



TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED

ANNUAL REPORT

2018 - 2019



VISION

TATA Steel (Thailand) shall delight the Customers through innovative best in class products & services in construction steels and thus create value for its shareholders.

We will realize our vision by fostering a culture of trust & continuous improvement while keeping employees happy and adhering to highest standards of business conduct.

Safety

Reduce Loss Time Injury Frequency (LTIF) to 0. Be a Zero harm Company



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FINANCIAL
STATEMENTS





CONSOLIDATED FINANCIAL HIGHLIGHTS

Unit : Million Baht

Financial Statements	FY19	FY18	FY17	FY16	FY15
Statement of Income					
Revenue from sales	22,222	22,246	19,701	16,733	21,355
Gross Profit	603	1,572	1,956	948	566
Profit before Finance Costs, Income Tax Expense, Depreciation and Amortization (EBITDA)	503	1,318	1,734	877	374
Profit (loss) before income tax expense	(148)	585	441	223	(386)
*Profit (loss) for the year	(188)	455	214	154	(610)
Statement of Financial Position					
Total Assets	12,150	12,673	12,937	12,897	13,640
Total Liabilities	3,115	3,446	4,172	4,343	5,241
Total Shareholders' Equity	9,035	9,227	8,765	8,554	8,399
Issued and Fully Paid of Share Capital	8,422	8,422	8,422	8,422	8,422

Note

* Profit (loss) attributable to owners of the parent is after the adjustment of one-off items as below:

FY18 Provision for impairment of non-current asset classified as held-for-sale of 61 MB.

FY17 a) Impairment of MBF Asset 528 MB in line with TAS No.36 (Revised 2015).

b) Provision / write-off of obsolete fixed assets / old raw material inventory 90 MB.

c) Write off the income tax refund of previous years 100 MB.

FY15 Deferred tax asset write off of 200 MB in line with TAS No.12 (Revised 2012).

Financial Ratios	FY19	FY18	FY17	FY16	FY15
Liquidity Ratio					
1. Current Ratio	1.89	1.78	1.40	1.07	1.01
Efficiency Ratio					
2. Fixed Asset Turnover Ratio	6.87	6.38	4.60	3.34	3.99
3. Total Asset Turnover Ratio	1.80	1.74	1.53	1.27	1.44
4. Accounts Receivable Turnover Ratio	23.81	20.49	24.83	25.82	31.57
5. Average Collection Period (Days)	15.33	17.81	14.70	14.14	11.56
6. Inventory Turnover Ratio	6.49	6.27	6.56	5.72	5.33
Debt Management Ratio					
7. Debt to Assets Ratio (%)	25.64	27.19	32.25	33.67	38.42
8. Debt to Equity Ratio	0.34	0.37	0.48	0.51	0.62
9. EBITDA Coverage Ratio	6.33	15.88	17.15	6.59	1.64
Profitability Ratio					
10. Earnings (Loss) per Share (Baht)	(0.02)	0.05	0.03	0.02	(0.07)
11. Return on Total Revenues (%)	(0.84)	2.04	1.09	0.91	(2.85)
12. Return on Assets (%)	(1.52)	3.55	1.66	1.16	(4.09)
13. Return on Equity (%)	(2.06)	5.05	2.47	1.82	(6.99)

1. Current Ratio : Current Assets / Current Liabilities

2. Fixed Asset Turnover Ratio : Total Revenues / Net Fixed Assets (average)
(Total Revenues : Revenue from sales + Other income)

(Net Fixed Assets : Property, plant and equipment + Intangible)

3. Total Asset Turnover Ratio : Total Revenues / Total Assets (average)

4. Accounts Receivable Turnover Ratio : Turnover / Trade Receivable (average)
(Turnover : Revenue from sales)

5. Average Collection Period : 365 days / Accounts Receivable Turnover Ratio

6. Inventory Turnover Ratio : Cost of sales / Inventory (average)

7. Debt to Assets Ratio : Total Liabilities / Total Assets

8. Debt to Equity Ratio : Total Liabilities / Total Attributions to Owners of the Parent Company

9. EBITDA Coverage Ratio : EBITDA / Finance costs (EBITDA : Profit before Finance Costs, Income Tax Expense, Depreciation, Amortization and Exceptional Items)

