

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 since November 2002 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 10900.

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

The major shareholder is T S Global Holdings Pte. Ltd. (“TSGH”), 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.

On 28 January 2019, the Company was notified by TSGH, the major shareholder of the Company, that TSGH had entered into a share purchase agreement with Hebsteeel Global Holding Pte. Ltd., a wholly owned subsidiary of HBIS Group Co., Ltd. (“HBIS”) in respect of sale of 67.90% of the total issued shares of the Company, by TSGH to a new company to be incorporated in Singapore by an entity controlled by HBIS and TSGH on a 70/30 basis. Subsequently, on 6 August 2019, the Company has been notified by TSGH that the relevant definitive agreements in relation to the above transaction has been terminated. TSGH mentioned that following the above, TSGH would begin engagement with other investors in continuation of its strategy to find a partner for the TSTH business.

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 2019 and 31 March 2019, 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 2,016 million and Baht 1,915 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 3,091 million and Baht 2,441 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 21 January 2020.

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 2019.

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 2019, except as described in note 3.

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 Financial reporting standards are effective for annual periods beginning on or after 1 January 2019 which are relevant to the Group.

TFRS 15	Revenue from contracts with customers
TAS 2 (revised 2018)	Share-based payment
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 15 clarifies;

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased disclosures.

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

TFRIC 22 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Group's management has assessed and considered that the above revised standards do not have significant impact on the Group except for impact on TFRS 15, Revenue from contracts with customers in note 3.

2.3 Financial reporting standards are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted these revised standards

2.3.1 Financial instruments

The new financial reporting standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

2.3.2 TFRS 16 Leases

TFRS 16 will result in almost all leases where the Group is a lessee being recognised on the balance sheet as the distinction between operating and finance lease is removed. An asset (the right to use the leased item) and financial liability to pay rentals are recognised, with exception on short-term and low-value leases.

The Group's management is currently assessing the impacts from these standards.

3 Change in accounting policies

IFRS 15, Revenue from contracts with customers

The Group has adopted the new Thai Financial Reporting Standards (IFRS) no. 15, Revenue from contracts with customers from 1 April 2019 under the modified retrospective approach and the comparative figures have not been restated. The Group applied practical expedient relates to completed contracts and contract modifications allowed by IFRS 15.

The adoption of IFRS 15 did affects the Group's accounting treatment on revenue recognition of service income related to sales. This service income is recognised overtime of performance obligation. However, the adoption of IFRS 15 are immaterial to retained earnings as at 1 April 2019 in the consolidated and separate financial information.

The following tables show the amounts by each financial information line item in the current period from the adoption of the new revenue standard compared to the previous revenue standards.

	Consolidated financial information		
	Unaudited		
	For the three-month period ended 31 December 2019		
	Balance as reported	Impacts from	Balance under
	Thousand	IFRS 15	the previous
	Baht	Thousand	revenue standards
		Thousand	Thousand
		Baht	Baht
Statement of comprehensive income			
Revenue from sales and related services	4,485,718	(4,870)	4,480,848
Cost of sales and related services	(4,385,695)	3,145	(4,382,550)
Selling expenses	(42,417)	1,726	(40,691)

	Consolidated financial information		
	Unaudited		
	For the nine-month period ended 31 December 2019		
	Balance as reported	Impacts from	Balance under
	Thousand	IFRS 15	the previous
	Baht	Thousand	revenue standards
		Thousand	Thousand
		Baht	Baht
Statement of comprehensive income			
Revenue from sales and related services	14,981,299	(54,978)	14,926,321
Cost of sales and related services	(14,528,856)	47,768	(14,481,088)
Selling expenses	(135,483)	7,210	(128,273)

4 Estimates

The preparation of interim 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 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 2019, except estimation on employee benefit obligations' discount rates were changed from those that were applied for financial statements for the year ended 31 March 2019.

5 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).

5 Fair value estimation (Cont'd)

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 finance lease liabilities.

