

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 holds 67.90% of the Company’s shares, and is an affiliate of Tata Steel Limited, a listed company incorporated under the law of India.

TSGH, the major shareholder of the Company, informed the Company that it is continuing its engagement with potential investors in continuation of its strategy to find a partner for the Group’s 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 March 2020 and 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 2,439 million and Baht 2,375 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 3,092 million and Baht 2,441 million, respectively. The parent company confirmed to 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.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 22 April 2020.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in accounting policies available for sale investments as described in Note 2.9 and non-current assets (or disposal groups) held-for-sale as described in Note 2.10.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The consolidated financial statements for the years ended 31 March 2020 and 2019 did not include investment in Siam Steel Mill Services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of share capital 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. The Group and the subsidiary, therefore, recorded such investment as other long-term investment at cost of Baht 1,241 (Note 13).

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 April 2019 by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The adoption of TFRS 15 mainly affects the Group's accounting treatment on revenue recognition from sales and services:

- revenue from sales is recognised at point in time, when control of the goods transfers to the customer, and
- revenue from services is recognised over time, in a manner that best reflects the Group's performance obligation after control of goods transfers to the customer which are insurance and freight.

The transaction price will need to be allocated to the distinct performance obligations based on the relative standalone selling price of sales and services.

However, the effects of the Group's accounting treatment from adoption of TFRS 15 are immaterial to retained earnings as at 1 April 2019 in the consolidated and separate financial statements.

The following tables show the amounts by each consolidated and separated financial statements line item in the current year from the adoption of the new revenue standard compared to the previous revenue standards.

	Consolidated financial statements		
	Balance as reported Thousand Baht	Impacts from TFRS 15 Thousand Baht	Balance under the previous revenue standards Thousand Baht
Statement of comprehensive income			
For the year ended 31 March 2020			
Revenue from sales and related services	20,124,731	(78,196)	20,046,535
Cost of sales and related services	(19,378,925)	66,483	(19,312,442)
Selling expenses	(185,001)	11,713	(173,288)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 March 2020 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial 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, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that are relevant to the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost. Cost also includes direct attributable costs of investment.

b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

2.5 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

2.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

2.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value .

Cost is determined by the weighted average method for finished goods and work in process and by the moving average method for merchandise, raw materials, spare parts, supplies and others. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

2.9 Investments

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

2.11 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. Capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost and the revalued amount to their residual values over their estimated useful lives, as follows:

Land improvement, buildings and structures	5 - 30 years
Machinery and equipment	5 - 25 years
Furniture, fixtures and office equipment	3 - 25 years
Vehicles	5 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gain or loss - net.

2.12 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being each subsidiary.

2.13 Intangible assets

Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives 3 years to 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

2.14 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.15 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take a substantial period to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as salaries, wages, bonuses, contributions to the social security fund and others, that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund (under the Provident Fund Act B.E. 2530). The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

d) Other long-term benefits

The Group gives gold rewards to employees when they have worked for the Group at every 5 years anniversary, for a maximum of 7 times.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

2.22 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sale of goods

The Group manufactures and sells products. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 10 to 90 days, which is consistent with market practice.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Other revenue are recognised on the following bases:

- dividend income is recognised when the right to receive payment is established.
- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.
- scrap income is recognised when the scrap is actually sold.

2.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

- Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets.

The Group borrows money for business operation at floating rates. However, the Group implemented risk counter-measures for managing interest rate risk by setting operation plans in advance so that the Group could have sufficient time to seek proper sources of credit lines with reasonable interest rates.

- Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

- Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

- Foreign exchange risk

The Group has exposure to foreign currency exchange fluctuations on purchasing of goods and services in the ordinary course of business. Entities in the Group use forward contracts to hedge their exposure to foreign correct risk in connection with measurement currency.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, foreign currency forward contracts. Such instruments are recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Subsequently the Group measures each derivative financial instrument at its fair value. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes, and will be included in other income/expense in statement of comprehensive income.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 30.

3.3 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 with 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).

There was no transfer between level 1 and 2 during the year.

There were no change in valuation techniques during the year.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1) Allowance for doubtful accounts

The Group has established the allowance for doubtful to reflect the impairment of trade receivables, related to the provision in loss from unbillable customer. The allowance for doubtful is the effect from the Group's estimation of inflow future cash flow, based up on the experience in pressed the claim, reputation, and default, and market trend.

2) Allowance for decrease in value of inventories

The Group has established the allowance for decrease in value of inventories to reflect the net realise value from inventories. The allowance for decrease in value of inventories is the effect from the Group's analysis of obsolete and slow-moving inventories. The balance of inventories will be written-off once they are obsoleted and unable to sell out.

3) Buildings and equipment and intangible assets

The management is the one who estimates useful life for buildings and equipment and intangible assets of the Group. The management revises depreciation expense whenever the useful life is different from the estimation in the prior period or there is a disposal or retirement.

4) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 16).

5) Current and deferred income taxes

A deferred tax asset is recognised to the extent that it is probable that it will be utilised in the future. Such an assessment is based upon the probability that the Group will generate future taxable income sufficient to fully utilize the deferred tax assets. The Group's management use judgments based upon the likely timing and level of estimate future taxable income to determine the amount of deferred tax assets that can be recognised at the end of each reporting period.

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6 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 (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 year and assets of segment are in accordance with the presentation of these financial statements.

For the year ended 31 March 2020, revenue from sales and related services has timing of revenue recognition as a point in time amounting to Baht 20,044 million (2019 : Baht 22,105 million) and over time amounting to Baht 81 million (2019 : Baht 117 million).

For the year ended 31 March 2020, the Group has no revenue from customer which contributed equal or over 10.0% of the Group's total revenue (2019 : the Group has revenue from 1 customer which contributed equal or over 10.0% of the Group's total revenue, the revenue from sales to this customer is Baht 2,400 million which are domestic sales).