10. Earnings (Loss) per Share : Profit (Loss) after tax / Weighted average number of ordinary shares

11. Return on Total Revenues : Profit (Loss) after tax / Total Revenues

12. Return on Assets : Profit (Loss) after tax / Total Assets (average)

13. Return on Equity : Profit (Loss) after tax / Total Attributions to Owners of the Parent Company (average)

SALES VOLUME

(Thousand Ton)



REVENUE FROM SALES

(Million Baht)



EBITDA

(Million Baht)



*PROFIT (LOSS) FOR THE YEAR

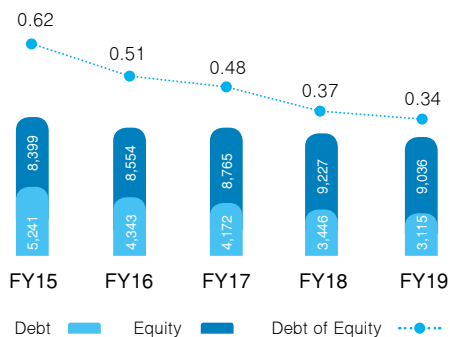
(Million Baht)



* Profit (loss) attributable to owners of the parent
 FY18 Provision for impairment of non-current asset classified as held-for-sale 61 MB.
 FY17 a) Impairment of MBF Assets 528 MB.
 b) Provision/write-off of obsolete fixed assets/old raw material inventory 90 MB.
 c) Write off the income tax refund of previous years 100 MB.
 FY15 Deferred tax asset write off 200 MB.

DEBT TO EQUITY

(Times)



RETURN ON INVESTED CAPITAL

(%)





GENERAL INFORMATION

Company's Name

Tata Steel (Thailand) Public Company Limited
(Formerly known as :
Millennium Steel Public Company Limited or "MS")

Registration No.

0107545000136

Business Type

Manufacturer and distributor of long steel products

Securities Trading Symbol

TSTH

ISIN Number

Local TH0692010000
Foreign TH0692010018
NVDR TH0692010R12

Established

July 12, 2002

Listing Date

November 29, 2002

Trading Date

December 18, 2002

Head Office

555 Rasa Tower 2,
20th Floor, Phaholyothin Road,
Chatuchak, Bangkok 10900, Thailand
Telephone : +66 2937 1000
Fax : +66 2937 1224

Website

<http://www.tatasteelthailand.com>

Ordinary Shares

8,421,540,848 Baht

Paid Up Capital

8,421,540,848 Baht

Par Value

1.00 Baht per share

Registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
Telephone : +66 2009 9000
Fax : +66 2009 9991
Email : SETContactCenter@set.or.th
Website : www.set.or.th/tsd

Auditors

Ms. Varaporn Vorathitikul (Certified Public Accountant No. 4474)
PricewaterhouseCoopers ABAS Ltd. ("PwC")
15th Floor, Bangkok City Tower, 179/74-80
South Sathorn Road, Sathorn, Bangkok 10120, Thailand

Filing a Complaint on Ethics

Chairman of the Audit Committee
Mr. Alan Kam
Email : alank@libertasth.com

Ethics Counselor

Mr. Sirorote Matemanosak
Telephone : +66 2937 1000 Ext. 1810
Fax : +66 2937 1224
Email : sirorotem@tatasteelthailand.com

Whistle Blower Helpline

Toll Free TCoC Helpline (24 hours a day, 7 days a week)
Telephone : 001800 441 0657 Password: 82828#
Or In-Touch website: <http://www.speak-up.info/tsth/>

Investor Relations

Ms. Arisara Na Ranong
Telephone : +66 2937 1000 Ext. 3210
Fax : +66 2937 1224
Email : arisaran@tatasteelthailand.com

