

**TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 MARCH 2019**

## **Independent Auditor's Report**

To the Shareholders and the Board of Directors of Tata Steel (Thailand) Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements of Tata Steel (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 March 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### **What I have audited**

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 March 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate 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 consolidated and separate financial statements section of my report. I am independent of the Group and 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 consolidated and separate 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.

### **Key audit matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Assessment of impairment of investments in subsidiaries and goodwill. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Assessment of impairment of investments in subsidiaries and goodwill</b></p> <p>Refer to Note to the consolidated financial statements No. 4 for critical accounting estimates and judgements related to assessment of impairment of investments in subsidiaries and goodwill, Note 12 investments in subsidiaries and Note 16 goodwill.</p> <p>As at 31 March 2019, investments in subsidiaries, net, amount of Baht 12,013 million was presented in the separate financial statements and goodwill, net, amount of Baht 3,456 million was presented in the consolidated financial statements.</p> <p>For the year ended 31 March 2019, the management performed an impairment assessment over the investments in subsidiaries and the goodwill balances by:</p> <ol style="list-style-type: none"> <li>1. Calculating the discounted cash flow using a discounted cash flow model for 5 years, with constant terminal growth rate applied from the 5<sup>th</sup> year onward. These cash flows were then discounted to net present value using the weighted average cost of capital; and</li> <li>2. Comparing the discounted cash flow to their respective book values of each cash generating unit. The Group's management considered each subsidiary representing each cash generating unit. The discounted cash flow of each subsidiary was used to assess for allowance for impairment of investments in subsidiaries and goodwill of each subsidiary.</li> </ol> <p>I focused on this area because the assessment of the recognition of loss from impairment in the investments in subsidiaries and goodwill were complex based on judgments and assumptions that were affected by expectation of future market and economic conditions, particularly those related to the cash flows forecasts.</p> <p>Based on the annual impairment test, the management identified no allowance for impairment of the investments in subsidiaries and goodwill required for additional recognition during the year. The key assumptions were disclosed in Note 16 to the consolidated financial statements.</p>	<p>I obtained an understanding of and evaluated the key controls over the impairment assessment, and focused on detailed analysis and challenged the assumptions used by management in conducting the impairment assessment which included:</p> <ul style="list-style-type: none"> <li>- I obtained, understood, evaluated and challenged the composition of management's cash flow forecasts and the process by which they were developed, including test the mathematical accuracy of the underlying calculations.</li> <li>- I compared the cash flow forecast to the approved budgets and business plans and other evidence of future intentions.</li> <li>- I compared current year actual results with the figures included in the prior year forecast to consider whether the forecasts included assumptions had been reasonable.</li> <li>- I assessed management's key assumptions by comparing them to historical results and economic and industry outlook.</li> <li>- I tested the parameters used to determine the discount rate applied and re-performed the calculations.</li> <li>- I involved my valuation expert to independently check the expectations, in particular, forecasted sales volume, selling prices, growth rates and discount rates, and comparing the independent expectations to those used by management.</li> </ul> <p>Based on my procedures above, I considered management's key assumptions used in assessing of investments in subsidiaries and goodwill for impairment were reasonable based on available evidence.</p>

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## **Responsibilities of the directors for the consolidated and separate financial statements**

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate 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 consolidated and separate 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 Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' 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 Group and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in purple ink, appearing to read 'Varaporn Vorathitikul', with a long, sweeping underline.

**Varaporn Vorathitikul**  
Certified Public Accountant (Thailand) No. 4474  
Bangkok  
19 April 2019

**Tata Steel (Thailand) Public Company Limited**

**Statement of Financial Position**

**As at 31 March 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7 a)	926,766,543	519,588,872	706,872,404	378,137,760
Trade and other receivables, net	8	675,597,878	1,258,850,108	30,988,408	87,268,457
Short-term loans to a subsidiary	31 c)	-	-	2,441,050,857	2,780,640,396
Inventories, net	9	3,188,349,913	3,477,955,726	-	-
Other current assets	10	141,090,848	64,484,423	552,233	1,509,974
Non-current assets classified as held-for-sale	11	460,000,000	460,000,000	-	-
<b>Total current assets</b>		<b>5,391,805,182</b>	<b>5,780,879,129</b>	<b>3,179,463,902</b>	<b>3,247,556,587</b>
<b>Non-current assets</b>					
Available-for-sale investments	13	1,200,000	3,500,000	-	-
Investments in subsidiaries	12	-	-	12,013,047,275	12,013,047,275
Other long-term investments	14	1,241	1,241	-	-
Property, plant and equipment, net	15	3,148,987,100	3,291,485,003	33,037,974	32,939,309
Goodwill, net	16	3,456,014,092	3,456,014,092	-	-
Intangible assets, net	17	30,789,905	25,592,259	17,113,449	24,212,714
Deferred tax assets, net	18	21,903,918	36,974,966	12,358,127	12,524,556
Other non-current assets	19	99,625,770	78,474,431	57,605,876	42,710,697
<b>Total non-current assets</b>		<b>6,758,522,026</b>	<b>6,892,041,992</b>	<b>12,133,162,701</b>	<b>12,125,434,551</b>
<b>Total assets</b>		<b>12,150,327,208</b>	<b>12,672,921,121</b>	<b>15,312,626,603</b>	<b>15,372,991,138</b>

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

**Tata Steel (Thailand) Public Company Limited**

**Statement of Financial Position**

**As at 31 March 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term borrowings from financial institutions	20	1,720,436,027	1,774,341,350	-	-
Trade and other payables	21	1,109,561,677	1,372,387,425	62,850,157	103,518,522
Current portion of finance lease liabilities, net	22	1,087,118	-	-	-
Short-term borrowings from subsidiaries	31 d)	-	-	1,839,824,082	1,913,950,203
Current income tax payable		1,438,474	55,976,523	-	-
Other current liabilities		23,257,989	37,691,945	4,580,646	13,332,776
<b>Total current liabilities</b>		<b>2,855,781,285</b>	<b>3,240,397,243</b>	<b>1,907,254,885</b>	<b>2,030,801,501</b>
<b>Non-current liabilities</b>					
Finance lease liabilities, net	22	40,781,860	-	-	-
Employee benefit obligations	23	217,159,804	205,572,789	53,628,018	57,947,169
Provision for decommissioning costs	24	1,068,360	-	1,068,360	-
<b>Total non-current liabilities</b>		<b>259,010,024</b>	<b>205,572,789</b>	<b>54,696,378</b>	<b>57,947,169</b>
<b>Total liabilities</b>		<b>3,114,791,309</b>	<b>3,445,970,032</b>	<b>1,961,951,263</b>	<b>2,088,748,670</b>

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

**Tata Steel (Thailand) Public Company Limited**

**Statement of Financial Position**

**As at 31 March 2019**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
		Ordinary shares, 8,421,540,848 shares			
		at par value of Baht 1 each			
		8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Issued and paid-up share capital					
		Ordinary shares, 8,421,540,848 shares			
		paid-up of Baht 1 each			
		8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Share premium					
		Ordinary shares			
		3,258,624,766	3,258,624,766	3,258,624,766	3,258,624,766
		Expired warrants			
		130,201,936	130,201,936	130,201,936	130,201,936
Retained earnings (deficits)					
	25	369,091,777	365,870,595	369,091,777	365,870,595
		Appropriated - legal reserve			
		(3,130,723,535)	(2,938,625,575)	1,171,216,013	1,108,004,323
		Unappropriated			
		1,057,455	2,893,039	-	-
		Other components of equity			
<b>Equity attributable to owners</b>					
<b>of the parent</b>					
		9,049,793,247	9,240,505,609	13,350,675,340	13,284,242,468
		Non-controlling interests			
		(14,257,348)	(13,554,520)	-	-
<b>Total equity</b>					
		9,035,535,899	9,226,951,089	13,350,675,340	13,284,242,468
<b>Total liabilities and equity</b>					
		12,150,327,208	12,672,921,121	15,312,626,603	15,372,991,138

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.



