

1 General information

Tata Steel (Thailand) Public Company Limited (“the Company”) is a public limited company which is incorporated and domiciled in Thailand and is listed on the Stock Exchange of Thailand with the objective to invest in other companies and provide management services. The address of the Company’s registered office is as follows:

Rasa Tower 2, 20th Floor, 555 Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The major shareholder is T S Global Holdings Pte. Ltd., which is incorporated in Singapore and hold 67.90% of the Company’s shares, and is an affiliate of Tata Steel Limited, a listed company incorporated under the law of India.

The principal business operation of the Group is manufacturing, rendering manufacturing services, distributing and trading of steel bars, wire rods and small section products.

As at 31 December 2017 and 31 March 2017, N.T.S. Steel Group Public Company Limited (“N.T.S.”) which is a subsidiary has total current liabilities exceeding total current assets by Baht 1,904 million and Baht 2,573 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 2,796 million and Baht 2,720 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. In addition, the Company manages the liquidity based on a group basis.

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 30 January 2018.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2017.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards which are effective for the accounting periods beginning on or after 1 January 2017 have no significant impacts on the interim financial information being presented.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)

Statement of cash flows

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure in accordance with TAS 7 as described above.

3 Estimates

The preparation of interim consolidated and separate financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim consolidated and separate financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated and separate financial statements for the year ended 31 March 2017.

4 Fair value estimation

The different levels of financial instruments carried at fair value, by valuation method have been defined as follows:

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

Financial assets carried on the statement of financial position include cash and cash equivalents, trade and other receivables, short-term loans to a subsidiary, and investments in subsidiaries. Financial liabilities carried on the statement of financial position include short-term loans from financial institutions, trade and other payables, short-term loans from subsidiaries, and long-term loan from financial institutions.

Financial assets include cash and cash equivalents, trade and other receivables and financial liabilities include short-term loans from financial institutions, trade and other payables. Such financial assets and liabilities are approximately to the carrying amounts due to their short maturities.

There were no transfers between level 1 and 2 during the period.

There were no changes in valuation techniques during the period.

5 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Cash on hand	1	4	-	-
Deposits at banks - savings accounts	311,192	888,181	237,776	784,936
- current accounts	22,127	42,108	2,265	1,404
Short-term bank deposits	200,042	42	200,042	42
	<u>533,362</u>	<u>930,335</u>	<u>440,083</u>	<u>786,382</u>

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017	Audited 31 March 2017	Unaudited 31 December 2017	Audited 31 March 2017
Interest rate (%per annum)				
Deposits at banks - saving accounts	0.05% - 0.50%	0.05% - 0.80%	0.10% - 0.50%	0.10% - 0.80%
Short-term bank deposits	0.65% - 1.00%	1.00%	0.65% - 1.00%	1.00%

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

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Loss from impairment of non-current assets classified as held-for-sale	35,000	-	-	-
(Gain) Loss on disposal of plant and equipment	(182)	1,708	(143)	-
Loss from writing-off of plant and equipment	39	4	-	4
Gain from reversal of credit notes	(1)	(163)	-	-
	<u>34,856</u>	<u>1,549</u>	<u>(143)</u>	<u>4</u>

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

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Decrease in other current assets and other non-current assets	37,336	31,422	11,573	21,585
Decrease in other current liabilities and other non-current liabilities	(15,175)	(15,593)	(1,828)	(986)
	<u>22,161</u>	<u>15,829</u>	<u>9,745</u>	<u>20,599</u>

5 Cash and cash equivalents (Cont'd)

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

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Interest paid	(73,869)	(84,272)	(47,750)	(53,630)

e) Non-cash transactions in the consolidated and the separate interim financial information are as follows:

The recording of investments in available-for-sale securities in the consolidated financial information at fair value. For the nine-month period ended 31 December 2017, the Group recorded unrealised gain on such investments of Baht 0.5 million (2016 : Baht 1.4 million).