Financial assets include cash and cash equivalents, trade and other receivables, short-term loans to a subsidiary and financial liabilities include short-term loans from financial institutions, trade and other payables, short-term loans from subsidiaries. Fair value of 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.

6 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Cash on hand	1	1	-	-
Deposits at banks - current accounts	478,016	50,127	428,458	2,312
- savings accounts	64,779	876,639	8,405	704,560
	<u>542,796</u>	<u>926,767</u>	<u>436,863</u>	<u>706,872</u>

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 %	Audited 31 March 2019 %	Unaudited 31 December 2019 %	Audited 31 March 2019 %
<u>Interest rate</u>				
Deposits at banks - current accounts	0.70	-	0.70	-
- savings accounts	0.05 - 1.30	0.05 - 0.87	0.10 - 0.50	0.10 - 0.87

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

	Consolidated financial information		Separate financial information	
	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Gain on disposal of plant and equipment	(74)	(441)	(15)	(20)
Loss from written-off of plant and equipment and intangible assets	-	1,561	-	1,561
Loss from diminution in value of inventories	3,529	17,475	-	-
Gain on sale available-for-sale investments	(130)	-	-	-
	<u>3,325</u>	<u>18,595</u>	<u>(15)</u>	<u>1,541</u>

6 Cash and cash equivalents (Cont'd)

- 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 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
(Increase) decrease in other current assets and other non-current assets	13,134	(113,724)	(247)	67
Increase (decrease) in other current liabilities and other non-current liabilities	(6,099)	1,916	2,650	(5,692)
	<u>7,035</u>	<u>(111,808)</u>	<u>2,403</u>	<u>(5,625)</u>

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

	Consolidated financial information		Separate financial information	
	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Interest paid	(47,762)	(56,119)	(20,375)	(37,130)

- 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 2018, the Group recorded unrealised loss on such investments of Baht 2.3 million.

For the nine-month period ended 31 December 2019, the Group's management has decided to dispose investments in available-for-sale securities based on market quote and recognised gains on disposal investments in available-for-sale securities of Baht 0.13 million.

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 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Payables for plant and equipment and intangible assets brought forward	59,133	13,485	3,537	254
<u>Add</u> Purchases during the periods	158,658	212,169	185	9,990
<u>Less</u> Payments during the periods	(210,822)	(212,305)	(1,742)	(9,878)
Payables for plant and equipment and intangible assets carried forward	<u>6,969</u>	<u>13,349</u>	<u>1,980</u>	<u>366</u>
Purchase of plant and equipment under finance lease liabilities	<u>-</u>	<u>42,975</u>	<u>-</u>	<u>-</u>

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7 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Trade receivables - other parties	463,874	680,939	-	-
- related parties (Note 16 b))	37,821	58,385	38,497	9,428
<u>Less</u> Allowance for doubtful accounts	(93,288)	(93,299)	-	-
Trade receivables, net	408,407	646,025	38,497	9,428
Other receivables - other parties	2,537	1,356	3	-
- related parties (Note 16 b))	44	328	7,367	7,464
Accrued income	488	669	488	669
Prepayments	19,414	27,220	4,842	13,427
	<u>430,890</u>	<u>675,598</u>	<u>51,197</u>	<u>30,988</u>

Outstanding trade receivables can be analysed as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Not yet due	341,441	531,896	38,497	9,428
Overdue:				
Under 3 months	66,948	62,413	-	-
3 - 6 months	-	51,699	-	-
6 - 12 months	-	-	-	-
Over 12 months	93,306	93,316	-	-
	501,695	739,324	38,497	9,428
<u>Less</u> Allowance for doubtful accounts	(93,288)	(93,299)	-	-
	<u>408,407</u>	<u>646,025</u>	<u>38,497</u>	<u>9,428</u>

During 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 2019 and 2018, the Group had sold receivables to the financial institution amounting to Baht 6,933 million and Baht 7,015 million, respectively.