**Tata Steel (Thailand) Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 March 2019**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenue from sales		22,222,365,603	22,246,272,866	-	-
Revenue from rendering services		-	-	428,210,250	482,130,000
Cost of sales		(21,619,552,573)	(20,674,642,255)	-	-
Cost of rendering services		-	-	(404,153,921)	(456,875,489)
<b>Gross profit</b>		602,813,030	1,571,630,611	24,056,329	25,254,511
Other income	26	81,922,988	60,985,790	89,928,199	88,769,329
Selling expenses		(187,292,807)	(207,502,644)	-	-
Administrative expenses		(565,760,437)	(756,826,636)	(16,949,567)	(21,650,599)
Other expenses		-	-	-	(3,838)
Finance costs		(79,434,429)	(82,998,031)	(32,947,183)	(49,994,687)
<b>Profit (loss) before income tax expense</b>		(147,751,655)	585,289,090	64,087,778	42,374,716
Income tax income (expense)	28	(41,129,257)	(130,935,251)	335,876	1,226,870
<b>Profit (loss) for the year</b>		(188,880,912)	454,353,839	64,423,654	43,601,586
<b>Other comprehensive income (expense)</b>					
Items that will not be reclassified					
to profit or loss					
Remeasurements of post-employment					
benefit obligations					
		(1,010,552)	9,239,298	2,511,523	4,417,478
Income tax on items that					
will not be reclassified					
		316,274	(1,512,234)	(502,305)	(883,496)
Total items that will not be reclassified					
to profit or loss					
		(694,278)	7,727,064	2,009,218	3,533,982
Items that will be reclassified subsequently					
to profit or loss					
Change in value of available-for-sale					
investment					
		(2,300,000)	200,000	-	-
Income tax relating to items that					
will be reclassified					
		460,000	(40,000)	-	-
Total items that will be reclassified					
subsequently to profit or loss					
		(1,840,000)	160,000	-	-
<b>Other comprehensive income (expense)</b>					
<b>for the year, net of tax</b>					
		(2,534,278)	7,887,064	2,009,218	3,533,982
<b>Total comprehensive income (expense) for the year</b>					
		(191,415,190)	462,240,903	66,432,872	47,135,568

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

**Tata Steel (Thailand) Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 March 2019**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(188,181,129)	454,560,875	64,423,654	43,601,586
Non-controlling interests		(699,783)	(207,036)	-	-
		<u>(188,880,912)</u>	<u>454,353,839</u>	<u>64,423,654</u>	<u>43,601,586</u>
<b>Total comprehensive income (expense)</b>					
<b>attributable to:</b>					
Owners of the parent		(190,712,362)	462,447,555	66,432,872	47,135,568
Non-controlling interests		(702,828)	(206,652)	-	-
		<u>(191,415,190)</u>	<u>462,240,903</u>	<u>66,432,872</u>	<u>47,135,568</u>
<b>Earnings (loss) per share</b>					
Basic earnings (loss) per share (Baht)	29	(0.02)	0.05	0.01	0.01

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

**Tata Steel (Thailand) Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 March 2019**

Consolidated financial statements										
Attributable to owners of the parent										
	Note	Retained earnings (Deficits)				Other component of equity		Total owners of the parent	Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Expired warrants	Appropriated - legal reserve	Unappropriated	Other comprehensive income - Available-for-sale investments			
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Opening balance as at 1 April 2017</b>		8,421,540,848	3,258,624,766	130,201,936	363,690,516	(3,398,733,435)	2,733,423	8,778,058,054	(13,347,868)	8,764,710,186
<b>Changes in equity for the year</b>										
Legal reserve	25	-	-	-	2,180,079	(2,180,079)	-	-	-	-
Total comprehensive income (expense) for the year		-	-	-	-	462,287,939	159,616	462,447,555	(206,652)	462,240,903
<b>Closing balance as at 31 March 2018</b>		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>365,870,595</u>	<u>(2,938,625,575)</u>	<u>2,893,039</u>	<u>9,240,505,609</u>	<u>(13,554,520)</u>	<u>9,226,951,089</u>
<b>Opening balance as at 1 April 2018</b>		8,421,540,848	3,258,624,766	130,201,936	365,870,595	(2,938,625,575)	2,893,039	9,240,505,609	(13,554,520)	9,226,951,089
<b>Changes in equity for the year</b>										
Legal reserve	25	-	-	-	3,221,182	(3,221,182)	-	-	-	-
Total comprehensive income (expense) for the year		-	-	-	-	(188,876,778)	(1,835,584)	(190,712,362)	(702,828)	(191,415,190)
<b>Closing balance as at 31 March 2019</b>		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>369,091,777</u>	<u>(3,130,723,535)</u>	<u>1,057,455</u>	<u>9,049,793,247</u>	<u>(14,257,348)</u>	<u>9,035,535,899</u>

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 March 2019

	Separate financial statements						
	Note	Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Expired warrants Baht	Retained earnings		Total equity Baht
					Appropriated - legal reserve Baht	Unappropriated Baht	
<b>Opening balance as at 1 April 2017</b>		8,421,540,848	3,258,624,766	130,201,936	363,690,516	1,063,048,834	13,237,106,900
<b>Changes in equity for the year</b>							
Legal reserve	25	-	-	-	2,180,079	(2,180,079)	-
Total comprehensive income for the year		-	-	-	-	47,135,568	47,135,568
<b>Closing balance as at 31 March 2018</b>		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>365,870,595</u>	<u>1,108,004,323</u>	<u>13,284,242,468</u>
<b>Opening balance as at 1 April 2018</b>		8,421,540,848	3,258,624,766	130,201,936	365,870,595	1,108,004,323	13,284,242,468
<b>Changes in equity for the year</b>							
Legal reserve	25	-	-	-	3,221,182	(3,221,182)	-
Total comprehensive income for the year		-	-	-	-	66,432,872	66,432,872
<b>Closing balance as at 31 March 2019</b>		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>369,091,777</u>	<u>1,171,216,013</u>	<u>13,350,675,340</u>

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

**Tata Steel (Thailand) Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 March 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax expense		(147,751,655)	585,289,090	64,087,778	42,374,716
Adjustments :					
Dividend income	26	-	(14,400,000)	-	-
Depreciation and amortisation charge		518,531,487	529,809,715	24,512,654	33,793,106
Allowance for doubtful accounts		35,113,911	40,577,063	-	-
Employee benefit obligations		25,355,309	36,146,189	6,515,942	8,858,676
(Gain) loss on foreign exchange rate		(77,233)	39,168	78,121	(520)
Other adjustments from non-cash items	7 b)	(4,945,486)	60,967,729	1,540,355	(120,682)
Interest income	26	(2,681,382)	(3,102,818)	(89,216,773)	(86,566,467)
Interest expense		79,434,429	82,998,031	32,947,183	49,994,687
		502,979,380	1,318,324,167	40,465,260	48,333,516
<b>Changes in working capital</b>					
Trade and other receivables		549,013,690	(339,373,446)	56,915,008	41,489,560
Inventories		254,664,928	(407,281,981)	-	-
Trade and other payables		(313,307,948)	42,334,014	(46,019,552)	(13,131,498)
Other cash received (paid) from operating activities	7 c)	(97,208,088)	(11,774,321)	(13,298,070)	7,569,173
<b>Cash flows from operating activities</b>					
Cash generated from operations		896,141,962	602,228,433	38,062,646	84,260,751
Adjustment of cash occurred from borrowings	7 d)	(74,498,977)	(93,653,375)	(33,508,624)	(60,519,202)
Income tax paid		(101,597,083)	(189,538,420)	(15,650,229)	(17,357,332)
<b>Net cash generated from (used in) operating activities</b>					
		720,045,902	319,036,638	(11,096,207)	6,384,217

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

**Tata Steel (Thailand) Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 March 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cash flows from investing activities</b>					
Cash receive from short-term investment		-	21,000,000	-	-
Purchases of intangible assets	7 e)	(16,530,822)	(6,173,598)	(4,734,114)	(5,266,798)
Purchases of property, plant and equipment	7 e)	(241,668,517)	(143,760,068)	(9,999,388)	(9,152,378)
Proceeds from disposals of property, plant and equipment		477,111	1,358,810	32,300	163,840
Cash proceeds (payments) from short-term loans to a subsidiary	31 c)	-	-	339,589,539	(61,006,524)
Dividend income	26	-	14,400,000	-	-
Interest income		2,500,716	3,354,516	89,068,635	84,857,682
<b>Net cash generated from (used in) investing activities</b>		<b>(255,221,512)</b>	<b>(109,820,340)</b>	<b>413,956,972</b>	<b>9,595,822</b>
<b>Cash flow from financing activities</b>					
Repayments on short-term borrowings from financial institutions	20	(53,905,323)	(420,586,288)	-	(150,000,000)
Repayments on short-term borrowings from related parties	31 d)	-	-	(74,126,121)	(74,848,038)
Repayments on long-term borrowings from a related party		-	(199,375,912)	-	(199,375,912)
Repayments on finance lease liabilities		(3,741,396)	-	-	-
<b>Net cash used in financing activities</b>		<b>(57,646,719)</b>	<b>(619,962,200)</b>	<b>(74,126,121)</b>	<b>(424,223,950)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>407,177,671</b>	<b>(410,745,902)</b>	<b>328,734,644</b>	<b>(408,243,911)</b>
Cash and cash equivalents at the beginning of the year		519,588,872	930,334,774	378,137,760	786,381,671
<b>Cash and cash equivalents at the end of the year</b>	7 a)	<b>926,766,543</b>	<b>519,588,872</b>	<b>706,872,404</b>	<b>378,137,760</b>

The accompanying notes on page 14 to 63 are an integral part of these consolidated and separate financial statements.