On 25 April 2017, the Board of Directors of T S Global Holdings Pte. Ltd. ("TSGH") approved for offsetting the other receivable from TSGH of Baht 71 million which was presented as non-current assets in prior period and current portion of long-term borrowings (Note 14 e)).

Non-cash items from purchase and increase of plant and equipment and intangible assets for the nine-month periods ended 31 December, are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Payables for plant and equipment and intangible assets brought forward	37,314	13,214	11,362	2,643
<u>Add</u> Purchases during the periods	89,048	157,855	2,717	5,997
<u>Less</u> Payments during the periods	(109,835)	(163,812)	(14,079)	(7,745)
Payables for plant and equipment and intangible assets carried forward	16,527	7,257	-	895

6 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Trade receivables - other parties	925,388	731,532	-	-
- related parties (Note 14 b))	32,033	236,845	-	-
<u>Less</u> Allowance for doubtful accounts - trade receivables	(57,635)	(17,635)	-	-
Trade receivables, net	899,786	950,742	-	-
Other receivables - other parties	1,600	1,093	90	2
- related parties (Note 14 b))	458	153	50,261	116,922
Prepayments	24,478	11,942	13,360	9,874
	926,322	963,930	63,711	126,798

6 Trade and other receivables, net (Cont'd)

Outstanding trade receivables can be analysed as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Not yet due	809,963	910,432	-	-
Overdue:				
Under 3 months	53,503	39,489	-	-
3 - 6 months	75,588	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	18,367	18,456	-	-
	957,421	968,377	-	-
<u>Less</u> Allowance for doubtful accounts - trade receivables	(57,635)	(17,635)	-	-
	899,786	950,742	-	-

In 2008, the Group has entered into a "Receivable Purchase Agreement" to do account receivables factoring 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 nine-month periods ended 31 December 2017 and 2016, the Group had sold receivables to the financial institution amounting to Baht 6,033 million and Baht 5,658 million, respectively.

7 Non-current assets classified as held-for-sale

In August 2011, the Group's management had decided to cease production of the Mini Blast Furnace ("MBF") at N.T.S., the Company's subsidiary in view of the high volatility of MBF raw material prices and the prices being relatively higher than scrap prices, which adversely impacting the viability of costs of steel produced through the MBF route.

As at 31 March 2017, the Group's management plans to dispose MBF machinery, equipment and its spare parts and store supplies. The Group had active programme to locate buyers, which expected to dispose such assets within 1 year. Therefore, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets held for sale. The net realisable value as at 31 March 2017 was Baht 521 million.

On 15 November 2017, the Group entered into an asset purchase agreement with a buyer for the disposal of MBF machinery, equipment, its spare parts and store supplies. The Group's management has made an additional provision for impairment of assets amounting Baht 35 million resulted from changes in the exchange rate. This has been recorded in other expenses in the consolidated statement of comprehensive income. Consequently, the net realisable value as at 31 December 2017 was Baht 486 million.

As at 31 December 2017, while the Group's management remains committed to the plan of disposal, it is expected that the dismantling and despatch will take 12-18 months and hence the sales process not to get completed within 31 March 2018. Accordingly, the MBF assets continue to be classified as non-current assets classified as held-for-sale as at 31 December 2017.

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Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2017

8 Investments in subsidiaries

The investments in subsidiaries are as follows:

Company name	Country of incorporation	% Ownership interest		Separate financial information (Unit : Thousand Baht)					
		31 December 2017	31 March 2017	Cost method 31 December 2017			Cost method 31 March 2017		
		%	%	Cost	Provision for impairment	Net book value	Cost	Provision for impairment	Net book value
The Siam Iron and Steel (2001) Co., Ltd.	Thailand	99.99	99.99	2,554,386	-	2,554,386	2,554,386	-	2,554,386
The Siam Construction Steel Co., Ltd.	Thailand	99.99	99.99	3,656,874	-	3,656,874	3,656,874	-	3,656,874
N.T.S. Steel Group Public Company Limited	Thailand	99.76	99.76	9,181,787	(3,380,000)	5,801,787	9,181,787	(3,380,000)	5,801,787
				<u>15,393,047</u>	<u>(3,380,000)</u>	<u>12,013,047</u>	<u>15,393,047</u>	<u>(3,380,000)</u>	<u>12,013,047</u>

