

N.T.S. STEEL GROUP PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2018



Independent Auditor's Report

To the Shareholders of N.T.S. Steel Group Public Company Limited

My opinion

In my opinion, the financial statements of N.T.S. Steel Group Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

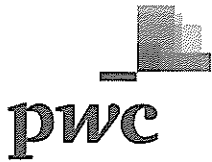
Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Varaporn Vorathitikul', written in a cursive style.

Varaporn Vorathitikul
Certified Public Accountant (Thailand) No. 4474
Bangkok
24 April 2018

N.T.S. Steel Group Public Company Limited
Statement of Financial Position
As at 31 March 2018

	Notes	2018 Baht	2017 Baht
Assets			
Current assets			
Cash and cash equivalents	7 a)	130,486,501	115,976,238
Trade and other receivables, net	8	819,858,055	785,293,592
Inventories, net	9	1,539,208,469	1,221,479,689
Other current assets		15,513,125	9,807,611
Non-current assets classified as held-for-sale	10	460,000,000	521,000,000
Total current assets		<u>2,965,066,150</u>	<u>2,653,557,130</u>
Non-current assets			
Available-for-sale investments	11	3,500,000	3,300,000
Property, plant and equipment, net	12	2,570,020,522	2,860,428,628
Intangible assets, net	13	563,318	63,371
Deferred tax assets, net	14	5,752,891	5,803,223
Other non-current assets	15	23,040,930	21,549,081
Total non-current assets		<u>2,602,877,661</u>	<u>2,891,144,303</u>
Total assets		<u><u>5,567,943,811</u></u>	<u><u>5,544,701,433</u></u>

The accompanying notes on page 9 to 43 are an integral part of the financial statements.

N.T.S. Steel Group Public Company Limited
Statement of Financial Position
As at 31 March 2018

	<u>Notes</u>	<u>2018</u> <u>Baht</u>	<u>2017</u> <u>Baht</u>
Liabilities and equity			
Current liabilities			
Short-term borrowings from financial institutions	16	547,675,020	608,075,911
Trade and other payables	17	1,463,824,217	1,351,472,851
Short-term borrowings from a parent company	25 c)	2,780,640,396	2,719,633,872
Other current liabilities		<u>13,772,261</u>	<u>26,856,758</u>
Total current liabilities		<u>4,805,911,894</u>	<u>4,706,039,392</u>
Non-current liabilities			
Employee benefit obligations	18	<u>64,755,567</u>	<u>57,516,179</u>
Total non-current liabilities		<u>64,755,567</u>	<u>57,516,179</u>
Total liabilities		<u>4,870,667,461</u>	<u>4,763,555,571</u>
Equity			
Share capital			
Authorised share capital			
Ordinary shares, 3,856,637,797 shares at par value of Baht 1.20 each		<u>4,627,965,356</u>	<u>4,627,965,356</u>
Issued and paid-up share capital			
Ordinary shares, 3,856,637,797 shares paid-up of Baht 1.20 each		4,627,965,356	4,627,965,356
Deficits			
Unappropriated		(3,933,589,006)	(3,849,559,494)
Other components of equity		<u>2,900,000</u>	<u>2,740,000</u>
Total equity		<u>697,276,350</u>	<u>781,145,862</u>
Total liabilities and equity		<u>5,567,943,811</u>	<u>5,544,701,433</u>

The accompanying notes on page 9 to 43 are an integral part of the financial statements.

N.T.S. Steel Group Public Company Limited
Statement of Comprehensive Income
For the year ended 31 March 2018

	Notes	2018 Baht	2017 Baht
Revenue from sales		21,728,739,306	19,459,031,590
Cost of sales		<u>(21,103,085,403)</u>	<u>(18,640,487,111)</u>
Gross profit		625,653,903	818,544,479
Other income	19	8,990,927	21,545,705
Selling expenses		(187,098,699)	(201,656,380)
Administrative expenses		(426,723,935)	(321,904,832)
Other expense	21	-	(536,024,955)
Finance costs		<u>(106,519,504)</u>	<u>(85,598,183)</u>
Profit before income tax expense		(85,697,308)	(305,094,166)
Income tax income (expense)	22	<u>(10,332)</u>	<u>1,081,435</u>
Loss for the period		<u>(85,707,640)</u>	<u>(304,012,731)</u>
Other comprehensive income (expense)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations		1,678,128	(2,605,621)
Income tax on items that will not be reclassified		-	-
Total items that will not be reclassified subsequently to profit or loss		<u>1,678,128</u>	<u>(2,605,621)</u>
Items that will be reclassified subsequently to profit or loss			
Change in value of available-for-sale financial assets		200,000	1,100,000
Income tax relating to items that will be reclassified		<u>(40,000)</u>	<u>(220,000)</u>
Total items that will be reclassified subsequently to profit or loss		<u>160,000</u>	<u>880,000</u>
Other comprehensive income (expense) for the year, net of tax		<u>1,838,128</u>	<u>(1,725,621)</u>
Total comprehensive expense for the year		<u><u>(83,869,512)</u></u>	<u><u>(305,738,352)</u></u>
Loss per share			
Loss per share (Baht)	23	(0.02)	(0.08)

The accompanying notes on page 9 to 43 are an integral part of the financial statements.

N.T.S. Steel Group Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2018

	Deficits		Other component of equity				Total equity Baht
	Issued and paid-up share capital Baht	Appropriated - legal reserve Baht	Unappropriated Baht	comprehensive income		Other	
				- Available-for-sale investments Baht			
Opening balance as at 1 April 2016	4,627,965,356	-	(3,542,941,142)	1,860,000		1,086,884,214	
Changes in equity for the year							
Total comprehensive expense for the year	-	-	(306,618,352)	880,000		(305,738,352)	
Closing balance as at 31 March 2017	<u>4,627,965,356</u>	<u>-</u>	<u>(3,849,559,494)</u>	<u>2,740,000</u>		<u>781,145,862</u>	
Opening balance as at 1 April 2017	4,627,965,356	-	(3,849,559,494)	2,740,000		781,145,862	
Changes in equity for the year							
Total comprehensive expense for the year	-	-	(84,029,512)	160,000		(83,869,512)	
Closing balance as at 31 March 2018	<u>4,627,965,356</u>	<u>-</u>	<u>(3,933,589,006)</u>	<u>2,900,000</u>		<u>697,276,350</u>	

The accompanying notes on page 9 to 43 are an integral part of the financial statements.

