

**TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED DECEMBER 31, 2016  
“UNAUDITED”**

**1. GENERAL INFORMATION AND THE OPERATION OF THE COMPANY**

Tata Steel (Thailand) Public Company Limited (“the Company” or “the parent company”) is incorporated in Thailand and has its registered office at Rasa Tower 2, 20th Floor, 555 Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok with the objective to invest in other companies and provide management services and the Company has been listed on the Stock Exchange of Thailand since November 2002. The major shareholder (hold 67.90%) is T S Global Holdings Pte. Ltd. which is incorporated in Singapore and is an affiliate of Tata Steel Limited, a listed company incorporated under the law of India and is one of the largest integrated steel manufacturers in India with a strong global customer base.

The Company has three subsidiaries (“the Group”) which were incorporated in Thailand, that manufacture, render a manufacturing service, distribute and trading of steel bars, wire rods and small section products. Sales of the subsidiaries are mainly local sales contributing 94% and 90% of the total sales for the nine-month periods ended December 31, 2016 and 2015, respectively.

Details of the Company’s subsidiaries are as follows:

	Type of business	Shareholding (%)	
		As at December 31, 2016	As at March 31, 2016
The Siam Iron and Steel (2001) Co., Ltd.	Manufacture wire rods and small section products	99.99	99.99
The Siam Construction Steel Co., Ltd.	Manufacture steel bars	99.99	99.99
N.T.S. Steel Group Public Company Limited	Manufacture, render a manufacturing service, distribution and trading of steel bars, wire rods and small section products	99.76	99.76

The Company has extensive transactions and relationships with the major shareholder and related companies. Accordingly, the interim financial information may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations.

As at December 31, 2016 and March 31, 2016, N.T.S. Steel Group Public Company Limited (“N.T.S.”) has total current liabilities exceeding total current assets by Baht 2,518 million and Baht 3,010 million, respectively. However, the amount of current liabilities included the short-term borrowing from the parent company of Baht 2,534 million and Baht 2,166 million, respectively. The parent company will continue its financial support to N.T.S. to enable N.T.S. to continue its operations satisfactorily at least for the next 12 months from the statement of financial position date and the Group’s management has prepared the business plan including initiatives to improve operation and financial results of N.T.S.

The Group's management decided to temporarily cease operation of the Mini Blast Furnace ("MBF") at N.T.S., the Company's subsidiary, from the end of August 2011 to March 2017 due to MBF raw material prices are relatively higher than scrap prices with high volatility, thereby adversely impacting the viability of costs of steel produced through MBF route. For the three-month periods ended December 31, 2016 and 2015, depreciation and other expenses of MBF which incurred during the mothball period were totally Baht 2 million and Baht 3 million, respectively and for the nine-month periods ended December 31, 2016 and 2015, depreciation and other expenses of MBF which incurred during the mothball period were totally Baht 7 million and Baht 9 million, respectively.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL INFORMATION**

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2015) "Interim Financial Reporting" ("TAS 34") and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

2.2 The Company and its subsidiaries choose to present condensed interim financial statements. Therefore, certain financial information which is normally included in annual financial statements prepared in accordance with Thai Financial Reporting Standards, but is not required to disclose in the condensed interim financial statements has been omitted. Therefore, the condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended March 31, 2016.

The results of operations for the three-month and nine-month periods ended December 31, 2016 are not necessarily indicative of the operating results anticipated for the full year.

2.3 The preparation of interim financial statements in conformity with TAS 34 also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

2.4 The interim consolidated financial statements incorporate the accounts of the Company and its subsidiaries by eliminating significant related party transactions and intercompany balances, investments in subsidiaries and share capital of the subsidiaries.

2.5 The interim consolidated financial statements for the three-month and nine-month periods ended December 31, 2016 and the consolidated financial statements for the year ended March 31, 2016 did not include investment in Siam Steel Mill Services Company Limited on an equity method because the Company has no significant influence to govern the financial and operating policies of and does not have any authorized director to sign on behalf of Siam Steel Mill Services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of its share capital. The Company and the subsidiary recorded such investment as other long-term investment at cost of Baht 1,241.