8 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. Therefore, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets held for sale.

In accordance with TFRS 5, the assets held for sale were written down to their fair value less costs to sell of Baht 460 million. This is a non-recurring fair value which has been measured using observable inputs, being the recent proposed purchase/sales prices of assets, and is therefore within level 2 of the fair value hierarchy.

As at 31 December 2019, while the Group's management remains committed to the plan of disposal. Accordingly, the MBF assets continue to be classified as non-current assets classified as held-for-sale as at 31 December 2019.

9 Available-for-sale investments

The movement of available-for-sale investments for the nine-month period ended 31 December 2019 and for the year ended 31 March 2019 are as follows;

	Consolidated financial information		Separate financial information	
	Unaudited For the nine-month period ended 31 December 2019 Thousand Baht	Audited For the year ended 31 March 2019 Thousand Baht	Unaudited For the nine-month period ended 31 December 2019 Thousand Baht	Audited For the year ended 31 March 2019 Thousand Baht
Opening net book amount	1,200	3,500	-	-
Disposals	(1,200)	-	-	-
Changes in fair value of available-for-sale Investments	-	(2,300)	-	-
Closing net book amount	-	1,200	-	-

10 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 2019 %	31 March 2019 %	Cost method 31 December 2019			Cost method 31 March 2019		
				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
				15,393,047	(3,380,000)	12,013,047	15,393,047	(3,380,000)	12,013,047

11 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 2019				
Opening net book amount (Audited)	3,148,987	30,790	33,038	17,113
Additions	152,856	5,802	185	-
Disposals, net	(9)	-	(9)	-
Depreciation and amortisation	(341,649)	(3,830)	(7,756)	(2,098)
Closing net book amount (Unaudited)	<u>2,960,185</u>	<u>32,762</u>	<u>25,458</u>	<u>15,015</u>

On 6 October 2018, there was an explosion of electric arc furnace at the Siam Construction Steel Company Limited, a subsidiary. The incident partially damaged buildings, machinery and equipment that were mainly fully depreciated. In the nine-month period ended 31 December 2019, the subsidiary received claim payment in full from insurance companies amounting to Baht 68 million which was recorded as other income in the consolidated statement of comprehensive income.

12 Goodwill, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 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>

13 Deferred tax assets and income tax expense

Consolidated financial information

As at 31 December 2019, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 1,074 million (31 March 2019 : Baht 1,030 million) in respect of losses amounting to Baht 5,370 million (31 March 2019 : Baht 5,150 million) that can be carried forward against future taxable income. Such losses will be expired in March 2020 to March 2025.

Separate financial information

As at 31 December 2019, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Company did not recognise deferred income tax assets of Baht 19 million (31 March 2019 : Baht 35 million) in respect of losses amounting to Baht 95 million (31 March 2019 : Baht 176 million) that can be carried forward against future taxable income. Such losses will be expired in March 2021.

14 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 2019		
Opening balance for the period (Audited)	1,720,436	-
<u>Cash in (out)</u>		
Additions during the period	4,135,845	-
Repayments during the period	(5,248,979)	-
Closing balance for the period (Unaudited)	<u>607,302</u>	<u>-</u>

Short-term borrowings from financial institutions - subsidiaries

As at 31 December 2019, short-term borrowings from financial institutions for subsidiaries in the amount of Baht 607 million (31 March 2019 : Baht 1,720 million) bear interest rate at 2.50% per annum and BIBOR+2% - BIBOR+2.1% per annum (31 March 2019 : interest rate at 2.67% - 3.95% per annum and BIBOR+2% - BIBOR+2.1% per annum) and due from 3 January 2020 to 26 February 2020 (31 March 2019 : from 1 April 2019 to 11 July 2019).

