T STEEL HOLDINGS PTE. LTD.
(Registration No. 200609769D)

DIRECTORS’ STATEMENT AND
FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018
T STEEL HOLDINGS PTE. LTD.

DIRECTORS’ STATEMENT AND FINANCIAL STATEMENTS

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T STEEL HOLDINGS PTE. LTD.

DIRECTORS’ STATEMENT

The directors present their statement together with the audited financial statements of the Company for the year ended March 31, 2018.

In the opinion of the directors, the accompanying financial statements of the Company as set out on pages 6 to 21 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Sandip Biswas
Ranganath Raghupathy Rao
Sanjib Nanda

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

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

3 DIRECTORS’ INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors’ Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

<table>
<thead>
<tr>
<th>Name of directors and Company in which interests are held</th>
<th>At beginning of year</th>
<th>At end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tata Steel Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Ordinary shares of Rupees 10 each)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sandip Biswas</td>
<td>3,868</td>
<td>3,868</td>
</tr>
<tr>
<td>Sanjib Nanda</td>
<td>484</td>
<td>484</td>
</tr>
</tbody>
</table>
T STEEL HOLDINGS PTE. LTD.

DIRECTORS’ STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company were granted.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

ON BEHALF OF THE DIRECTORS

............................................
Sanjib Nanda

............................................
Sandip Biswas
INDEPENDENT AUDITOR’S REPORT TO THE MEMBER OF
T STEEL HOLDINGS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of T Steel Holdings Pte. Ltd. (the “Company”), which comprise the statement of financial position of the Company as at March 31, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 21.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the “Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the financial position of the Company as at March 31, 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conduct our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
INDEPENDENT AUDITOR’S REPORT TO THE MEMBER OF
T STEEL HOLDINGS PTE. LTD.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

(d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
INDEPENDENT AUDITOR’S REPORT TO THE MEMBER OF
T STEEL HOLDINGS PTE. LTD.

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

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

Report on Other Legal and Regulatory Requirements

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

Public Accountants and
Chartered Accountants
Singapore

[Date]
T STEEL HOLDINGS PTE. LTD.

STATEMENT OF FINANCIAL POSITION
March 31, 2018

(Expressed in thousands, Great Britain Pound)

<table>
<thead>
<tr>
<th>Note</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£'000</td>
<td>£'000</td>
</tr>
</tbody>
</table>

**ASSETS**

Current assets
Cash and cash equivalents 7 183 207

Non-current assets
Subsidiary 8 845,831 291,700

Total assets 846,014 291,907

**LIABILITY AND EQUITY**

Current liabilities
Other payables, representing total current liability 9 10 21

Non-current liabilities
Long term borrowings 10 349,742 -

Capital, reserve and accumulated losses
Share capital 11 5,931,768 5,931,767
Equity Portion for Pref. Shares 10 204,389 -
Accumulated losses 5,639,895 (5,639,881)
Net equity 496,262 291,886

Total liability and equity 846,014 291,907

The accompanying notes form an integral part of these financial statements.
T STEEL HOLDINGS PTE. LTD.

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

(Expressed in thousands, Great Britain Pound)

<table>
<thead>
<tr>
<th>Note</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Interest Income</td>
<td>6</td>
<td>169</td>
</tr>
<tr>
<td>Finance costs</td>
<td>5</td>
<td>(169)</td>
</tr>
<tr>
<td>Other Income, net</td>
<td>12</td>
<td>(3)</td>
</tr>
<tr>
<td>Impairment loss in a subsidiary</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td></td>
<td>(10)</td>
</tr>
</tbody>
</table>

**Loss before tax**

(13) (4,216,310)

**Income tax**

13 - *

**Loss for the year, representing total comprehensive loss for the year**

14 (13) (4,216,310)

*Less than £1,000.