### 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended March 31, 2016.

3.2 Adoption of new and revised Thai Financial Reporting Standards

Since January 1, 2016, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions which are effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards. This adoption does not have significant impact on the Company's interim consolidated and separate financial statements.

### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents consist of:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
Cash	1	1	-	-
Bank deposits in current accounts	16,654	31,307	1,248	399
Bank deposits in savings accounts	552,795	755,396	512,924	721,581
Time deposits with maturity not more than 3 months	200,042	400,042	200,042	400,042
Total	<u>769,492</u>	<u>1,186,746</u>	<u>714,214</u>	<u>1,122,022</u>

4.2 Other non-cash adjustment items for the nine-month periods ended December 31, consist of:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	“UNAUDITED”		“UNAUDITED”	
	2016	2015	2016	2015
Allowance for diminution in value of inventory and inventory obsolescence	-	3,106	-	-
Loss from writing-off of inventories	-	2,491	-	-
Loss on sale of property, plant and equipment and intangible asset	1,708	11,872	-	-
Loss from writing-off of property, plant and equipment and intangible asset	4	-	4	-
Reversal of credit note	(163)	-	-	-
Total	<u>1,549</u>	<u>17,469</u>	<u>4</u>	<u>-</u>

- 4.3 Other cash (paid) received from operating activities for the nine-month periods ended December 31, consists of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>“UNAUDITED”</b>		<b>financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
(Increase) decrease in other current assets and other non-current assets	31,422	7,333	21,585	(3,347)
Decrease in other current liabilities and other non-current liabilities	(15,593)	(25,175)	(986)	(1,232)
<b>Total</b>	<b>15,829</b>	<b>(17,842)</b>	<b>20,599</b>	<b>(4,579)</b>

- 4.4 Adjustment of cash occurred from borrowings for the nine-month periods ended December 31, consists of:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>“UNAUDITED”</b>		<b>financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Interest paid	(84,272)	(104,108)	(53,630)	(52,789)

- 4.5 Non-cash transactions in the consolidated and the separate interim financial information for the nine-month periods ended December 31, 2016 and 2015 are as follows:

- The recording of investments in available-for-sale securities in the consolidated financial statements for the nine-month periods ended December 31, 2016 and 2015, at fair value. The Group recorded unrealised gain on such investments of Baht 1.40 million and Baht 1.10 million, respectively.
- Non-cash items from purchase and increase of property, plant and equipment and intangible asset for the nine-month periods ended December 31, are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>financial statements</b>		<b>Separate</b>	
	<b>“UNAUDITED”</b>		<b>financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Payables for property, plant and equipment and intangible asset brought forward	13,214	12,271	2,643	200
<u>Add</u> Purchase during the periods	157,855	157,456	5,997	1,325
<u>Less</u> Cash payment during the periods	(163,812)	(167,553)	(7,745)	(1,525)
Payables for property, plant and equipment and intangible asset carried forward	<u>7,257</u>	<u>2,174</u>	<u>895</u>	<u>-</u>

## 5. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
Trade accounts receivable - related parties (see Note 13)	105,717	175,368	-	-
Trade accounts receivable - other companies (see Note 6)	581,751	460,774	-	-
Other receivables - related parties (see Note 13)	523	950	42,815	35,739
Other receivables - other companies	1,302	12,329	160	2,819
Prepaid expenses	21,892	17,972	6,491	10,657
Total	<u>711,185</u>	<u>667,393</u>	<u>49,466</u>	<u>49,215</u>

## 6. TRADE ACCOUNTS RECEIVABLE - OTHER COMPANIES

Trade accounts receivable - other companies are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
Within credit terms	564,274	442,720	-	-
Overdue:				
Not over 3 months	16,614	13,393	-	-
Over 3 months to 6 months	-	307	-	-
Over 6 months to 12 months	-	3,585	-	-
Over 12 months	18,498	22,644	-	-
Total	599,386	482,649	-	-
<u>Less</u> Allowance for doubtful accounts	(17,635)	(21,875)	-	-
Total	<u>581,751</u>	<u>460,774</u>	<u>-</u>	<u>-</u>

For the nine-month period ended December 31, 2016, N.T.S. Steel Group Public Company Limited has written-off of trade accounts receivable - other company of Baht 4.24 million. The allowance for doubtful accounts has been fully provided.