	Consolidated financial statements	
	2020 Thousand Baht	2019 Thousand Baht
For the years ended 31 March		
Segment revenue		
Local	18,288,118	19,753,096
Export	1,836,613	2,469,270
	20,124,731	22,222,366

7 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cash on hand	1	1	-	-
Deposits at banks - current accounts	511,214	50,127	419,934	2,312
- savings accounts	65,780	876,639	12,953	704,560
	576,995	926,767	432,887	706,872

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Consolidated financial statements		Separate financial statements	
	2020 %	2019 %	2020 %	2019 %
Interest rate				
Deposits at banks - current accounts	0.55	-	0.55	-
- savings accounts	0.05 - 0.50	0.05 - 0.87	0.05 - 0.08	0.10 - 0.87

- b) Other non-cash adjustment items for the years ended 31 March, consist of:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gain on disposal of plant and equipment	(392)	(439)	(15)	(21)
Loss from write-off of plant and equipment and intangible assets	1,925	1,561	1,925	1,561
Written-off payables from restructuring	-	(6,067)	-	-
Gain on sale available-for-sale investments	(130)	-	-	-
	1,403	(4,945)	1,910	1,540

- c) Other cash received (paid) from operating activities for the years ended 31 March, consists of:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
(Increase) decrease in other current assets and other non-current assets	14,247	(76,469)	(1)	1,225
Increase (decrease) in other current liabilities and other non-current liabilities	(7,486)	(8,367)	386	(8,752)
Employee benefit obligations paid	(11,948)	(12,373)	(296)	(5,771)
	(5,187)	(97,209)	89	(13,298)

- d) Adjustment of cash occurred from borrowings for the years ended 31 March, consists of:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Interest paid	(53,654)	(74,499)	(28,648)	(33,509)

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

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

The recording of investments in available-for-sale securities in the consolidated financial statements at fair value. For the year ended 31 March 2019, the Group recorded unrealised loss on such investments of Baht 2.3 million.

For the year ended 31 March 2020, 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 years ended 31 March, are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 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 year	199,222	303,847	266	18,017
<u>Less</u> Payments during the year	(245,494)	(258,199)	(3,787)	(14,734)
Payables for plant and equipment and intangible assets carried forward	12,861	59,133	16	3,537
Purchase plant and equipment under finance lease liabilities	-	42,975	-	-

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Trade receivables - other parties	497,726	680,939	-	-
- related parties (Note 31 b))	226,196	58,385	10,676	9,428
<u>Less</u> Allowance for doubtful accounts	(93,307)	(93,299)	-	-
Trade receivables, net	630,615	646,025	10,676	9,428
Other receivables - other parties	2,943	1,356	28	-
- related parties (Note 31 b))	44	328	13,678	7,464
Accrued income	262	669	262	669
Prepayments	16,414	27,220	5,834	13,427
	650,278	675,598	30,478	30,988

The credit term for trade receivable normally requires 10 days to 90 days (2019 : 10 days to 90 days).

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

As at 31 March, the outstanding trade receivables can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not yet due	567,018	531,896	10,676	9,428
Overdue:				
Under 3 months	58,238	62,413	-	-
3 - 6 months	5,359	51,699	-	-
6 - 12 months	-	-	-	-
Over 12 months	93,307	93,316	-	-
	723,922	739,324	10,676	9,428
<u>Less</u> Allowance for doubtful accounts	(93,307)	(93,299)	-	-
	630,615	646,025	10,676	9,428

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 years ended 31 March 2020 and 2019, the Group had sold receivables to the financial institution amounting to Baht 9,195 million and Baht 9,274 million, respectively.

9 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Raw materials	694,352	1,075,281	-	-
Work in progress	225,981	450,403	-	-
Finished goods	786,780	766,364	-	-
Spare parts	477,047	505,633	-	-
Supplies and others	277,203	397,507	-	-
	2,461,363	3,195,188	-	-
<u>Less</u> Allowance for obsolete inventories				
- Spare parts	(49,997)	(49,997)	-	-
- Supplies and others	(18,192)	(18,192)	-	-
	2,393,174	3,126,999	-	-
<u>Add</u> Goods in transit	122,159	61,351	-	-
	2,515,333	3,188,350	-	-

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

During the years ended 31 March 2020 and 2019, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cost of sales and cost of services	19,378,925	21,619,553	-	-
Amortisation of rolling mill	36,562	34,941	-	-

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Value added tax refundable	113,377	128,700	-	-
Other current assets	14,206	12,391	529	552
	127,583	141,091	529	552

11 Available-for-sale investment

The movement of available-for-sale investments for the years ended 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	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	-	-

Available-for-sale investment is an investment in equity securities of a public company limited which is a listed company in the Stock Exchange of Thailand. The fair value of investment is based on quoted closing price as at the period end and are within level 1 of the fair value hierarchy.

12 Investments in subsidiaries

Investment in subsidiaries consist of:

Company name	Country of incorporation	% Ownership interest		Separate financial statements (Unit : Thousand Baht)					
		2020 %	2019 %	Cost method 2020			Cost method 2019		
				Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
The Siam Iron and Steel (2001) Company Limited	Thailand	99.99	99.99	2,554,386	-	2,554,386	2,554,386	-	2,554,386
The Siam Construction Steel Company Limited	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

As at 31 March 2020 and 2019, the Group has made an assessment of impairment loss on investment in subsidiaries and considered that the recoverable amount was not lower than its carrying amount, so no additional allowance for impairment was necessary.

13 Other long-term investment

As at 31 March 2020 and 2019, the Group did not include investment in Siam Steel Mill services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of share capital on an equity method. The Group has no significant influence to determine the financial and operating policies of and does not have any authorised director to sign on behalf of Siam Steel Mill Service Company Limited. The Group, therefore, recorded such investment as other long-term investment in the statement of financial position at cost of Baht 1,241 in the consolidated statement of financial position.

As at 31 March 2020, fair value of other long-term investment amount of Baht 146.16 million (2019 : Baht 176.40 million). The fair value of other long-term investment is determined using valuation techniques, discounted cash flow which assessed by independent valuer and are within level 3 of the fair value hierarchy.