## **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, 20<sup>th</sup> 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.

On January 28, 2019, the Company has been notified by TSGH, the major shareholder of the Company, that TSGH has entered into a share purchase agreement with Hebsteeel Global Holding Pte. Ltd., a wholly owned subsidiary of HBIS Group Co. Ltd. (“HBIS”) in respect of sale of 67.90% of the total issued shares of the Company, by TSGH to a new company to be incorporated in Singapore by an entity controlled by HBIS and TSGH on a 70/30 basis. The process is expected to be completed in the next 2-3 months.

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 2019 and 2018, N.T.S. Steel Group Public Company Limited (“N.T.S.”) which is a subsidiary has total current liabilities exceeding total current assets by Baht 1,915 million and Baht 1,841 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 2,441 million and Baht 2,781 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 Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 19 April 2019.

## **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 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, and the financial reporting requirements of the Securities and Exchange Commission 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 2.8 and non-current assets (or disposal groups) held-for-sale as described in Note 2.22.

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 2019 and 2018 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 company and the subsidiary, therefore, recorded such investment as other long-term investment at cost of Baht 1,241 (see Note 14).

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 Accounting policies (Cont'd)**

### **2.2 Revised financial reporting standards and related interpretations**

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

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.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The above revised standards do not have a significant impact on the Group.

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The Federation of Accounting Professions has issued new standard, TFRS 15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

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 Programmes
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.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



**2 Accounting policies (Cont'd)**

**2.2 Revised financial reporting standards and related interpretations (Cont'd)**

**2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)**

**2.2.2.1** The Federation of Accounting Professions has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this 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 recognised 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 Group's management is currently assessing the impact of initial adoption of this standard.

Mandatory for financial years commencing on or after 1 January 2019. The group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2019 and that comparatives will not be restated.

**2.2.2.2** Revised financial reporting standards will become effective for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopted these standards.

TFRS 2 (revised 2018)	Share-based Payment
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

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

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

## **2 Accounting policies (Cont'd)**

### **2.2 Revised financial reporting standards and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 New financial reporting standards will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Group. The Group has not yet adopted these standards.

2.2.2.3.1 The group of financial reporting standards related to financial instruments comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019.

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

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.

**2 Accounting policies (Cont'd)**

**2.2 Revised financial reporting standards and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 New financial reporting standards will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Group. The Group has not yet adopted these standards. (Cont'd)

2.2.2.3.1 The group of financial reporting standards related to financial instruments comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

**2 Accounting policies (Cont'd)**

**2.2 Revised financial reporting standards and related interpretations (Cont'd)**

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 New financial reporting standards will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Group. The Group has not yet adopted these standards. (Cont'd)

2.2.2.3.2 TFRS 16 Leases, the earlier application is permitted for entities that apply TFRS 15 Revenue from Contracts with Customers at or before the date of initial application of this Standard.

The new standard will supersede the following standards:

TAS 17	Leases
TFRIC 4	Determining whether an arrangement contains a lease
TSIC 15	Operating leases - Incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease

TFRS 16 Leases, a lessee shall recognise a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Key changes to current practice are:

- The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.
- The total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation.
- Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.
- The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 recognised 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 Group's management is currently assessing the impact of initial adoption of this standard.

## **2 Accounting policies (Cont'd)**

### **2.3 Group accounting - investments in subsidiaries**

#### **(1) Subsidiaries**

Subsidiaries are all entities (including structured 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 fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities 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 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.

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.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **(2) Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### **(3) Disposal of subsidiaries**

When the Group ceases to have control it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

#### **(4) Separate financial statement**

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

## **2 Accounting policies (Cont'd)**

### **2.4 Foreign currency translation**

#### **(a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities 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 Group'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.

#### **(c) Group companies**

The results and financial position of all of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### **2.5 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.

### **2.6 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 Accounting policies (Cont'd)**

### **2.7 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.

### **2.8 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.

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 Accounting policies (Cont'd)**

### **2.9 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, bringing it to the location and condition necessary of its intended use.

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 Group 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, 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.

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 2.12).

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

### **2.10 Goodwill**

At the date of acquisition. Goodwill on acquisitions of subsidiaries (Note 2.3 (1)) is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Since 1 April 2008, the amortisation of goodwill has been ceased in the consolidated financial statements and changed to assess impairment of goodwill instead.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.



## **2 Accounting policies (Cont'd)**

### **2.11 Intangible assets**

#### **Computer software**

Costs associated with maintaining computer software programmes 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 Group 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 3 years to 10 years.

### **2.12 Impairment of assets**

Assets that have an indefinite useful life, for example Goodwill, 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.

### **2.13 Leases**

#### **Leases - where the Group 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 Accounting policies (Cont'd)**

### **2.14 Troubled debt restructuring where the Group is the debtor**

When the Group 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 Group 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.

### **2.15 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.

Borrowing are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability 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.

### **2.16 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 substantively 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)**

### **2.16 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 is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except 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 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.

### **2.17 Employee benefits**

#### **2.17.1 Post-employment**

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

##### **2.17.1.1 Defined contribution**

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group 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 Group 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.

##### **2.17.1.2 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)**

### **2.17 Employee benefits (Cont'd)**

#### **2.17.2 Other long-term employee benefits**

The Group has schemes to award gold to employees who have provided services to the Group 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.

#### **2.17.3 Bonus plans**

The Group 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 Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### **2.18 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 recognized for future operating losses resources will be required to settle the obligation; and the provision are not amount has been reliably estimated. Provisions are not recognized for future operating losses. Restructuring provision comprise lease termination penalties and employee termination payments.

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.

### **2.19 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group'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.

Revenue from rendering management services is recognised when the service is rendered.

Other revenues are recognised on the following bases:

- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the right to receive payment is established.
- Scrap income is recognised when the scrap is actually sold.

## **2 Accounting policies (Cont'd)**

### **2.20 Dividend distribution**

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

### **2.21 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 the Board of Directors that makes strategic decisions.

### **2.22 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 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 Financial risk management (Cont'd)**

#### **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).

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

Financial assets include cash and cash equivalents, trade and other receivables and financial liabilities include short-term loans from financial institutions, and trade and other payables. Fair values of such financial assets and liabilities are approximately closed 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 Group 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 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) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.10. 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 risk 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.

During the year ended 31 March 2019, the Group has revenue from 1 customer which contributed equal or over 10.0% of the Group's total revenue (2018 : 1 customer). The revenue from sales to this customer is Baht 2,400 million (2018 : Baht 2,531 million) which are domestic sales.

For the years ended 31 March	Consolidated financial statements	
	2019	2018
	Thousand Baht	Thousand Baht
Segment revenue		
Local	19,753,096	20,297,660
Export	2,469,270	1,948,613
	<u>22,222,366</u>	<u>22,246,273</u>

## 7 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash on hand	1	1	-	-
Deposits at banks - current accounts	50,127	35,521	2,312	704
- savings accounts	876,639	484,067	704,560	377,434
	<u>926,767</u>	<u>519,589</u>	<u>706,872</u>	<u>378,138</u>
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	%	%	%	%
<u>Interest rate</u>				
Deposits at bank - savings accounts	0.05 - 0.87	0.05 - 0.50	0.10 - 0.87	0.10 - 0.50



**7 Cash and cash equivalents (Cont'd)**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Gain on disposal of plant and equipment	(439)	(71)	(21)	(121)
Loss from write-off of plant and equipment and intangible assets	1,561	40	1,561	-
Loss from decrease in value of non-current assets classified as held-for-sale	-	61,000	-	-
Reversal of credit notes	-	(1)	-	-
Written-off payables from restructuring	(6,067)	-	-	-
	<u>(4,945)</u>	<u>60,968</u>	<u>1,540</u>	<u>(121)</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
(Increase) decrease in other current assets and other non-current assets	(76,469)	14,350	1,225	10,834
Increase (decrease) in other current liabilities and other non-current liabilities	(8,367)	(14,497)	(8,752)	(572)
Employee benefit obligations paid	(12,373)	(11,627)	(5,771)	(2,693)
	<u>(97,209)</u>	<u>(11,774)</u>	<u>(13,298)</u>	<u>7,569</u>

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Interest paid	<u>(74,499)</u>	<u>(93,653)</u>	<u>(33,509)</u>	<u>(60,519)</u>

**7 Cash and cash equivalents (Cont'd)**

- 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 (2018 : recorded unrealised gain on such investments of Baht 0.2 million) as income and expense in the statement of comprehensive income.

