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

ANNUAL REPORT
For the financial year ended 31 March 2022

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(Incorporated in Singapore)

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For the financial year ended 31 March 2022

Contents

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2022.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 48 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 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 (resigned on 30.03.2022)
Mr Narendran Thachat Viswanath (resigned on 30.03.2022)
Mr Raghav Sud
Mr Sanjib Nanda (appointed on 30.03.2022)
Mr Parvatheesam kanchinadham (appointed on 30.03.2022)
Ms Samita Shah (appointed on 30.03.2022)
Mr Wee Choo Peng

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of the directors and company in which interests are held	At beginning of year	At end of year
Tata Steel Limited		
(Ordinary shares of Rupees 10 each)		
Raghav Sud	17	17
Sanjib Nanda	-	475

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

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

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of T S Global Holdings Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2022 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 2022;
- the balance sheet as at 31 March 2022;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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, ■

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2022

	Note	**2022** **£'000**	2021 £'000
Other income			
- Interest	4	**36,951**	23,145
- Dividend	4	**232,389**	-
Other gains/(losses)			
- Impairment losses of investments	5	**(58,990)**	(30,734)
- Impairment writeback/(losses) of financial assets	5	**(23,108)**	12,805
- Gain on sale of subsidiary	5	**24,282**	-
- Others	5	**(251,902)**	202,327
Expenses			
- Administrative	6	**981**	(39,494)
- Finance	7	**(192,584)**	(96,897)
Profit/(Loss) before income tax		**(231,981)**	71,152
Income tax (expense)/ credit	8(a)	**3,285**	(6,160)
Profit/(Loss) after tax and total comprehensive income for the year		**(228,696)**	64,992

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

T S GLOBAL HOLDINGS PTE. LTD.

BALANCE SHEET
As at 31 March 2022

	Note	2022 £'000	2021 £'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**2,103**	4,506
Other receivables	10	**15,996**	10,800
Loan receivables	12	**1,492**	312,984
Other current assets	13	**-**	2,340
		19,591	330,630
Non-current assets			
Other receivables	10	**64,628**	61,531
Loan receivables	12	**1,314,989**	180,041
Investments in subsidiaries	14(a)	**5,722,408**	4,320,794
Other non-current investments	14(b)	**225,647**	271,036
Investments in joint venture	15	**-**	-
Equipment	16(a)	**2**	4
Intangible assets	16(b)	*****	*
Right-of-use assets	16(c)	**-**	12
		7,327,674	4,833,418
Total assets		**7,347,265**	5,164,048
LIABILITIES			
Current liabilities			
Trade and other payables	17	**30,991**	32,985
Derivative financial instruments	11	**-**	1,617
Current income tax liabilities	8(b)	**481**	4,025
Loan payables	18	**624,658**	186,547
Lease liabilities	16(d)	**-**	10
		656,130	225,184
Non-current liabilities			
Loan payables	18	**4,867,547**	2,507,010
Lease liabilities	16(d)	**-**	-
Deferred income tax liabilities	19	**2,196**	7,159
Trade and other payables	17	**82,371**	3,430
		4,952,114	2,517,599
Total liabilities		**5,608,244**	2,742,783
NET ASSETS		**1,739,021**	2,421,265
EQUITY			
Share capital	20(a)	**7,191,689**	7,191,689
Compulsorily convertible preference shares	20(b)	**-**	453,548
Capital reserves	21	**1,070,461**	1,070,461
Amalgamation reserves		**748,614**	748,614
Other reserves	22	**49,131**	49,131
Accumulated losses		**(7,320,874)**	(7,092,178)
Total equity		**1,739,021**	2,421,265

***** Amount is less than £ 1,000

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2022

	Note	Share capital £'000	Equity portion of compulsorily convertible preference shares £'000	Capital reserves £'000	Other reserves £'000	Amalgamation reserves £'000	Accumulated losses £'000	Total equity £'000
2022								
Beginning of financial year		7,191,689	453,548	1,070,461	49,131	748,614	(7,092,178)	2,421,265
Profit for the year		-	-	-	-	-	(228,696)	(228,696)
Transaction with owners, recognised directly in equity:		-	-	-	-	-	-	-
Compulsorily convertible preference shares	20(b)		(453,548)	-	-	-	-	(453,548)
End of financial year		**7,191,689**	-	**1,070,461**	**49,131**	**748,614**	**(7,320,874)**	**1,739,021**
2021								
Beginning of financial year		7,191,689	-	1,068,986	49,131	-	(6,352,227)	1,957,579
Profit for the year		-	-	-	-	-	64,992	64,992
Amalgamation during the year		-	-	-	-	748,614	(751,133)	(2,519)
Transaction with owners, recognised directly in equity:								
Compulsorily convertible preference shares	20(b)	-	453,548	-	-	-	-	453,548
Dividends paid	23	-	-	-	-	-	(53,810)	(53,810)
Deemed capital contribution	21	-	-	1,475	-	-	-	1,475
End of financial year		**7,191,689**	**453,548**	**1,070,461**	**49,131**	**748,614**	**(7,092,178)**	**2,421,265**

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

T S GLOBAL HOLDINGS PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2022

	Note	**2022** **£'000**	2021 £'000
Cash flows from operating activities			
Profit/(Loss) before tax		**(231,981)**	71,152
Adjustments for:			
- Depreciation		**13**	44
- Fair value losses/(gains) on derivative financial instruments		**(1,617)**	2,922
- Interest income		**(36,832)**	(23,145)
- Dividend income		**(232,389)**	-
- Interest expense		**192,584**	96,897
- Impairment losses of investments (net)		**58,990**	30,734
- Impairment (write-back)/losses of financial assets		**23,108**	(12,805)
- Unrealised foreign exchange (gains)/losses		**253,519**	(185,294)
- Gain on sale of subsidiary		**(24,282)**	-
		1,112	(19,495)
Changes in working capital, net of effects from amalgamation:			
- Other receivables		**859**	7
- Trade and other payables		**(60,043)**	(1,168)
Cash (used in)/generated from operations		**(58,072)**	(20,656)
Income tax paid		**(3,589)**	(5,350)
Net cash (used in)/provided by operating activities		**(61,661)**	(26,006)
Cash flows from investing activities			
Cash acquired from amalgamation		**-**	5,023
Investment in subsidiaries		**83,106**	-
Purchase of equipment		**-**	(5)
Loan to related corporation		**(1,748,713)**	-
Repayment of loans		**-**	856,958
Dividend received		**232,389**	-
Interest received		**1,065**	34,155
Net cash provided by/(used in) investing activities		**(1,432,153)**	896,131
Cash flows from financing activities			
Issuance of equity capital			-
Proceeds from loans and advances		**2,055,561**	5,661,388
Repayment of loans and advances		**-**	(6,042,525)
Principal repayment of lease liabilities		**(11)**	(45)
Interest paid		**(111,093)**	(99,729)
Redemption of preference shares		**(454,201)**	(713,761)
Dividend paid		**-**	(53,810)
Net cash (used in)/provided by financing activities		**1,490,256**	(1,248,482)
Net (decrease)/increase in cash and cash equivalents		**(3,558)**	(378,357)
Cash and cash equivalents			
Beginning of financial year		**4,506**	413,382
Effect of currency translation on cash and cash equivalents		**1,155**	(30,519)
Cash and cash equivalents at end of financial year	9	**2,103**	4,506