Corporate Communications and Activity

Mr. Jitti Suwanvajokkasikij
Telephone : +66 2937 1000 Ext. 2420
Fax : +66 2937 1224
Email : jittis@tatasteelthailand.com



SUBSIDIARIES PROFILE

Subsidiaries Profile (As of March 31, 2019)



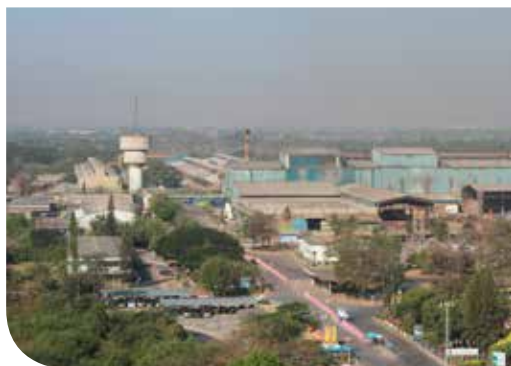
N.T.S. Steel Group Public Company Limited

Registration No.	0107536001273
Established	October 4, 1988
Business Type	Manufacturer of bars, rebars and wire rods
Steel Capacity (Billet)	550,000 ton/year (EAF on scrap)
Rolling Capacity	800,000 ton/year
Factory	No. 351, Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230 Tel. : +66 3834 5355 Fax. : +66 3834 5350
Ordinary Share	3,856,637,797 Shares
Paid Up Capital	4,627,965,356.40 Baht
Par Value	1.20 Baht
Held by TSTH	99.76 %



The Siam Construction Steel Company Limited

Registration No.	0105532094348
Established	October 4, 1989
Business Type	Manufacturer of rebars
Steel Capacity (Billet)	550,000 ton/year (EAF on scrap)
Rolling Capacity	500,000 ton/year
Factory	Plot I-23, Map Ta Phut Industrial Estate, Ampher Muang, Rayong 21150 Tel. : +66 3868 3968 Fax. : +66 3868 3969
Ordinary Share	17,500,000 Shares
Paid Up Capital	1,750,000,000.00 Baht
Par Value	100 Baht
Held by TSTH	99.99 %



The Siam Iron and Steel (2001) Company Limited

Registration No.	0105544085276
Established	September 3, 2001
Business Type	Manufacturer of wire rods and small sections
Steel Capacity (Billet)	300,000 ton/year (EAF on scrap)
Rolling Capacity	400,000 ton/year
Factory	No. 49 Moo 11, Tambon Bang Khamode, Ampher Ban Mor, Saraburi 18270 Tel. : +66 3628 8000 Fax. : +66 3628 8002
Ordinary Share	1,200,000 Shares
Paid Up Capital	120,000,000.00 Baht
Par Value	100 Baht
Held by TSTH	99.99 %

Corporate Office : Rasa Tower 2, 20th Floor, 555 Phaholyothin Road, Chatuchak, Bangkok 10900, Thailand
 Telephone : +66 2937 1000
 Fax. : +66 2937 1224



MESSAGE FROM THE BOARD



Dear Shareholders,

It is a privilege to write to you once again as the Chairman of the Board of Tata Steel (Thailand) Public Company Limited and I am happy to present to you the report for the financial year 2018-2019.

The global economy started 2018 on an upbeat note, buoyed by a pickup in global manufacturing and trade through 2017. However during the year, investors' confidence lost steam. One reason behind this loss in momentum is the implementation of tariffs by major economies and retaliatory measures taken by others. At the same time, ASEAN region maintained GDP growth rate of 5.3%, same as 2017 largely on the back of robust domestic demand.