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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Payables for plant and equipment and intangible assets brought forward	13,485	37,314	254	11,362
<u>Add</u> Purchases during the year	303,847	126,105	18,017	3,311
<u>Less</u> Payments during the year	(258,199)	(149,934)	(14,734)	(14,419)
Payables for plant and equipment and intangible assets carried forward	59,133	13,485	3,537	254
Purchase plant and equipment under finance lease liabilities	42,975	-	-	-

**8 Trade and other receivables, net**

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Trade receivables - other parties	680,939	814,220	-	-
- related parties (Note 31 b))	58,385	464,272	9,428	42,244
<u>Less</u> Allowance for doubtful accounts	(93,299)	(58,212)	-	-
Trade receivables, net	646,025	1,220,280	9,428	42,244
Other receivables - other parties	1,356	1,206	-	32
- related parties (Note 31 b))	328	199	7,464	37,940
Accrued income	669	-	669	-
Prepayments	27,220	37,165	13,427	7,052
	675,598	1,258,850	30,988	87,268

The credit term for trade receivable normally requires 15 days to 90 days (31 March 2018 : 15 days to 90 days).

**8 Trade and other receivables, net (Cont'd)**

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

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Not yet due	531,896	1,134,674	9,428	42,244
Overdue:				
Under 3 months	62,413	49,956	-	-
3 - 6 months	51,699	75,528	-	-
6 - 12 months	-	-	-	-
Over 12 months	93,316	18,334	-	-
	739,324	1,278,492	9,428	42,244
<u>Less</u> Allowance for doubtful accounts	(93,299)	(58,212)	-	-
	<u>646,025</u>	<u>1,220,280</u>	<u>9,428</u>	<u>42,244</u>

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 2019 and 2018, the Group had sold receivables to the financial institution amounting to Baht 9,274 million and Baht 9,496 million, respectively.

**9 Inventories, net**

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Raw materials	1,075,281	786,519	-	-
Work in progress	450,403	418,460	-	-
Finished goods	766,364	1,352,467	-	-
Spare parts	505,633	507,207	-	-
Supplies and others	397,507	393,239	-	-
	3,195,188	3,457,892	-	-
<u>Less</u> Allowance for obsolete inventories				
- Spare parts	(49,997)	(49,997)	-	-
- Supplies and others	(18,192)	(18,192)	-	-
	3,126,999	3,389,703	-	-
<u>Add</u> Goods in transit	61,351	88,253	-	-
	<u>3,188,350</u>	<u>3,477,956</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expense and included in 'cost of sales' in the consolidated statement of comprehensive income amounting to Baht 21,620 million (2018 : Baht 20,762 million).

During the year ended 31 March 2019, amortisation of rolling mill which were categorised in supplies and others amounting to Baht 35 million (2018 : Baht 41 million) included in cost of sales in the statement of comprehensive income.

During the year ended 31 March 2019, the Group has no reversal allowance for obsolete inventories (2018 : the Group reversed allowance for obsolete inventories of Baht 88 million to the consolidated statement of comprehensive income because of sales of such inventories during the year).

**10 Other current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Value added tax refundable	128,700	39,380	-	-
Other current assets	12,391	25,104	552	1,510
	<u>141,091</u>	<u>64,484</u>	<u>552</u>	<u>1,510</u>

**11 Non-current assets classified as held-for-sale**

Assets of disposal group classified as held-for-sale consist of:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Machinery, spare parts and store supplies	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 plans to dispose MBF machinery, equipment and its spare parts and store supplies. The Group had active programme to locate buyers, which expected to dispose such assets within 1 year. Therefore, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets classified as held-for-sale.

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

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

12 Investments in subsidiaries

Investment in subsidiaries consist of:

Company name	Country of incorporation	% Ownership interest		Separate financial statements (Unit : Thousand Baht)					
		2019 %	2018 %	Cost method 2019			Cost method 2018		
				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
				<u>15,393,047</u>	<u>(3,380,000)</u>	<u>12,013,047</u>	<u>15,393,047</u>	<u>(3,380,000)</u>	<u>12,013,047</u>

As at 31 March 2019 and 2018, 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 Available-for-sale investment**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Opening net book amount	3,500	3,300	-	-
Changes in fair value of available-for-sale Investments	(2,300)	200	-	-
Closing net book amount	<u>1,200</u>	<u>3,500</u>	<u>-</u>	<u>-</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.

**14 Other long-term investment**

As at 31 March 2019 and 2018, 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 Company 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 2019, fair value of other long-term investment amount of Baht 176.40 million (2018 : Baht 125.52 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.

15 Property, plant and equipment, net

		Consolidated financial statements						
		Land Improvement, buildings and structures	Machinery and equipment	Furniture, Fixtures, and equipment	Vehicles	Construction in progress	Total	
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>As at 1 April 2017</b>								
Cost		798,694	4,500,537	12,480,220	202,911	3,217	67,144	18,052,723
Less	Accumulated depreciation	-	(2,746,641)	(9,525,006)	(162,062)	(3,110)	-	(12,436,819)
	Allowance for decrease in value of asset	-	(1,125,491)	(857,446)	(123)	-	-	(1,983,060)
Net book amount		<u>798,694</u>	<u>628,405</u>	<u>2,097,768</u>	<u>40,726</u>	<u>107</u>	<u>67,144</u>	<u>3,632,844</u>
<b>For the year ended 31 March 2018</b>								
Opening net book amount		798,694	628,405	2,097,768	40,726	107	67,144	3,632,844
Additions		-	54	1,990	4,925	10	116,938	123,917
Transfers		-	181	128,361	33,227	138	(161,907)	-
Disposals - cost		-	(2,032)	(197,834)	(37,662)	(284)	-	(237,812)
	- accumulated depreciation	-	1,109	117,987	37,501	284	-	156,881
	- allowance for decrease in value of asset	-	935	78,591	116	-	-	79,642
Write-off - cost		-	(180)	(6,491)	(605)	-	-	(7,276)
	- accumulated depreciation	-	141	6,491	605	-	-	7,237
Depreciation charge		-	(79,148)	(366,326)	(18,438)	(36)	-	(463,948)
Closing net book amount		<u>798,694</u>	<u>549,465</u>	<u>1,860,537</u>	<u>60,395</u>	<u>219</u>	<u>22,175</u>	<u>3,291,485</u>
<b>As at 31 March 2018</b>								
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		<u>798,694</u>	<u>549,465</u>	<u>1,860,537</u>	<u>60,395</u>	<u>219</u>	<u>22,175</u>	<u>3,291,485</u>

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

		Consolidated financial statements						
		Land Improvement, buildings and structures	Machinery and equipment	Furniture, Fixtures, and equipment	Vehicles	Construction in progress	Total	
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>As at 1 April 2018</b>								
Cost		798,694	4,498,560	12,406,246	202,796	3,081	22,175	17,931,552
<u>Less</u> 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		<u>798,694</u>	<u>549,465</u>	<u>1,860,537</u>	<u>60,395</u>	<u>219</u>	<u>22,175</u>	<u>3,291,485</u>
<b>For the year ended 31 March 2019</b>								
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		<u>798,694</u>	<u>527,317</u>	<u>1,672,211</u>	<u>67,559</u>	<u>164</u>	<u>83,042</u>	<u>3,148,987</u>
<b>As at 31 March 2019</b>								
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		<u>798,694</u>	<u>527,317</u>	<u>1,672,211</u>	<u>67,559</u>	<u>164</u>	<u>83,042</u>	<u>3,148,987</u>



**15 Property, plant and equipment, net (Cont'd)**

Addition included Baht 43 million assets leased under finance leases (where the Group is the lessee) (2018 : Nil).