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2022

Reconciliation of liabilities arising from financial activities

				Non-cash changes						
	Opening balance £'000	Proceeds from borrowings £'000	Principal and interest payments £'000	Reclassification of preference shares to equity £'000	Bank facilities fee and interest expense £'000	Foreign exchange movement £'000	Assignment of loan £'000	Conversion of preference shares into equity £'000	Additions during the year £'000	Closing balance £'000
Loan payables and accrued interest										
2022	2,720,408	2,055,561	(111,093)	453,548	192,584	286,172	-	-	-	5,597,180
2021	4,657,152	5,661,388	(6,856,013)	(453,548)	96,895	(385,466)	-	-	-	2,720,408
Lease liabilities										
2022	10		(10)	-	-	-	-	-	-	-
2021	55	-	(47)	-	2	-	-	-	-	10

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

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

1. General information

The Company is incorporated in Singapore with its principal place of business and registered office at 2 venture drive, #19-23 vision exchange, Singapore 608526. 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 14(a) to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2022

On 1 April 2021, 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

(a) Interest income

Interest income is recognised using the effective interest rate method.

(b) Dividend income

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

2. Significant accounting policies (continued)

2.3 Leases

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.

(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 are modifications 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.

2.4 Borrowing costs

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

2. Significant accounting policies (continued)

2.5 Exemption from consolidation

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

2.6 Investment in subsidiaries

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

Control is achieved when the Company:

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

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

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

2.7 Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investments in joint venture are stated at cost, less any impairment in recoverable value.

2.8 Trade and other payables

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

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

2.9 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

2. Significant accounting policies (continued)

2.9 Provisions (continued)

the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

2.10 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 and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

2.11 Equipment

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

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

2. Significant accounting policies (continued)

2.11 Equipment (continued)

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

	Useful lives
Office equipment	1 to 3 years

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

2.12 Impairment of non-financial assets

Investment in subsidiaries, equipment and intangible 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.

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.

2.13 Financial assets

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

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVPL).

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

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

2. Significant accounting policies (continued)

2.13 Financial assets (continued)

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instruments

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

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

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains/(losses)". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

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

2. Significant accounting policies (continued)

2.13 Financial assets (continued)

(ii) At subsequent measurement (continued)

Debt instruments (continued)

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. For other non-current investments, other receivables, loan receivables and bank deposits, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.14 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 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.

2.16 Intangible assets

(a) Measurement

Intangible assets acquired separately are reported at cost less accumulated amortisation (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.

2. Significant accounting policies (continued)

2.16 Intangible assets (continued)

(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:

	Useful lives
Software	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.

2.17 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.

2.18 Fair value estimation of financial assets and liabilities

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

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

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

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

2.19 Equity instruments

Equity instruments

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

Classification as debt or equity

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

2. Significant accounting policies (continued)

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, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.21 Currency translation

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

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

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

2.23 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. Significant accounting policies (continued)

2.24 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are offset against the related expenses.

2.25 Business combinations under common control

Business combinations arising from transfer of businesses that are under common control are accounted for using the predecessor method of accounting using the prospective accounting approach. The difference between any consideration transferred and the aggregate carrying values of assets and liabilities of the acquired business are recognised in shareholders' equity or reserves.

3. Critical accounting estimates, assumptions and judgements

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

(i) Assessment of impairment of investment in subsidiaries

As described in Note 14(a), during the financial year ended 31 March 2022, the management carried out an estimate of the recoverable amount of its investments in two of its material subsidiaries, Tata Steel Europe Limited (TSE) and TSMUK Limited (TSMUK) as indicators of impairment existed at the end of the reporting period.

As a result of the impairment assessments performed, the Company recorded a total impairment loss of £50,000 [2021: £44,892,000] in profit or loss for the financial year ended 31 March 2022 in respect of its investment in TSMUK.

The Company also recorded an impairment of £990,000 [2021: £Nil] in profit and loss for the financial year ended 31 March 2022 for investments in Alrimal Mining LLC.

Further details on the impairment assessments and key assumptions are set out in Note 14(a).

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

(ii) Expected credit losses (ECLs)

The financial assets of the Company which are subject to expected credit loss (ECLs) are disclosed in Notes 9, 10, 12 and 14(b). These financial assets are cash and bank balances and amount due from members of the ultimate holding company's group of companies.

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

The Company has used relevant historical information and loss experience to determine the probability of default of the instruments and incorporated forward looking information, including significant changes in external market indicators which involved significant estimates and judgements.

Based on management's assessment of the recoverability of these financial assets, an allowance was charged to profit or loss during the financial year amounting to £81,058,000 [2021: £55,288,000].

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

(iii) Estimation of uncertainties related to COVID-19

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of the financial statements and concluded no adjustment is required in these financial statements. The Company continues to monitor the future economic conditions.

4. Other income

	2022	2021
	£'000	£'000
Interest income from financial assets measured at amortised cost		
- Bank	**24**	243
- Subsidiaries	**16,131**	22,486
- Loan to related companies	**20,677**	416
- WHT refund	**119**	-
Dividend income	**232,389**	-
	269,340	23,145

5. Other gains/(losses)

	2022 £'000	2021 £'000
Impairment writeback/(losses) of investments in subsidiaries (net) [Note 14(a)]	**(1,040)**	24,554
Impairment losses of other non-current investments [Note 14(b)]	**(57,950)**	(55,288)
Impairment writeback/(losses) of loan and interest receivables in subsidiaries (Note 12)	**(23,108)**	12,805
Others:		
-Service income from subsidiaries	**-**	90
-Gain on sale of subsidiary (net)	**24,282**	-
-Fair value (losses)/gains on derivative financial instruments (Note 11)	**1,617**	(2,922)
-Net currency exchange gains/(losses)	**(253,519)**	205,159
	(227,620)	202,327
	(309,718)	184,398

6. Administrative expenses

	2022 £'000	2021 £'000
Depreciation expense	**13**	44
Professional fees	**(1,453)**	18,432
Other expenses(1),(2)	**459**	21,018
	(981)	39,494

(1) The Company reimbursed compensation sought by its related company, NatSteel Asia Pte Ltd towards its bank facilities fee amounting to USD Nil (2021: USD 28,125,000 equivalent to £ 20,221,000) as the Company was the beneficiary of the proceeds of the loan that the said bank facilities fee was used to secure, since the loan was principally invested into the Company as preference shares. This amount is included in "other expenses".

