

**TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 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. (Formerly Tata Steel 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 91% of the total sales for the three-month periods ended June 30, 2016 and 2015.

Details of the Company’s subsidiaries are as follows:

	Type of business	Shareholding (%)	
		As at June 30, 2016	As at March 31, 2016
The Siam Iron and Steel (2001) Company Limited	Manufacture wire rods and small section products	99.99	99.99
The Siam Construction Steel Company Limited	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 parties. 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 June 30, 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 2,787 million and Baht 3,010 million, respectively. However, the amount of current liabilities included the short-term borrowing from the parent company of Baht 2,885 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 September 2016 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 June 30, 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.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

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 period ended June 30, 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 date of the financial statements 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 period ended June 30, 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 authorised 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"		financial statements	
	As at	As at	As at	As at
	June 30,	March 31,	June 30,	March 31,
	2016	2016	2016	2016
Cash	1	1	-	-
Bank deposits in current accounts	28,826	31,307	1,256	399
Bank deposits in savings accounts	360,992	755,396	279,285	721,581
Time deposits with maturity not more than 3 months	200,042	400,042	200,042	400,042
Total	<u>589,861</u>	<u>1,186,746</u>	<u>480,583</u>	<u>1,122,022</u>

4.2 Other non-cash adjustment items for the three-month periods ended June 30, consist of:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	"UNAUDITED"		financial statements	
	2016	2015	2016	2015
Loss on sale of property, plant and equipment and intangible asset	-	13,229	-	-
Loss from writing off of inventories	-	2,491	-	-
Total	<u>-</u>	<u>15,720</u>	<u>-</u>	<u>-</u>

4.3 Other cash (paid) received from operating activities for the three-month periods ended June 30, consists of:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	"UNAUDITED"		financial statements	
	2016	2015	2016	2015
(Increase) decrease in other current assets and other non-current assets	(42,419)	(30,193)	3,323	892
(Decrease) increase in other current liabilities and other non-current liabilities	(5,540)	(30,198)	(135)	95
Total	<u>(47,959)</u>	<u>(60,391)</u>	<u>3,188</u>	<u>987</u>

- 4.4 Adjustment of cash occurred from borrowings for the three-month periods ended June 30, consists of:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	2016	2015	2016	2015
	Interest paid	<u>(26,711)</u>	<u>(40,486)</u>	<u>(15,176)</u>

- 4.5 Non-cash transactions in the consolidated and the separate interim financial information for the three-month period ended June 30, 2016 are as follows:

- The recording of investments in available-for-sale securities in the consolidated financial statements at fair value. For the three-month period ended June 30, 2015, the Group recorded unrealised gain on such investments of Baht 2.50 million (2016 : nil).
- Non-cash items from purchase and increase of property, plant and equipment and intangible asset for the three-month periods ended June 30, are as follows:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	2016	2015	2016	2015
	Payables for property, plant and equipment and intangible asset brought forward	13,214	12,270	2,643
<u>Add</u> Purchase during the periods	14,730	68,048	1,109	104
<u>Less</u> Payment during the periods	<u>(26,233)</u>	<u>(68,062)</u>	<u>(3,690)</u>	<u>(242)</u>
Payables for property, plant and equipment and intangible asset carried forward	<u>1,711</u>	<u>12,256</u>	<u>62</u>	<u>63</u>

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
	Trade accounts receivable - related parties (see Note 13)	197,163	175,368	-
Trade accounts receivable - other companies (see Note 6)	589,573	460,774	-	-
Other receivables - related parties (see Note 13)	1,033	950	55,430	35,739
Other receivables - other companies	1,303	12,329	96	2,819
Prepaid expenses	30,057	17,972	3,467	10,657
Total	<u>819,129</u>	<u>667,393</u>	<u>58,993</u>	<u>49,215</u>

6. TRADE ACCOUNTS RECEIVABLE - OTHER COMPANIES

Trade accounts receivable - other companies are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Within credit terms	562,166	442,720	-	-
Overdue:				
Not over 3 months	26,450	13,393	-	-
Over 3 months to 6 months	-	307	-	-
Over 6 months to 12 months	-	3,585	-	-
Over 12 months	22,832	22,644	-	-
Total	611,448	482,649	-	-
<u>Less</u> Allowance for doubtful accounts	(21,875)	(21,875)	-	-
Total	589,573	460,774	-	-

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 June 30, 2016 and 2015, the Group had sold receivables to the financial institution amounting to Baht 1,818 million and Baht 1,790 million, respectively.

7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are as follows:

	Unit : Thousand Baht					
	Ownership interest (%)		Separate financial statements Paid-up capital		Investments at cost	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Investments in equity						
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
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
<u>Less</u> Allowance for impairment of			-	-	(3,380,000)	(3,380,000)
Total			6,497,965	6,497,965	12,013,047	12,013,047

There is no declaration of dividend payment for the three-month periods ended June 30, 2016 and 2015.