9 Property, plant, equipment and intangible assets, net

The movements of property, plant, equipment and intangible assets are as follows:

	Consolidated financial information		Separate financial information	
	Property, plant, and equipment Thousand Baht	Intangible assets Thousand Baht	Property, plant, and equipment Thousand Baht	Intangible Assets Thousand Baht
For the nine-month period ended 31 December 2017				
Opening net book amount (Audited)	3,632,844	48,023	40,432	47,245
Additions	87,198	1,850	1,636	1,081
Disposals, net	(1,150)	-	(16)	-
Write-off, net	(39)	-	-	-
Depreciation and amortisation	(350,802)	(18,555)	(7,107)	(18,297)
Closing net book amount (Unaudited)	<u>3,368,051</u>	<u>31,318</u>	<u>34,945</u>	<u>30,029</u>

On 14 June 2017, there was a fire occurred at the power sub-station of The Siam Iron and Steel (2001) Co., Ltd. From this incident, building, machinery and equipment, which are fully depreciated were partially damaged. The subsidiary is in the damage claim process from insurance company. In third quarter, the subsidiary received for damage claim interim payment amounting to Baht 25 million which were recorded as other income in consolidated statement of comprehensive income.

10 Goodwill, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
At the beginning of the period	3,456,014	3,456,014	-	-
Impairment	-	-	-	-
At the end of the period	<u>3,456,014</u>	<u>3,456,014</u>	<u>-</u>	<u>-</u>

11 Deferred tax assets and income tax expense

As at 31 December 2017 and 31 March 2017, the Group had unused tax losses of Baht 5,499 million and Baht 5,635 million, respectively, which were not recognised as deferred tax assets. Such tax losses will be gradually expired from March 2018 to November 2022.

12 Short-term borrowings from financial institutions

The movements of short-term borrowings from financial institutions comprise the following:

	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
For the nine-month period ended 31 December 2017		
At the beginning of the period (Audited)	2,194,927	150,000
Additions during the period	200,000	200,000
Repayments during the period	(787,400)	(350,000)
At the end of the period (Unaudited)	<u>1,607,527</u>	<u>-</u>

Short-term borrowings from financial institutions - subsidiaries

As at 31 December 2017, short-term borrowings from financial institutions of subsidiaries in amount of Baht 1,608 million (31 March 2017 : Baht 2,195 million) bear interest rate at BIBOR+2% per annum (31 March 2017 : interest rate at BIBOR+2% per annum).

13 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Trade payables - other companies	752,298	687,857	-	-
- related parties (Note 14 b))	9,306	2,493	-	-
Other payables - other companies	25,144	41,188	8,617	15,236
- related parties (Note 14 b))	939	28,009	3,491	31,202
Advance received from customers	28,737	50,452	-	-
Accrued expenses - other companies	445,779	558,377	38,186	91,845
	<u>1,262,203</u>	<u>1,368,376</u>	<u>50,294</u>	<u>138,283</u>

14 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
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14 Related party transactions (Cont'd)

Relationship between company and related parties:

Name	Type of Business	Relationship
Tata Steel Limited	Manufacture steel	Ultimate parent company
T S Global Holdings Pte. Ltd.	Investing	Major shareholder
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
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
T S 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
T S 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
Tata Technologies (Thailand) Co., Ltd.	IT Services	Same group of shareholders
Tata Technologies Pte. Ltd.	IT Services	Same group of shareholders
Tata Motors (Thailand) Co., Ltd.	Manufacture automobile	Same group of shareholders
Tata Communications (Thailand) Co., Ltd.	IT and Telecommunication Services	Same group of shareholders
YORK Sales (Thailand) Co., Ltd.	Trading	Same group of shareholders