In 2008, the Group has entered into a “Receivable Purchase Agreement” with a financial institution which all risks and rewards only for the amount accepted by the buyer have been transferred to the buyer.

For the three-month periods ended December 31, 2016 and 2015, the Group had sold receivables to the financial institution amounting to Baht 1,895 million and Baht 1,535 million, respectively. For the nine-month periods ended December 31, 2016 and 2015, the Group had sold receivables to the financial institution amounting to Baht 5,658 million and Baht 4,974 million, respectively.

## 7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are as follows:

	Shareholding (%)		Separate financial statements				Dividend income	
	As at		As at		As at		For the nine-month periods	
	December 31,	March 31,	December 31,	March 31,	December 31,	March 31,	ended December 31,	
	2016	2016	2016	2016	2016	2016	2016	2015
<b>Investments in equity</b>								
The Siam Iron and Steel (2001) Co., Ltd.	99.99	99.99	120,000	120,000	2,554,386	2,554,386	-	-
The Siam Construction Steel Co., Ltd.	99.99	99.99	1,750,000	1,750,000	3,656,874	3,656,874	-	87,500
N.T.S. Steel Group Public Company Limited	99.76	99.76	4,627,965	4,627,965	9,181,787	9,181,787	-	-
			6,497,965	6,497,965	15,393,047	15,393,047	-	87,500
<u>Less</u> Allowance for impairment of investment			-	-	(3,380,000)	(3,380,000)	-	-
Total			6,497,965	6,497,965	12,013,047	12,013,047	-	87,500

Unit : Thousand Baht

## 8. PROPERTY, PLANT AND EQUIPMENT

For the nine-month period ended December 31, 2016, the Group purchased property, plant and equipment of Baht 156 million. On August 30, 2016, The Siam Iron and Steel (2001) Co., Ltd. terminated Land Lease agreement dated June 26, 2007, which was made between The Siam Iron and Steel (2001) Co., Ltd and the Property Value Plus Company Limited and purchased such land of Baht 84 million, which is currently used as manufacturing plant.

Property, plant and equipment of The Siam Iron and Steel (2001) Co., Ltd., The Siam Construction Steel Co., Ltd. and N.T.S. Steel Group Public Company Limited which have net book value of Baht 3,351 million as at December 31, 2016 (Baht 3,551 million as at March 31, 2016) are used as collateral for the long-term borrowings from two domestic financial institutions.

## 9. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE

As at December 31, 2016 and March 31, 2016, the Group had unused tax losses of Baht 5,631 million and Baht 5,729 million, respectively, which were not recognised as deferred tax assets. Such tax losses will be gradually expired from March 2017 to November 2022.

For the nine-month period ended December 31, 2016, the income tax expense in the interim consolidated and separate financial statements included the amount written-off of the income tax of prior years which was previously requested for the refund from the Revenue Department amounting to Baht 99.98 million and Baht 17.14 million, respectively.

Income tax rate

According to the Revenue Code Amendment Act (No. 42) B.E. 2559 which is effective from March 5, 2016 onwards, the corporate income tax is 20% of net profit for accounting period beginning on or after January 1, 2016 onwards.

## 10. TRADE AND OTHER PAYABLES

Trade and other payables consist of:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
Trade accounts payable - related parties (see Note 13)	26,218	459,311	-	-
Trade accounts payable - other companies	487,546	387,278	-	-
Other payables - related parties (see Note 13)	981	12,405	3,763	15,247
Other payables - other companies	14,198	18,856	7,836	8,285
Advance received from customer	49,397	102,507	-	-
Accrued expenses	359,599	362,898	34,164	57,234
Total	<u>937,939</u>	<u>1,343,255</u>	<u>45,763</u>	<u>80,766</u>

## 11. CURRENT PORTION OF LONG-TERM LIABILITIES

For the nine-month period ended December 31, 2016, the Company made the repayment of long-term borrowing to the financial institution of Baht 200 million. Consequently, the Company had repaid such long-term borrowings from the financial institution in full.

## 12. LEGAL RESERVE

According to the Public Companies Act B.E. 2535 requires that the Company and its subsidiary which is a public limited company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, if any, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the authorised shares capital. The legal reserve is not allowable for dividend distribution.