The accompanying notes form an integral part of these financial statements.
The accompanying notes form an integral part of these financial statements.
## STATEMENT OF CASH FLOWS
Year ended March 31, 2018

(Expressed in thousands, Great Britain Pound)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss before tax</td>
<td>(13)</td>
<td>(4,216,310)</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>(169)</td>
<td>*</td>
</tr>
<tr>
<td>Impairment loss in a subsidiary</td>
<td>-</td>
<td>4,216,302</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>169</td>
<td>-</td>
</tr>
<tr>
<td>Operating cash flows before movements in working capital</td>
<td>(13)</td>
<td>(8)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other payables</td>
<td>(11)</td>
<td>3</td>
</tr>
<tr>
<td>Cash used in operations</td>
<td>(24)</td>
<td>(5)</td>
</tr>
<tr>
<td>Interest received</td>
<td>169</td>
<td>*</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Finance Costs Paid</td>
<td>(169)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(24)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

**Investment activities**
- Investment in Subsidiaries & Other Capital Contribution: (553,962)
- Net cash used in investment activities: (553,962)

**Financing activities**
- Issue of Non-Cumulative Redeemable Preference Share: 553,962
- Net cash used in finance activities: 553,962

Net decrease in cash and cash equivalents: (24) (5)
Cash and cash equivalents at beginning of year: 207 212

**Cash and cash equivalents at end of year**
- 183 207

* Amount is less than £1,000.

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

The Company (Registration No. 200609769D) is incorporated in Singapore with its principal place of business and registered office at 22, Tanjong Kling Road, Singapore 628048. The financial statements are expressed in Great Britain Pound.

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

The principal activities of the subsidiary are disclosed in Note 9 to the financial statements.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2017, the Company adopted all the new and revised FRSs and interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, management anticipates that the adoption of the FRSs, INT FRSs and amendments to FRS that were issued but not effective until future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

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

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

Control is achieved when the Company:

- holds the right, directly or indirectly, to appoint or remove the directors or equivalent persons of the company or foreign company who hold a majority of the voting rights at meetings of the directors or equivalent persons on all or substantially all matters;
- holds, directly or indirectly, more than 25% of the rights to vote on those matters that are to be decided upon by a vote of the members or equivalent persons of the company or foreign company; or
- has the right to exercise, or actually exercises, significant influence or control over the company or foreign company.

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

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

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

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

Financial assets

Cash and cash equivalents

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

Loans and receivables

Loans and receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method except for short-term receivables when the recognition of interest would be immaterial.
Impairment of financial assets

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

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

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Derecognition of financial liabilities

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

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Transactions in currencies other than the Company’s functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.
In the application of the Company’s accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(i) **Critical judgements in applying the Company’s accounting policies**

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

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

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

**Investment in subsidiary**

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

For the year ended March 31, 2018, no provision for impairment is made with regard to investment in subsidiaries.

In 2017, the management carried out an estimate of the recoverable amount of its subsidiary, T S Global Holdings Pte. Ltd. as indicators of impairment existed. The recoverable amount of T S Global Holdings Pte. Ltd. was determined based on the recoverable amount of the underlying subsidiaries of T S Global Holdings Pte. Ltd.

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

The recoverable amount of Tata Steel Europe Limited was determined based on the estimation of the enterprise value (EV) of the cash generating units of the underlying subsidiaries of Tata Steel Europe Ltd. The calculation in 2017 uses earnings before interest, tax, depreciation and amortization ("EBITDA") forecasts based on the more recently approved financial budgets and strategic forecasts approved by the board which covers a period of five years. Key
assumptions for the EV calculations are those regarding expected changes to selling price and raw material costs, European ("EU") steel demands, exchange rates and EU steel industry's EV/EBITDA ratio of 6.99. Changes in selling prices, raw materials cost, exchange rate and EU steel demands are based on expectations of the future changes in the steel market based on external market sources. The EV/EBITDA ratio of 6.99 is derived from the EV/EBITDA ratio of EU steel companies that are comparable to Tata Steel Europe Limited.