(2) During the year, the Company has received SGD 4,000 (equivalent to £ 2,000) (2021: SGD 71,000 equivalent to £ 40,000) under the Jobs Support Scheme (JSS) from the Government. The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to gross monthly wages of eligible employees. The amount received has been offset by the Company against salary costs included in "other expenses''.

7. Finance expenses

	2022 **£'000**	2021 £'000
Interest expense		
- Bank overdraft	**4**	248
- Related companies	**106,969**	85,242
- Immediate holding company	**79,067**	8,045
- Subsidiaries	**6,320**	1,445
Imputed interest expense arising from fair value of interest free loan from a related company	**224**	1,915
Finance charges on leases	*****	2
	192,584	96,897

***** Amount is less than £ 1,000

8. Income taxes

(a) Income tax expense/(credit)

	2022 **£'000**	2021 £'000
Tax expense attributable to profit is made up of:		
- Current income tax	**424**	1,719
- Deferred income tax (Note 19)	**(4,963)**	2,568
Under provision in prior financial years		
- Current income tax	**1,254**	1,873
	(3,285)	6,160

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

	2022 **£'000**	2021 £'000
Profit/(Loss) before tax	**(231,981)**	71,152
Tax calculated at tax rate of 17% (2021: 17%)	**(39,437)**	12,096
Effects of:		
- profit that is exempt from taxation and tax rebate	**(9)**	(10)
- income that is exempt from taxation	**(41,655)**	(34,203)
- under provision of tax	**1,254**	1,873
- expenses not deductible for tax purposes	**76,740**	26,404
- reversal of deferred tax provision resulting from waiver of interest receivables	**(178)**	-
Tax charge /(credit)	**(3,285)**	6,160

8. Income taxes (continued)

(b) Movements in current income tax liabilities

	2022 £'000	2021 £'000
Beginning of financial year	**4,025**	5,725
Income tax paid	**(3,977)**	(5,350)
Tax expense	**424**	1,719
Under provision in preceding financial years	**-**	1,873
Additions related to amalgamation	**-**	58
End of financial year	**481**	4,025

9. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank	**2,103**	4,506

10. Other receivables

	2022 £'000	2021 £'000
Accrued interest income on loan receivables from related company and subsidiaries	**15,987**	11,681
Others	**9**	23
Less: Allowance for impairment of interest receivables due from subsidiaries	**-**	(904)
Total current portion	**15,996**	10,800
Advance for investment in preference shares of a subsidiary	**64,628**	61,531
Total non-current portion	**64,628**	61,531

11. Derivative financial instruments

Derivative financial instruments comprise of currency forwards used to manage the exposure from loan receivables in foreign currencies. The contracted notional principal amount of the derivative outstanding at balance sheet date is £ nil (2021: £380,476,000).

	2022 £'000	2021 £'000
Liability:		
Forward foreign exchange contracts - unrealised fair value loss	**-**	1,617

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

11. Derivative financial instruments (continued)

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

	2022 **£'000**	2021 £'000
Forward foreign exchange contracts	**-**	380,476

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

Changes in the fair value of derivative financial instruments

	2022 **£'000**	2021 £'000
Opening fair value of derivative financial instruments	**(1,617)**	1,305
Fair value (losses)/gains:		
- recognised in profit or loss (Note 5)	**1,617**	(2,922)
Closing fair value of derivative financial instruments	**-**	(1,617)

The following table details the forward foreign currency contracts outstanding as at 31 March 2022:

Outstanding contracts	**Average exchange rate**	**Foreign currency**	**Contract value**	**Fair value gains/(losses)**
		FC$'000	**£'000**	**£'000**
Buy USD				
less than 3 months	**-**	**-**	**-**	**-**
Sell USD				
less than 3 months	**-**	**-**	**-**	**-**
Total			**-**	**-**

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

Outstanding contracts	Average exchange rate	Foreign currency	Contract value	Fair value gains/(losses)
		FC$'000	£'000	£'000
Buy USD				
less than 3 months	0.72	82,178	59,524	124
Sell USD				
less than 3 months	0.72	444,716	320,952	(1,741)
Total			380,476	(1,617)

12. Loan receivables

	2022	2021
	£'000	£'000
Related companies (i)	**185**	124
Subsidiaries (ii), (iii) and (iv)	**1,435**	347,323
Allowance for impairment of receivables from subsidiaries(iii)	**(128)**	(34,463)
Joint Venture (v)	**91,512**	87,127
Allowance for impairment of receivables due from joint venture (v)	**(91,512)**	(87,127)
Current portion	**1,492**	312,984
Related company (vi) and (vii)	**1,314,989**	42,402
Subsidiaries (viii) and (ix)	**-**	137,639
Non-current portion	**1,314,989**	180,041
Total loan receivables	**1,316,481**	493,025

Loan receivables consist of:

(i) As at 31 March 2022, short-term loan of AUD 325,000 (equivalent to £185,000) [2021: AUD 225,000 (equivalent to £124,000)] to a related company Bhushan Steel (Australia) PTY Ltd, which are unsecured and bears interest at AUD LIBOR + 400 basis points per annum, resulting in interest rate in the range from 4.02% to 4.11% per annum. The revolving credit facility is available for 60 months from the effective date 10 January 2021.

During the financial year ended 31 March 2022, a short-term loan amounting to AUD 100,000 (equivalent to £57,000) [2021: AUD 225,000 (equivalent to £124,000)] was advanced to a related party, Bhushan Steel (Australia) PTY Ltd.

(ii) As at 31 March 2022, short-term loan of Euro 832,000 (equivalent to £705,000) [2021: Euro 803,000 (equivalent to £684,000)] to a subsidiary Orchid Netherlands B.V., which are unsecured and repayable by 31 December 2022. Interest is charged at EURIBOR + 400 basis points per annum, resulting in an interest rate of 3.51% (2021: 3.51% to 3.75%) per annum during the year.

During the financial year ended 31 March 2022, accrued interest of Euro 29,000 (equivalent £24,000) to was capitalised in December 2021 and there were no repayments

(iii) During the financial year ended 31 March 2022, short-term loan of OMR 368,000 (equivalent to £730,000) [2021: Nil] to a subsidiary Al Rimal Mining LLC, which are unsecured and interest free. The said loan was partially provided during the year ended 2022 amounting to OMR 64,000 (equivalent to £128,000) [2021: Nil].

(iv) During the financial year ended 31 March 2022, short-term loans to T S Global Procurement Company Pte. Ltd. of US$ 430,343,000 (equivalent to £312,175,000) was fully repaid in Jun 21.

12. Loan receivables (continued)

(v) As at 31 March 2022, short-term loans of US$ 120,107,000 (equivalent to £91,512,000) [2021: US$ 120,107,000 (equivalent to £87,127,000)], receivable from joint venture, Minas De Benga (Mauritius) Limited is unsecured, bears interest at three month LIBOR+3.00% per annum. Interest on overdue amount is calculated on monthly basis at 2% per annum over and above the interest rate as mentioned.
This fully-impaired loan was acquired on amalgamation of T S Global Minerals Holdings Pte. Ltd. with the Company in the financial year 2021. Interest is not recorded as the principal is fully impaired.