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2017

14 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

a) Related party transactions for the three-month periods ended 31 December 2017 and 2016

For the three-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	-	85,073	-	-
The Siam Industrial Wire Co., Ltd.	203,038	104,789	-	-
TSN Wires Co., Ltd.	39,915	36,353	-	-
Tata Projects Limited	3,275	-	-	-
Total	246,228	226,215	-	-
Interest income				
N.T.S. Steel Group Public Company Limited	-	-	21,933	13,103
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	23,160	21,480
The Siam Construction Steel Co., Ltd.	-	-	43,830	41,490
N.T.S. Steel Group Public Company Limited	-	-	51,450	42,990
Total	-	-	118,440	105,960

The Company has made the service agreement with subsidiaries which charges at the rate specified in the agreement and calculated by cost plus method.

For the three-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Expenses				
Purchases				
Tata Steel Limited	12,785	5,571	-	-
NatSteel Recycling Pte. Ltd.	199,712	30,364	-	-
Tata International Metals Trading Asia Ltd	-	306,959	-	-
Tata International Singapore Pte. Ltd.	29,546	-	-	-
Natsteel (Xiamen) Ltd.	-	2,317	-	-
Total	242,043	345,211	-	-
Interest expenses				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	1,221	2,047
The Siam Construction Steel Co., Ltd.	-	-	6,142	7,744
Total	-	-	7,363	9,791
Other expenses				
Tata Steel Limited	22	-	22	-
The Siam Industrial Wire Co., Ltd.	-	5	-	5
Tata Sons Limited	786	-	786	-
Tata South East Asia (Cambodia) Ltd.	804	701	804	701
Total	1,612	706	1,612	706
Key management compensation				
Short-term employee benefits	11,917	11,473	11,917	11,473
Post-employment benefits	608	541	608	541
Total	12,525	12,014	12,525	12,014

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2017

14 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

a) Related party transactions for the nine-month periods ended 31 December 2017 and 2016 (Cont'd)

For the nine-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	208,463	249,406	-	-
The Siam Industrial Wire Co., Ltd.	489,380	272,867	-	-
NatSteel Holdings Pte. Ltd.	53,115	-	-	-
TSN Wires Co., Ltd.	128,349	55,672	-	-
Tata Projects Limited	3,275	-	-	-
Total	882,582	577,945	-	-
Interest income				
N.T.S. Steel Group Public Company Limited	-	-	63,172	40,878
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	71,250	64,440
The Siam Construction Steel Co., Ltd.	-	-	134,790	124,470
N.T.S. Steel Group Public Company Limited	-	-	157,650	128,970
Total	-	-	363,690	317,880
Other income				
NatSteel Holdings Pte. Ltd.	80	-	-	-

The Company has made the service agreement with subsidiaries which charges at the rate specified in the agreement and calculated by cost plus method.

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2017

14 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

a) Related party transactions for the nine-month periods ended 31 December 2017 and 2016 (Cont'd)