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 Steed Company Limited, a subsidiary. The incident partially damaged buildings, machinery and equipment that were mainly fully depreciated. For the year ended 31 March 2019, the subsidiary received partial of claim payment from insurance companies amounting to Baht 17 million which were recorded as other income in the consolidated statement of comprehensive income (Note 26). The Company has already submitted the claim and awaiting for the settlement.

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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Cost	42,975	-	-	-
<u>Less</u> Accumulated depreciation	(2,102)	-	-	-
Net book amount	40,873	-	-	-

	Separate financial statements			
	Buildings Improvement Thousand Baht	Furniture, Fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
<b>As at 1 April 2017</b>				
Cost	-	84,330	27,447	111,777
<u>Less</u> Accumulated depreciation	-	(71,314)	-	(71,314)
Allowance for decrease in value of asset	-	(31)	-	(31)
Net book amount	-	12,985	27,447	40,432
<b>For the year ended 31 March 2018</b>				
Opening net book amount	-	12,985	27,447	40,432
Additions	-	962	1,117	2,079
Transfers	-	28,330	(28,330)	-
Disposals - cost	-	(33,611)	-	(33,611)
- accumulated depreciation	-	33,536	-	33,536
Depreciation charge	-	(9,528)	-	(9,528)
Reversal allowance for decrease in value of asset	-	31	-	31
Closing net book amount	-	32,705	234	32,939
<b>As at 31 March 2018</b>				
Cost	-	80,011	234	80,245
<u>Less</u> Accumulated depreciation	-	(47,306)	-	(47,306)
Net book amount	-	32,705	234	32,939

**Tata Steel (Thailand) Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 March 2019**

**15 Property, plant and equipment, net (Cont'd)**

	Separate financial statements			
	Buildings Improvement Thousand Baht	Furniture, Fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
<b>As at 1 April 2018</b>				
Cost	-	80,011	234	80,245
<u>Less</u> Accumulated depreciation	-	(47,306)	-	(47,306)
Net book amount	-	32,705	234	32,939
<b>For the year ended 31 March 2019</b>				
Opening net book amount	-	32,705	234	32,939
Additions	-	409	9,365	9,774
Additions from provision for decommissioning costs	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
<b>As at 31 March 2019</b>				
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

**16 Goodwill, net**

	Consolidated financial statements Thousand Baht
<b>As at 1 April 2017</b>	
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	3,456,014
<b>For the year ended 31 March 2018</b>	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	3,456,014
<b>As at 31 March 2018</b>	
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	3,456,014
<b>For the year ended 31 March 2019</b>	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	3,456,014
<b>As at 31 March 2019</b>	
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	3,456,014

**16 Goodwill, net (Cont'd)**

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 2019 and 2018 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).

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

	<b>Consolidated financial statements</b>					
	<b>2019</b>			<b>2018</b>		
	<b>The Siam Iron and Steel (2001) Million Baht</b>	<b>The Siam Construction Steel Million Baht</b>	<b>Total Million Baht</b>	<b>The Siam Iron and Steel (2001) Million Baht</b>	<b>The Siam Construction Steel Million Baht</b>	<b>Total Million Baht</b>
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:

	<b>Goodwill from Investment in The Siam Iron Steel (2001) Company Limited</b>	<b>Goodwill from Investment in The Siam Construction Steel Company Limited</b>
Gross margin <sup>1</sup>	3.95%	7.30%
Growth rate <sup>2</sup>	3.5%	3.5%
Discount rate <sup>3</sup>	9%	9%

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> 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.

A fall in growth rate of 4.0% or a rise in discount rate of 3.0% would remove the remaining headroom of certain cash generating units.

17 Intangible assets, net

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
<b>As at 1 April 2017</b>			
Cost	253,860	-	253,860
<u>Less</u> Accumulated amortisation	(205,837)	-	(205,837)
Net book amount	<u>48,023</u>	<u>-</u>	<u>48,023</u>
<b>For the year ended 31 March 2018</b>			
Opening net book amount	48,023	-	48,023
Additions	141	2,047	2,188
Transfers	815	(815)	-
Write-off - cost	(729)	-	(729)
- accumulated amortisation	729	-	729
Amortisation charge	(24,619)	-	(24,619)
Closing net book amount	<u>24,360</u>	<u>1,232</u>	<u>25,592</u>
<b>As at 31 March 2018</b>			
Cost	254,087	1,232	255,319
<u>Less</u> Accumulated amortisation	(229,727)	-	(229,727)
Net book amount	<u>24,360</u>	<u>1,232</u>	<u>25,592</u>
<b>For the year ended 31 March 2019</b>			
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	<u>28,303</u>	<u>2,487</u>	<u>30,790</u>
<b>As at 31 March 2019</b>			
Cost	273,048	2,487	275,535
<u>Less</u> Accumulated amortisation	(244,745)	-	(244,745)
Net book amount	<u>28,303</u>	<u>2,487</u>	<u>30,790</u>

17 Intangible assets, net (Cont'd)

	Separate financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
<b>As at 1 April 2017</b>			
Cost	245,853	-	245,853
<u>Less</u> Accumulated amortisation	<u>(198,608)</u>	<u>-</u>	<u>(198,608)</u>
Net book amount	<u>47,245</u>	<u>-</u>	<u>47,245</u>
<b>For the year ended 31 March 2018</b>			
Opening net book amount	47,245	-	47,245
Additions	-	1,232	1,232
Amortisation charge	<u>(24,264)</u>	<u>-</u>	<u>(24,264)</u>
Closing net book amount	<u>22,981</u>	<u>1,232</u>	<u>24,213</u>
<b>As at 31 March 2018</b>			
Cost	245,853	1,232	247,085
<u>Less</u> Accumulated amortisation	<u>(222,872)</u>	<u>-</u>	<u>(222,872)</u>
Net book amount	<u>22,981</u>	<u>1,232</u>	<u>24,213</u>
<b>For the year ended 31 March 2019</b>			
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	<u>(14,262)</u>	<u>-</u>	<u>(14,262)</u>
Closing net book amount	<u>15,189</u>	<u>1,924</u>	<u>17,113</u>
<b>As at 31 March 2019</b>			
Cost	252,323	1,924	254,247
<u>Less</u> Accumulated amortisation	<u>(237,134)</u>	<u>-</u>	<u>(237,134)</u>
Net book amount	<u>15,189</u>	<u>1,924</u>	<u>17,113</u>

18 Deferred tax assets, net

Deferred tax assets, net as at 31 March 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Deferred tax assets</b>				
- To be recovered within 12 months	3,733	3,468	1,001	935
- To be recovered more than 12 months	44,871	34,580	11,357	11,590
	<u>48,604</u>	<u>38,048</u>	<u>12,358</u>	<u>12,525</u>
<b>Deferred tax liabilities</b>				
- To be recovered within 12 months	(4,463)	(473)	-	-
- To be recovered more than 12 months	<u>(22,237)</u>	<u>(600)</u>	<u>-</u>	<u>-</u>
	<u>(26,700)</u>	<u>(1,073)</u>	<u>-</u>	<u>-</u>
Deferred tax assets, net	<u>21,904</u>	<u>36,975</u>	<u>12,358</u>	<u>12,525</u>

**18 Deferred tax asset, net (Cont'd)**

The gross movements in the deferred tax asset, net for the years ended 31 March 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening balance for the year	36,975	37,243	12,525	12,181
Increase (decrease) to profit or loss	(15,847)	1,284	335	1,227
Increase (decrease) to other comprehensive income	776	(1,552)	(502)	(883)
Closing balance for the year	<u>21,904</u>	<u>36,975</u>	<u>12,358</u>	<u>12,525</u>

The movement of deferred tax assets, net as at 31 March 2019 and 2018 are as follows:

	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
<b>Deferred tax assets</b>				
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>
<b>Deferred tax liabilities</b>				
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>
<b>Deferred tax assets, net</b>	<u>36,975</u>	<u>(15,847)</u>	<u>776</u>	<u>21,904</u>

**18 Deferred tax asset, net (Cont'd)**

The movement of deferred tax assets, net as at 31 March 2019 and 2018 are as follows: (Cont'd)

	<b>Consolidated financial statements</b>			
	<b>1 April 2017 Thousand Baht</b>	<b>(Credited) charged to profit or loss Thousand Baht</b>	<b>(Credited) charged to other comprehensive income Thousand Baht</b>	<b>31 March 2018 Thousand Baht</b>
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	736	-	-	736
Allowance for obsolete inventories	2,235	(1,328)	-	907
Allowance for decrease in value of plant, machinery and equipment	215	(215)	-	-
Employee benefit obligations	34,919	2,998	(1,512)	36,405
	<u>38,105</u>	<u>1,455</u>	<u>(1,512)</u>	<u>38,048</u>
<b>Deferred tax liabilities</b>				
Available-for-sale investments	(560)	-	(40)	(600)
Derivatives assets	(302)	(171)	-	(473)
	<u>(862)</u>	<u>(171)</u>	<u>(40)</u>	<u>(1,073)</u>
<b>Deferred tax assets, net</b>	<u>37,243</u>	<u>1,284</u>	<u>(1,552)</u>	<u>36,975</u>

As at 31 March 2019, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 1,043 million (2018 : Baht 1,113 million) in respect of losses amounting to Baht 5,215 million (2018 : Baht 5,564 million) that can be carried forward against future taxable income. Such losses will be expired in April 2019 to March 2024.