As per World Steel Association, Global crude steel production reached 1,808.6 million tonnes (MT) for the year 2018, up by 4.6% compared to 2017. This represents average global capacity utilization of 80%. Crude steel production increased in all regions in 2018 except in the European Union, which saw a 0.3% contraction. China continues to dominate the world steel output with its global share increasing from 50.3% in 2017 to 51.3% in 2018. In 2018, apparent consumption of crude steel in China was highest ever. As a result, Chinese steel exports stood at 69.3 MT in 2018, a drop of 8% from previous year.

There was a marked decline in the steel markets in second half of 2018. Prices dropped in the range of 70-90 USD pmt over a short span. While steel production increased, consumption growth did not match the increase in production. Overcapacity in the steel sector

continues with negligible correction in 2018 after a healthy decline in previous two years. The gap between world steel capacity and production remains over 425 MT, approx. 25% of the annual production in 2018. Beyond overcapacity, another challenge faced during the year was an increase in trade frictions between major economies resulting in lowering of business and consumer confidence.

Thailand economy

Thailand witnessed GDP growth rate of 4.1% in 2018, slightly higher than 4% in 2017. One of the key drivers was higher public spending. Tourism continued to grow though the rate of growth has slowed to single digit. 2018 witnessed an increase in automobile production by 2.2% due to increase in domestic demand. Residential market expanded, especially condominium sales. However public investment especially in construction of infrastructure strengthening projects has remained subdued.

As per Iron & Steel Institute of Thailand, long products steel consumption in the country stood at 5.77 MT in 2018, level almost same as prevailing in 2012-2013. While this is 2.2% higher than 2017, the increase came from higher imports that grew by 11.7% over previous year. At the same time, domestic production through electric arc furnace route saw a decline. One significant change impacting long product steel industry in Thailand is the increase in induction furnace output in the last 18 months. This has been partially triggered by high cost of graphite electrodes used in electric arc furnaces. During

the year, Thailand Industrial Standard was revised that differentiated Rebar quality based on the route of steel making. This is expected to enhance consumer knowledge on different types of steel making and create pull for steel produced through electric arc furnace route.

Company performance highlights

High raw material prices including that of scrap, graphite electrodes, ferro alloys and refractory throughout the year coupled in turbulence during the second half of the year had an adverse impact on the performance of the Company. At the same time, the Company continued to undertake many initiatives to mitigate the impact of adverse business environment. Retail excellence program resulted in increased sales in the growing modern trade segment. Super ductile Tata Tiscon rebars were launched in premium condominium segment. Loss in sale of Rebars in project segment due to delay in the public investments in the infrastructure projects, was partially recovered by higher exports. High quality wire rods were regularly exported within ASEAN region.

Procurement Excellence Program, started few years ago, continues to drive sourcing strategy. New types of scrap were developed to expand the supply base. Flexible operations facilitated use of bought out billets in place of expensive international scrap. Health and safety of workmen remains critical to the Company. Health index of the employees improved over last year. Upgradation of employees and contractor workmen skill continues to enhance safety culture among the team.

As part of the Company's long term sustainability strategy, the Company installed its first 1.4 MW solar power plant on factory roof shed at Rayong. Buoyed by its success, the Company plans to expand the same to all the three plants in the coming years. Reduction in graphite electrode consumption at steel plant and fuel consumption in rolling mill was achieved through focused improvement initiatives.

Your Company continues to work like a responsible corporate citizen and with care for the community. 100% of the employees participated in at least one corporate social responsibility program organized by the Company during the year. 'Grow smart with Tata Steel', the initiative which encourages reading habits in rural areas crossed 300 schools including 12 mobile libraries in 61 provinces of the country. Going ahead, the Company plans to increase focus of corporate social responsibility towards communities near the operating units.

All this was made possible by the untiring efforts and cooperation of the employees. This coupled with continuous improvement initiatives, resulted in many recognitions for the Company. In the Tata Business Excellence Model assessment, TSTH reached 'Emerging Industry Leader' category amongst all the Tata Group companies across the world. N.T.S. plant won the Prime Minister Industry Award for Quality Management. TSTH received Thailand Sustainability Investment Award 2018. N.T.S. and SCSC plants won Green Mining Award from the Ministry of Industry.