N.T.S. Steel Group Public Company Limited
Statement of Cash Flows
For the year ended 31 March 2018

	Notes	2018 Baht	2017 Baht
Cash flows from operating activities			
Loss before income tax expense		(85,697,308)	(305,094,166)
Adjustments :			
Depreciation and amortisation charge		353,447,146	347,110,685
Allowance for doubtful accounts		40,577,062	-
Employee benefit obligations		11,882,358	7,491,054
Gain on foreign exchange rate		(523,689)	(1,024,992)
Other adjustments from non-cash items	7 b)	61,529,347	622,616,069
Interest income		(88,152)	(68,374)
Interest expense		106,519,504	85,598,183
		<u>487,646,268</u>	<u>756,628,459</u>
Changes in working capital			
Trade and other receivables		(75,400,002)	(22,522,544)
Inventories		(333,043,682)	(309,374,031)
Trade and other payables		114,158,240	(82,529,342)
Other cash received (paid) from operating activities	7 c)	<u>(23,120,130)</u>	<u>12,621,701</u>
Cash flows from operating activities			
Cash generated from operations		170,240,694	354,824,243
Adjustment of cash occurred from borrowings	7 d)	(104,258,941)	(86,096,712)
Income tax paid		<u>(126,572)</u>	<u>(194,383)</u>
Net cash generated from operating activities		<u>65,855,181</u>	<u>268,533,148</u>
Cash flows from investing activities			
Purchases of intangible assets		(564,800)	(5,290)
Purchases of property, plant and equipment		(52,197,755)	(86,745,211)
Proceeds from disposals of property, plant and equipment		723,852	391,155
Interest received		<u>88,152</u>	<u>68,374</u>
Net cash used in investing activities		<u>(51,950,551)</u>	<u>(86,290,972)</u>

The accompanying notes on page 9 to 43 are an integral part of the financial statements.

N.T.S. Steel Group Public Company Limited
Statement of Cash Flows
For the year ended 31 March 2018

	Notes	2018 Baht	2017 Baht
Cash flow from financing activities			
Payments from short-term borrowings from financial institutions	16	(60,400,891)	(668,467,210)
Proceeds from short-term borrowings from parent company	25 c)	61,006,524	553,889,855
Net cash generated from (used in) financing activities		<u>605,633</u>	<u>(114,577,355)</u>
Net increase in cash and cash equivalents		14,510,263	67,664,821
Cash and cash equivalents at the beginning of the year		<u>115,976,238</u>	<u>48,311,417</u>
Cash and cash equivalents at the end of the year	7 a)	<u><u>130,486,501</u></u>	<u><u>115,976,238</u></u>

The accompanying notes on page 9 to 43 are an integral part of the financial statements.

1 General information

N.T.S. Steel Group Public Company Limited ("the Company") is a public limited company and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

Head Office: Rasa Tower 2, 20th Floor, 555 Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok 10900.

Factory : 351 Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230.

The major shareholder and the parent company is Tata Steel (Thailand) Public Company Limited which is a public company incorporated in Thailand and listed on the Stock Exchange of Thailand and holds 99.76% of the Company's shares. The Company is under Tata Steel Limited group, which is company incorporated under the law of India.

The Company engages in manufacturing, rendering manufacturing services, distributing and trading of steel bars, wire rods and small section products.

As at 31 March 2018 and 2017, the Company has total current liabilities exceeding total current assets by Baht 1,841 million and Baht 2,052 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 2,781 million and Baht 2,720 million, respectively. The parent company confirmed to continue its financial support to the Company to enable the Company to continue its operations satisfactorily at least for the next 12 months from the statement of financial position date.

The financial statements were authorised for issue by the authorised of directors on 24 April 2018.

2 Accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The financial statements have been prepared under the historical cost convention except as disclosed in accounting policies available for sale investments as described in Note 2.7 and non-current assets or disposal groups held-for-sale as described in Note 2.20.

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.

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

An English version of the 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 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

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

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

TAS 7 (revised 2017) Statement of cash flows

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

The Company's management assessed and considered that the above revised standards will not have a material impact on the Company except for disclosure.

2.2.3 The FAP has announced new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Company has not yet adopted this revised standard.

TFRS 15 will replace the following standards and interpretations:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programs
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- 1 identify contracts with customers
- 2 identify the performance obligations in the contract
- 3 determine the transaction price of the contract
- 4 allocate the transaction price to each of the separate performance obligations, and
- 5 recognise the revenue as each performance obligation is satisfied.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.3 The FAP has announced new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Company has not yet adopted this revised standard (Cont'd)

Key changes to current practice are:

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

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognized as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Company's management is currently assessing the impact of initial adoption of this standard.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and the Company's 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 valuation 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.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Deposits pledged at bank are not included in cash and cash equivalents balance. In the statements of financial position, bank overdrafts are shown within loans in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.6 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. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.7 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale;
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

2 Accounting policies (Cont'd)

2.7 Investments (Cont'd)

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.

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

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment method.

2.8 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Land improvement	20 - 25 years
Buildings and structures	5 - 30 years
Machinery and equipment	5 - 25 years
Furniture, fixtures and office equipment	3 - 25 years
Vehicles	5 years

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

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income/expense' in profit or loss.

2 Accounting policies (Cont'd)

2.9 Intangible assets

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use or sell;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs and the rights to use computer software recognised as assets are amortised over their estimated useful lives, which does not exceed 5 years and 10 years.