According to the Civil and Commercial Code, subsidiary companies which are limited company must appropriate to a reserve fund at each distribution of dividend at least one-twentieth of the profit arising from the business of that companies until the reserve fund reaches one-tenth part of capital of subsidiary companies. Such reserve is allowable for distribution as dividends.

## 13. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group by common shareholders or directors.

The pricing policies for particular types of transactions are explained further below:

	Pricing Policies
Sales	Market price
Purchases	Market price
Management fees income	Contract rate
Service fee paid	Contract rate
Interest income	Contract rate
Interest expense	Contract rate

The major related parties as at December 31, 2016 are as follows:

Type	Name	Type of Business	Relationship
Ultimate parent company	Tata Steel Limited	Manufacture steel	Ultimate parent company
Major shareholder	T S Global Holdings Pte. Ltd.	Investing	Major shareholder
Subsidiaries	The Siam Iron and Steel (2001) Co., Ltd.	Manufacture wire rods and small section products	Common shareholders and management
	The Siam Construction Steel Co., Ltd.	Manufacture steel bars	Common shareholders and managements
	N.T.S. Steel Group Public Company Limited	Manufacture, render a manufacturing service, distributions and trading of steel bars, wire rods and small section products	Common shareholder and management
Other parties	The Siam Industrial Wire Co., Ltd.	Manufacture steel wire	Same group of shareholders
	NatSteel Trade International Pte. Ltd.	Trading	Same group of shareholders
	NatSteel Recycling Pte. Ltd.	Trading	Same group of shareholders
	Tata International Metals Trading Asia Ltd.	Trading	Same group of shareholders
	Tata Steel Asia (Hong Kong) Ltd.	Trading	Same group of shareholders
	Tata Refractories Ltd.	Manufacture refractory	Same group of shareholders
	NatSteel Holdings Pte. Ltd.	Manufacture steel	Same group of shareholders
	Tata Steel UK Ltd.	Manufacture steel	Same group of shareholders
	Tata International Singapore Pte. Ltd.	Trading	Same group of shareholders
	Tata Steel IJmuiden BV	Manufacture steel	Same group of shareholders
	Tata Consultancy Services (Thailand) Ltd.	Software services	Same group of shareholders
	Tata Consultancy Services Ltd.	Software services	Same group of shareholders
	Tata Services Limited	Training services	Same group of shareholders
	Tata Sons Limited	Investment holdings and consultancy services	Same group of shareholders
	Tata Steel Resources Australia Pte. Ltd.	Procurement	Same group of shareholders
	Tata NYK Shipping Pte. Ltd.	Shipping	Same group of shareholders
	Mjunction Services Limited	Trading and procurement	Same group of shareholders
	Siam Steel Mill Services Co., Ltd.	Recycling and reprocessing steel scrap	Indirect shareholding by subsidiary
	Tata Steel Global Procurement Co. Pte. Ltd.	Trading	Same group of shareholders
	Tata Steel International (UK) Ltd.	Shipping	Same group of shareholders
	Tata Steel Nederland Services B.V.	Manufacture steel	Same group of shareholders
	Tata South East Asia Limited	Manufacture steel	Same group of shareholders
	TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholders
	Tata International Limited	Trading	Same group of shareholders
	Tata Steel Processing and Distribution Limited	Processing and distribution steel	Same group of shareholders
	Tata Projects Limited	Infrastructure projects	Same group of shareholders
	Tata South East Asia (Cambodia) Ltd.	Trading	Same group of shareholders
Natsteel (Xiamen) Ltd.	Manufacture steel	Same group of shareholders	



Balances with related parties are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
<b>Trade accounts receivable - related parties</b>				
Tata Steel Limited	84,776	170,752	-	-
The Siam Industrial Wire Co., Ltd.	12,809	-	-	-
TSN Wires Co., Ltd.	8,132	4,616	-	-
Total	<u>105,717</u>	<u>175,368</u>	<u>-</u>	<u>-</u>

Trade accounts receivable from related parties are aged as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
Within credit terms	104,636	175,368	-	-
Overdue: not over 3 months	1,081	-	-	-
Total	<u>105,717</u>	<u>175,368</u>	<u>-</u>	<u>-</u>