14 Property, plant and equipment, net

	Consolidated financial statements						Total Thousand Baht
	Land Thousand Baht	Land Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	
As at 1 April 2018							
Cost	798,694	4,498,560	12,406,246	202,796	3,081	22,175	17,931,552
Less Accumulated depreciation	-	(2,824,539)	(9,766,854)	(142,394)	(2,862)	-	(12,736,649)
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)
Net book amount	798,694	549,465	1,860,537	60,395	219	22,175	3,291,485
For the year ended 31 March 2019							
Opening net book amount	798,694	549,465	1,860,537	60,395	219	22,175	3,291,485
Additions	-	42,975	5,414	4,913	-	272,223	325,525
Additions from provision for decommissioning costs	-	1,068	-	-	-	-	1,068
Transfers	-	13,763	174,149	23,444	-	(211,356)	-
Disposals - cost	-	-	(28,437)	(2,137)	(380)	-	(30,954)
- accumulated depreciation	-	-	28,418	2,118	380	-	30,916
Write-off - cost	-	(8,363)	-	(2,583)	-	-	(10,946)
- accumulated depreciation	-	8,363	-	2,103	-	-	10,466
Depreciation charge	-	(79,954)	(367,870)	(20,694)	(55)	-	(468,573)
Closing net book amount	798,694	527,317	1,672,211	67,559	164	83,042	3,148,987
As at 31 March 2019							
Cost	798,694	4,548,003	12,557,372	226,433	2,701	83,042	18,216,245
Less Accumulated depreciation	-	(2,896,130)	(10,106,306)	(158,867)	(2,537)	-	(13,163,840)
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)
Net book amount	798,694	527,317	1,672,211	67,559	164	83,042	3,148,987

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Consolidated financial statements						
	Land Thousand Baht	Land Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Furniture, fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2019							
Cost	798,694	4,548,003	12,557,372	226,433	2,701	83,042	18,216,245
<u>Less</u> Accumulated depreciation	-	(2,896,130)	(10,106,306)	(158,867)	(2,537)	-	(13,163,840)
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)
Net book amount	798,694	527,317	1,672,211	67,559	164	83,042	3,148,987
For the year ended 31 March 2020							
Opening net book amount	798,694	527,317	1,672,211	67,559	164	83,042	3,148,987
Additions	-	-	4,362	2,963	-	186,054	193,379
Transfers	-	713	228,677	14,847	45	(244,282)	-
Disposals - cost	-	(43)	(24,872)	(3,334)	-	-	(28,249)
- accumulated depreciation	-	43	24,872	3,325	-	-	28,240
Write-off - cost	-	-	(14,735)	(18)	-	-	(14,753)
- accumulated depreciation	-	-	14,735	18	-	-	14,753
Depreciation charge	-	(72,579)	(354,943)	(22,821)	(56)	-	(450,399)
Closing net book amount	798,694	455,451	1,550,307	62,539	153	24,814	2,891,958
As at 31 March 2020							
Cost	798,694	4,548,673	12,750,804	240,891	2,746	24,814	18,366,622
<u>Less</u> Accumulated depreciation	-	(2,968,666)	(10,421,642)	(178,345)	(2,593)	-	(13,571,246)
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)
Net book amount	798,694	455,451	1,550,307	62,539	153	24,814	2,891,958

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

Addition during the year ended 2019, included assets leased under finance leases of Baht 43 million (where the Group is the lessee).

On 14 June 2017, there was a fire occurred at the power sub-station of the Siam Iron and Steel (2001) Co., Ltd, a subsidiary. From this incident, building, machinery and equipment, which are fully depreciated were partially damaged. For the years ended 31 March 2019 and 2018, the subsidiary received full amount of final damaged claim payment from insurance companies amounting to Baht 24 million and Baht 25 million, respectively which were recorded as other income in the consolidated statement of comprehensive income (Note 26).

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. For the years ended 31 March 2020 and 2019, the subsidiary received full amount of final damaged claim payment from insurance companies amounting to Baht 68 million and Baht 17 million, respectively which were recorded as other income in the consolidated statement of comprehensive income (Note 26).

Lease assets included above as at 31 March, where the Group is a leases under finance lease agreements, comprise factory equipment.

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cost of assets under finance lease	42,975	42,975	-	-
<u>Less</u> Accumulated depreciation	(4,250)	(2,102)	-	-
Net book amount	38,725	40,873	-	-

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Separate financial statements			
	Buildings Improvement Thousand Baht	Furniture, fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2018				
Cost	-	80,011	234	80,245
<u>Less</u> Accumulated depreciation	-	(47,306)	-	(47,306)
Net book amount	-	32,705	234	32,939
For the year ended 31 March 2019				
Opening net book amount	-	32,705	234	32,939
Additions	-	409	9,365	9,774
Addition from provision for decommissioning cost	1,068	-	-	1,068
Transfers	3,665	5,934	(9,599)	-
Disposals - cost	-	(1,626)	-	(1,626)
- accumulated depreciation	-	1,614	-	1,614
Write-off - cost	-	(2,583)	-	(2,583)
- accumulated depreciation	-	2,103	-	2,103
Depreciation charge	(594)	(9,657)	-	(10,251)
Closing net book amount	4,139	28,899	-	33,038
As at 31 March 2019				
Cost	4,733	82,145	-	86,878
<u>Less</u> Accumulated depreciation	(594)	(53,246)	-	(53,840)
Net book amount	4,139	28,899	-	33,038

