	20,981
At March 31, 2018	89,351

15 SHARE CAPITAL

	2018	2017	2018	2017
	Number of ordinary shares with no par value		£'000	£'000
Issued and paid up:				
At beginning and end of the year	4,849,414,175	4,849,414,175	4,849,414	4,849,414

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

16 CAPITAL RESERVE

	2018	2017
	£'000	£'000
Beginning of the year	1,060,603	1,055,845
Additions [1]	4,435	4,758
At end of the year	1,065,038	1,060,603

(1) This relates to adjustments from day-one fair value accounting treatment under Financial Reporting Standard 39 *Financial Instruments: Recognition and Measurement* on an unsecured interest-free long term loan payable to a related company (Note 5).

17 OTHER OPERATING INCOME - NET

	2018	2017
	£'000	£'000
Interest income:		
Subsidiaries (Note 11)	212,785	172,260
Related companies (Note 5)	662	782
Banks	776	834
Dividend received from subsidiary	419,000	-
Imputed interest income arising from long-term interest-free loan to a subsidiary (Note 11)	191	286
Service income from subsidiaries (Note 5)	315	374
Others	(21)	(48)
Fair value gain/(loss) on derivative financial instruments	2,096	1,202
Net foreign exchange (loss)/gain	130,103	(46,255)
	765,907	129,435

18 FINANCE COSTS

	2018	2017
	£'000	£'000
Bank facility and arrangement fee	6,463	6,371
Interest expense - Subsidiaries (Note 5)	29,732	30,679
Interest expense - Related company (Note 5)	6,970	750
Bank loans	44,934	41,279
Imputed interest expense arising from fair value of long-term interest-free loan from a related company (Note 13)	4,665	4,678
	92,764	83,757

19 INCOME TAX EXPENSE

	2018	2017
	£'000	£'000
Current tax expense		
- Current year	1,357	1,583
Deferred tax expense (Note 14)	20,981	19,121
Tax expense	22,338	20,704

Domestic income tax is calculated at 17% (2017: 17%) of the estimated assessable income for the year.

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

	2018	2017
	£'000	£'000
Profit/(Loss) before income tax	511,954	(4,171,649)
Tax calculated at statutory rate	87,032	(709,180)
Effect of profit that is exempt from taxation and tax rebate	(19)	(21)
Effect of revenue that is exempt from taxation	(71,262)	(44)
Effect of non-deductible items	6,587	729,949
Total tax expense for the year	22,338	20,704

20 PROFIT/(LOSS) FOR THE YEAR

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

	2018	2017
	£'000	£'000
Depreciation of office equipment	1	1
Employee benefits expense	188	373
Defined contribution plans	15	18
Consultation fee on restructuring in subsidiaries	30,377	13,742
Net foreign exchange loss / (gain)	(130,103)	46,255
Impairment loss in subsidiaries	127,000	2,334,098
Allowance for interest receivables in related companies	-	524,472
Allowance for loan receivables in related companies	-	1,340,530
Dividend received from subsidiary	(419,000)	-