2.10 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.11 Leases

Leases - where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. 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.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2.12 Troubled debt restructuring where the Company is the debtor

When the Company transfers its assets or equities in settlement of its debts as part of the debt restructuring, the excess of the carrying amount of the payable settled (including accrued interest, unamortised premium or discount, finance charges or issue costs) over the fair value of the assets or equities transferred to the lender is recognised as a gain on restructuring.

Legal fees and other direct costs incurred in transferring equities are deducted from the amount recorded for that equity. All other direct costs incurred to effect the debt restructuring are deducted to arrive at the gain on restructuring. If no gain on restructuring is recognised other direct costs incurred are included in expenses for the period.

Where the debt restructuring involves modification of terms of payables, the Company accounts for the effects of the restructuring prospectively from the time of restructuring and does not change the carrying amount of the payable at the time of the restructuring unless the carrying amount exceeds the total undiscounted future cash payment specified by the new terms. If it exceeds the total undiscounted future cash payment, the carrying amount of the payable is reduced to the amount equal to the total undiscounted future cash payments specified by the new terms and a gain on restructuring is recognised in the profit or loss.

2 Accounting policies (Cont'd)

2.13 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2.14 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. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. 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 is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 Accounting policies (Cont'd)

2.14 Current and deferred income taxes (Cont'd)

Deferred income 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 income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

2.15.1 Post-employment

The Company operate various post-employment benefits schemes. The Company has both defined benefit and defined contribution plans.

2.15.1.1 Defined contribution

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Company pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.15.1.2 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries 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 are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity.

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

2 Accounting policies (Cont'd)

2.15 Employee benefits (Cont'd)

2.15.2 Other long-term employee benefits

The Company has schemes to award gold to employees who have provided services to the Company at every 5 years anniversary, for a maximum of 7 times.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries 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 are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

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

2.15.3 Bonus plans

The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.16 Provisions

Provisions are recognised when the Company 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Other revenues are recognised on the following bases:

- Interest income is recognised using the effective interest method.
- Scrap income is recognised when the scrap is actually sold.

2 Accounting policies (Cont'd)

2.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as management that makes strategic decisions.

2.20 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 is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

3 Risk management

3.1 Financial risk management

Financial risk factors

The Company'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 Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain exposures.

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

- **Interest rate risk**

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

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

- **Credit risk**

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

3 Risk management (Cont'd)

3.1 Financial risk management (Cont'd)

Financial risk factors (Cont'd)

- 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 Company treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

- Foreign exchange risk

The Company has exposure to foreign currency exchange fluctuations on purchasing of goods and services in the ordinary course of business. Entities in the Company 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 Company 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 Company 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 Company 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 administrative expenses in profit or loss.

Disclosures about derivative financial instruments to which the Company is a party are provided in Note 24.

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).

Financial assets carried on the statement of financial position include cash and cash equivalents and trade and other receivables. Financial liabilities carried on the statement of financial included short-term loans from financial institutions, trade and other payables, short-term loans from parent company, and long-term loans from financial institutions.

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

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, assumption and judgements

Estimates, assumption 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.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

1) Allowance for doubtful accounts

The Company 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 Company'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 Company 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 Company's analysis of obsolete and slow-moving inventories and sale forecast in the future. 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 Company. 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) 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 Company will generate future taxable income sufficient to fully utilize the deferred tax assets. The Company'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 risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company 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 Company's internal reports that are regularly obtained and reviewed by the chief operating decision maker for the purpose of the allocation of resources to the segment and assess its performance.

The Company's operations involve the single business segment of the manufacture and distribution of long steel products, which is located in Thailand. Sales 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 the financial statements.

During the year ended 31 March 2018, the Company has revenue from 1 customer which contributed equal or over 10.0% of the Company's total revenue (2017 : 1 customer). The revenue from sales to this customer is Baht 2,531 million (2017 : Baht 2,851 million) which are domestic sales.

For the years ended 31 March	2018 Thousand Baht	2017 Thousand Baht
Segment revenue		
Local	20,391,788	18,515,579
Export	1,336,951	943,453
	<u>21,728,739</u>	<u>19,459,032</u>

7 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	2018 Thousand Baht	2017 Thousand Baht
Deposits at banks - current accounts	27,507	27,691
- savings accounts	102,979	88,285
	<u>130,486</u>	<u>115,976</u>
	2018 %	2017 %
<u>Interest rate</u>		
Deposits at banks - savings accounts	0.05 - 0.50	0.25 - 0.50

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

	2018 Thousand Baht	2017 Thousand Baht
Loss from decrease in value of in non-current assets classified as held-for-sale	61,000	-
Loss from diminution in value of inventories and value of obsolete inventories	-	131,017
Loss on disposal of plant and equipment	529	42
Loss from write-off of plant and equipment	-	18,418
Reversal of impairment of plant and equipment	-	473,139
	<u>61,529</u>	<u>622,616</u>

7 Cash and cash equivalents (Cont'd)

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

	2018	2017
	Thousand	Thousand
	Baht	Baht
(Increase) decrease in other current assets and other non-current assets	(7,071)	8,482
(Increase) decrease in other current liabilities and other non-current liabilities	(13,084)	5,736
Employee benefit obligations paid	(2,965)	(1,597)
	<u>(23,120)</u>	<u>12,621</u>

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

	2018	2017
	Thousand	Thousand
	Baht	Baht
Interest paid	<u>(104,259)</u>	<u>(86,097)</u>

- e) Non-cash transactions in the financial statements are as follows:

The recording of investments in available-for-sale securities in the financial statements at fair value. For the year ended 31 March 2018, the Company recorded unrealised gain on such investments of Baht 0.2 million (2017 : Baht 1.1 million) as income in the statement of comprehensive income.

The reclassification of machinery and spare parts and store supplies of MBF amounting to Baht 521 million from property, plant and equipment to non-current assets classified as held for sale as at 31 March 2017.