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Separate financial statements			
	Buildings Improvement Thousand Baht	Furniture, fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2019				
Cost	4,733	82,145	-	86,878
<u>Less</u> Accumulated depreciation	(594)	(53,246)	-	(53,840)
Net book amount	4,139	28,899	-	33,038
For the year ended 31 March 2020				
Opening net book amount	4,139	28,899	-	33,038
Additions	-	224	-	224
Disposals - cost	-	(1,890)	-	(1,890)
- accumulated depreciation	-	1,881	-	1,881
Write-off - cost	-	(18)	-	(18)
- accumulated depreciation	-	18	-	18
Depreciation charge	(722)	(9,584)	-	(10,306)
Closing net book amount	3,417	19,530	-	22,947
As at 31 March 2020				
Cost	4,733	80,461	-	85,194
<u>Less</u> Accumulated depreciation	(1,316)	(60,931)	-	(62,247)
Net book amount	3,417	19,530	-	22,947

15 Idle assets held-for-sale, net

Idle assets held-for-sale, net consist of:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
As at 31 March				
Cost	2,395,713	2,395,713	-	-
<u>Less</u> Accumulated depreciation	(538,164)	(538,164)	-	-
Allowance for decrease in value of asset	(1,397,549)	(1,397,549)	-	-
Net book amount	460,000	460,000	-	-

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 decided to dispose MBF machinery, equipment and its spare parts and store supplies. The Group initiated active programme to locate buyers. Accordingly, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets classified as held-for-sale.

TSGH, the major shareholder of the Company, is in the process of finding a partner for the Group's business. Therefore, the disposal of MBF machinery, equipment and spare parts are temporarily on hold. As at 31 March 2020, the Group's management remains committed to the plan of disposal. However, the disposal is not expected to complete within one year. Accordingly, the Group's management classified these assets as idle assets held-for-sale, net, under non-current assets.

The Group's management reclassified non-current assets classified as held-for sales as at 31 March 2019 as idle assets held-for-sale, net, because it is considered more appropriate and comparable to the presentation of the current year's financial statements.

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

The comparative figures in the consolidated and separate financial statements for the year ended 31 March 2019 has been reclassified to conform to changes in presentation in the current period as follow:

	Consolidated financial statements		
	Balance as previous reported Thousand Baht	Reclassification Thousand Baht	Balance after reclassification Thousand Baht
Statement of financial position as at 31 March 2019			
Current assets			
Non-current assets classified as held-for-sale	460,000	(460,000)	-
Non-current assets			
Idle assets held-for-sale, net	-	460,000	460,000

16 Goodwill, net

	Consolidated financial statements Thousand Baht
As at 1 April 2018	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	<u>3,456,014</u>
For the year ended 31 March 2019	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	<u>3,456,014</u>
As at 31 March 2019	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	<u>3,456,014</u>
For the year ended 31 March 2020	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	<u>3,456,014</u>
As at 31 March 2020	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	<u>3,456,014</u>

Goodwill resulted from acquisition of The Siam Iron and Steel (2001) Company Limited, The Siam Construction Steel Company Limited and N.T.S. Steel Group Public Company Limited on 29 November 2002 by Tata Steel (Thailand) Public Company Limited.

Since 1 April 2008, the Group has ceased amortisation of goodwill and has changed to test impairment of goodwill instead.

As at 31 March 2020 and 2019 the Group has made an assessment of impairment loss on goodwill and resulted that the recoverable amount was not lower than the carrying amount, so no additional impairment was necessary.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment (subsidiary).

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

A segment-level summary of the goodwill allocation is presented below:

	Consolidated financial statements					
	2020			2019		
	The Siam Iron and Steel (2001) Million Baht	The Siam Construction Steel Million Baht	Total Million Baht	The Siam Iron and Steel (2001) Million Baht	The Siam Construction Steel Million Baht	Total Million Baht
Goodwill allocation	1,685	1,771	3,456	1,685	1,771	3,456

The key assumptions used for value-in-use calculations are as follows:

	Goodwill from Investment in The Siam Iron Steel (2001) Company Limited	Goodwill from Investment in The Siam Construction Steel Company Limited
Gross margin ¹	4.5%	8.3%
Growth rate ²	1.0%	1.0%
Discount rate ³	10.7%	10.7%

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Key assumptions, having significant influence to sensitivity of discounted cash flows, were growth rate and discount rate.

In the segment of The Siam Iron and Steel (2001), the recoverable amount calculated based on value in use exceed carrying value by Baht 58.22 million. A reduction in gross growth rate of 0.22% or a raise in discount rate of 0.16% would remove the remaining headroom.

17 Intangible assets, net

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2018			
Cost	254,087	1,232	255,319
<u>Less</u> Accumulated amortisation	(229,727)	-	(229,727)
Net book amount	24,360	1,232	25,592
For the year ended 31 March 2019			
Opening net book amount	24,360	1,232	25,592
Additions	259	21,038	21,297
Transfers	18,702	(18,702)	-
Write-off - cost	-	(1,081)	(1,081)
Amortisation charge	(15,018)	-	(15,018)
Closing net book amount	28,303	2,487	30,790
As at 31 March 2019			
Cost	273,048	2,487	275,535
<u>Less</u> Accumulated amortisation	(244,745)	-	(244,745)
Net book amount	28,303	2,487	30,790
For the year ended 31 March 2020			
Opening net book amount	28,303	2,487	30,790
Additions	42	5,801	5,843
Transfers	6,364	(6,364)	-
Write-off - cost	(4,162)	(1,924)	(6,086)
- accumulated amortisation	4,161	-	4,161
Amortisation charge	(5,125)	-	(5,125)
Closing net book amount	29,583	-	29,583
As at 31 March 2020			
Cost	275,292	-	275,292
<u>Less</u> Accumulated amortisation	(245,709)	-	(245,709)
Net book amount	29,583	-	29,583