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
<b>Other receivables - related parties</b>				
Tata Steel Limited	16	16	16	16
The Siam Iron and Steel (2001) Co., Ltd.	-	-	7,877	9,038
The Siam Construction Steel Co., Ltd.	-	-	15,088	15,906
N.T.S. Steel Group Public Company Limited	-	-	19,829	10,650
Tata Consultancy Services (Thailand) Ltd.	5	-	5	-
Tata Sons Limited	-	129	-	129
Siam Steel Mill Services Co., Ltd.	502	805	-	-
Total	<u>523</u>	<u>950</u>	<u>42,815</u>	<u>35,739</u>
<b>Short-term loans to a related party</b>				
N.T.S. Steel Group Public Company Limited	<u>-</u>	<u>-</u>	<u>2,533,800</u>	<u>1,965,744</u>

Short-term loans to a related party are non-collateralised loans carrying interest as at March 31, 2016 at 1% - 5.5% per annum. From April 1, 2016, the Company adjusted the interest rates to 2% - 5.5% per annum.

Movements during the periods on short-term loans to a related party are as follows:

	<b>Consolidated financial statements</b>	<b>Unit : Thousand Baht Separate financial statements</b>
<b>As at March 31, 2015</b>	-	1,612,507
Increase	-	<u>353,237</u>
<b>As at March 31, 2016</b>	-	1,965,744
Increase	-	<u>568,056</u>
<b>As at December 31, 2016</b>	<u>-</u>	<u>2,533,800</u>

	<b>Consolidated financial statements</b>		<b>Unit : Thousand Baht Separate financial statements</b>	
	<b>“UNAUDITED”</b>		<b>“UNAUDITED”</b>	
	<b>As at December 31, 2016</b>	<b>As at March 31, 2016</b>	<b>As at December 31, 2016</b>	<b>As at March 31, 2016</b>
<b>Long-term loan to a related party</b>				
N.T.S. Steel Group Public Company Limited (Interest rate at MLR - 2.00% p.a.)	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>

The long-term loan to a related party is non-collateralised loan according to the loan agreements dated November 9, 2007.

In November 2011, the Company made the supplement to the long-term loan agreements in order to extend the first repayment to November 30, 2012 and the last installment repayment is on August 31, 2016 with carrying interest rate of MLR - 2.00% per annum.

As at March 31, 2016, the related party had remaining long-term loan of Baht 200 million, which was due within one year.

During the nine-month periods ended December 31, 2016 and 2015, there was no additional long-term loan granted to the related party. The Company received the long-term loan repayment from the related party during the periods of Baht 200 million and Baht 765 million, respectively. On August 31, 2016, the related party made repayment of such long-term loan in full.

	<b>Consolidated financial statements</b>		<b>Unit : Thousand Baht Separate financial statements</b>	
	<b>“UNAUDITED”</b>		<b>“UNAUDITED”</b>	
	<b>As at December 31, 2016</b>	<b>As at March 31, 2016</b>	<b>As at December 31, 2016</b>	<b>As at March 31, 2016</b>
<b>Other non-current asset</b>				
T S Global Holdings Pte. Ltd.*	<u>71,220</u>	<u>71,220</u>	<u>71,220</u>	<u>71,220</u>

\* The Company had paid for the advance payment for Brand Promotion fee, approximately Baht 71 million which was paid in 2008. During the year 2014, the receivable was changed from Tata Sons Limited to T S Global Holdings Pte. Ltd.