The recoverable amount of NatSteel Holdings Pte. Ltd. was determined based on the carrying amount of the investee’s net assets which approximates the value in use.

Based on the assessment the Company has recorded an impairment loss of £4,216,302,000) for T S Global Holdings Pte. Ltd. in 2017.

If the performance of the underlying subsidiaries and/or market conditions were to deteriorate which will affect the Company’s investment in T S Global Holdings Pte. Ltd., additional impairment may be required.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and receivables (including cash and cash equivalents)</td>
<td>183</td>
<td>207</td>
</tr>
<tr>
<td>Investment in preference shares of subsidiary</td>
<td>554,131</td>
<td>-</td>
</tr>
<tr>
<td>Investment in equity shares of subsidiary</td>
<td>291,700</td>
<td>291,700</td>
</tr>
<tr>
<td></td>
<td>846,014</td>
<td>291,907</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortised cost</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>Issue of preference shares to holding company</td>
<td>554,131</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>554,141</td>
<td>21</td>
</tr>
</tbody>
</table>

(b) Financial risk management policies and objectives

(i) Foreign exchange risk management

The Company adopts the Great Britain Pound as its functional currency as its main investment is a sterling denominated asset. At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities that are not denominated in functional currency are as follows:

|                   | 2018     | 2017     |
|                   | £’000    | £’000    |
| Assets            | 2018     | 2017     |
| Liabilities       | 2018     | 2017     |
As the differences between its non-sterling assets and liabilities base are small, management has determined that changes in foreign exchange rates would not have a material impact on the financial affairs of the Company and accordingly, no sensitivity analysis is prepared by management.

(ii)  Interest rate risk management

The Company is not exposed to interest rate risk as there are no significant interest-bearing liabilities or interest-bearing assets.

Interest rate sensitivity

No sensitivity analysis has been prepared by management as management is of the view that the Company is not exposed to material interest rate risk.

(iii)  Credit risk management

The Company is an investment holding company and does not have significant credit risk exposures with outside parties.

(iv)  Liquidity risk management

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

The Company’s financial assets and financial liabilities are non-derivative, non-interest bearing and due within 0 to 10 year.

(v)  Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values, due to maturity of these financial instruments.

(c)  Capital risk management policies and objectives

The Company manages its capital structure to ensure that the Company will be able to continue as a going concern.
The capital structure of the Company comprises only issued capital.

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

5 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company is a wholly-owned subsidiary of Tata Steel Limited, incorporated in India, which is also the Company’s holding company. Related companies in these financial statements refer to members of the holding company’s group of companies. During the year, the Company has entered into the following significant transactions with related companies:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense on short term loan from holding company</td>
<td>(169)</td>
<td>-</td>
</tr>
<tr>
<td>Finance provided by holding company</td>
<td>554,131</td>
<td>-</td>
</tr>
</tbody>
</table>

Outstanding balances as at March 31, 2018 arising from finance provided to subsidiary is disclosed in note 10.

6 RELATED PARTY TRANSACTIONS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income from short term loan to subsidiary</td>
<td>169</td>
<td>-</td>
</tr>
<tr>
<td>Finance provided to subsidiary</td>
<td>554,131</td>
<td>-</td>
</tr>
</tbody>
</table>

Outstanding balances as at March 31, 2018 arising from finance provided to subsidiary is disclosed in note 8.

Compensation of directors and key management personnel

There are no key managerial personnel other than the directors of the Company. The directors are paid remuneration by related corporations in their capacity as directors and/or executives of those related corporations.