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Separate financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2018			
Cost	245,853	1,232	247,085
<u>Less</u> Accumulated amortisation	(222,872)	-	(222,872)
Net book amount	22,981	1,232	24,213
For the year ended 31 March 2019			
Opening net book amount	22,981	1,232	24,213
Additions	259	7,984	8,243
Transfers	6,211	(6,211)	-
Write-off - cost	-	(1,081)	(1,081)
Amortisation charge	(14,262)	-	(14,262)
Closing net book amount	15,189	1,924	17,113
As at 31 March 2019			
Cost	252,323	1,924	254,247
<u>Less</u> Accumulated amortisation	(237,134)	-	(237,134)
Net book amount	15,189	1,924	17,113
For the year ended 31 March 2020			
Opening net book amount	15,189	1,924	17,113
Additions	42	-	42
Write-off - cost	(4,162)	(1,924)	(6,086)
- accumulated amortisation	4,161	-	4,161
Amortisation charge	(2,785)	-	(2,785)
Closing net book amount	12,445	-	12,445
As at 31 March 2020			
Cost	248,203	-	248,203
<u>Less</u> Accumulated amortisation	(235,758)	-	(235,758)
Net book amount	12,445	-	12,445

18 Deferred tax assets, net

Deferred tax assets, net as at 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Deferred tax assets				
- To be recovered within 12 months	3,573	3,733	1,015	1,001
- To be recovered more than 12 months	54,195	44,871	16,956	11,357
	57,768	48,604	17,971	12,358
Deferred tax liabilities				
- To be recovered within 12 months	(4,104)	(4,463)	-	-
- To be recovered more than 12 months	(10,378)	(22,237)	-	-
	(14,482)	(26,700)	-	-
Deferred tax assets, net	43,286	21,904	17,971	12,358

The gross movements in the deferred tax asset, net for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	21,904	36,975	12,358	12,525
Increase (decrease) to profit or loss	17,884	(15,847)	5,276	335
Increase (decrease) to other comprehensive income	3,498	776	337	(502)
Closing balance for the year	43,286	21,904	17,971	12,358

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Consolidated financial statements			
	1 April 2019 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2020 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	736	-	-	736
Allowance for obsolete inventories	907	-	-	907
Provision for decommissioning costs	187	(36)	-	151
Finance lease liabilities	8,374	(8,374)	-	-
Employee benefit obligations	38,400	14,216	3,358	55,974
	48,604	5,806	3,358	57,768
Deferred tax liabilities				
Available-for-sale investments	(140)	-	140	-
Derivatives assets	(59)	(71)	-	(130)
Asset under finance lease liabilities	(8,175)	8,175	-	-
Surplus of fair value of assets acquired in business combination	(18,326)	3,974	-	(14,352)
	(26,700)	12,078	140	(14,482)
Deferred tax assets, net	21,904	17,884	3,498	43,286

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Consolidated financial statements			
	1 April 2018 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2019 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	736	-	-	736
Allowance for obsolete inventories	907	-	-	907
Provision for decommissioning costs	-	187	-	187
Finance lease liabilities	-	8,374	-	8,374
Employee benefit obligations	36,405	1,679	316	38,400
	<u>38,048</u>	<u>10,240</u>	<u>316</u>	<u>48,604</u>
Deferred tax liabilities				
Available-for-sale investments	(600)	-	460	(140)
Derivatives assets	(473)	414	-	(59)
Asset under finance lease liabilities	-	(8,175)	-	(8,175)
Surplus of fair value of assets acquired in business combination	-	(18,326)	-	(18,326)
	<u>(1,073)</u>	<u>(26,087)</u>	<u>460</u>	<u>(26,700)</u>
Deferred tax assets, net	<u>36,975</u>	<u>(15,847)</u>	<u>776</u>	<u>21,904</u>

As at 31 March 2020, 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 1,091 million (2019 : Baht 1,040 million) in respect of losses amounting to Baht 5,457 million (2019 : Baht 5,202 million) that can be carried forward against future taxable income. Such losses will be expired in 2020 to 2025.

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

	Separate financial statements			
	1 April 2019 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2020 Thousand Baht
Deferred tax assets				
Provision for decommissioning costs	187	(36)	-	151
Employee benefit obligations	12,171	5,312	337	17,820
Deferred tax assets, net	12,358	5,276	337	17,971

	Separate financial statements			
	1 April 2018 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2019 Thousand Baht
Deferred tax assets				
Provision for decommissioning costs	-	187	-	187
Employee benefit obligations	12,525	148	(502)	12,171
Deferred tax assets, net	12,525	335	(502)	12,358

As at 31 March 2020, 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 17 million (2019 : Baht 35 million) in respect of losses amounting to Baht 86 million (2019 : Baht 176 million) that can be carried forward against future taxable income. Such losses will be expired in 2021.

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Corporate income tax refundable	102,327	88,536	67,022	53,445
Others	10,243	11,090	4,185	4,161
	112,570	99,626	71,207	57,606

20 Short-term borrowings from financial institutions

The movements of short-term borrowings from financial institutions for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	1,720,436	1,774,341	-	-
Additions during the year	4,725,858	8,784,302	-	900,000
Repayments during the year	(5,984,567)	(8,838,207)	-	(900,000)
Closing balance for the year	461,727	1,720,436	-	-

Short-term borrowings from financial institutions - subsidiaries

As at 31 March 2020, short-term borrowings from financial institutions for subsidiaries in amount of Baht 462 million (2019 : Baht 1,720 million) bear interest rates at 3.97% per annum and BIBOR+2.1% per annum (2019 : 2.67% - 3.95% per annum and BIBOR+2% - BIBOR+2.1% per annum) and due from 1 April 2020 to 18 June 2020 (2019 : from 1 April 2019 to 11 July 2019).