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at	As at	As at	As at
	December 31,	March 31,	December 31,	March 31,
	2016	2016	2016	2016
<b>Trade accounts payable - related parties</b>				
Tata Steel Limited	8,064	-	-	-
NatSteel Recycling Pte. Ltd.	(11)	(498)	-	-
Tata International Metals Trading Asia Ltd.	-	436,940	-	-
Tata International Singapore Pte. Ltd.	-	5,340	-	-
Siam Steel Mill Services Co., Ltd.	18,165	17,529	-	-
Total	<u>26,218</u>	<u>459,311</u>	<u>-</u>	<u>-</u>
<b>Other payables - related parties</b>				
Tata Steel Limited	-	326	-	326
The Siam Iron and Steel (2001) Co., Ltd.	-	-	760	825
The Siam Construction Steel Co., Ltd.	-	-	2,624	2,206
N.T.S. Steel Group Public Company Limited	-	-	43	117
Tata Sons Limited	-	11,773	-	11,773
Siam Steel Mill Services Co., Ltd.	645	306	-	-
Tata South East Asia (Cambodia) Ltd.	336	-	336	-
Total	<u>981</u>	<u>12,405</u>	<u>3,763</u>	<u>15,247</u>
<b>Advance received from customer</b>				
The Siam Industrial Wire Co., Ltd.	-	46,100	-	-
<b>Short-term borrowing from related parties</b>				
T S Global Holdings Pte. Ltd.				
(Interest at LIBOR + 2.5% p.a.)	-	201,822	-	201,822
The Siam Iron and Steel (2001) Co., Ltd.				
(Interest at 1.5% p.a.)	-	-	458,516	532,352
The Siam Construction Steel Co., Ltd.				
(Interest at 1.5% p.a.)	-	-	1,942,757	1,519,414
Total	<u>-</u>	<u>201,822</u>	<u>2,401,273</u>	<u>2,253,588</u>
<b>Current portion of long-term borrowing from a related party**</b>				
T S Global Holdings Pte. Ltd.	<u>270,596</u>	<u>-</u>	<u>270,596</u>	<u>-</u>
<b>Long-term borrowing from a related party**</b>				
T S Global Holdings Pte. Ltd.	<u>-</u>	<u>270,596</u>	<u>-</u>	<u>270,596</u>

\*\* The Company requested for the extension of long-term borrowing repayment from a related party that falls due on August 31, 2016 to December 31, 2017. The Company has obtained a confirmation letter from such related party. The long-term borrowing from a related party carries no interest

Significant transactions for the three-month periods ended December 31, with related parties are summarised as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	“UNAUDITED”			
	For the three-month periods ended December 31,			
	2016	2015	2016	2015
<b>Revenues</b>				
Sales				
Tata Steel Limited	85,073	-	-	-
The Siam Industrial Wire Co., Ltd.	104,789	78,024	-	-
TSN Wires Co., Ltd.	36,353	12,393	-	-
Total	<u>226,215</u>	<u>90,417</u>	<u>-</u>	<u>-</u>
Management fees income***				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	21,480	14,999
The Siam Construction Steel Co., Ltd.	-	-	41,490	29,270
N.T.S. Steel Group Public Company Limited	-	-	42,990	3,000
Total	<u>-</u>	<u>-</u>	<u>105,960</u>	<u>47,269</u>
Interest income				
N.T.S. Steel Group Public Company Limited	<u>-</u>	<u>-</u>	<u>13,103</u>	<u>10,275</u>
Dividend received				
The Siam Construction Steel Co., Ltd.	-	-	-	87,500
Siam Steel Mill Services Co., Ltd.	-	52,560	-	-
Total	<u>-</u>	<u>52,560</u>	<u>-</u>	<u>87,500</u>
Other income				
Siam Steel Mill Services Co., Ltd.	<u>1,740</u>	<u>2,600</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>				
Purchases				
Tata Steel Limited	5,571	-	-	-
NatSteel Recycling Pte. Ltd.	30,364	-	-	-
Tata International Metals Trading Asia Ltd.	306,959	171,633	-	-
Tata International Singapore Pte. Ltd.	-	(64)	-	-
Siam Steel Mill Services Co., Ltd.	46,540	31,737	-	-
Natsteel (Xiamen) Ltd.	2,317	-	-	-
Total	<u>391,751</u>	<u>203,306</u>	<u>-</u>	<u>-</u>
Interest expenses				
T S Global Holdings Pte. Ltd.	-	3,135	-	3,135
The Siam Iron and Steel (2001) Co., Ltd.	-	-	2,047	1,426
The Siam Construction Steel Co., Ltd.	-	-	7,744	4,981
Total	<u>-</u>	<u>3,135</u>	<u>9,791</u>	<u>9,542</u>

\*\*\* In 2010, the parent company made the agreement for management fee by determining based on 2.0% of the annual net sales. In case that subsidiaries have the annual loss excluding management fee, the parent company shall charge such management fee not exceed Baht 1 million per month. This agreement was effective on April 1, 2010. Subsequently, in 2016, the parent company has renewed the agreement for management fee which charges at cost plus 6%. Such agreement is effective on April 1, 2016, onwards.