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

**18 Deferred tax asset, net (Cont'd)**

The movement of deferred tax assets, net as at 31 March 2019 and 2018 are as follows: (Cont'd)

	<b>Separate financial statements</b>			<b>31 March 2018 Thousand Baht</b>
	<b>1 April 2017 Thousand Baht</b>	<b>(Credited) charged to profit or loss Thousand Baht</b>	<b>(Credited) charged to other comprehensive income Thousand Baht</b>	
<b>Deferred tax assets</b>				
Allowance for decrease in value of plant, machinery and equipment	6	(6)	-	-
Employee benefit obligations	12,175	1,233	(883)	12,525
<b>Deferred tax assets, net</b>	<b>12,181</b>	<b>1,227</b>	<b>(883)</b>	<b>12,525</b>

As at 31 March 2019, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Company did not recognise deferred income tax assets of Baht 35 million (2018 : Baht 48 million) in respect of losses amounting to Baht 176 million (2018 : Baht 238 million) that can be carried forward against future taxable income. Such losses will be expired in March 2021.

**19 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Corporate income tax refundable	88,536	66,644	53,445	37,795
Others	11,090	11,830	4,161	4,916
	<b>99,626</b>	<b>78,474</b>	<b>57,606</b>	<b>42,711</b>

**20 Short-term borrowings from financial institutions**

The movements of short-term borrowings from financial institutions for the years ended 31 March 2019 and 2018 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Opening balance for the year	1,774,341	2,194,928	-	150,000
Additions during the year	8,784,302	7,240,869	900,000	200,000
Repayments during the year	(8,838,207)	(7,661,456)	(900,000)	(350,000)
Closing balance for the year	<b>1,720,436</b>	<b>1,774,341</b>	<b>-</b>	<b>-</b>

**Short-term borrowings from financial institutions - subsidiaries**

As at 31 March 2019, short-term borrowings from financial institutions for subsidiaries in amount of Baht 1,720 million (31 March 2018 : Baht 1,774 million) bear interest rates at 2.67% - 3.95% per annum and BIBOR+2% - BIBOR+2.1% per annum (31 March 2018 : interest rate at BIBOR+2% - BIBOR+2.1% per annum) and due from 1 April 2019 to 11 July 2019 (31 March 2018 : from 2 April 2018 to 18 June 2018).



21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Trade payables - other parties	628,425	778,632	-	-
- related parties (Note 31 b))	2,285	2,943	-	-
Other payables - other parties	69,820	18,191	10,484	4,960
- related parties (Note 31 b))	3,849	32,536	6,363	35,228
Advance received from customers	24,022	68,203	-	-
Accrued expenses	381,161	471,882	46,003	63,330
	<u>1,109,562</u>	<u>1,372,387</u>	<u>62,850</u>	<u>103,518</u>

22 Finance lease liabilities, net

Liabilities under finance lease agreements - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Not later than 1 year	3,713	-	-	-
Later than 1 year but not later than 5 years	14,586	-	-	-
Later than 5 years	54,965	-	-	-
<u>Less</u> Future finance charges on finance leases	(31,395)	-	-	-
Present value of finance lease liabilities	<u>41,869</u>	<u>-</u>	<u>-</u>	<u>-</u>
Representing lease liabilities:				
- Current	1,087	-	-	-
- Non-current	40,782	-	-	-
Present value of finance lease liabilities	<u>41,869</u>	<u>-</u>	<u>-</u>	<u>-</u>

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Not later than 1 year	1,087	-	-	-
Later than 1 year but not later than 5 years	4,814	-	-	-
Later than 5 years	35,968	-	-	-
	<u>41,869</u>	<u>-</u>	<u>-</u>	<u>-</u>

**23 Employee benefit obligations**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Statement of financial position:				
Retirement benefits	197,174	186,158	51,339	55,648
Other long-term benefits	19,986	19,415	2,289	2,299
Liability in the statement of financial position	<u>217,160</u>	<u>205,573</u>	<u>53,628</u>	<u>57,947</u>
(Profit) loss charge included in operating profit for:				
Retirement benefits	22,397	23,591	5,973	7,296
Other long-term benefits	2,776	11,023	215	1,247
	<u>25,173</u>	<u>34,614</u>	<u>6,188</u>	<u>8,543</u>
Remeasurement in other comprehensive (income) expense	<u>1,011</u>	<u>(9,239)</u>	<u>(2,512)</u>	<u>(4,417)</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 - Retirement benefits for the years ended 31 March 2019 and 2018 comprise the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>	<b>2019 Thousand Baht</b>	<b>2018 Thousand Baht</b>
Opening balance for the year	186,158	180,244	55,648	54,985
Current service cost	18,913	18,741	6,440	5,933
Interest cost	5,326	4,850	1,375	1,363
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	1,145	2,770	(1,517)	7
(Gain)/loss from change in financial assumptions	1,980	(7,748)	225	(1,566)
Experience gain	(2,114)	(3,855)	(1,220)	(2,745)
Employee benefit paid	<u>(10,168)</u>	<u>(8,844)</u>	<u>(5,546)</u>	<u>(2,329)</u>
Closing balance for the year	<u>197,174</u>	<u>186,158</u>	<u>51,339</u>	<u>55,648</u>

**23 Employee benefit obligations (Cont'd)**

The movements of employee benefit obligations - Other long-term benefits for the years ended 31 March 2019 and 2018 comprise the following: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening balance for the year	19,415	11,174	2,299	1,416
Current service cost	3,038	3,440	488	482
Past service cost	-	7,481	-	823
Interest cost	527	508	52	55
Remeasurements:				
(Gain)/loss from change in demographic assumptions	116	528	(74)	6
(Gain)/loss from change in financial assumptions	(337)	(436)	(65)	(33)
Experience gain	(568)	(498)	(186)	(86)
Employee benefit paid	(2,205)	(2,782)	(225)	(364)
Closing balance for the year	19,986	19,415	2,289	2,299

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019 %	2018 %	2019 %	2018 %
Discount rates	2.72 - 3.02	2.72 - 2.99	2.72	2.72
Salary growth rate	4.95 - 5.04	5.00	5.04	5.00
Staff turnover rate	0.00 - 18.00	0.00 - 22.00	0.00 - 18.00	0.00 - 22.00

Sensitivity analysis for each significant assumption as at 31 March 2019 and 2018 are as follows:

	Consolidated financial statements					
	Change in assumption		Increase (decrease) to employee benefit obligations			
			Increase in assumption		Decrease in assumption	
2019 %	2018 %	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	
Discount rate	1.00	1.00	(21,962)	(20,776)	25,592	24,278
Salary growth rate	1.00	1.00	23,510	22,248	(20,539)	(19,382)
Staff turnover rate	1.00	1.00	(23,257)	(22,028)	10,598	10,234

  

	Separate financial statements					
	Change in assumption		Increase (decrease) to employee benefit obligations			
			Increase in assumption		Decrease in assumption	
2019 %	2018 %	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	
Discount rate	1.00	1.00	(5,169)	(5,341)	5,959	6,188
Salary growth rate	1.00	1.00	5,671	5,885	(5,018)	(5,182)
Staff turnover rate	1.00	1.00	(5,524)	(5,691)	1,775	1,890

**23 Employee benefit obligations (Cont'd)**

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 9.99 - 14.15 years (2018 : 10.52 - 12.81 years).