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Trade payables - other parties	435,793	628,425	-	-
- related parties (Note 31 b))	2,347	2,285	-	-
Other payables - other parties	17,046	69,820	4,199	10,484
- related parties (Note 31 b))	2,267	3,849	5,027	6,363
Advance received from customers	14,968	24,022	-	-
Accrued expenses	410,713	381,161	59,178	46,003
	883,134	1,109,562	68,404	62,850

22 Finance lease liabilities, net

Liabilities under finance lease agreements - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	3,685	3,713	-	-
Later than 1 year but not later than 5 years	14,484	14,586	-	-
Later than 5 years	51,382	54,965	-	-
<u>Less</u> Future finance charges on finance leases	(28,769)	(31,395)	-	-
Present value of finance lease liabilities	40,782	41,869	-	-
Representing lease liabilities:				
- Current	1,129	1,087	-	-
- Non-current	39,653	40,782	-	-
Present value of finance lease liabilities	40,782	41,869	-	-

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	1,129	1,087	-	-
Later than 1 year but not later than 5 years	5,024	4,814	-	-
Later than 5 years	34,629	35,968	-	-
	40,782	41,869	-	-

23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Statement of financial position:				
Retirement benefits	314,198	197,174	78,833	51,339
Other long-term benefits	26,474	19,986	2,967	2,289
Liability in the statement of financial position	340,672	217,160	81,800	53,628
(Profit) loss charge included in operating profit for:				
Retirement benefits	100,714	22,397	25,810	5,973
Other long-term benefits	8,703	2,776	974	215
	109,417	25,173	26,784	6,188
Remeasurement in other comprehensive (income) expense	26,043	1,011	1,684	(2,512)

Employee benefit obligations are final salary retirement plans, which provide benefits to employees in the form of a guaranteed level of pension payable. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement.

The movements of employee benefit obligations - Retirement benefits for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	197,174	186,158	51,339	55,648
Past service cost from amendment bill to the Labour Protection Law	68,332	-	16,371	-
Current service cost	28,744	18,913	8,552	6,440
Interest cost	3,638	5,326	887	1,375
Allowance for employee benefit obligations (reversal)	-	(1,842)	-	(1,842)
Transferred employee benefit obligations to related party	-	(2,224)	-	(2,224)
Remeasurements:				
(Gain)/loss from change in demographic assumptions	(1,492)	1,145	(417)	(1,517)
Loss from change in financial assumptions	45,763	1,980	7,270	225
Experience gain	(18,228)	(2,114)	(5,169)	(1,220)
Employee benefit paid	(9,733)	(10,168)	-	(5,546)
Closing balance for the year	314,198	197,174	78,833	51,339

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

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 68 million and Baht 16 million in consolidated financial statements and separated financial statements, respectively.

The movements of employee benefit obligations - other long-term benefits for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance for the year	19,986	19,415	2,289	2,299
Current service cost	3,863	3,038	635	488
Interest cost	307	527	30	52
Remeasurements:				
(Gain)/loss from change in demographic assumptions	(19)	116	(53)	(74)
(Gain)/loss from change in financial assumptions	6,220	(337)	651	(65)
Experience gain	(1,668)	(568)	(289)	(186)
Employee benefit paid	(2,215)	(2,205)	(296)	(225)
Closing balance for the year	26,474	19,986	2,967	2,289

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	%	%	%	%
Discount rates	1.23 - 1.63	2.72 - 3.02	1.63	2.72
Salary growth rate	4.78 - 4.97	4.95 - 5.04	4.97	5.04
Staff turnover rate	0.00 - 19.00	0.00 - 18.00	0.00 - 19.00	0.00 - 18.00

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

Sensitivity analysis for each significant assumption as at 31 March 2020 and 2019 are as follows:

	Consolidated financial statements					
	Change in assumption		Increase (decrease) to employee benefit obligations			
			Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Discount rate	1.00	1.00	(36,238)	(21,962)	42,573	25,592
Salary growth rate	1.00	1.00	38,990	23,510	(33,884)	(20,539)
Staff turnover rate	1.00	1.00	(37,784)	(23,257)	17,365	10,598

	Separate financial statements					
	Change in assumption		Increase (decrease) to employee benefit obligations			
			Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Discount rate	1.00	1.00	(8,137)	(5,169)	9,448	5,959
Salary growth rate	1.00	1.00	8,912	5,671	(7,848)	(5,018)
Staff turnover rate	1.00	1.00	(8,579)	(5,524)	3,027	1,775

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 10.84 - 16.02 years (2019 : 9.99 - 14.15 years).

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

Expected maturity analysis of undiscounted Retirement benefits and Other long-term benefits are as follows:

	Consolidated financial statements				
	Less than 1 year Thousand Baht	Between 1-2 years Thousand Baht	Between 2-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
At 31 March 2020					
Retirement benefits	8,941	2,989	31,237	1,253,948	1,297,115
Other long-term benefits	2,558	2,358	10,713	76,945	92,574
Total	11,499	5,347	41,950	1,330,893	1,389,689
At 31 March 2019					
Retirement benefits	6,818	6,100	24,502	998,751	1,036,171
Other long-term benefits	2,238	2,348	8,014	68,849	81,449
Total	9,056	8,448	32,516	1,067,600	1,117,620
	Separate financial statements				
	Less than 1 year Thousand Baht	Between 1-2 years Thousand Baht	Between 2-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
At 31 March 2020					
Retirement benefits	2,016	-	14,184	406,700	422,900
Other long-term benefits	406	327	1,522	16,054	18,309
Total	2,422	327	15,706	422,754	441,209
At 31 March 2019					
Retirement benefits	-	1,547	11,894	317,309	330,750
Other long-term benefits	299	395	1,012	13,800	15,506
Total	299	1,942	12,906	331,109	346,256

24 Provision for decommissioning cost

The movements of provision for decommissioning cost for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance as at 1 April	1,068	-	1,068	-
Additions during the year	-	1,068	-	1,068
Closing balance as at 31 March	1,068	1,068	1,068	1,068

25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
As at 1 April	369,092	365,871	369,092	365,871
Appropriation during the year	3,483	3,221	3,483	3,221
As at 31 March	372,575	369,092	372,575	369,092

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

26 Other income

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gain on exchange rate, net	2,249	1,925	100	-
Dividend income from other long-term investment	14,400	-	-	-
Interest income	4,261	2,681	89,133	89,217
Compensation from insurance companies	68,410	41,239	-	-
Written-off payables from restructuring	-	6,067	-	-
Others	19,490	30,011	643	711
	108,810	81,923	89,876	89,928