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	“UNAUDITED”			
	For the three-month periods ended December 31,			
	2016	2015	2016	2015
Other expenses				
Tata Steel Limited	-	387	-	387
The Siam Industrial Wire Co., Ltd.	5	69	5	-
Tata Sons Limited	-	610	-	610
Siam Steel Mill Services Co., Ltd.	2,497	2,326	-	-
Tata South East Asia (Cambodia) Ltd	701	-	701	-
Total	<u>3,203</u>	<u>3,392</u>	<u>706</u>	<u>997</u>
Key management compensation				
Short-term employee benefits	11,473	14,448	11,473	14,448
Post-employment benefits	541	610	541	610
Total	<u>12,014</u>	<u>15,058</u>	<u>12,014</u>	<u>15,058</u>

Significant transactions for the nine-month periods ended December 31, with related parties are summarised as follows:

	Unit : Thousand Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	“UNAUDITED”			
	For the nine-month periods ended December 31,			
	2016	2015	2016	2015
<b>Revenues</b>				
Sales				
Tata Steel Limited	249,406	417,949	-	-
The Siam Industrial Wire Co., Ltd.	272,867	375,213	-	-
TSN Wires Co., Ltd.	55,672	29,559	-	-
Total	<u>577,945</u>	<u>822,721</u>	<u>-</u>	<u>-</u>
Management fees income***				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	64,440	50,739
The Siam Construction Steel Co., Ltd.	-	-	124,470	99,886
N.T.S. Steel Group Public Company Limited	-	-	128,970	9,009
Total	<u>-</u>	<u>-</u>	<u>317,880</u>	<u>159,634</u>
Interest income				
N.T.S. Steel Group Public Company Limited	-	-	40,878	37,021
Dividend received				
The Siam Construction Steel Co., Ltd.	-	-	-	87,500
Siam Steel Mill Services Co., Ltd.	-	52,560	-	-
Total	<u>-</u>	<u>52,560</u>	<u>-</u>	<u>87,500</u>
Other income				
Siam Steel Mill Services Co., Ltd.	6,380	6,384	-	-

\*\*\* In 2010, the parent company made the agreement for management fee by determining based on 2.0% of the annual net sales. In case that subsidiaries have the annual loss excluding management fee, the parent company shall charge such management fee not exceed Baht 1 million per month. This agreement was effective on April 1, 2010. Subsequently, in 2016, the parent company has renewed the agreement for management fee which charges at cost plus 6%. Such agreement is effective on April 1, 2016, onwards.

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	“UNAUDITED”			
	For the nine-month periods ended December 31,			
	2016	2015	2016	2015
<b>Expenses</b>				
Purchases				
Tata Steel Limited	6,508	-	-	-
NatSteel Recycling Pte. Ltd.	62,688	239	-	-
Tata International Metals Trading Asia Ltd.	725,256	1,290,856	-	-
Tata International Singapore Pte. Ltd.	16,378	24,536	-	-
Siam Steel Mill Services Co., Ltd	139,992	144,321	-	-
Tata International Limited	4,677	22,790	-	-
Natsteel (Xiamen) Ltd.	2,317	-	-	-
Total	<u>957,816</u>	<u>1,482,742</u>	<u>-</u>	<u>-</u>
Interest expenses				
T S Global Holdings Pte. Ltd.	1,520	4,847	1,520	4,847
The Siam Iron and Steel (2001) Co., Ltd.	-	-	6,360	3,103
The Siam Construction Steel Co., Ltd.	-	-	21,204	14,226
Total	<u>1,520</u>	<u>4,847</u>	<u>29,084</u>	<u>22,176</u>
Other expenses				
Tata Steel Limited	1,414	387	1,414	387
The Siam Industrial Wire Co., Ltd.	42	240	5	-
NatSteel Recycling Pte. Ltd.	22	-	-	-
NatSteel Holdings Pte. Ltd.	-	60	-	20
Tata Sons Limited	769	610	769	610
Mjunction Services Limited	58	488	-	-
Siam Steel Mill Services Co., Ltd.	5,800	7,308	-	-
Tata South East Asia (Cambodia) Ltd.	2,707	-	2,707	-
Total	<u>10,812</u>	<u>9,093</u>	<u>4,895</u>	<u>1,017</u>
Key management compensation				
Short-term employee benefits	44,968	44,192	44,968	44,192
Post-employment benefits	15,892	17,634	15,892	17,634
Total	<u>60,860</u>	<u>61,826</u>	<u>60,860</u>	<u>61,826</u>