Non-cash items from purchase and increase of plant and equipment and intangible assets for the years ended 31 March, are as follows:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Payables for plant and equipment and intangible assets brought forward	4,686	4,291
<u>Add</u> Purchases during the year	49,477	87,145
<u>Less</u> Payments during the year	<u>(52,763)</u>	<u>(86,750)</u>
Payables for plant and equipment and intangible assets carried forward	<u>1,400</u>	<u>4,686</u>

8 Trade and other receivables, net

	2018	2017
	Thousand	Thousand
	Baht	Baht
Trade receivables - other parties	810,541	727,853
- related parties (Note 25 b))	28,287	66,966
<u>Less</u> Allowance for doubtful accounts	<u>(54,533)</u>	<u>(13,956)</u>
Trade receivables, net	784,295	780,863
Other receivables - other parties	258	479
- related parties (Note 25 b))	14,721	3,789
Prepayments	20,584	163
	<u>819,858</u>	<u>785,294</u>

The credit term for trade receivable normally requires 15 days to 90 days (2017 : 15 days to 90 days). The outstanding trade receivables can be analysed as follows:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Not yet due	696,196	739,995
Overdue:		
Under 3 months	52,448	40,047
3 - 6 months	75,528	-
6 - 12 months	-	-
Over 12 months	14,656	14,777
	838,828	794,819
<u>Less</u> Allowance for doubtful accounts	<u>(54,533)</u>	<u>(13,956)</u>
	<u>784,295</u>	<u>780,863</u>

In 2008, the Company 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 year ended 31 March 2018 and 2017, the Company had sold receivables to the financial institution amounting to Baht 9,496 million and Baht 7,890 million, respectively.

During the year ended 31 March 2017, the Company has written-off Baht 4.24 million of trade receivable - other parties. The allowance for doubtful accounts has been fully provided.

9 Inventories, net

	2018	2017
	Thousand	Thousand
	Baht	Baht
Raw materials	294,883	259,667
Work in progress	183,178	116,821
Finished goods	651,528	500,026
Spare parts	318,187	327,320
Supplies and others	102,386	78,950
	<u>1,550,162</u>	<u>1,282,784</u>
<u>Less</u> Allowance for diminution in value of inventories and obsolete inventories		
- Raw Materials	-	(67,242)
- Spare parts	(45,578)	(45,716)
- Supplies and others	(18,076)	(31,821)
	<u>1,486,508</u>	<u>1,138,005</u>
<u>Add</u> Goods in transit	52,700	83,475
	<u>1,539,208</u>	<u>1,221,480</u>

The cost of inventories recognised as expense and included in 'cost of sales' amounting to Baht 21,184 million (2017: Baht 18,588 million).

During the year ended 31 March 2018, amortisation of rolling mill expenses which was categorised in supplies and others amounting to Baht 15 million included in cost of sales in the statement of comprehensive income (2017: Baht 18 million).

During the year ended 31 March 2018, the Company reversed allowance diminution in value of inventories and obsolete inventories of Baht 81 million to the statement of comprehensive income because of sales of such inventories during the year.

During the year ended 31 March 2017, the allowance for diminution in value of inventory and inventory obsolescence of Baht 21 million had been reversed and the allowance for diminution in value of raw materials of Baht 65 million and inventory obsolescence of Baht 10 million were recorded as part of cost of sales. The allowance for diminution in value of spare parts and store supplies of Mini Blast Furnace of Baht 63 million were recorded in full parts of other expense as the Company management plan to dispose MBF and its spare parts and store supplies that mentioned in Note 10 and classified such aforementioned items to non-current assets held-for-sale.

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

Assets and liabilities of disposal group classified as held-for-sale

	2018	2017
	Thousand	Thousand
	Baht	Baht
Machinery, spare parts and store supplies	<u>460,000</u>	<u>521,000</u>

In August 2011, the Company'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.

10 Non-current assets classified as held-for-sale (Cont'd)

As at 31 March 2017, the Company's management plans to dispose MBF machinery, equipment and its spare parts and store supplies. The Company had active programme to locate buyers, which expected to dispose such assets within 1 year. Therefore, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets held for sale as at 31 March 2018 and 2017 with the net realisable value of Baht 521 million.

On 15 November 2017, the Company entered into an asset purchase agreement with a buyer for the disposal of MBF machinery, equipment, its spare parts and store supplies.

The Company's management has made an additional provision for impairment of non-current asset classified as held-for-sale amounting to Baht 61 million resulted from changes in the exchange rate. This has been recorded in other expenses in the consolidated statement of comprehensive income. Consequently, the net realisable value as at 31 March 2018 was Baht 460 million.

As at 31 March 2018, while the Company's management remains committed to the plan of disposal, it is expected that the dismantling and dispatch will take 12-18 months. Accordingly, the MBF assets continue to be classified as non-current assets classified as held-for-sale as at 31 March 2018.

11 Available-for-sale investments

	2018	2017
	Thousand	Thousand
	Baht	Baht
Opening net book amount	3,300	2,200
Changes in fair value of AFS investments	200	1,100
Closing net book amount	<u>3,500</u>	<u>3,300</u>

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.

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12 Property, plant and equipment, net