(vi) As at 31 March 2022, long-term loans amounting to US$ 301,896,000 (equivalent to £230,022,000) [2021: US$ 58,452,000, (equivalent to £42,402,000)] receivable from related company, Tata Steel Minerals Canada Limited, is unsecured, bears interest at the rate of interest rate of 6.13% per annum and is repayable by 29 March 2032.

During the financial year ended 31 March 2022, long term loans amounting to US$ 74,062,000 (equivalent to £56,430,000) and US$ 90,090,000 (equivalent to £68,642,000) receivable from Tata Steel Minerals Canada Limited, which was assigned from T S Global Procurement Company Pte. Ltd. and TSMUK Ltd. respectively. During the year, additional loan amounting to US$ 79,292,000 (equivalent to £60,414,000) was advanced to Tata Steel Minerals Canada Limited.

(vii) During the financial year ended 31 March 2022, long term loans amounting to Euro 565,000,000 (equivalent to £478,911,000) and Euro 715,000,000 (equivalent to £606,056,000) receivable from related company, Tata Steel Netherlands Holdings B.V, is unsecured, bears interest at the rate of 2.85% and 2.11% per annum and is repayable by 30 June 2026 and 28 October 2026 respectively.

(viii) During the financial year ended 31 March 2022, interest capitilised in loan receivable from TSMUK Ltd, amounting to US$ 17,814,000 (equivalent to £13,023,000) was waived off and charged in profit and loss account.

During the year, loan amounting to US$ 90,090,000 (equivalent to £68,642,000) was receivable from TSMUK Ltd was assigned to Tata Steel Minerals Canada Limited.

(ix) As at 31 March 2022, a loan receivable of SGD 110,000,000 (equivalent to £59,364,000) from subsidiary, NatSteel Holdings Pte. Ltd., was converted into equity in September 2021.

13. Other current assets

	2022	2021
	£'000	£'000
Current tax assets	**-**	2,340

During the financial year ended 31 March 2022, withholding tax was received from South African Revenue Services (SARS).

Current tax assets acquired upon amalgamation of T S Global Minerals Holdings Pte. Ltd. ("TSGMH''), with the Company, relate to withholding tax receivable of ZAR 45,352,000 (equivalent to £2,340,000) receivable on disposal of TSGMH's entire shareholding in a subsidiary, Black Ginger to IMR Metallurgical Resources during the financial year ended 31 March 2019.

14(a). Investments in subsidiaries

	2022	2021
	£'000	£'000
Unquoted equity shares, at cost (1)	**10,532,786**	9,182,291
Quoted equity shares, at cost	**121,387**	121,387
	10,654,173	9,303,678
Less: Provision for impairment loss in subsidiaries (2)	**(4,931,765)**	(4,983,167)
	5,722,408	4,320,511
Other capital contributions (1)	**660,799**	638,819
Less: Provision for impairment loss on capital contributions (2)	**(660,799)**	(638,536)
	-	283
	5,722,408	4,320,794

(1) Investment in subsidiaries movement

	Investment in subsidiaries	Other capital contributions
	2022	2022
	£'000	£'000
Beginning of the year	9,182,291	638,819
Sale of subsidiary[a]	(86,045)	-
Additional investments in subsidiary[b]	1,436,540	50
Foreign exchange effect	-	21,930
End of the year	10,532,786	660,799

	Investment in subsidiaries	Other capital contributions
	2021	2021
	£'000	£'000
Beginning of the year	10,017,154	183,618
Elimination of investments in equity share capital of TSGMH following the amalgamation	(836,494)	-
Additions following the amalgamation	1,631	455,201
End of the year	9,182,291	638,819

(a) The Company disposed off its entire shareholding in Natsteel holdings Pte. Ltd. on 23 September 2021 to TopTip Pte. Ltd for a consideration of S$ 234,021,000 (equivalent to £127,996,000).

<u>Gain on disposal of NatSteel Holdings Pte Ltd.</u>

	GBP
Sales Consideration	**127,996,000**
Carrying value of investment in NatSteel Holdings Pte. Ltd.	**(103,714,000)**
	24,282,000

(b) During the financial year ended 31 March 2022, additional investment was made in equity shares of Tata Steel Europe Limited for £1,400,669,000 [2021: Nil].

Other capital contribution relates to long-term advances to certain subsidiaries which are deemed to be investments in these subsidiaries. During the financial year ended 31 March 2022, other capital contribution consists of advances to Tata Steel Europe Limited £ 183,618,000 (2021: £183,618,000), advances to TSMUK Limited US$ 589,342,000, CAD 12,283,000 (equivalent to £449,033,000 and £7,471,000

14(a). Investments in subsidiaries (continued)

respectively) and £50,000 [2021: US$ 589,342,000 and CAD 12,283,000 (equivalent to £427,515,000 and £7,074,000 respectively)] and advances for the Lab Mag & Ke Mag Project managed by Tata Steel Minerals Canada Limited US$ 28,025,000 (equivalent to £21,353,000) [2021: US$28,025,000 (equivalent to £20,329,000)].

(2) Provision for impairment movement

	Investment in subsidiaries	Other capital contributions
	2022	2022
	£'000	£'000
Beginning of the year	(4,983,167)	(638,536)
Reversal of provision for investment in NSH following the divestment	52,100	-
Provision created during the year [(a)] (Note 5)	(698)	(347)
Foreign exchange effect	-	(21,916)
End of the year	(4,931,765)	(660,799)
	2021	2021
	£'000	£'000
Beginning of the year	(5,672,382)	(183,618)
Reversal of provision for investment in TSGMH following the amalgamation	620,702	-
Additions following the amalgamation [(a)]	(933)	(410,026)
Provision created during the year [(a)] (Note 5)	*	(44,892)
Provision reversed during the year [Notes 3(i) and 5]	69,446	-
End of the year	(4,983,167)	(638,536)

***** Amount is less than £ 1,000

(a) As at 31 March 2022, provision on equity investments in Al Rimal Mining LLC for £1,631,000 (2021: £933,000).

During the financial year ended 31 March 2022, provision for impairment loss in other capital contributions consists of Tata Steel Europe Limited £183,618,000 [2021: £183,618,000], TSMUK Limited US$ 589,342,000, CAD 12,283,000 (equivalent to £449,033,000 and £7,471,000 respectively) and £50,000 [2021: US$ 589,342,000 and CAD 12,283,000 (equivalent to £427,515,000 and £7,074,000 respectively)]. Lab Mag & Ke Mag Project managed by Tata Steel Minerals Canada Limited US$ 28,025,000 (equivalent to £21,353,000) [2021: US$ 28,025,000 (equivalent to £20,329,000)].

Impairment assessment

During the financial year ended 31 March 2022, the management carried out an estimate of the recoverable amount of its investments in three of its subsidiaries, Tata Steel Europe Limited (TSE), Al Rimal Mining LLC and TSMUK Limited as indicators of impairment existed at the end of the reporting period.