**24 Provision for decommissioning cost**

The movements of provision for decommissioning cost for the years ended 31 March 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening balance as at 1 April	-	-	-	-
Additions during the year	1,068	-	1,068	-
Closing balance as at 31 March	1,068	-	1,068	-

**25 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
As at 1 April	365,871	363,691	365,871	363,691
Appropriation during the year	3,221	2,180	3,221	2,180
As at 31 March	369,092	365,871	369,092	365,871

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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Gain on exchange rate, net	1,925	3,091	-	-
Dividend income from other long-term investment	-	14,400	-	-
Interest income	2,681	3,103	89,217	86,566
Compensation from insurance companies	41,239	25,000	-	-
Written-off payables from restructuring	6,067	-	-	-
Others	30,011	15,392	711	2,203
Total	81,923	60,986	89,928	88,769

**27 Expense by nature**

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Change in finished goods and work in process	554,160	(151,719)	-	-
Raw materials and consumables used	14,900,964	14,617,229	-	-
Store and supplies used	1,275,002	937,498	-	-
Fuel	671,392	656,091	-	-
Depreciation and amortisation and amortisation of rolling mill expenses	518,531	529,810	24,513	33,793
Employee benefits expenses	878,355	938,706	250,923	267,441
Utilities expenses	2,093,748	2,445,480	1,034	1,025
Repair and maintenance expenses	646,363	711,085	738	310
Contractor fees	208,464	206,970	-	-
Delivery and selling expenses	187,293	207,503	17,039	17,664
Bank charges	53,160	75,483	8,973	15,268
Rental expenses	53,132	47,405	32,346	29,434
Doubtful accounts	35,336	40,577	250	-
Reversal of loss on diminution in value of inventory and obsolete inventories	-	(87,764)	-	-
Loss from impairment of non-current asset classified as held-for-sale	-	61,000	-	-

**28 Income tax (income) expense**

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

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Current tax:				
Current tax on profits for the year	25,282	132,219	-	-
Total current tax	25,282	132,219	-	-
Increase in deferred tax assets (Note 18)	(10,240)	(1,455)	(335)	(1,227)
Increase (decrease) in deferred tax liabilities (Note 18)	26,087	171	-	-
Total deferred tax	15,847	(1,284)	(335)	(1,227)
Total income tax (income) expense	41,129	130,935	(335)	(1,227)

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	
	2019 Thousand Baht	2018 Thousand Baht
Profit (loss) before income tax	(147,752)	585,289
Tax calculated at a tax rate of 20% (2018 : 20%)	(29,550)	117,058
Tax effect of:		
- Temporary differences and unused tax losses not accounted for as deferred tax assets and elimination entries	85,263	18,992
- Expenses not deductible for tax purpose	610	6,675
- Double tax expenses deductible	(2,596)	(2,597)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(12,598)	(9,193)
Tax charge	41,129	130,935

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

	Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht
Profit before income tax	64,088	42,375
Tax calculated at a tax rate of 20% (2018 : 20%)	12,818	8,475
Tax effect of:		
- Expenses not deductible for tax purpose	659	657
- Double tax expenses deductible	(1,214)	(1,166)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(12,598)	(9,193)
<b>Tax charge</b>	<b>(335)</b>	<b>(1,227)</b>

The Group's and the Company's weighted average applicable tax rate were 19% - (1)% and (1)%, respectively. (2018 : 21% - (3)% and (3)%, respectively).

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

	Consolidated financial statements					
	2019			2018		
	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	(1,010)	316	(694)	9,239	(1,512)	7,727
Change in value of available-for-sale investment	(2,300)	460	(1,840)	200	(40)	160
<b>Other comprehensive income</b>	<b>(3,310)</b>	<b>776</b>	<b>(2,534)</b>	<b>9,439</b>	<b>(1,552)</b>	<b>7,887</b>
Current tax		-			-	
Deferred tax (Note 18)		776			(1,552)	
		<b>776</b>			<b>(1,552)</b>	
	Separate financial statements					
	2019			2018		
	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	2,511	(502)	2,009	4,417	(883)	3,534
<b>Other comprehensive income</b>	<b>2,511</b>	<b>(502)</b>	<b>2,009</b>	<b>4,417</b>	<b>(883)</b>	<b>3,534</b>
Current tax		-			-	
Deferred tax (Note 18)		(502)			(883)	
		<b>(502)</b>			<b>(883)</b>	

## 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	
	2019	2018	2019	2018
<b>For the years ended 31 March</b>				
Net profit (loss) attributable to ordinary shareholders of the parent (Thousand Baht)	(188,181)	454,561	64,424	43,602
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)	(0.02)	0.05	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					
	2019			2018		
	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	57,214	76,456	31.81	540,911	124,082	31.23
Euro	-	12,701	35.72	-	8,156	38.44
Pound Sterling	-	732	41.61	-	52	43.83
Swiss franc	-	392	31.95	-	621	32.69
Swedish Krona	-	73	3.42	-	177	3.74
Japanese Yen	-	43	0.29	-	354	0.29
Indian Rupees	-	41	0.46	-	-	-
Singapore dollars	5	-	23.47	5	-	23.82

  

Currency	Separate financial statements					
	2019			2018		
	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	457	2,332	31.81	349	643	31.23

30 Financial instruments (Cont'd)

30.2 Foreign exchange forward contracts

As at 31 March 2019, the Group has foreign exchange forward contracts due to purchase of goods with maturity contracts not over 8 months (2018 : 9 months) as follows:

	Consolidated financial statements			
	2019		2018	
	Foreign currency amounts	Fair values favourable (unfavourable) Thousand Baht	Foreign currency amounts	Fair values favourable (unfavourable) Thousand Baht
Foreign exchange forward contracts				
US Dollars	430,000	100	500,000	(84)
Euro	300,000	32	418,000	(32)

As at 31 March 2019, the Group has no foreign exchange forward contracts due to sales of goods (2018 : the Group has foreign exchange forward contracts due to sales of goods with maturity contracts not over 3 months) as follows:

	Consolidated financial statements			
	2019		2018	
	Foreign currency amounts	Fair values favourable (unfavourable) Thousand Baht	Foreign currency amounts	Fair values favourable (unfavourable) Thousand Baht
Foreign exchange forward contracts				
US Dollars	-	-	8,200,000	1,047

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.

Relationship between company and related parties:

<b>Name</b>	<b>Type of Business</b>	<b>Relationship</b>
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 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
Tata Motors (Thailand) Co., Ltd.	Manufacture automobile	Same group of shareholders

**31 Related party transactions (Cont'd)**

The following transactions were carried out with related parties:

a) Related party transactions for the years ended 31 March 2019 and 2018

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Revenues</b>				
Sales				
Tata Steel Limited	1,370,187	659,564	-	-
The Siam Industrial Wire Co., Ltd.	733,214	731,456	-	-
Tata International Metals Asia Ltd.	-	6,971	-	-
NatSteel Holdings Pte. Ltd.	4,568	55,071	-	-
TSN Wires Co., Ltd.	329,599	163,952	-	-
Tata projects Limited	14,059	8,504	-	-
Total	<u>2,451,627</u>	<u>1,625,518</u>	<u>-</u>	<u>-</u>
Interest income				
The Siam Iron and steel (2001) Co., Ltd.	-	-	4	-
N.T.S. Steel Group Public Company Limited	-	-	86,679	83,693
Total	<u>-</u>	<u>-</u>	<u>86,683</u>	<u>83,693</u>
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	85,241	94,410
The Siam Construction Steel Co., Ltd.	-	-	158,265	178,620
N.T.S. Steel Group Public Company Limited	-	-	184,704	209,100
Total	<u>-</u>	<u>-</u>	<u>428,210</u>	<u>482,130</u>
Other income				
NatSteel Holdings Pte. Ltd.	-	80	-	-
Tata Steel Limited	-	14,993	-	-
Total	<u>-</u>	<u>15,073</u>	<u>-</u>	<u>-</u>

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

**31 Related party transactions (Cont'd)**

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

a) Related party transactions for the years ended 31 March 2019 and 2018 (Cont'd)