8. PROPERTY, PLANT AND EQUIPMENT

For the three-month period ended June 30, 2016, the Group purchased equipment of Baht 14 million. There are no other significant transactions for purchasing or selling of property, plant and equipment during the period.

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 3,485 million as at June 30, 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 June 30, 2016 and March 31, 2016, the Group had unused tax losses of Baht 5,619 million and Baht 5,748 million, respectively, which were not recognised as deferred tax assets. Such tax losses will be gradually expired from March 2016 to November 2022.

For the three-month period ended June 30, 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 reduction

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 reduced from 30% to 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” As at June 30, 2016	As at March 31, 2016	“UNAUDITED” As at June 30, 2016	As at March 31, 2016
Trade accounts payable - related parties (see Note 13)	562,148	459,311	-	-
Trade accounts payable - other companies	399,046	387,278	-	-
Other payables - related parties (see Note 13)	12,856	12,405	15,800	15,247
Other payables - other companies	6,458	18,856	4,810	8,285
Advance received from customer	32,988	102,507	-	-
Accrued expenses	265,254	362,898	29,167	57,234
Total	<u>1,278,750</u>	<u>1,343,255</u>	<u>49,777</u>	<u>80,766</u>

11. CURRENT PORTION OF LONG-TERM LIABILITIES

For the three-month period ended June 30, 2016, the Company made the repayment of long-term borrowing to the financial institution of Baht 100 million.

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 their 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 not 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 June 30, 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. (Formerly Tata Steel 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

Type	Name	Type of Business	Relationship
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

Balances with related parties are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Trade accounts receivable - related parties				
Tata Steel Limited	166,049	170,752	-	-
The Siam Industrial Wire Co., Ltd.	27,950	-	-	-
TSN Wires Co., Ltd.	3,164	4,616	-	-
Total	<u>197,163</u>	<u>175,368</u>	<u>-</u>	<u>-</u>

Trade accounts receivable from related parties aged are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Within credit terms	188,184	175,368	-	-
Overdue: not over 3 months	8,979	-	-	-
Total	197,163	175,368	-	-

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Other receivables - related parties				
Tata Steel Limited	16	16	16	16
The Siam Iron and Steel (2001) Co., Ltd.	-	-	9,795	9,038
The Siam Construction Steel Co., Ltd.	-	-	18,068	15,906
N.T.S. Steel Group Public Company Limited	-	-	27,397	10,650
The Siam Industrial Wire Co., Ltd.	25	-	25	-
Siam Steel Mill Services Co., Ltd.	863	805	-	-
Tata Sons Limited	129	129	129	129
Total	1,033	950	55,430	35,739

Short-term loans to a related party

N.T.S. Steel Group Public Company Limited	-	-	2,784,587	1,965,744
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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 rate to 2% - 5.5% per annum.

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

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
As at March 31, 2015	-	1,612,507
Increase	-	353,237
As at March 31, 2016	-	1,965,744
Increase	-	818,843
As at June 30, 2016	-	2,784,587

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
	Long-term loan to a related party N.T.S. Steel Group Public Company Limited (Interest rate at MLR - 2.00% p.a.)	-	-	100,000

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.

During the three-month periods ended June 30, 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 100 million and Baht 335 million, respectively.

The periods of maturity are as follows:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
	Due within one year	-	-	100,000
Total	-	-	100,000	200,000

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
	Other non-current asset T S Global Holdings Pte. Ltd.* (Formerly Tata Steel Global Holdings Pte. Ltd.)	71,220	71,220	71,220

* 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. (Formerly Tata Steel Global Holdings Pte. Ltd.).

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Trade accounts payable - related parties				
NatSteel Recycling Pte. Ltd.	(476)	(498)	-	-
Tata International Metals Trading Asia Ltd.	541,550	436,940	-	-
Tata International Singapore Pte. Ltd.	3,399	5,340	-	-
Siam Steel Mill Services Co., Ltd.	17,675	17,529	-	-
Total	<u>562,148</u>	<u>459,311</u>	<u>-</u>	<u>-</u>
Other payables - related parties				
Tata Steel Limited	367	326	367	326
The Siam Iron and Steel (2001) Co., Ltd.	-	-	725	825
The Siam Construction Steel Co., Ltd.	-	-	2,487	2,206
N.T.S. Steel Group Public Company Limited	-	-	34	117
Siam Steel Mill Services Co., Ltd.	302	306	-	-
Tata Sons Limited	11,757	11,773	11,757	11,773
Tata South East Asia (Cambodia) Ltd.	430	-	430	-
Total	<u>12,856</u>	<u>12,405</u>	<u>15,800</u>	<u>15,247</u>
Advance received from customer				
The Siam Industrial Wire Co., Ltd.	-	46,100	-	-
Short-term borrowing from related parties				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel 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.)	-	-	533,735	532,352
The Siam Construction Steel Co., Ltd. (Interest at 1.5% p.a.)	-	-	1,874,088	1,519,414
Total	<u>-</u>	<u>201,822</u>	<u>2,407,823</u>	<u>2,253,588</u>
Long-term borrowing from a related party**				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.)	270,596	270,596	270,596	270,596