7 CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>183</td>
<td>207</td>
</tr>
</tbody>
</table>
8 SUBSIDIARY

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unquoted equity shares, at cost</td>
<td>4,849,414</td>
<td>4,849,414</td>
</tr>
<tr>
<td>Other capital contribution</td>
<td>1,019,026</td>
<td>1,019,026</td>
</tr>
<tr>
<td>Investment in preference shares</td>
<td>554,131</td>
<td>-</td>
</tr>
<tr>
<td>Less: Provision for impairment loss in a subsidiary</td>
<td>(5,576,740)</td>
<td>(5,576,740)</td>
</tr>
<tr>
<td></td>
<td>845,831</td>
<td>291,700</td>
</tr>
</tbody>
</table>

During the year ended March 31, 2018, the company has subscribed for 5% non-cumulative redeemable preference shares amounting GBP 554,131,297 of its wholly-owned subsidiary T S Global Holdings Pte. Ltd. These preference shares are redeemable at the option of T S Global Holdings Pte. Ltd. and have a maturity period of 10 years.

During the year ended March 31, 2018, management carried out an assessment of the recoverable of subsidiary, T S Global Holdings Pte. Ltd. as at the end of the reporting period. There were no indicators of impairment found.

During the year ended March 31, 2017, management carried out an assessment of the recoverable of subsidiary, T S Global Holdings Pte. Ltd. as at the end of the reporting period, indicators of impairment existed. Based on the assessment performed, management had recorded an impairment loss of £4,216,302,000.

Details of the Company’s immediate subsidiary at the end of the reporting period is as follows:

<table>
<thead>
<tr>
<th>Name of subsidiary</th>
<th>Country of incorporation and operation</th>
<th>Proportion of ownership interest and voting power held</th>
<th>Principal activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>T S Global Holdings Pte. Ltd. (1)</td>
<td>Singapore</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

(1) Significant subsidiaries of this Singapore incorporated Company are disclosed in the financial statements of this subsidiary.

9 OTHER PAYABLES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside parties</td>
<td>10</td>
<td>21</td>
</tr>
</tbody>
</table>

10 Long Term Borrowings

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19
Preference Shares issued to Tata Steel Limited

During the year ended 31st March, 2018, the company issued 5% Non-Cumulative Redeemable Preference Shares to its holding company Tata Steel Limited amounting GBP 554,131,297. These preference shares are redeemable at the option of T Steel Holdings Pte. Ltd. and have a maturity period of 10 years. The figure shown above only represents the present value of contractual obligation relating to this preference share issue has been taken.

11 SHARE CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of ordinary shares '000</td>
<td>£'000</td>
<td>£'000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and paid up</td>
<td>5,931,767</td>
<td>5,931,767</td>
<td>5,931,767</td>
<td>5,931,767</td>
</tr>
</tbody>
</table>

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

12 OTHER INCOME – NET

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income from outside parties</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Foreign currency exchange gains / (losses) - net</td>
<td>(3)</td>
<td>15</td>
</tr>
</tbody>
</table>

* Amount is less than £1,000.

13 INCOME TAX

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under-provision in prior year</td>
<td>-</td>
<td>*</td>
</tr>
</tbody>
</table>

Domestic income tax is calculated at 17% (2017 : 17%) of the estimated assessable income for the year. The total charge for the year can be reconciled to the accounting loss as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss before tax</td>
<td>(13)</td>
<td>(4,216,310)</td>
</tr>
<tr>
<td>Income tax credit calculated at 17% (2017 : 17%)</td>
<td>(2)</td>
<td>(716,773)</td>
</tr>
<tr>
<td>Under-provision of income tax in prior year</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td>Effect of expenses that are not deductible</td>
<td>2</td>
<td>716,773</td>
</tr>
<tr>
<td>Income tax expense recognised in profit or loss</td>
<td>-</td>
<td>*</td>
</tr>
</tbody>
</table>
* Amount is less than £1,000.

14 LOSS FOR THE YEAR

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£’000</td>
<td>£’000</td>
</tr>
<tr>
<td>Impairment loss in a subsidiary</td>
<td>-</td>
<td>4,216,302</td>
</tr>
<tr>
<td>Foreign currency exchange - net</td>
<td>3</td>
<td>(15)</td>
</tr>
</tbody>
</table>

The Company did not have any staff in its employment and no staff cost were incurred.