	Land Thousand Baht	Land improvement Thousand Baht	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 2016								
Cost	714,611	246,818	2,121,823	9,302,025	62,147	2,158	29,425	12,479,007
Less Accumulated depreciation	-	(146,861)	(692,393)	(4,598,387)	(48,606)	(2,121)	-	(5,488,368)
Allowance for decrease in value of asset	-	-	(1,124,556)	(1,750,819)	-	-	-	(2,875,375)
Net book amount	714,611	99,957	304,874	2,952,819	13,541	37	29,425	4,115,264
For the year ended 31 March 2017								
Opening net book amount	714,611	99,957	304,874	2,952,819	13,541	37	29,425	4,115,264
Additions	-	-	95	718	1,539	76	84,712	87,140
Transfers	-	-	10,294	96,721	1,683	-	(108,698)	-
Disposals	-	-	(3,403)	(20,535)	(8,154)	(152)	-	(32,244)
- cost	-	-	3,020	16,184	7,848	152	-	29,204
- accumulated depreciation	-	-	-	71,983	-	-	-	71,983
- allowance for decrease in value of asset	-	-	-	(223,301)	-	-	-	(223,301)
Write off	-	-	-	135,508	-	-	-	135,508
Reclassification	-	-	-	-	-	-	-	-
- cost	-	-	-	(2,395,713)	-	-	-	(2,395,713)
- accumulated depreciation	-	-	-	538,164	-	-	-	538,164
- allowance for decrease in value of asset	-	-	-	1,336,549	-	-	-	1,336,549
Depreciation charge	-	(11,266)	(33,829)	(280,178)	(3,699)	(14)	-	(328,986)
Allowance for decrease in value of asset	-	-	-	(473,082)	(57)	-	-	(473,139)
Closing net book amount	714,611	88,691	281,051	1,757,837	12,701	99	5,439	2,860,429
As at 31 March 2017								
Cost	714,611	246,818	2,128,809	6,759,915	57,215	2,082	5,439	9,914,889
Less Accumulated depreciation	-	(158,127)	(723,202)	(4,186,709)	(44,457)	(1,963)	-	(5,114,478)
Allowance for decrease in value of asset	-	-	(1,124,556)	(815,369)	(57)	-	-	(1,939,982)
Net book amount	714,611	88,691	281,051	1,757,837	12,701	99	5,439	2,860,429

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12 Property, plant and equipment, net (Cont'd)

	Land Thousand Baht	Land Improvement Thousand Baht	Land and structures Thousand Baht	Buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2017									
Cost	714,611	246,818	2,128,809	2,128,809	6,759,915	57,215	2,082	5,439	9,914,889
Less Accumulated depreciation	-	(158,127)	(723,202)	(723,202)	(4,186,709)	(44,457)	(1,983)	-	(5,114,478)
Allowance for decrease in value of asset	-	-	(1,124,556)	(1,124,556)	(815,369)	(57)	-	-	(1,939,982)
Net book amount	714,611	88,691	281,051	281,051	1,757,837	12,701	99	5,439	2,860,429
For the year ended 31 March 2018									
Opening net book amount	714,611	88,691	281,051	281,051	1,757,837	12,701	99	5,439	2,860,429
Additions	-	-	53	53	766	995	-	47,098	48,912
Transfers	-	-	93	93	42,815	2,511	128	(45,547)	-
Disposals	-	-	-	-	-	-	-	-	-
- cost	-	-	(208)	(208)	(167,342)	(2,538)	(284)	-	(170,372)
- accumulated depreciation	-	-	208	208	87,566	2,491	284	-	90,549
- allowance for decrease in value of asset	-	-	-	-	78,520	50	-	-	78,570
Depreciation charge	-	(11,265)	(34,084)	(34,084)	(289,173)	(3,513)	(32)	-	(338,067)
Closing net book amount	714,611	77,426	247,113	247,113	1,510,989	12,697	195	6,990	2,570,021
As at 31 March 2018									
Cost	714,611	246,818	2,128,747	2,128,747	6,636,154	58,183	1,926	6,990	9,793,429
Less Accumulated depreciation	-	(169,392)	(757,078)	(757,078)	(4,388,316)	(45,479)	(1,731)	-	(5,391,996)
Allowance for decrease in value of asset	-	-	(1,124,556)	(1,124,556)	(736,849)	(7)	-	-	(1,861,412)
Net book amount	714,611	77,426	247,113	247,113	1,510,989	12,697	195	6,990	2,570,021

12 Property, plant and equipment, net (Cont'd)

For the year ended 31 March 2017

Since August 2011, the Company's management had decided to temporarily cease operation of the Mini Blast Furnace ("MBF") in view of the high volatility of MBF raw material prices and the prices being relatively higher than scrap prices, thereby adversely impacting the viability of costs of steel produced through the MBF route. MBF remained mothballed until September 2017. For the years ended 31 March 2017, depreciation and other expenses of MBF incurred during the mothball period were Baht 10 million.

As at 31 March 2017, in consistent with Thai Accounting Standard No. 36 (Revised 2015) "Impairment of Assets", the Company has assessed the recoverable amount of MBF by using the asset's fair value which is the price proposed by a potential buyer less costs to sell which considered that the recoverable amount was lower than its carrying amount, so the Company recognised additional allowance for impairment on MBF machinery amounting to Baht 465 million. The total allowance for impairment of MBF machinery of Baht 1,336 million which was including allowance for impairment which was recognised in 2013 of Baht 871 million, so the net realisable value of MBF was Baht 521 million.

The Company's management plans to dispose MBF machinery and its spare parts and store supplies. The Company had active programme to locate buyers, which expected to dispose such assets within 1 year. Accordingly, the Company classified MBF machinery as non-current assets held for sale as at 31 March 2017.

For the year ended 31 March 2017, the Company recorded allowance for impairment on obsolete machinery and equipment of Baht 7 million and reversed the allowance for impairment which was recognised in 2013 of Baht 72 million due to write-off and sale of such machinery and equipment.