15 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Trade payables - other companies	394,980	628,425	-	-
- related parties (Note 16 b))	2,164	2,285	-	-
Other payables - other companies	9,625	69,820	4,636	10,484
- related parties (Note 16 b))	2,161	3,849	5,061	6,363
Advance received from customers	18,819	24,022	-	-
Accrued expenses	375,336	381,161	47,455	46,003
	<u>803,085</u>	<u>1,109,562</u>	<u>57,152</u>	<u>62,850</u>

16 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.

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 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 Private 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
Tata International West Asia DMCC	Trading	Same group of shareholders
Tata AIG General Insurance Co., Ltd.	Insurance	Same group of shareholders
Tata Power Co., Ltd.	Generate, transmit and distribute electricity	Same group of shareholders

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16 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 2019 and 2018

For the three-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	-	131,230	-	-
The Siam Industrial Wire Co., Ltd.	49,573	225,429	-	-
NatSteel Holdings Pte. Ltd.	1,776	-	-	-
TSN Wires Co., Ltd.	32,819	69,054	-	-
Tata Projects Limited	179	-	-	-
Total	84,347	425,713	-	-
Interest income				
N.T.S. Steel Group Public Company Limited	-	-	22,082	22,472
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	23,295	21,051
The Siam Construction Steel Co., Ltd.	-	-	42,639	39,084
N.T.S. Steel Group Public Company Limited	-	-	42,000	45,600
Total	-	-	107,934	105,735

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

16 Related party transactions (Cont'd)

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

a) Related party transactions for the three-month periods ended 31 December 2019 and 2018 (Cont'd)

For the three-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Expenses				
Purchases				
The Siam Industrial Wire Co., Ltd.	-	1,768	-	-
Tata International Metals Asia Ltd.	63,351	83,143	-	-
Tata International West Asia DMCC	5,448	-	-	-
Tata International Limited	-	13,976	-	-
Total	<u>68,799</u>	<u>98,887</u>	<u>-</u>	<u>-</u>
Purchases of assets				
Tata Technologies (Thailand) Co., Ltd.	-	505	-	505
Interest expenses				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	1,050	718
The Siam Construction Steel Co., Ltd.	-	-	6,762	6,346
N.T.S. Steel Group Public Company Limited	-	-	14	-
Total	<u>-</u>	<u>-</u>	<u>7,826</u>	<u>7,064</u>
Other expenses				
Tata Steel Limited	-	3	-	3
Tata AIG General Insurance Co., Ltd.	50	-	50	-
Total	<u>50</u>	<u>3</u>	<u>50</u>	<u>3</u>
Key management compensation				
Short-term employee benefits	12,844	12,499	12,844	12,499
Post-employment benefits	759	630	759	630
Total	<u>13,603</u>	<u>13,129</u>	<u>13,603</u>	<u>13,129</u>

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2019

16 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 2019 and 2018 (Cont'd)

For the nine-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	593,386	1,077,096	-	-
The Siam Industrial Wire Co., Ltd.	354,051	584,611	-	-
NatSteel Holdings Pte. Ltd.	3,774	2,422	-	-
TSN Wires Co., Ltd.	189,249	255,985	-	-
Tata Projects Limited	179	14,059	-	-
Total	1,140,639	1,934,173	-	-
Interest income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	-	4
N.T.S. Steel Group Public Company Limited	-	-	62,646	65,521
Total	-	-	62,646	65,525
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	69,885	69,453
The Siam Construction Steel Co., Ltd.	-	-	127,917	128,952
N.T.S. Steel Group Public Company Limited	-	-	126,000	150,504
Total	-	-	323,802	348,909

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 2019

16 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 2019 and 2018 (Cont'd)