As a result of the impairment assessments performed, the Company recorded a total impairment loss of £ 1,040,000 (2021: £44,892,000) in profit or loss for the financial year ended 31 March 2022.

14(a). Investments in subsidiaries (continued)

Impairment assessment of TSE

A significant amount of the Company's carrying amount of investments in subsidiaries pertains to its investment in Tata Steel Europe Limited (TSE) amounting to £5,488,022,000 (gross cost of £ 10,398,097,000 and accumulated impairment loss of £4,910,074,000) as at 31 March 2022. TSE is a private limited company incorporated and domiciled in the United Kingdom which has various subsidiaries as well as interests in joint ventures and associated companies.

The recoverable amount of the Company's investment in TSE was estimated based on the value in use calculations of its underlying businesses using cash flow forecasts based on the approved financial budgets and strategic forecasts which have been prepared on the basis that TSE is a going concern and covers a period of three years and future projections which takes the analysis out into perpetuity. The key assumptions in the value in use calculations were a long-term growth rate of 1.80% (2021: 1.25%) and a weighted average pre-tax discount rate in the range of 8.40% to 9.30% (2021: 8.10% to 8.70%) as per management's estimate.

Tata Steel Europe (TSE) is exposed to climate risks through the EU Emission Trading Scheme (ETS) which is applicable to all steel plant within Europe. Further, the Netherlands' government has enacted legislation for a local additional carbon tax (linked to the EU ETS scheme CO2 allowances and traded prices). Given that most European steel producers have not been heavily affected by CO2 compliance costs to date, TSE's estimate is that such CO2 emission costs, Netherland's EU ETS costs and specific carbon tax costs will majorly be passed on to end customers from FY 2025. Further, given the aim to be carbon neutral by 2050, TSE is considering its future strategy on operating processes while continuing to serve its customers. The technology transition and investments will be dependent on national and international policy which is evolving.

Based on the assessment performed on the recoverable amount of its investment in TSE, the Company recorded £ Nil impairment loss for the financial year ended 31 March 2022 (2021: £ Nil).

The Company has conducted sensitivity analysis on the impairment tests in respect of the investment in TSE, including sensitivity in respect of inability to fully pass on the Netherlands carbon tax through higher selling prices. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of the investment in TSE to exceed its recoverable amount.

As described above, the cash flow forecasts used to estimate the recoverable amount of TSE, including that of Tata Steel UK Limited (TSUK), a subsidiary of the Company held through TSE as at 31 March 2022 had been prepared on the assumption that TSE as a whole is a going concern and would continue in operation for the foreseeable future.

Impairment assessment of the Company's investment in TSE is dependent on the operational and financial performance of TSE. Given the improvement in outlook for European steel market, the directors of TSE observed that there is a reasonable expectation that TSE has adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate. Further, the directors of TSUK had concluded that the financial statements of TSUK had been prepared on going concern basis taking into considerations the steel business outlook and additional fund infusion by the Company subsequent to year end.

14(a). **Investments in subsidiaries** (continued)

Impairment assessment of TSMUK

During the financial year ended 31 March 2022, the Company estimated the recoverable amount of TSMUK Limited (TSMUK), based on the value in use of its subsidiary Tata Steel Minerals Canada Limited which was computed using cash flow forecast based on the most recently approved financial budgets approved which cover a period of 5 years and future projections which take the analysis out to the period over which the TSMUK has the right to use the underlying assets. The key assumption included in the value in use calculation related to management's estimate of discount rate of [redacted]% (2021: 10.00%). Based on assessment performed, management has recorded an impairment loss of £50,000 (2021: £44,892,000) on its investment in TSMUK for the financial year ended 31 March 2022. A further impairment loss of £57,950,000 [2021:£55,288,000] was recorded on its investment in the preference shares of TSMUK [Note 14(b)].

Impairment assessment of Al Rimal

The recoverable amount of Al Rimal Mining LLC 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 provision for impairment loss of £990,000 in the value of the company’s equity investment in Al Rimal Mining LLC for the year ended 31 March 2022.

14(a). Investments in subsidiaries (continued)

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

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2022 %	2021 %	
Tata Steel (Thailand) Public Company Ltd.	Thailand	68	68	Manufacturing and trading in iron and steel products
NatSteel Holdings Pte. Ltd.	Singapore	-	100	Manufacturing and trading in iron and steel products
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
Tulip UK Holdings (No.3) Ltd	United Kingdom	100	100	Investment holding
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
Al Rimal Mining LLC	Oman	70	70	Mining of limestone and other mineral ores
TSMUK Limited	United Kingdom	100	100	Investment holding
Tata Steel Minerals Canada Limited	Canada	82	82	Mining of iron ore
T S Canada Capital Ltd.	Canada	100	100	Financing company
The Siam Industrial Wire Co Ltd.[(i)]	Thailand	100	-	Manufacturing and trading in iron and steel products

(i) With effect from 23 September 2021, The Siam Industrial Wire Co. Ltd. became direct subsidiary of the Company.

14(b). Other non-current investments

	2022	2021
	£'000	£'000
Beginning of the year	**271,036**	363,619
Elimination of investment in preference shares of TSGMH due to amalgamation	**-**	(363,619)
Addition in investment in preference share of TSMUK following amalgamation (1)	**-**	328,865
Allowance for impairment in compulsorily convertible preference shares of TSMUK (Note 5) (2)	**(57,950)**	(55,288)
Foreign exchange (losses)/gains	**12,561**	(2,541)
End of the year	**225,647**	271,036

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

Under the compulsorily convertible preferences shares term, issuer or holder can call for redemption of the preference shares, before the 10th year from the deemed date of allotment. It is compulsorily convertible at maturity after 10 years. Conversion price is to be mutually agreed upon conversion. Dividend is discretionary at the option of the issuer and is non-cumulative.

(2) During the financial year ended 31 March 2022, the management carried out an estimate of the recoverable amount of its investment in TSMUK as indicators of impairment existed at the end of the reporting period. As a result of the impairment assessments performed, the Company recorded a total impairment loss of £57,950,000 [2021: £55,288,000] in profit or loss for the financial year ended 31 March 2022 (Note 5).