As you are aware, in Jan'19, the principal shareholder, Tata Steel Global Holdings (TSGH) has signed a share purchase agreement with Hebei Steel of China to divest 70% of Tata Steel operations in South East Asia to a new company to be incorporated in Singapore by an entity controlled by Hebei Steel and TSGH on a 70/30 basis. Hebei Steel is the 4th largest steel company in the world. This cooperation is expected to drive long term value creation for all the stakeholders. The process of creating the joint venture is in advance stage.

FY 2019–20 outlook

As per World Steel Association, global steel demand is expected to grow in the range 1.2-1.4% in 2019 as market uncertainties continue. Political tensions are expected to weigh on the growth though ASEAN region. However, the overall growth in the ASEAN region is expected to stay resilient amid global uncertainties. While China's GDP growth rate is expected to be lower than last few years, its deceleration will be cushioned by the stimulus measures announced by the government. Thus steel exports out of China are expected to be at reasonable level which should support prices in the region. At the same time, new capacities have gone on stream during the year in Vietnam and Malaysia leading to higher imports into Thailand. It is important that industry bodies engage with the government and increase capacity utilization in the region which currently stands significantly below world average.

Steep increase in the raw material cost witnessed in last eighteen months is expected to ease out during the year. Thailand witnessed the much awaited elections in March 2019. There are high expectations from the government. This will play a crucial role in taking forward the economic policy of the country. Timely execution of the infrastructure strengthening projects including those in Eastern Economic Corridor is critical for spurring the demand of steel in the country.

As we continue on this journey, I would like to thank all the shareholders for reposing confidence in the Company. I would also like to thank the government, customers, suppliers, lenders and other stakeholders for their continued support to the Company. The employees, unions and the management team have worked very hard under challenging business conditions and I would like to thank them for their deep commitment to the Company. Finally I look forward to your continued and valuable support going ahead.

Peeyush Gupta
Chairman of the Board of Directors



THE BOARDS OF DIRECTORS



MR. RANGANATH RAGHUPATHY RAO

- Director
- Member of the Executive Committee

MR. RAJIV MANGAL

- Director
- Member of the Executive Committee
- Member of the Corporate Social Responsibility and Sustainability Committee
- President and CEO

MR. HATASAKDI NA POMBEJRA

- Independent Director
- Member of the Audit Committee
- Chairman of the Corporate Social Responsibility and Sustainability Committee

MR. PEEYUSH GUPTA

- Chairman of the Board of Directors
- Chairman of the Executive Committee
- Chairman of the Corporate Governance, Nomination and Remuneration Committee



MR. ALAN KAM

- Independent Director
- Chairman of the Audit Committee
- Member of the Corporate Governance, Nomination and Remuneration Committee

MS. ANUTTARA PANPOTHONG

- Independent Director
- Member of the Audit Committee
- Member of the Corporate Governance, Nomination and Remuneration Committee

MR. TARATORN PREMSOONTORN

- Director
- Member of the Corporate Governance, Nomination and Remuneration Committee

MR. ASHISH ANUPAM

- Director
- Member of the Executive Committee
- Member of the Corporate Social Responsibility and Sustainability Committee



INFORMATION OF THE DIRECTORS

MR. PEEYUSH GUPTA

Chairman of the Board of Director
Chairman of the Executive Committee
**Chairman of the Corporate Governance,
Nomination and Remuneration Committee**

Age : 50

Date of Appointment : October 23, 2011

No. of Shareholding : 0

Relative : None

Education/Training program

- Master of Business Administration, McGill University, Montreal, Canada
- Bachelor of Engineer (Honors), Engineering College, Kota, Rajasthan
- Chevening Scholar, Leeds University, UK
- Advanced Management Program, CEDEP, France