27 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Change in finished goods and work in process	204,007	554,160	-	-
Raw materials and consumables used	13,563,185	14,900,964	-	-
Store and supplies used	855,552	1,275,002	-	-
Fuel	640,181	671,392	-	-
Depreciation and amortisation and amortisation of rolling mill expenses	492,086	518,531	13,091	24,513
Employee benefits expenses	972,420	878,355	268,920	250,923
Utilities expenses	1,907,360	2,093,748	975	1,034
Repair and maintenance expenses	609,917	646,363	152	738
Contractor fees	190,677	208,464	-	-
Delivery and selling expenses	185,001	187,293	5,745	17,039
Bank charges	62,406	53,160	8,215	8,973
Rental expenses	50,878	53,132	30,671	32,346
Doubtful accounts	8	35,336	-	250

28 Income tax (income) expense

Income tax (income) expense for the years ended 31 March comprise of

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Current tax:				
Current tax on profits for the year	81,373	25,282	-	-
Total current tax	81,373	25,282	-	-
Increase in deferred tax assets (Note 18)	(5,806)	(10,240)	(5,276)	(335)
Increase (decrease) in deferred tax liabilities (Note 18)	(12,078)	26,087	-	-
Total deferred tax	(17,884)	15,847	(5,276)	(335)
Total income tax (income) expense	63,489	41,129	(5,276)	(335)

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follow:

	Consolidated financial statements	
	2020 Thousand Baht	2019 Thousand Baht
Profit (loss) before income tax	110,589	(147,752)
Tax calculated at a tax rate of 20% (2019 : 20%)	22,118	(29,550)
Tax effect of:		
- Temporary differences and unused tax losses not accounted for as deferred tax assets and elimination entries	64,782	85,263
- Expenses not deductible for tax purpose	1,043	610
- Double tax expenses deductible	(2,026)	(2,596)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(22,428)	(12,598)
Tax charge	63,489	41,129
	Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht
Profit before income tax	64,397	64,088
Tax calculated at a tax rate of 20% (2019 : 20%)	12,879	12,818
Tax effect of:		
- Expenses not deductible for tax purpose	426	659
- Double tax expenses deductible	(601)	(1,214)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(17,980)	(12,598)
Tax charge	(5,276)	(335)

The Group's and the Company's weighted average applicable tax rate were 20% - (8)% and (8)%, respectively. (2019 : 19% - (1)% and (1)%, respectively).

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

The tax credit/(charge) relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2020			2019		
	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	(26,043)	3,358	(22,685)	(1,010)	316	(694)
Change in value of available-for-sale investment	(1,200)	140	(1,060)	(2,300)	460	(1,840)
Other comprehensive income	(27,243)	3,498	(23,745)	(3,310)	776	(2,534)
Current tax		-			-	
Deferred tax (Note 18)		3,498			776	
		<u>3,498</u>			<u>776</u>	
	Separate financial statements					
	2020			2019		
	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	(1,684)	337	(1,347)	2,511	(502)	2,009
Other comprehensive income	(1,684)	337	(1,347)	2,511	(502)	2,009
Current tax		-			-	
Deferred tax (Note 18)		337			(502)	
		<u>337</u>			<u>(502)</u>	

29 Earnings (loss) per share

The basic earnings (loss) per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the parent divided by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the years ended 31 March				
Net profit (loss) attributable to ordinary shareholders of the parent (Thousand Baht)	47,878	(188,181)	69,673	64,424
Weighted average number of ordinary shares outstanding (Share)	8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Basic earnings (loss) per share (Baht per share)	0.01	(0.02)	0.01	0.01

30 Financial instruments

30.1 Financial assets and liabilities in foreign currency

As at 31 March, the Group has outstanding balances of financial assets and liabilities in foreign currency as follows:

Currency	Consolidated financial statements					
	2020			2019		
	Amount	Amount	Average exchange rate	Amount	Amount	Average exchange rate
	Financial assets	Financial liabilities	as at	Financial assets	Financial liabilities	as at
	Thousand Baht	Thousand Baht	31 March	Thousand Baht	Thousand Baht	31 March
US Dollars	186,249	34,232	32.67	101,027	74,198	31.81
Euro	-	16,313	35.96	-	12,701	35.72
Pound Sterling	-	60	40.28	-	732	41.61
Swiss Franc	-	-	33.98	-	392	31.95
Swedish Krona	-	57	3.25	-	73	3.42
Japanese Yen	-	49	0.30	-	43	0.29
Indian Rupees	-	2,267	0.43	-	2,342	0.46
Singapore Dollars	5	-	22.94	5	-	23.47
Yuan	-	188	4.60	-	-	-

Currency	Separate financial statements					
	2020			2019		
	Amount	Amount	Average exchange rate	Amount	Amount	Average exchange rate
	Financial assets	Financial liabilities	as at	Financial assets	Financial liabilities	as at
	Thousand Baht	Thousand Baht	31 March	Thousand Baht	Thousand Baht	31 March
US Dollars	470	-	32.67	457	32	31.81
Indian Rupees	-	2,267	0.43	-	2,300	0.46

30.2 Foreign exchange forward contracts

As at 31 March 2020, the Group has foreign exchange forward contracts due to purchase of goods with maturity contracts not over 3 months (2019 : 8 months) as follows:

	Consolidated financial statements			
	2020		2019	
	Foreign currency amounts	Positive (negative) fair value Thousand Baht	Foreign currency amounts	Positive (negative) fair value Thousand Baht
Foreign exchange forward contracts				
US Dollars	179,000	185	430,000	100
Euro	137,000	308	300,000	32

As at 31 March 2020, the Group has foreign exchange forward contracts due to sale of goods with maturity contracts not over 2 months (2019 : Nil) as follows:

	Consolidated financial statements			
	2020		2019	
	Foreign currency amounts	Positive (negative) fair value Thousand Baht	Foreign currency amounts	Positive (negative) fair value Thousand Baht
Foreign exchange forward contracts				
US Dollars	3,500,000	(2,163)	-	-

The fair value of foreign exchange forward contracts is determined by using rates quoted by the Group counter parties to terminate the contracts at the date of statement of financial position and are within level 2 of the value hierarchy.