15. Investment in joint venture

	2022	2021
	£'000	£'000
Quoted equity shares, at cost	**257,877**	257,877
Less: Allowance for impairment loss in joint venture	**(257,877)**	(257,877)
	-	-

Details of the Company's joint venture as at the end of the reporting period is as follows:

Name of joint venture held by the Company	Country of Incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2022	2021
			%	%
Minas De Benga (Mauritius) Limited	Mauritius	Holding Company	35	35

16(a). Equipment

	Equipment £'000
2022	
Cost	
Beginning of the financial year	25
Additions during the year	-
	25
Accumulated depreciation	
Beginning of financial year	21
Depreciation charge	2
End of financial year	23
Net book value end of financial year	**2**
2021	
Cost	
Beginning of the financial year	20
Additions during the year	5
	25
Accumulated depreciation	
Beginning of financial year	20
Depreciation charge	1
End of financial year	21
Net book value end of financial year	**4**

16(b). Intangible assets

	Intangible assets £'000
2022	
Cost	
Beginning of the financial year	*
Additions related to amalgamation	-
Amortisation charge	-
Net book value end of financial year	*

	Intangible assets £'000
2021	
Cost	
Beginning of the financial year	-
Additions related to amalgamation	*
	*
Amortisation charge	*
Net book value end of financial year	*

* Amount is less than £ 1,000

16(c). Right-of-use assets

	Right-of-use Buildings £'000
2022	
Cost:	
Beginning of financial year	72
Additions	-
End of the financial year	72
Accumulated depreciation:	
Beginning of financial year	60
Depreciation expense	12
End of the financial year	72
Carrying amount:	
End of the financial year	**-**
2021	
Cost:	
Beginning of financial year	72
Additions	-
End of the financial year	72
Accumulated depreciation:	
Beginning of financial year	17
Depreciation expense	43
End of the financial year	60
Carrying amount:	
End of the financial year	12

See Note 16(d) for the nature of these right-of-use assets.

16(d). Leases – The Company as a lessee

	2022	2021
	£'000	£'000
Leases with non-related parties	**-**	10
Less: Lease payable due in more than 12 months	**-**	-
	-	10

The Company's leasing arrangements relate to dwelling premises for providing accommodations to employees.

Lease terms are agreed on individual basis and contains 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.

All of the extension and termination options held are exercisable based on mutual agreement between the Company and respective lessor. 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 obligation and a lease liability. Payments made under such leases are expensed on a straight-line basis over the lease term.

(a) Expense charged to profit or loss

	2022	2021
	£'000	£'000
Interest expenses on lease liabilities	*****	2
Depreciation on ROU assets	**12**	43

(b) Lease expense not capitalised in lease liabilities

	2022	2021
	£'000	£'000
Short term leases	**13**	52

(c) Total cash outflow for all leases (for principal repayment, interest payment and short term leases) during the financial year was £24,000 (2021: £ 99,000).

* Amount is less than £ 1,000

17. Trade and other payables

	2022	2021
	£'000	£'000
Accrued expenses		
- Non-related parties	**8,374**	12,959
- Subsidiary	**13**	32
- Ultimate holding company	**-**	3
Accrued interest expense on loans from:		
- Subsidiaries	**1,953**	-
- Immediate holding company	**82,386**	3,439
- Related company	**20,636**	19,982
	113,362	36,415
Less: Accrued interest on loan payables from immediate holding company (Non-current portion)	**(82,371)**	(3,430)
Current portion	**30,991**	32,985

18. Loan Payables

	2022	2021
	£'000	£'000
Current		
Related company (i)	**3,342**	41,465
Subsidiaries (ii) and (iii)	**468,932**	-
Immediate holding company (vii)	**152,384**	145,082
	624,658	186,547
Non-current		
Related companies (iv), (v), (vi),(viii), (ix), (x) and (xi)	**1,884,622**	1,781,600
Immediate holding company (xii) to (xvii)	**2,982,925**	725,410
	4,867,547	2,507,010
Loan Payables	**5,492,205**	2,693,557

Loan payables consist of:

(i) As at 31 March 2022, loans payable to a related company, NatSteel Asia Pte. Ltd. which are interest bearing, unsecured and repayable by 31 March 2023.
The carrying amount of the loan at 31 March 2022 is SGD 5,939,000 (equivalent to £3,342,000) at interest rate of 2% per annum.

The carrying amount of the loans at 31 March 2021 is SGD 48,398,000 (equivalent to £26,119,000) based on effective interest method with effective interest rates of 2.5% per annum.

18. Loan Payables (continued)

(ii) During the financial year ended 31 March 2022, the Company had obtained a short-term loans of US$ 568,901,000 (equivalent £433,458,000) [2021: Nil] is due to a related company, T S Global Procurement Co Pte. Ltd. The loan is unsecured, bears interest rate ranging from 2.18% to 3.50% [2021: Nil] per annum and is repayable by June 2026.

(iii) During the financial year ended 31 March 2022, the Company had obtained a short-term loans of US$ 46,558,000 (equivalent £35,474,000) [2021: Nil] is due to a related company, The Siam Industrial Wire company Ltd. The loan is unsecured, bears interest rate ranging from 0.70% to 0.94% [2021: Nil] per annum.

(iv) As at 31 March 2022, a long term loan of SGD 26,457,000 (equivalent to £14,875,000) [2021: SGD 26,457,000 (equivalent to £14,257,000)] is due to a related company, Abja Investments Co. Pte. Ltd. The loan is unsecured, bears interest rate at 5.03% [2021: 5.03 % to 5.10%] per annum and is repayable by 30 April 2023.

(v) As at 31 March 2022, long term loans of US$ 990,000,000 and US$ 297,860,000 (equivalent to £753,269,000 and £226,804,000 respectively) [2021: US$ 990,000,000 and US$ 297,860,000 (equivalent to £ 717,048,000 and £ 215,782,000 respectively)] are due to a related company, Abja Investments Co. Pte. Ltd. The loans are unsecured, bears interest rate 5.53% and 4.53% (2021: 5.53% to 5.65% and 4.53% to 4.65%) per annum and is repayable by 24 January 2028 and 24 July 2023 respectively.

(vi) As at 31 March 2022, a long-term loan of Euro 150,000,000 (equivalent to £126,073,000) [2021: Euro 153,197,000 (equivalent to £128,477,000)] is due to a related company, Abja Investments Co. Pte. Ltd. This loan is unsecured, bears interest rate 5.03% (2020: 5.03% to 8.25%) per annum and is repayable by 2 May 2023.

(vii) As at 31 March 2022, a short-term loan of US$ 200,000,000 (equivalent to £152,384,000) [2021: US$ 200,000,000 (equivalent to £145,082,000)] is due to its holding company, T Steel Holdings Pte Ltd. This loan is unsecured, bears interest at the rate of 3.47% per annum (2021: 2.28%) and is repayable by 31 March 2023.

(viii) As at 31 March 2022, long-term loans of US$ 5,554,000 and SGD 1,500,000 (£4,232,000 and £844,000 respectively) [2021: US$ 5,554,000 and SGD 1,500,000 (£ 4,029,000 and £ 810,000 respectively)] are due to a related company, Abja Investments Co. Pte. Ltd. These loans are unsecured, bear interest rates at 6.03% and 5.03% (2021: 1.15% to 2.81%, 0.10% and 1.15% to 1.69%) per annum respectively and is repayable by 31 July 2024 and 2 May 2023 respectively.