## 14. FAIR VALUE MEASUREMENT

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets and financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Valuation techniques and key inputs for fair value Measurement
	Fair value as at		Fair value as at			
	December 31, 2016	March 31, 2016	December 31, 2016	March 31, 2016		
	(Thousand Baht)		(Thousand Baht)			
<u>Financial assets</u>						
1. Foreign currency forward contracts	10,151	2,023	-	-	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2. Available-for-sale investments	3,600	2,200	-	-	Level 1	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
<u>Financial liabilities</u>						
1. Foreign currency forward contracts	542	24,586	-	2,837	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

These financial assets and financial liabilities are presented as part of other current assets and other current liabilities in the statement of financial position.

## 15. COMMITMENTS

The Group had the commitments as follows:

- 15.1 Letters of credit opened but are not qualified as liabilities as at December 31, 2016 and March 31, 2016 are as follows:

	Unit : Thousand Consolidated financial statements “UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016
	<b>Currencies</b>	
USD	7,808	19,907
EUR	862	27

- 15.2 Letters of guarantee issued by the commercial banks to the Revenue Department, Electricity Authorities, Industrial Estate Authority of Thailand and Bureau of Indian Standards as at December 31, 2016 and March 31, 2016 amounting to Baht 325 million and Baht 386 million, respectively, in the normal courses of business which have the deposit at financial institutions used as collateral as at December 31, 2016 and March 31, 2016 of Baht 21 million and Baht 32.11 million, respectively.

- 15.3 Commitments on purchase and installation of machinery as at December 31, 2016 and March 31, 2016 are as follows:

	Unit : Thousand Consolidated financial statements “UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016
	<b>Currencies</b>	
THB	19,868	670
EUR	52	-

- 15.4 As at December 31, 2016 and March 31, 2016, the Group had operating lease commitments for land, office building, vehicles and office equipment (including service charges) as follows:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at December 31, 2016	As at March 31, 2016	As at December 31, 2016	As at March 31, 2016
	Within one year	31,954	28,330	23,151
After one year but not over five years	51,219	33,960	35,413	14,252
Total	<u>83,173</u>	<u>62,290</u>	<u>58,564</u>	<u>27,401</u>



## **16. CONTINGENT LIABILITIES**

For fiscal year ended March 31, 2014, The Siam Construction Steel Company Limited, a subsidiary, received the notifications from the Revenue Department informing the assessments of additional surcharge of Baht 16.29 million in respect of the half-year corporate income tax filing for the year ended March 31, 2008 which the subsidiary under-estimated the net profit for that year by an amount exceeding 25 percent of the actual net profit. The subsidiary considered that there was a reasonable event occurred in the second half of that year that caused the net-profit under-estimated. The subsidiary has made the appeal to the Revenue Department and as at December 31, 2016, the result of this assessment has not been finalised. However, the subsidiary expected that there would not be additional surcharge to be paid and has not recorded the provisions in the financial statements.

## **17. SEGMENT INFORMATION**

Operating segment information is reported in a manner consistent with the Group's internal reports that are regularly obtained and reviewed by the chief operating decision maker for the purpose of the allocation of resources to the segment and assess its performance.

The Group's operations involve the single business segment of the manufacture and distribution of long steel products, which is located in Thailand. Sales of the subsidiaries are mainly local sales whereas an export sales is not significant. As a result, all the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographic area.

## **18. APPROVAL OF THE INTERIM FINANCIAL INFORMATION**

This interim financial information has been approved by the Board of Directors of the Company for issuing on February 3, 2017.