31 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
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

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 management
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	Telecommunications service	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

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

The following transactions were carried out with related parties:

a) **Related party transactions for the years ended 31 March 2020 and 2019**

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	762,299	1,370,187	-	-
The Siam Industrial Wire Co., Ltd.	452,053	733,214	-	-
NatSteel Holdings Pte. Ltd.	3,774	4,568	-	-
TSN Wires Co., Ltd.	282,700	329,599	-	-
Tata projects Limited	179	14,059	-	-
Total	1,501,005	2,451,627	-	-
Interest income				
The Siam Iron and steel (2001) Co., Ltd.	-	-	-	4
N.T.S. Steel Group Public Company Limited	-	-	85,446	86,679
Total	-	-	85,446	86,683
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	87,580	85,241
The Siam Construction Steel Co., Ltd.	-	-	160,256	158,265
N.T.S. Steel Group Public Company Limited	-	-	157,900	184,704
Total	-	-	405,736	428,210

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
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Expenses				
Purchases				
The Siam Industrial Wire Co., Ltd.	-	4,970	-	-
NatSteel Recycling Pte. Ltd.	-	97,695	-	-
Tata International Metals Asia Ltd.	1,137,852	1,000,194	-	-
Tata International Limited	18,518	13,976	-	-
Tata International West Asia DMCC	21,680	5,264	-	-
NatSteel Holdings Pte. Ltd.	-	129,206	-	-
Total	1,178,050	1,251,305	-	-
Purchases of assets				
Tata Technologies (Thailand) Co., Ltd.	-	3,370	-	3,370
Interest expenses				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	4,315	2,627
The Siam Construction Steel Co., Ltd.	-	-	26,577	26,254
N.T.S Steel Group Public Company Limited	-	-	464	-
Total	-	-	31,356	28,881
For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Other expenses				
Tata Steel Limited	1,004	72	1,004	72
The Siam Industrial Wire Co., Ltd.	-	266	-	-
Tata Sons Private Limited	16	1,051	16	1,051
Mjunction Services Limited	-	55	-	55
Tata South East Asia (Cambodia) Ltd.	-	392	-	392
Tata Technologies (Thailand) Co., Ltd.	54	99	54	99
Total	1,074	1,935	1,074	1,669
Key management compensation				
Short-term employee benefits	64,404	63,492	64,404	63,492
Post-employment benefits	29,487	21,197	29,487	21,197
Total	93,891	84,689	93,891	84,689

c) Short-term loans to a subsidiary

The movements of short-term loans to a subsidiary during the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	-	-	2,441,051	2,780,640
Net additions (deductions) of loans during the year	-	-	651,033	(339,589)
Closing balance for the year	-	-	3,092,084	2,441,051

As at 31 March 2020, short-term loans to a subsidiary in amount of Baht 3,092 million (2019 : Baht 2,441 million) bear interest rate at 3.0% per annum (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 during the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	-	-	1,839,824	1,913,950
Net additions (deductions) of borrowing during the year	-	-	278,531	(74,126)
Closing balance for the year	-	-	2,118,355	1,839,824

As at 31 March 2020, short-term borrowings from subsidiaries in amount of Baht 2,118 million (2019 : Baht 1,840 million) bear interest rate at 1.50% per annum (2019 : 1.50% per annum), short-term borrowings from subsidiaries are non-collateralised borrowings and not specified maturity date.

32 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 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, therefore, has appealed to the Court of Appeal for Specialized Cases. The subsidiary has already responded to the appeal on 10 January 2020.

As at 31 March 2020, 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 statements.

33 Commitments

33.1 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 March 2020 and 2019 amounting to Baht 283 million and Baht 350 million, respectively, in the normal courses of business.

33.2 Capital commitments

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Building and equipment	23,562	68,057	-	-
Computer software	-	3,799	-	-

33.3 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 statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	71,284	34,515	25,981	18,308
Later than 1 year but not later than 5 years	176,333	37,574	30,161	23,747
Later than 5 years	500,085	-	-	-
	747,702	72,089	56,142	42,055

33.4 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand	2019 Thousand	2020 Thousand	2019 Thousand
Currency				
US Dollars	1,266	680	-	-
EUR	275	355	-	-

34 Fair value measurement

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

Financial assets and financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	Positive (negative) fair value as at		Positive (negative) fair value as at			
	31 March 2020 Thousand Baht	31 March 2019 Thousand Baht	31 March 2020 Thousand Baht	31 March 2019 Thousand Baht		
Financial assets						
1. Foreign currency forward contracts (including in other current assets)	494	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.
Financial liabilities						
1. Foreign currency forward contracts (including in other current liabilities)	2,163	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.

35 Promotional privileges

The Group received the promotional privileges from the Board of Investment for 2 projects no. 2084(8)/2550 and 9018(2)/2557 on 18 July 2007 and 29 September 2014, respectively; for manufacturing of steel sections, hot metal, pig iron, and steel billet wire rods. Subject to certain imposed conditions, the privileges include the following conditions:

- a) Exemption of import duty on machinery as approved by the board.
- b) Exemption of corporate income tax earned from promoted business for the period of 3 years counting from the first date of derived revenue from the respective business activities.

Revenues in the consolidated statements of comprehensive income classified by BOI and Non BOI businesses are as follows:

	Consolidated financial statements		
	2020 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax	Non BOI promoted activities	Total
	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from local sales	-	18,288,118	18,288,118
Revenue from export sales	-	1,836,613	1,836,613
Total revenue	-	20,124,731	20,124,731
	Consolidated financial statements		
	2019 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax	Non BOI promoted activities	Total
	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from local sales	-	19,753,096	19,753,096
Revenue from export sales	-	2,469,270	2,469,270
Total revenue	-	22,222,366	22,222,366