13 Intangible assets, net

	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2016			
Cost	2,887	-	2,887
<u>Less</u> Accumulated amortisation	(2,797)	-	(2,797)
Net book amount	<u>90</u>	<u>-</u>	<u>90</u>
For the year ended 31 March 2017			
Opening net book amount	90	-	90
Additions	5	-	5
Amortisation charge	(32)	-	(32)
Closing net book amount	<u>63</u>	<u>-</u>	<u>63</u>
As at 31 March 2017			
Cost	2,892	-	2,892
<u>Less</u> Accumulated amortisation	(2,829)	-	(2,829)
Net book amount	<u>63</u>	<u>-</u>	<u>63</u>
For the year ended 31 March 2018			
Opening net book amount	63	-	63
Additions	33	532	565
Transfer	532	(532)	-
Amortisation charge	(65)	-	(65)
Closing net book amount	<u>563</u>	<u>-</u>	<u>563</u>
As at 31 March 2018			
Cost	3,457	-	3,457
<u>Less</u> Accumulated amortisation	(2,894)	-	(2,894)
Net book amount	<u>563</u>	<u>-</u>	<u>563</u>

14 Deferred tax assets, net

Deferred tax assets, net as at 31 March 2018 and 2017 comprise the following:

	2018 Thousand Baht	2017 Thousand Baht
Deferred tax assets		
- To be recovered within 12 months	-	-
- To be recovered more than 12 months	6,417	6,417
	<u>6,417</u>	<u>6,417</u>
Deferred tax liabilities		
- To be recovered within 12 months	(64)	(54)
- To be recovered more than 12 months	(600)	(560)
	<u>(664)</u>	<u>(614)</u>
Deferred tax assets, net	<u>5,753</u>	<u>5,803</u>

14 Deferred tax assets, net (Cont'd)

The gross movements in the deferred tax, net for the years ended 31 March 2018 and 2017 comprise the following:

	2018 Thousand Baht	2017 Thousand Baht
Opening balance	5,803	4,942
Increase (decrease) to profit or loss	(10)	1,081
Decrease to other comprehensive income	(40)	(220)
Closing balance	<u>5,753</u>	<u>5,803</u>

The movements of deferred tax assets, net for the years ended 31 March 2018 and 2017 comprise the following:

	1 April 2017 Thousand Baht	(Charged) credited to profit or loss Thousand Baht	(Charged) credited to other comprehensive income Thousand Baht	31 March 2018 Thousand Baht
Deferred tax assets				
Employee benefit obligations	6,417	-	-	6,417
	<u>6,417</u>	<u>-</u>	<u>-</u>	<u>6,417</u>
Deferred tax liabilities				
Available for sale investment	(560)	-	(40)	(600)
Derivative assets	(54)	(10)	-	(64)
	<u>(614)</u>	<u>(10)</u>	<u>(40)</u>	<u>(664)</u>
Deferred tax assets, net	<u>5,803</u>	<u>(10)</u>	<u>(40)</u>	<u>5,753</u>
	1 April 2016 Thousand Baht	(Charged) credited to profit or loss Thousand Baht	(Charged) credited to other comprehensive income Thousand Baht	31 March 2017 Thousand Baht
Deferred tax assets				
Employee benefit obligations	6,417	-	-	6,417
	<u>6,417</u>	<u>-</u>	<u>-</u>	<u>6,417</u>
Deferred tax liabilities				
Available for sale investment	(340)	-	(220)	(560)
Derivative assets	(1,135)	1,081	-	(54)
	<u>(1,475)</u>	<u>1,081</u>	<u>(220)</u>	<u>(614)</u>
Deferred tax assets, net	<u>4,942</u>	<u>1,081</u>	<u>(220)</u>	<u>5,803</u>

14 Deferred tax assets, net (Cont'd)

As at 31 March 2018, 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 1,065 million (2017 : Baht 1,067 million) in respect of losses amounting to Baht 5,326 million (2017: Baht 5,388 million) that can be carried forward against future taxable income. Such losses will be expired in March 2019 to November 2022.

15 Other non-current assets

	2018	2017
	Thousand	Thousand
	Baht	Baht
Corporate income tax refundable	18,639	18,524
Others	4,402	3,025
	<u>23,041</u>	<u>21,549</u>

16 Short-term borrowings from financial institutions

The movements of short-term borrowings from financial institutions for the years ended 31 March 2018 and 2017 comprise the following:

	2018	2017
	Thousand	Thousand
	Baht	Baht
At the beginning of the year	608,076	1,276,543
Additions during the year	1,655,205	1,955,191
Repayments during the year	<u>(1,715,606)</u>	<u>(2,623,658)</u>
At the end of the year	<u>547,675</u>	<u>608,076</u>

As at 31 March 2018, short-term borrowings from financial institutions in amount of Baht 548 million (2017 : Baht 608 million) bear interest rate at BIBOR+2% per annum (2017 : interest rate at BIBOR+2% per annum) and due from 2 April 2018 to 28 May 2018 (2017 : 3 April 2017 to 31 May 2017).

17 Trade and other payables

	2018	2017
	Thousand	Thousand
	Baht	Baht
Trade payables - other parties	324,991	273,888
- related parties (Note 25 b))	884,383	823,339
Other payables - other parties	1,401	4,686
- related parties (Note 25 b))	18,973	15,369
Advance received from customers	67,116	48,645
Accrued expenses - other companies	166,960	185,546
	<u>1,463,824</u>	<u>1,351,473</u>

18 Employee benefit obligations

	2018	2017
	Thousand	Thousand
	Baht	Baht
Statement of financial position:		
Retirement benefits	57,261	53,262
Other long-term benefits	7,495	4,254
Liability in the statement of financial position	<u>64,756</u>	<u>57,516</u>
Profit or loss charge included in operating profit for:		
Retirement benefits	7,520	6,510
Other long-term benefits	4,363	980
	<u>11,883</u>	<u>7,490</u>
Remeasurement in other comprehensive (income) expense	<u>(1,678)</u>	<u>2,606</u>

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 for the years ended 31 March 2018 and 2017 comprise the following:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Opening balance for the year	57,516	49,017
Current service cost	7,085	6,212
Past service cost	3,102	-
Interest cost	1,696	1,278
Remeasurements:		
Loss from change in demographic assumptions	1,959	2,528
(Gain)/loss from change in financial assumptions	(2,431)	3,843
Experience gain	(1,206)	(3,765)
Employee benefit paid	(2,965)	(1,597)
Closing balance for the year	<u>64,756</u>	<u>57,516</u>

The principal actuarial assumptions used were as follows:

	2018	2017
	%	%
Discount rates	2.90	2.49
Salary growth rate	5.00	4.95
Staff turnover rate	0.00 - 10.00	0.00 - 11.00

18 Employee benefit obligations (Cont'd)

Sensitivity analysis for each significant assumption as at 31 March 2018 and 2017 are as follows:

	Change in assumption		Increase (decrease) to employee benefit obligations			
			Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1.00	1.00	(6,463)	(6,102)	7,552	7,164
Salary growth rate	1.00	1.00	6,824	6,637	(5,939)	(5,759)
Staff turnover rate	1.00	1.00	(6,811)	(6,422)	2,978	2,845

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 employee benefit obligations to significant actuarial assumptions the same method as retirement benefit as the end of the reporting period, retirement benefit liability recognised in statement of financial position has been applied.