(ix) As at 31 March 2022, long-term loans of US$ 6,000,000 and US$ 3,200,000 (equivalent to £4,572,000 and £2,438,000 respectively) [2021: US$ 6,000,000 and US$ 3,200,000 (equivalent to £ 4,353,000 and £ 2,321,000 respectively)] from a related company, Abja Investments Co. Pte. Ltd., which are unsecured, bear interest rate of 5.53% [2021: 2.45%] and 5.53% [2021: 2.34%] per annum respectively and are repayable by 24 January 2028 and 24 January 2028 respectively.

18. Loan Payables (continued)

(x) As at 31 March 2022, a long-term loan of US$ 988,000,000 (equivalent to £744,679,000) [2021: US$ 988,000,000 (equivalent to £ 706,036,000)], is due to a related company, Abja Investments Co. Pte. Ltd, was assigned by its subsidiary company, T S Global Procurement Co. Pte. Ltd., which is unsecured, bears interest rate at 6.03% (2021: 6.03% per annum during the year and is repayable by 30 July 2024.

(xi) As at 31 March 2022, a long-term loan of SGD 7,102,000 and SGD 5,046,000 (equivalent to £3,997,000 and £2,839,000 respectively) [2021: Euro 4,500,000 (equivalent to £ 3,833,000)] is due to a related company, Abja Investments Co. Pte. Ltd, which is unsecured, bears interest rate at 5.03% (2021: 0.10%) per annum during the year and is repayable by 02 May 2023. During the year, loan amounting to Euro 4,500,000 was re designated on 1 April 2021 to SGD 5,046,000 at interest rate of 5.03%.

(xii) As at 31 March 2022, long-term loan of US$ 1,000,000,000 (equivalent to £761,922,000) [2021: US$ 1,000,000,000 (equivalent to £725,410,000)] from its holding company, T Steel Holdings Pte Ltd. which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, the interest will be paid at rate of 6.75% + 6 months USD LIBOR and is repayable by 16 February 2027. Interest expense is charged based on effective interest method with effective interest rate of 3.93%.

(xiii) During the financial year ended 31 March 2022, the Company had obtained a long-term loan of US$ 345,000,000 (equivalent to £262,863,000) from its holding company, T Steel Holdings Pte. Ltd, which is unsecured, with moratorium of interest for 2.5years. Post moratorium period, interest will be paid at rate of 3.96 % + 6 months LIBOR and is repayable by 12 April 2027. Interest expense is charged based on effective interest method with effective interest rate of 2.40%.

(xiv) During the financial year ended 31 March 2022, the Company had obtained a long-term loan of US$ 655,000,000 (equivalent to £499,059,000) from its holding company, T Steel Holdings Pte. Ltd, which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be paid at rate of 6.75 % + 6 months LIBOR and is repayable by 20 April 2027. Interest expense is charged based on effective interest method with effective interest rate of 3.93%.

(xv) During the financial year ended 31 March 2022, the Company had obtained a long-term loan of US$ 1,000,000,000 (equivalent to £761,922,000) from its holding company, T Steel Holdings Pte. Ltd, which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be paid at rate of 4.88 % + 6 months LIBOR and is repayable by 4 June 2027. Interest expense is charged based on effective interest method with effective interest rate of 2.88%.

(xvi) During the financial year ended 31 March 2022, the Company had obtained a long-term loan of US$ 250,000,000 (equivalent to £190,481,000) from its holding company, T Steel Holdings Pte. Ltd, which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 2.99 % + 6 months LIBOR and is repayable by 29 September 2029. Interest expense is charged based on effective interest method with effective interest rate of 2.14%.

18. Loan Payables (continued)

(xvii) During the financial year ended 31 March 2022, the Company had obtained a long-term loan of US$ 665,000,000 (equivalent to £506,678,000) from its holding company, T Steel Holdings Pte. Ltd, which is unsecured, with moratorium of interest for 2.5 years. Post moratorium period, interest will be charged at rate of 2.99 % + 6 months LIBOR and is repayable by 28 October 2029. Interest expense is charged based on effective interest method with effective interest rate of 2.15%.

19. Deferred income tax liabilities

	2022	2021
	£'000	£'000
Beginning of financial year	**7,159**	4
Tax charged/(credited) to:		
- profit or loss (Note 8(a))	**(4,963)**	2,568
- additions related to amalgamation	**-**	4,587
End of financial year	**2,196**	7,159

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

Deferred income tax liabilities

	Unremitted interest income	Interest expense	Total
	£'000	£'000	£'000
2022			
Beginning of financial year	4,762	2,397	7,159
Charged to:			
- profit or loss as tax [Note 8(a)]	(3,604)	(1,359)	(4,963)
End of financial year	1,158	1,038	2,196

	Unremitted interest income	Interest expense	Total
	£'000	£'000	£'000
2021			
Beginning of financial year	4	-	4
Charged to:			
- profit or loss as tax [Note 8(a)]	171	2,397	2,568
- additions related to amalgamation	4,587	-	4,587
End of financial year	4,762	2,397	7,159

20(a). Share capital

The Company's share capital comprises fully paid-up 7,487,767,779 (2021: 7,487,767,779) ordinary shares with no par value, carry one vote per share and carry right to dividends, amounting to a total of £7,191,688,562 (2021: £7,191,688,562).

	No of ordinary shares	Issued share capital £'000
2022		
Beginning and end of financial year	7,487,767,779	7,191,689
2021		
Beginning and end of financial year	7,487,767,779	7,191,689

20(b). Compulsory convertible preference shares

	No of preference shares	Amount £'000
2022		
Beginning of financial year	597,028,357	453,548
Cancellation of preference shares		
- EUR denominated	(167,055,167)	(142,291)
- USD denominated	(429,973,190)	(311,257)
End of financial year	-	-

	No of preference shares	Amount £'000
2021		
Beginning of financial year	-	-
Reclassified from loan payables		
- EUR denominated	167,055,167	142,291
- USD denominated	429,973,190	311,257
End of financial year	597,028,357	453,548

During the financial year ended 31 March 2022, the preference shares were fully redeemed amounting to US$ 429,973,000 and Euro 167,055,000 (equivalent to £311,257,000 and £142,291,000 respectively) [2021: US$ 691,689,000 and Euro 251,211,000 (equivalent to £492,377,000 and £221,384,000)]

On 30 March 2021, the terms of the remaining preference shares issued to NatSteel Asia Pte. Ltd. were amended to withdraw the right to redeem at the option of the holder, as well as to include voting rights for the holder and the right for the holder to appoint a board member. Subsequent to the amendment of the term sheet, the management assessed that the compulsory convertible preference shares should be reclassified to equity based on the amended terms.

21. Capital reserves

	2022	2021
	£'000	£'000
Beginning of the year	**1,070,461**	1,068,986
Additions	**-**	1,475
At end of the year	**1,070,461**	1,070,461

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

22. Other reserves

	2022	2021
	£'000	£'000
Other reserves	**49,131**	49,131

During the financial year ended 31 March 2020, the Company converted preference shares into ordinary shares. The gain arising from the conversion of the preference shares has been accounted in other reserves as it represents a capital contribution.