For the nine-month periods ended 31 December	Consolidated financial information		Separate financial information	
	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
Expenses				
Purchases				
The Siam Industrial Wire Co., Ltd.	-	4,970	-	-
NatSteel Recycling Pte. Ltd.	-	97,695	-	-
Tata International Metals Asia Ltd.	546,794	539,345	-	-
NatSteel Holdings Pte. Ltd.	-	129,206	-	-
Tata International West Asia DMCC	16,985	-	-	-
Tata International Limited	5,593	13,976	-	-
Total	569,372	785,192	-	-
Purchases of assets				
Tata Technologies (Thailand) Co., Ltd.	-	674	-	674
Interest expenses				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	3,615	1,862
The Siam Construction Steel Co., Ltd.	-	-	19,331	20,476
N.T.S. Steel Group Public Company Limited	-	-	464	-
Total	-	-	23,410	22,338
Other expenses				
Tata Steel Limited	-	6	-	6
The Siam Industrial Wire Co., Ltd.	-	206	-	-
Tata Sons Private Limited	16	978	16	978
Mjunction Services Limited	-	55	-	55
Tata South East Asia (Cambodia) Ltd.	-	392	-	392
Tata Technologies (Thailand) Co., Ltd.	54	-	54	-
Tata AIG General Insurance Co., Ltd.	50	-	50	-
Total	120	1,637	120	1,431
Key management compensation				
Short-term employee benefits	48,780	48,272	48,780	48,272
Post-employment benefits	28,008	20,536	28,008	20,536
Total	76,788	68,808	76,788	68,808

Tata Steel (Thailand) Public Company Limited
Condensed Notes to Interim Financial Information (Unaudited)
For the nine-month period ended 31 December 2019

16 Related party transactions (Cont'd)

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

- b) Outstanding balance arising from sales/purchases of goods, services and others as at 31 December 2019 and 31 March 2019 are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Trade receivable - related parties				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	8,309	1,877
The Siam Construction Steel Co., Ltd.	-	-	15,208	3,485
N.T.S. Steel Group Public Company Limited	-	-	14,980	4,066
The Siam Industrial Wire Co., Ltd.	11,657	12,523	-	-
TSN Wires Co., Ltd.	26,164	45,862	-	-
Total	37,821	58,385	38,497	9,428
Other receivables - related parties				
Tata Steel Limited	23	23	23	23
The Siam Iron and Steel (2001) Co., Ltd.	-	-	-	7
The Siam Construction Steel Co., Ltd.	-	-	-	44
N.T.S. Steel Group Public Company Limited	-	-	7,323	7,085
Tata Communications (Thailand) Co., Ltd.	21	21	21	21
The Siam Industrial Wire Co., Ltd.	-	199	-	199
TSN Wires Co., Ltd.	-	85	-	85
Total	44	328	7,367	7,464
Trade payable - related parties				
Tata Steel Limited	2,164	2,285	-	-
Other payables - related parties				
Tata Steel Limited	2,121	2,300	2,121	2,300
The Siam Iron and Steel (2001) Co., Ltd.	-	-	310	398
The Siam Construction Steel Co., Ltd.	-	-	2,523	2,035
N.T.S. Steel Group Public Company Limited	-	-	67	81
Tata Technologies (Thailand) Co., Ltd.	-	1,549	-	1,549
Tata AIG General Insurance Co., Ltd.	40	-	40	-
Total	2,161	3,849	5,061	6,363

16 Related party transactions (Cont'd)

c) Short-term loans to a subsidiary

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

	Separate financial information Thousand Baht
For the nine-month period ended 31 December 2019	
Opening balance for the period (Audited)	2,441,051
<u>Cash out</u>	
Net additions of loans during the period	649,828
Closing balance for the period (Unaudited)	<u>3,090,879</u>

As at 31 December 2019, short-term loans to a subsidiary in amount of Baht 3,091 million (31 March 2019 : Baht 2,441 million) bear interest rate at 3.0% per annum (31 March 2019 : 3.0% per annum). Short-term loans to a subsidiary 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:

	Separate financial information Thousand Baht
For the nine-month period ended 31 December 2019	
Opening balance for the period (Audited)	1,839,824
<u>Cash in</u>	
Net additions of borrowings during the period	322,186
Closing balance for the period (Unaudited)	<u>2,162,010</u>

As at 31 December 2019, short-term borrowings from subsidiaries for the Company in the amount of Baht 2,162 million (31 March 2019 : Baht 1,840 million) bear interest rate at 1.5% per annum (31 March 2019 : at 1.5% per annum) and are non-collateralised loans and not specified maturity date.