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 employee benefit obligation is 12.22 years (2017 : 12.86 years).

19 Other income

	2018	2017
	Thousand Baht	Thousand Baht
Interest income	88	68
Service income	2,586	4,366
Penalty income	2,483	826
Gain on exchange rate, net	523	1,024
Others	3,311	15,262
	8,991	21,546

20 Expenses by nature

	2018	2017
	Thousand	Thousand
	Baht	Baht
Change in finished goods and work in process	(217,859)	(347,541)
Cost of finished goods purchased	12,280,494	10,717,735
Raw materials and consumables used	6,397,369	6,037,996
Store and supplies used	358,272	209,300
Fuel	293,720	280,683
Depreciation and amortisation and amortisation of rolling mill expenses	353,447	347,111
Employee benefits expenses	270,352	262,874
Utilities expenses	968,173	725,512
Repair and maintenance expenses	309,875	241,812
Contractor	81,209	73,284
Delivery and selling expenses	187,099	201,656
Management fees	209,100	192,160
Bank charges	58,048	45,940
Premium on forward foreign exchange contract	-	3,048
Rental expense	8,369	4,452
Doubtful accounts	40,577	-
Loss on diminution in value of inventory and obsolete inventories	-	114,899
Loss from impairment of plant and equipment	-	473,139

21 Other expenses

	2018	2017
	Thousand	Thousand
	Baht	Baht
Loss on diminution in value of inventory	-	62,886
Loss from impairment of plant and equipment	-	473,139
	-	536,025

22 Income tax (income) expense

Income tax (income) expenses for the year ended 31 March comprise of

	2018	2017
	Thousand	Thousand
	Baht	Baht
Current tax on profit for the year	-	-
Increase (decrease) in deferred tax liabilities (Note 14)	10	(1,081)
Total income tax (income) expenses	10	(1,081)

22 Income tax (income) expense (Cont'd)

The tax on the Company'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:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Loss before income tax	(85,697)	(305,094)
Tax calculated at a tax rate of 20% (2017 : 20%)	(17,139)	(61,019)
Tax effects of:		
Non-taxable income from BOI activities	-	118,660
Temporary differences and unused tax losses not accounted for as deferred tax assets	14,749	(17,964)
Expenses not deductible for tax purpose	2,400	2,009
Utilisation of tax loss carried forward which was not recognised as deferred tax asset	-	(42,767)
Tax charge	10	(1,081)
	2018	2017
	Tax rate	Tax rate
	%	%
Effective tax rate	(0.01)	0.35

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

	2018			2017		
	Before tax	Tax charge/ (credit)	After tax	Before tax	Tax charge/ (credit)	After tax
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
Remeasurement on retirement benefit obligations	1,678	-	1,678	(2,606)	-	(2,606)
Change in value of available-for-sale investment	200	(40)	160	1,100	(220)	880
Other comprehensive income	1,878	(40)	1,838	(1,506)	(220)	(1,726)
Current tax		-			-	
Deferred tax (Note 14)		(40)			(220)	
		(40)			(220)	

23 Loss per share

Loss per share is calculated by dividing the profit for the period attributable to ordinary shareholders of the Company after deduction of the preference shares divided by the weighted average number of ordinary shares in issue during the year.

	<u>2018</u>	<u>2017</u>
For the years ended 31 March		
Net loss attributable to ordinary shareholders of the Company (Thousand Baht)	(85,708)	(304,013)
Weighted average number of ordinary shares outstanding (Share)	<u>3,856,637,797</u>	<u>3,856,637,797</u>
Basic earnings per share (Baht per share)	<u>(0.02)</u>	<u>(0.08)</u>

24 Fair value measurement

24.1 Financial assets and liabilities in foreign currency

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

Currency	2018			2017		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets Thousand Baht	Financial liabilities Thousand Baht		Financial assets Thousand Baht	Financial liabilities Thousand Baht	
US dollars	92,197	50,167	31.23	47,051	56,607	34.45
Euro	-	3,996	38.44	-	11,700	36.79
British Pound Sterling	-	33	43.83	-	31	43.02
Swiss franc	-	621	32.69	-	193	34.42
Swedish Krona	-	177	3.74	-	502	3.86
Japanese Yen	-	236	0.29	-	82	0.31

24.2 Foreign exchange forward contracts

As at 31 March, the Company has foreign exchange forward contracts due to purchase of goods with maturity contracts not over 9 months as follows:

	2018		2017	
	Foreign currency amounts	Fair values favourable (unfavourable) Thousand Baht	Foreign currency amounts	Fair values favourable (unfavourable) Thousand Baht
Foreign exchange forward contracts				
EUR	418,000	(32)	-	-
US Dollars	-	-	1,503,713	(590)

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

25 Related party transactions

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

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

Relationship between company and related parties:

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

25 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

a) Related party transactions for the year ended 31 March 2018 and 2017

For the years ended 31 March	2018	2017
	Thousand	Thousand
	Baht	Baht
Revenues		
Sales		
Tata Steel Limited	-	79,597
The Siam Industrial Wire Co., Ltd.	731,456	472,032
The Siam Construction Steel Co., Ltd.	123,687	175,946
TSN Wires Co., Ltd.	163,952	104,967
The Siam Iron and Steel (2001) Co., Ltd.	6,590	-
Tata Projects Limited	8,504	-
NatSteel Holding Pte. Ltd.	55,071	-
Tata International Metals Trading Asia Ltd.	6,971	-
Total	1,096,231	832,542
Other income		
Tata Steel Limited	14,993	-
Expenses		
Purchases		
The Siam Iron and Steel (2001) Co., Ltd.	4,615,905	3,678,757
The Siam Construction Steel Co., Ltd.	8,488,938	7,285,539
NatSteel Recycling Pte. Ltd.	89,097	84,822
Tata Steel International Singapore Pte. Ltd.	22,878	11,139
Tata International Metals Trading Asia Ltd.	-	628,072
Total	13,216,818	11,688,329
Management fees		
Tata Steel (Thailand) Public Company Limited	209,100	192,160
Interest expenses		
Tata Steel (Thailand) Public Company Limited	83,599	54,547
Other expenses		
The Siam Industrial Wire Co., Ltd.	136	58
Tata AIG General Insurance Co., Ltd.	20	-
TSN Wires Co., Ltd.	31	-
Total	187	58
Purchase of fixed asset		
NatSteel (Xiamen) Ltd.	-	2,317

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

25 Related party transactions (Cont'd)

b) Outstanding balance arising from sale/purchases of goods, services and others as at 31 March 2018 and 2017 are as follows:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Trade receivable - related parties		
The Siam Iron and Steel (2001) Co., Ltd.	3,393	-
The Siam Construction Steel Co., Ltd.	8,104	26,345
The Siam Industrial Wire Co., Ltd.	3,565	33,585
TSN Wires Co., Ltd.	9,883	7,036
Tata Projects Limited	1,399	-
NatSteel Holding Pte. Ltd.	1,943	-
Total	28,287	66,966
Other receivables - related parties		
Tata Steel (Thailand) Public Company Limited	77	14
The Siam Iron and Steel (2001) Co., Ltd.	2,190	2,199
The Siam Construction Steel Co., Ltd.	12,454	1,576
Total	14,721	3,789
Trade payable - related parties		
Tata Steel (Thailand) Public Company Limited	18,351	36,947
The Siam Iron and Steel (2001) Co., Ltd.	339,222	280,655
The Siam Construction Steel Co., Ltd.	524,568	503,245
Tata Steel Limited	2,242	2,492
Total	884,383	823,339
Other payables - related parties		
Tata Steel (Thailand) Public Company Limited	18,862	15,002
The Siam Iron and Steel (2001) Co., Ltd.	58	340
The Siam Construction Steel Co., Ltd.	53	27
Total	18,973	15,369

c) Short-term loans from the parent company

The movements of short-term loans from the parent company during the year ended 31 March 2018 and 2017 comprise the following:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Opening balance for the year	2,719,634	1,965,744
Additions of loans during the year	13,099,110	12,352,947
Repayment during the year	(13,038,104)	(11,599,057)
Closing balance for the year	2,780,640	2,719,634

As at 31 March 2018, short-term loans from the parent company in amount of Baht 2,781 million (2017 : Baht 2,720 million) bear interest rate at 3.0% per annum (2017 : interest rate at 2.0% per annum), are non-collateralised loans and not specified maturity date.

25 Related party transactions (Cont'd)

d) Long-term loans from the parent company

The movements of long-term loans from the parent company comprise the following:

	2018	2017
	Thousand	Thousand
	Baht	Baht
Opening balance for the year	-	200,000
Additions of loans during the year	-	(200,000)
Closing balance for the year	-	-

As at 31 March 2018, the Company has already made repayment in full amount of long-term loans from a parent company in the amount of Baht 200 million bear interest rate at MLR+2 per annum.

26 Commitments

26.1 Letter of guarantee

Letters of guarantee issued by the financial institutions to the Provincial Electricity Authority Industrial and Bureau of Indian Standards as at 31 March 2018 amounting to Baht 73 million (2017: Baht 73 million) in the normal courses of business.

26.2 Capital commitments

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

	2018	2017
	Thousand	Thousand
	Baht	Baht
Machines and equipment	54,258	36,133

26.3 Operating lease commitments - where the Company is the lessee

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

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

	2018	2017
	Thousand	Thousand
	Baht	Baht
Not later than 1 year	8,682	1,426
Later than 1 year but not later than 5 years	14,856	2,389
	23,538	3,815

26 Commitments (Cont'd)

26.4 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2018 and 2017 are as follows:

	<u>2018</u> Thousand	<u>2017</u> Thousand
Currency		
USD	366	590
EUR	478	90

27 Fair value measurement

Certain financial assets and financial liabilities of the Company 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.

<u>Financial assets and financial liabilities</u>	<u>Fair value as at</u>		<u>Fair value hierarchy</u>	<u>Valuation techniques and key inputs for fair value measurement</u>
	<u>31 March 2018</u> Thousand Baht	<u>31 March 2017</u> Thousand Baht		
<u>Financial assets</u>				
1. Foreign currency forward contracts (including in other current assets)	-	9	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2. Available-for-sale investment	3,500	3,300	Level 1	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
<u>Financial liabilities</u>				
1. Foreign currency forward contracts (including in other current liabilities)	32	599	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.

28 Promotional privileges

The Company received the promotional privileges from the Board of Investment one project no.2084(8)/2550 on 18 July 2007 for Manufacturing of steel wire, steel hot metal, pig iron and steel billet. Subject to certain imposed conditions, the privileges include the following conditions:

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

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

	2018 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax Thousand Baht	Non BOI promoted activities Thousand Baht	Total Thousand Baht
Revenue from export sales	-	1,336,951	1,336,951
Revenue from local sales	-	20,391,788	20,391,788
Total revenue	-	21,728,739	21,728,739

	2017 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax Thousand Baht	Non BOI promoted activities Thousand Baht	Total Thousand Baht
Revenue from export sales	-	943,453	943,453
Revenue from local sales	-	18,515,579	18,515,579
Total revenue	-	19,459,032	19,459,032