Working Experiences

- **2018 - Present :** Chairman
Indian Steel & Wire Products Limited
- **2015 - Present :** Director
Indian Steel & Wire Products Limited
- **2014 - Present :** Director
Tata Steel Processing & Distribution
- **2013 - Present :** Vice President Marketing and Sales
Tata Steel Ltd.
- **2009 - Present :** Director
TM International Logistics Limited
- **2012 - 2013 :** President & CEO
Tata Steel (Thailand) Public
Company Limited

***Board Member in Other Listed Company :** None

MR. ALAN KAM

Independent Director
Chairman of the Audit Committee
**Member of the Corporate Governance,
Nomination and Remuneration Committee**

Age : 62

Date of Appointment : July 8, 2017

No. of Shareholding : 0

Relative : None

Education/Training program

- MBA, Finance, University of Denver, USA
- BSBA, Finance, University of Denver, USA
- Director Certification Program (DCP : 39/2004)
- IOD-Corporate Social Responsibility Program (CSR : 1/2006)
- IOD-Chartered Director Course (CDC : 2/2008)
- Corporate Governance for Capital Market Intermediaries Class (CGI : 0/2014)
- The Role of Chairman Program (RCP : 2017)
- Strategic Board Master Class (SBM : 3/2018)
- Fellow Member
- Chartered Director

Working Experiences

- **2017 - Present :** Director
Thanakorn Vegetable Oil Products Co. Ltd.
- **2016 - Present :** Chairman of the Board of Directors
Ticketmelon Company Limited
- **2015 - Present :** Director
Cal-Comp Holdings (Brazil) S.A.
- **2013 - Present :** Trustee Director and Chairman of the
Investment Committee
Nambawan Super Limited, Port Moresby,
Papua New Guinea
- **2013 - Present :** Independent Director and
Chairman of the Audit Committee
Mega LifeSciences Public Co., Ltd.*
- **2008 - Present :** Principal
Libertas Company Limited
- **2000 - Present :** Independent Director and
Chairman of the Audit Committee
Cal-Comp Electronics (Thailand) Public Co., Ltd.*
- **2012 - 2016 :** Chairman of the Board of Directors
Krungsri Asset Management Company Limited

***Board Member in Other Listed Company :** 2

MR. HATASAKDI NA POMBEJRA

Independent Director
Member of the Audit Committee
Chairman of the Corporate Social Responsibility and Sustainability Committee

Age : 62

Date of Appointment : March 28, 2013

No. of Shareholding : 0

Relative : None

Education/Training program

- Master of Law in International Legal Study (Business)
New York University, School of Law, USA
- Master of Comparative Law University of Miami,
School of Law, USA
- Bachelor of Laws (Honors), Thammasat University
- Corporate Secretary (CSP : 4/2003)
- Director Certification Program (DCP : 33/2003)
- Audit Committee Program (ACP : 13/2006)
- Monitoring the Internal Audit function (MIA : 7/2007)
- Monitoring the Quality of Financial Report (MFR : 6/2008)
- Monitoring the system of Internal Control and Risk
Management (MIR : 2/2008)
- Role of the Compensation Committee Program
(RCC : 6/2008)
- Role of Chairman Program (RCP : 20/2008)
- Director Certification Program Refresher Course
- Successful Formulation and Execution Strategy
(SFE : 1/2008)
- Monitoring Fraud Risk Management (MFM 1/2009)
- Chartered Director class (CDC : 7/2013)
- Successful Formulation & Execution Strategy
(SFE : 18/2013)
- How to measure the success of Corporate Strategy
(HMS : 2/2013)

Working Experiences

- **2014 - Present :** Independent Director and
Member of the Audit Committee
Board of Trade of Thailand
- **2014 - Present :** Independent Director and
Member of the Audit Committee
Thai Chamber of Commerce

***Board Member in Other Listed Company :** None

MS. ANUTTARA PANPOTHONG

Independent Director
Member of the Audit Committee
**Member of the Corporate Governance,
Nomination and Remuneration Committee**