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Expenses</b>				
Purchases				
The Siam Industrial Wire Co., Ltd.	4,970	-	-	-
Tata Steel Limited	-	24,065	-	-
NatSteel Recycling Pte. Ltd.	97,695	627,233	-	-
Tata International Metals Asia Ltd.	1,000,194	-	-	-
Tata International Singapore Pte. Ltd.	-	37,392	-	-
Tata International Limited	13,976	6,874	-	-
Tata International West Asia DMCC	5,264	34,842	-	-
NatSteel Holdings Pte. Ltd.	129,206	-	-	-
Total	1,251,305	730,406	-	-
Purchases of assets				
Tata Technologies (Thailand) Co., Ltd.	3,370	-	3,370	-
Tata Technologies Pte. Ltd.	-	562	-	562
Total	3,370	562	3,370	562
Interest expenses				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	2,627	4,710
The Siam Construction Steel Co., Ltd.	-	-	26,254	23,732
Total	-	-	28,881	28,442
Other expenses				
Tata Steel Limited	72	32	72	32
The Siam Industrial Wire Co., Ltd.	266	136	-	-
Tata Sons Limited	1,051	847	1,051	847
Mjunction Services Limited	55	116	55	116
TSN Wires Co., Ltd.	-	31	-	-
Tata South East Asia (Cambodia) Ltd.	392	2,430	392	2,430
Tata Technologies (Thailand) Co., Ltd.	99	850	99	850
Tata Technologies Pte. Ltd.	-	1,408	-	1,408
Tata AIG General Insurance Co., Ltd.	-	20	-	-
Total	1,935	5,870	1,669	5,683
Key management compensation				
Short-term employee benefits	63,492	63,108	63,492	63,108
Post-employment benefits	21,197	18,185	21,197	18,185
Total	84,689	81,293	84,689	81,293

**31 Related party transactions (Cont'd)**

- b) Outstanding balance arising from sale/purchases of goods, services and others as at 31 March 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<b>Trade receivable - related parties</b>				
Tata Steel Limited	-	447,482	-	-
The Siam Iron and Steel (2001) Co., Ltd.	-	-	1,877	8,260
The Siam Construction Steel Co., Ltd.	-	-	3,485	15,633
N.T.S. Steel Group Public Company Limited	-	-	4,066	18,351
The Siam Industrial Wire Co., Ltd.	12,523	3,565	-	-
NatSteel Holdings Pte. Ltd.	-	1,943	-	-
TSN Wires Co., Ltd.	45,862	9,883	-	-
Tata Projects Limited	-	1,399	-	-
<b>Total</b>	<b>58,385</b>	<b>464,272</b>	<b>9,428</b>	<b>42,244</b>
<b>Other receivables - related parties</b>				
Tata Steel Limited	23	24	23	24
The Siam Iron and Steel (2001) Co., Ltd.	-	-	7	5,795
The Siam Construction Steel Co., Ltd.	-	-	44	13,085
N.T.S. Steel Group Public Company Limited	-	-	7,085	18,861
Tata Sons Limited	-	136	-	136
Tata Communication (Thailand) Ltd.	21	21	21	21
Tata Power Co., Ltd.	-	18	-	18
The Siam Industrial Wire Co., Ltd.	199	-	199	-
TSN Wires Co., Ltd.	85	-	85	-
<b>Total</b>	<b>328</b>	<b>199</b>	<b>7,464</b>	<b>37,940</b>
<b>Trade payable - related parties</b>				
Tata Steel Limited	2,285	2,242	-	-
Tata International Singapore Pte. Ltd.	-	701	-	-
<b>Total</b>	<b>2,285</b>	<b>2,943</b>	<b>-</b>	<b>-</b>
<b>Other payables - related parties</b>				
Tata Steel Limited	2,300	-	2,300	-
The Siam Iron and Steel (2001) Co., Ltd.	-	-	398	278
The Siam Construction Steel Co., Ltd.	-	-	2,035	2,337
N.T.S. Steel Group Public Company Limited	-	-	81	77
Tata Sons Limited	-	30,836	-	30,836
Tata South East Asia (Cambodia) Ltd.	-	612	-	612
Tata Technologies Pte. Ltd.	-	1,088	-	1,088
Tata Technologies (Thailand) Co., Ltd.	1,549	-	1,549	-
<b>Total</b>	<b>3,849</b>	<b>32,536</b>	<b>6,363</b>	<b>35,228</b>

**31 Related party transactions (Cont'd)**

c) Short-term loans to a subsidiary

The movements of short-term loans to a subsidiary during the years ended 31 March 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening balance for the year	-	-	2,780,640	2,719,634
Net additions (deductions) of loans during the year	-	-	(339,589)	61,006
Closing balance for the year	-	-	2,441,051	2,780,640

As at 31 March 2019, short-term loans to a subsidiary in amount of Baht 2,441 million (2018 : Baht 2,781 million) bear interest rate at 3.0% per annum (2018 : 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 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening balance for the year	-	-	1,913,950	1,988,798
Net deductions of borrowing during the year	-	-	(74,126)	(74,848)
Closing balance for the year	-	-	1,839,824	1,913,950

As at 31 March 2019, short-term borrowings from subsidiaries in amount of Baht 1,840 million (2018 : Baht 1,914 million) bear interest rate at 1.50% per annum (2018 : 1.50% per annum), short-term borrowings from subsidiaries are non-collateralised borrowings and not specified maturity date.

**32 Contingent liabilities**

For the year ended 31 March 2014, The Siam Construction Steel Company Limited, a subsidiary, received the notifications from the Revenue Department informing the assessments of additional surcharge of Baht 16 million in respect of the half-year corporate income tax filing for the year ended 31 March 2008 which the subsidiary under-estimated the net profit for that year by an amount exceeding 25 percent of the actual net profit. The subsidiary considered that there was a reasonable event occurred in the second half of that year that caused the net-profit under-estimated. The subsidiary has made the appeal to the Revenue Department.

On 15 August 2018, Board of Appeal denied the subsidiary's appeal. However, the subsidiary has made the appeal to the Central tax court and expected that there would not be additional surcharge to be paid and has not recorded the provisions in the financial statements as at 31 March 2019.

As at 31 March 2019, the result of this assessment has not been finalised. However, the subsidiary expected that there would not be payment and has not recorded any 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 2019 and 2018 amounting to Baht 350 million and Baht 325 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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Machinery and equipment	68,057	84,231	-	-
Computer software	3,799	2,237	-	2,237

#### 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	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Not later than 1 year	34,515	45,142	18,308	28,776
Later than 1 year but not later than 5 years	37,574	58,051	23,747	33,764
	<u>72,089</u>	<u>103,193</u>	<u>42,055</u>	<u>62,540</u>

#### 33.4 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2019 and 2018 are as follows:

Currency	Consolidated financial statements		Separate financial statements	
	2019 Thousand	2018 Thousand	2019 Thousand	2018 Thousand
USD	680	366	-	-
EUR	355	523	-	-

### 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
	Fair value as at		Fair value as at			
	31 March 2019 Thousand Baht	31 March 2018 Thousand Baht	31 March 2019 Thousand Baht	31 March 2018 Thousand Baht		
<b>Financial assets</b>						
1. Foreign currency forward contracts (including in other current assets)	138	1,047	-	-	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	3,500	-	-	Level 1	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
<b>Financial liabilities</b>						
1. Foreign currency forward contracts (including in other current liabilities)	6	116	-	-	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 2 project 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, steel billet wire rods. Subject to certain imposed conditions, the privileges include the following conditions:

- Exemption from import duty on machinery as approved by the board.
- 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 consolidated statements of comprehensive income classified by BOI and Non BOI businesses are as follows:

	Consolidated financial statements		
	2019 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax Thousand Baht	Non BOI promoted activities Thousand Baht	Total 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

**35 Promotional privileges (Cont'd)**

Revenues in the consolidated statements of comprehensive income classified by BOI and Non BOI businesses are as follows: (Cont'd)

	<b>Consolidated financial statements</b>		
	<b>2018 (Unaudited)</b>		
	<b>BOI promoted activities which are subject to corporate income tax Thousand Baht</b>	<b>Non BOI promoted activities Thousand Baht</b>	<b>Total Thousand Baht</b>
Revenue from local sales	-	20,297,660	20,297,660
Revenue from export sales	-	1,948,613	1,948,613
Total revenue	-	22,246,273	22,246,273

**36 Subsequent events**

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 Group's management has assessed the effects of the amendment on the Group's financial statements and expects the impact to be the loss and liability for the Group and the Company of Baht 57 million and Baht 15 million, respectively.