23. Dividends paid

	2022	2021
	£'000	£'000
Interim dividend of £ 0.09 per preference share	**-**	53,810

During the financial year ended 31 March 2022, the Company had not paid any dividend (2021: US$ 75,000,000 equivalent to £53,810,000) to NSA.

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.

24. Financial risk management (continued)

(a) Market risk

(i) Currency risk

The Company has determined that Great Britain Pound 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	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Singapore dollars	**647**	59,922	**27,305**	41,497
United States dollar	**521,610**	778,839	**5,442,081**	2,540,439
Australia dollars	**192**	126	**-**	-
Euro	**1,101,673**	2,084	**128,753**	135,085
Rial Omani	**602**	-	**-**	-
South African Rand	**-**	2,340	**-**	-

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

	Profit or loss	
	2022	2021
	£'000	£'000
Singapore dollars	**2,666**	(1,843)
United States dollar	**492,047**	176,160
Australia dollars	**(19)**	(13)
Euro	**(97,292)**	13,300
South African Rand	**-**	(234)
Rial Omani	**(60)**	-

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.

(ii) Interest rate risk

Interest rate risk refers to the risk faced by the Company as a result of fluctuation in interest rates. The Company is exposed to interest rate risk associated with certain of its loan receivables and loan payables which have floating rates. The interest rate and terms of repayment are as disclosed in Notes 12 and 18 to the financial statements respectively. Management monitors these exposures on a regular basis.

Interest rate sensitivity

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

If interest rates had been 10 basis points higher or lower and all other variables were held constant, the Company's profit for the year ended 31 March 2022 would (decrease)/increase by £2,164,000 (2021: (decrease)/increase by £654,000).

24. Financial risk management (continued)

(b) Credit risk

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

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

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

Impairment of financial assets

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

In its recoverability assessment management has considered amongst other factors, the carrying amount of the respective counterparty's net assets, estimation of future cash flows expected to arise from cash-generating units and current and future developments in the business and as a result of its assessment, management has determined that there has been change in the credit risk of certain of its other receivables, loan receivables and other non-current investments as compared to the previous financial year.

Please refer to Notes 10, 12 and 14(b) for the additional allowance of impairment determined to be necessary for the financial year ended 31 March 2022.

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

(c) Liquidity risk

<u>Non-derivative financial liabilities</u>

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.

24. Financial risk management (continued)

(c) Liquidity risk (continued)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2022						
Non-interest bearing		30,991	-	82,371	-	113,362
Fixed interest rate instruments	4.15%	747,022	1,324,596	830,307	(392,645)	2,509,280
Variable interest rate instruments	4.94%	161,364	1,293,231	2,396,203	(867,873)	2,982,925
		939,377	2,617,827	3,308,881	(1,260,518)	5,605,567
2021						
Non-interest bearing	-	59,104	-	3,430	-	62,534
Fixed interest rate instruments	0.10-6.03	265,158	1,308,313	830,461	(461,894)	1,942,038
Variable interest rate instruments	6.95	-	134,177	770,369	(179,136)	725,410
		324,262	1,442,490	1,604,260	(641,030)	2,729,982

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.

24. Financial risk management (continued)

(c) Liquidity risk (continued)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	£'000	£'000	£'000	£'000	£'000
2022						
Non-interest bearing	-	22	241,544	64,706	-	306,272
Variable interest rate instruments	2.45%	34,973	1,186,922	-	(133,333)	1,088,562
Fixed interest rate instruments	6.13%	-	-	387,396	(157,375)	230,021
		34,995	1,428,466	452,102	(290,708)	1,624,855
2021						
Non-interest bearing	-	2,452	10,687	332,568	-	345,707
Variable interest rate instruments	2.58	326,489	59,665	-	(9,300)	376,854
Fixed interest rate instruments	6.00-7.00	-	7,635	132,571	(19,529)	120,677
		328,941	77,987	465,139	(28,829)	843,238

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 is NIL (2021: net cash outflow amounting to £ 1,617,000). Further information of these derivative financial instruments is disclosed in Note 11.

(d) Capital Risk

The Company's objective while managing capital is to ensure that it is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments whenever necessary.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as loan payables plus trade and other payables plus lease liabilities less cash and bank deposits. Total capital is calculated as equity plus net debt.

	2022	2021
	£'000	£'000
Net debt	**5,603,464**	2,725,476
Total equity	**1,739,021**	2,421,265
Total capital	**7,342,485**	5,146,741

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

24. Financial risk management (continued)

(e) Fair value measurements

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 March 2022				
Financial assets, at FVPL	-	-	225,647	225,647
Derivative financial instruments	-	-	-	-
As at 31 March 2021				
Financial assets, at FVPL	-	-	271,036	271,036
Derivative financial instruments	-	(1,617)	-	(1,617)

The fair value of financial instruments that are not traded in an active market (over-the-counter currency forwards) is determined using quoted forward exchange rates at the balance sheet date. These instruments are included in Level 2. Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.

(f) Financial instruments by category

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

	2022 **£'000**	2021 £'000
Financial assets, at amortised cost	**1,399,208**	569,862
Financial assets, at FVPL	**225,647**	271,036
Financial liabilities, at amortised cost	**5,605,567**	2,729,982
Financial liabilities, at FVPL	**-**	1,617

25. 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:

	2022	2021
	£'000	£'000
Interest expense to:		
Subsidiaries	**6,320**	1,445
Related companies	**106,969**	85,242
Immediate holding company	**79,067**	8,045
Imputed interest expense to related company	**224**	1,915
Interest income from:		
Subsidiaries	**(16,131)**	(22,486)
Related companies	**(20,677)**	(416)
Service income from subsidiaries	**-**	(90)
Service received from ultimate holding company	**-**	3
Recharge to subsidiary	**(98)**	(39)
Recharges to related companies	**(7)**	(1)
Recharge to immediate holding company	**(4)**	(1)
Recharges from subsidiaries	**93**	226
Reimbursement of bank facilities fee to a related company	**-**	20,221
Dividend paid to a related company	**-**	53,810
Dividend income from subsidiary company	**(232,389)**	-

26. Contingent liabilities

As at financial year ended 31 March 2022, the Company had 2 separate guarantee and indemnity agreements with its indirect, wholly-owned subsidiaries whereby the Company agreed to act as guarantor to guarantee the underlying amounts under the facility/financing arrangement of these related companies for amounts up to Euro 50,320,000, Euro 19,129,200.

As at financial year ended 31 March 2021, the Company had 2 separate guarantee and indemnity agreements with its indirect, wholly-owned subsidiaries and 1 separate guarantee and indemnity agreement with its related corporation whereby the Company agreed to act as guarantor to guarantee the underlying amounts under the facility/financing arrangement of these related companies for amounts up to Euro 50,320,000, Euro 19,129,200, Euro 167,055,167 and US$ 459,973,190.

27. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 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 Holdings Pte. Ltd. on ▪.