For the nine-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht	Unaudited 2017 Thousand Baht	Unaudited 2016 Thousand Baht
Expenses				
Purchases				
Tata Steel Limited	12,785	6,508	-	-
NatSteel Recycling Pte. Ltd.	523,843	62,688	-	-
Tata International Metals Trading Asia Ltd.	-	725,256	-	-
Tata International Singapore Pte. Ltd.	37,392	16,378	-	-
Natsteel (Xiamen) Ltd.	-	2,317	-	-
Tata International Limited	6,874	4,677	-	-
Total	580,894	817,824	-	-
Purchases of assets				
Tata Steel Limited	-	1,414	-	1,414
Tata Technologies Pte. Ltd.	882	-	882	-
Total	882	1,414	882	1,414
Interest expenses				
T S Global Holdings Pte. Ltd.	-	1,520	-	1,520
The Siam Iron and Steel (2001) Co., Ltd.	-	-	3,910	6,360
The Siam Construction Steel Co., Ltd.	-	-	17,023	21,204
Total	-	1,520	20,933	29,084
Other expenses				
Tata Steel Limited	22	1,414	22	1,414
The Siam Industrial Wire Co., Ltd.	-	42	-	5
NatSteel Recycling Pte. Ltd.	-	22	-	-
Tata Sons Limited	806	769	806	769
Mjunction Services Limited	116	58	116	-
Tata South East Asia (Cambodia) Ltd.	2,201	2,707	2,201	2,707
Tata Technologies (Thailand) Co., Ltd.	850	-	850	-
Total	3,995	5,012	3,995	4,895
Key management compensation				
Short-term employee benefits	46,043	41,369	46,043	41,369
Post-employment benefits	17,557	15,892	17,557	15,892
Total	63,600	57,261	63,600	57,261

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2017

14 Related party transactions (Cont'd)

- b) **Outstanding balance arising from sale/purchases of goods, services and others as at 31 December 2017 and 31 March 2017 are as follows:**

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Trade receivable - related parties				
Tata Steel Limited	-	196,224	-	-
The Siam Industrial Wire Co., Ltd.	20,678	33,585	-	-
TSN Wires Co., Ltd.	7,851	7,036	-	-
Tata Projects Limited	3,504	-	-	-
Total	32,033	236,845	-	-
Other receivables - related parties				
Tata Steel Limited	24	16	24	16
The Siam Iron and Steel (2001) Co., Ltd.	-	-	8,277	21,327
The Siam Construction Steel Co., Ltd.	-	-	15,648	43,493
N.T.S. Steel Group Public Company Limited	-	-	25,878	51,949
The Siam Industrial Wire Co., Ltd.	186	-	186	-
Tata Sons Limited	-	137	-	137
Tata Technologies (Thailand) Co., Ltd.	20	-	20	-
Tata Motors (Thailand) Co., Ltd.	186	-	186	-
Tata Communications (Thailand) Co., Ltd.	21	-	21	-
YORK Sales (Thailand) Co., Ltd.	21	-	21	-
Total	458	153	50,261	116,922
Other non-current asset				
T S Global Holdings Pte. Ltd. (Note 14 e))	-	71,220	-	71,220
Trade payable - related parties				
Tata Steel Limited	2,347	2,493	-	-
Tata International Singapore Pte. Ltd.	6,959	-	-	-
Total	9,306	2,493	-	-
Other payables - related parties				
Tata Steel Limited	-	3,978	-	3,978
The Siam Iron and Steel (2001) Co., Ltd.	-	-	346	627
The Siam Construction Steel Co., Ltd.	-	-	2,189	2,552
N.T.S. Steel Group Public Company Limited	-	-	17	14
Tata Sons Limited	-	23,361	-	23,361
Tata South East Asia (Cambodia) Ltd.	939	670	939	670
Total	939	28,009	3,491	31,202

14 Related party transactions (Cont'd)

c) Short-term loans to a subsidiary

The movements of short-term loans to a subsidiary comprise the following:

	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
For the nine-month period ended 31 December 2017		
At the beginning of the period (Audited)	-	2,719,634
Additions of loans during the period	-	76,063
At the end of the period (Unaudited)	-	2,795,697

As at 31 December 2017, short-term loans to a subsidiary in amount of Baht 2,796 million (31 March 2017 : Baht 2,720 million) bear interest rate at 3.0% per annum (31 March 2017 : interest rate at 2.0% - 5.5% per annum), are non-collateralised loans and not specified maturity date.

d) Short-term borrowings from subsidiaries

The movements of short-term borrowings from subsidiaries comprise the following:

	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
For the nine-month period ended 31 December 2017		
At the beginning of the period (Audited)	-	1,988,798
Repayments during the period	-	(163,975)
At the end of the period (Unaudited)	-	1,824,823

As at 31 December 2017, short-term borrowings from subsidiaries for the Company in the amount of Baht 1,825 million (31 March 2017 : Baht 1,989 million) bear interest rate at 1.5% per annum (31 March 2017 : interest rate at 1.5% per annum) and are non-collateralised loans and not specified maturity date.

e) Long-term borrowings from a related party

Long-term borrowings from a related party comprise the following:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Current portion of long-term borrowings from a related party	199,376	270,596	199,376	270,596

14 Related party transactions (Cont'd)

e) Long-term borrowings from a related party (Cont'd)

The movements of long-term borrowings from a related party comprise the following:

For the nine-month period ended 31 December 2017	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
At the beginning of the period (Audited)	270,596	270,596
Repayments during the period	<u>(71,220)</u>	<u>(71,220)</u>
At the end of the period (Unaudited)	<u>199,376</u>	<u>199,376</u>

The Company had paid for the advance payment for Brand Promotion fee of Tata Sons Limited of Baht 71 million in 2008. During the year 2014, the receivable was changed from Tata Sons Limited to T S Global Holdings Pte. Ltd. ("TSGH"). On April 25, 2017, the Board of Directors of TSGH approved for offsetting such other receivable as part of other non-current assets from TSGH of Baht 71 million and current portion of long-term borrowings.

On 18 April 2016, the related party agreed with the Company to extend long-term borrowings repayment that fell due on 31 August 2016 to 31 December 2017.

As at 31 December 2017, long-term borrowings from a related company in amount of Baht 199 million (31 March 2017 : Baht 271 million) bear no interest (31 March 2017 : no interest).

On 12 January 2018, the Company made repayment in full amount of long-term borrowings from a related party.

15 Commitments

Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial information is as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Buildings and equipment	7,413	22,988	-	880
Computer software	2,237	-	2,237	-

15 Commitments (Cont'd)

Operating lease commitments - where the Group is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

The Group leases various land, office building, vehicles and office equipment (including service charges). The minimum lease payments under these non-cancellable operating lease agreements are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht	Unaudited 31 December 2017 Thousand Baht	Audited 31 March 2017 Thousand Baht
Not later than 1 year	40,160	32,375	24,254	23,384
Later than 1 year but not later than 5 years	53,117	48,664	28,678	31,736
	<u>93,277</u>	<u>81,039</u>	<u>52,932</u>	<u>55,120</u>

Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 December 2017 and 31 March 2017 are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2017 Thousand	Audited 31 March 2017 Thousand	Unaudited 31 December 2017 Thousand	Audited 31 March 2017 Thousand
Currency				
USD	1,629	4,527	-	-
EUR	170	96	-	-

16 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 information pertain to the aforementioned business segment and geographic area.

17 Contingent liabilities

For fiscal year ended 31 March 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 million in respect of the half-year corporate income tax filing for the year ended 31 March 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 31 December 2017, 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 information.

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2017

18 Letter of guarantee

Letters of guarantee issued by the financial institutions to the Revenue Department, Electricity Generating Authority of Thailand, Provincial Electricity Authority Industrial, Estate Authority of Thailand and Bureau of Indian Standards as at 31 December 2017 and 31 March 2017 amounting to Baht 325 million and Baht 305 million, respectively in the normal courses of business.

19 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 information		Separate financial information		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	fair value as at		Fair value as at			
	31 December 2017	31 March 2017	31 December 2017	31 March 2017		
	(Thousand Baht)		(Thousand Baht)			
<u>Financial assets</u>						
1. Foreign currency forward contracts (including in other current assets)	128	1,362	-	-	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 investment	3,800	3,300	-	-	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 (including in other current liabilities)	933	1,863	-	-	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.