** 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 June 30, with related parties are summarised as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	“UNAUDITED”			
	For the three-month periods ended June 30,			
	2016	2015	2016	2015
Revenues				
Sales				
Tata Steel Limited	82,089	222,515	-	-
The Siam Industrial Wire Co., Ltd.	90,531	171,308	-	-
TSN Wires Co., Ltd.	12,866	987	-	-
Total	<u>185,486</u>	<u>394,810</u>	<u>-</u>	<u>-</u>
Management fees income***				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	21,480	18,373
The Siam Construction Steel Co., Ltd.	-	-	41,490	39,063
N.T.S. Steel Group Public Company Limited	-	-	42,990	3,009
Total	<u>-</u>	<u>-</u>	<u>105,960</u>	<u>60,445</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 the rate as specified in the agreement at the cost plus method. Such agreement is effective on April 1, 2016, onwards.

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	“UNAUDITED”			
	For the three-month periods ended June 30,			
	2016	2015	2016	2015
Interest income				
N.T.S. Steel Group Public Company Limited	<u>-</u>	<u>-</u>	<u>13,971</u>	<u>14,912</u>
Other income				
Siam Steel Mill Services Co., Ltd.	<u>2,387</u>	<u>2,235</u>	<u>-</u>	<u>-</u>
Expenses				
Purchases				
NatSteel Recycling Pte. Ltd.	32,324	239	-	-
Tata International Metals Trading Asia Ltd.	418,296	832,629	-	-
Tata International Singapore Pte. Ltd.	-	10,248	-	-
Siam Steel Mill Services Co., Ltd.	41,939	62,839	-	-
Total	<u>492,559</u>	<u>905,955</u>	<u>-</u>	<u>-</u>
Interest expenses				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.)	1,520	-	1,520	-
The Siam Iron and Steel (2001) Co., Ltd.	-	-	2,077	630
The Siam Construction Steel Co., Ltd.	-	-	6,477	5,052
Total	<u>1,520</u>	<u>-</u>	<u>10,074</u>	<u>5,682</u>

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	“UNAUDITED”			
	For the three-month periods ended June 30,			
	2016	2015	2016	2015
Other expenses				
Tata Steel Limited	43	-	43	-
The Siam Industrial Wire Co., Ltd.	-	50	-	-
NatSteel Recycling Pte. Ltd.	22	-	-	-
NatSteel Holdings Pte. Ltd.	-	60	-	20
Mjunction Services Limited	58	-	-	-
Siam Steel Mill Services Co., Ltd.	1,750	2,905	-	-
Tata Sons Limited	71	-	71	-
Tata South East Asia (Cambodia) Ltd.	1,664	-	1,664	-
Total	<u>3,608</u>	<u>3,015</u>	<u>1,778</u>	<u>20</u>
Key management compensation				
Short-term employee benefits	19,641	18,109	19,641	18,109
Post-employment benefits	14,809	16,414	14,809	16,414
Total	<u>34,450</u>	<u>34,523</u>	<u>34,450</u>	<u>34,523</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 Fair value as at		Separate financial statements Fair value as at		Fair value hierarchy	Valuation techniques and key inputs for fair value Measurement
	June 30, 2016 (Thousand Baht)	March 31, 2016 (Thousand Baht)	June 30, 2016 (Thousand Baht)	March 31, 2016 (Thousand Baht)		
<u>Financial assets</u>						
1. Foreign currency forward contracts	1,164	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	2,200	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	10,924	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, respectively, 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 June 30, 2016 and March 31, 2016 are as follows:

	Unit : Thousand Consolidated financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016
	Currencies	
USD	1,022	19,907
EUR	-	27

- 15.2 Letters of guarantee issued by the commercial banks to the Revenue Department, Electricity Authorities and Industrial Estate Authority of Thailand as at June 30, 2016 and March 31, 2016 amounting to Baht 369 million and Baht 386 million, respectively, in the normal courses of business which have the deposit at financial institutions used as collateral of Baht 32.11 million which include in other current assets amounting to Baht 8.09 million and other non-current assets amounting to Baht 24.02 million.

- 15.3 Commitments on purchase and installation of machinery as at June 30, 2016 and March 31, 2016 are as follows:

	Unit : Thousand Consolidated financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016
	Currencies	
THB	5,144	670
EUR	57	-

- 15.4 As at June 30, 2016 and March 31, 2016, the Group had operating lease commitments for land, office building, vehicles and office equipment (including service charges) as follows:

Period	Unit : Thousand Baht			
	Consolidated financial statements “UNAUDITED”		Separate financial statements “UNAUDITED”	
	As at June 30, 2016	As at March 31, 2016	As at June 30, 2016	As at March 31, 2016
Within one year	37,942	28,330	22,484	13,149
After one year but not over five years	53,081	33,960	39,293	14,252
Total	<u>91,023</u>	<u>62,290</u>	<u>61,777</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 June 30, 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 July 22, 2016.