17 Employee benefit obligations

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Statement of financial position:				
Retirement benefits	321,630	197,174	83,006	51,339
Other long-term benefits	23,211	19,986	2,705	2,289
Liability in the statement of financial position	<u>344,841</u>	<u>217,160</u>	<u>85,711</u>	<u>53,628</u>
	Consolidated financial information		Separate financial information	
For the nine-month periods ended 31 December	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht	Unaudited 2019 Thousand Baht	Unaudited 2018 Thousand Baht
(Profit) loss charge included in operating profit for:				
Retirement benefits	78,087	16,384	22,040	4,220
Other long-term benefits	1,127	(88)	205	(100)
	<u>79,214</u>	<u>16,296</u>	<u>22,245</u>	<u>4,120</u>
Remeasurement in other comprehensive (income) expense	<u>48,467</u>	<u>1,010</u>	<u>9,838</u>	<u>(2,511)</u>

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment resulted to increase in the employee benefit obligations of Baht 57 million and Baht 15 million in consolidated financial information and separated financial information, respectively.

During the nine-month period ended 31 December 2019, the discount rate which was the principal actuarial assumption for employee benefit obligations decreased due to significant change in interest rate on government bond and resulted to increase in the employee benefit obligations in the consolidated and separate financial information as at 31 December 2019 by Baht 48.47 million and Baht 9.84 million, respectively.

As at 31 December 2019, discount rates were 1.51% - 1.53% (31 March 2019 : 2.72% - 3.02%).

18 Commitments

18.1 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 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Buildings and equipment	22,972	68,057	-	-
Computer software	-	3,799	-	-

18 Commitments (Cont'd)

18.2 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. The minimum lease payments under these non-cancellable operating lease agreements are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht
Not later than 1 year	40,061	34,515	26,325	18,308
Later than 1 year but not later than 5 years	47,719	37,574	33,810	23,747
	<u>87,780</u>	<u>72,089</u>	<u>60,135</u>	<u>42,055</u>

18.3 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 December 2019 and 31 March 2019 are as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2019 Thousand	Audited 31 March 2019 Thousand	Unaudited 31 December 2019 Thousand	Audited 31 March 2019 Thousand
Currency				
USD	9,802	680	-	-
EUR	267	355	-	-

19 Segment financial 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 (Board of Directors) 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 from sales of goods, cost of sales, gross margin, profit for the period and assets of segment are in accordance with the presentation of these financial information.

Revenue from sales and related services has timing of revenue recognition as a point in time amounting to Baht 14,924 million and over time amounting to Baht 57 million.

20 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 underestimated the net profit for that year by an amount exceeding 25 percent of the actual net profit. The subsidiary has made the appeal to the Revenue Department. On 15 August 2018, Board of appeal denied the subsidiary's appeal. However, the subsidiary has made the appeal to the Central tax court.

On 5 August 2019, the Central tax court had judged in favour of the subsidiary. On 11 November 2019, the Revenue Department has appealed to the Court of Appeal for Specialized Cases.

As at 31 December 2019, the result of this assessment has not been finalised. The subsidiary does not expect that there would be any additional surcharge to be paid and has not recorded the provisions in the financial information.

21 Letter of guarantee

As at 31 December 2019, 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 amounting to Baht 283 million (31 March 2019 : Baht 350 million) in the normal courses of business.

22 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			
	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht	Unaudited 31 December 2019 Thousand Baht	Audited 31 March 2019 Thousand Baht		
<u>Financial assets</u>						
1. Foreign currency forward contracts (including in other current assets)	-	138	-	-	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	-	1,200	-	-	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 (including in other current liabilities)	1,665	6	-	-	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.