Age : 47

Date of Appointment : March 20, 2018

No. of Shareholding : 0

Relative : None

Education/Training program

- MBA, Finance and Investment,
George Washington University, Washington DC, USA
- BBA, Finance and Banking - First Class Honors,
Thammasat University
- Director Certificate Program Class (DCP : 33/2003)

Working Experiences

- **2019 - Present :** Group HR and Talents
Siam City Cement Public Company
Limited*
- **2017 - Present :** Senior Vice President (People and
Organizational Performance)
Siam City Cement Public Company
Limited
- **2017 - Present :** Secretary of Nomination and
Remuneration Committee
Siam City Cement Public Company
Limited
- **2018 - Present :** Board of Director
Siam City Concrete Company Limited
- **2017 - Present :** Board of Director
Conwood Company Limited
- **2015 - 2017 :** Authorized Director
Unilever Thai Holding Co., Ltd.

***Board Member in Other Listed Company : 1**

MR. TARATORN PREMSOONTORN

Director
**Member of the Corporate Governance,
Nomination and Remuneration Committee**

Age : 55

Date of Appointment : July 29, 2002

No. of Shareholding : 0

Relative : None

Education/Training program

- Master of Business Administration,
Oklahoma City University, USA
- Bachelor of Economics, Chulalongkorn University
- Director Certification Program (DCP : 40/2004)
- Director Accreditation Program (DAP :2/2003)
- Finance for Non-Finance Directors Program
(FND : 7/2003)

Working Experiences

- **1996 - Present :** Senior Vice President
Bangkok Bank Public Company Limited
- **2001 - 2014 :** Director
Sriracha Harbour Public Company Limited

***Board Member in Other Listed Company :** None

MR. RANGANATH RAGHUPATHY RAO

Director
Member of the Executive Committee

Age : 59

Date of Appointment : April 29, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Science
- Chartered Accountant,
Institute of Chartered of Accountants of India

Working Experiences

- **2018 - Present :** Chairman
Kalimati Global Shared Services Ltd.
- **2018 - Present :** Director
Bamnipal Steel Ltd.
- **2018 - Present :** Director
Tata Steel Special Economic Zone Ltd.
- **2018 - Present :** Director
TRF
- **2016 - Present :** Director
Industrial Energy Limited
- **2015 - Present :** Director
Jamshedpur Utilities and Services Company Ltd.
- **2014 - Present :** Director
Tata Steel Holdings Pte Ltd.
- **2014 - Present :** Director
T S Global Holdings Pte Ltd.
- **2014 - Present :** Director
T S Global Procurement Company Pte Ltd.
- **2014 - Present :** Director
T S Global Mineral Holdings Pte Ltd.
- **2014 - Present :** Director
ProCo Issuer Pte Ltd.
- **2013 - 2019 :** Director
TSIL Energy Limited
- **2013 - 2019 :** Director
Tata Sponge Iron Ltd.
- **2013 - Present :** Vice President Finance
Tata Steel Ltd. (India & SE Asia)

***Board Member in Other Listed Company :** None

MR. ASHISH ANUPAM

Director
Member of the Executive Committee
Member of the Corporate Social Responsibility and Sustainability Committee

Age : 50
Date of Appointment : January 30, 2018
No. of Shareholding : 0
Relative : None

Education/Training program

- Bachelor of Engineering (Mechanical Engineering), Birla Institute of Technology, Ranchi, India
- Advance Management Program, CEDEP, (INSEAD, France)

Working Experiences

- **2019 - Present :** Director
Indian Steel & Wire Product Limited
- **2019 - Present :** Director
Tata Sponge Limited
- **2018 - Present :** Chairman
The Siam Industrial Wire Co., Ltd.
- **2015 - Present :** President & CEO
NatSteel Holdings Pte. Limited, Singapore

***Board Member in Other Listed Company :** None

MR. RAJIV MANGAL

Director
Member of the Executive Committee
Member of the Corporate Social Responsibility and Sustainability Committee
President and CEO

Age : 51
Date of Appointment : December 1, 2013
No. of Shareholding : 0
Relative : None

Education/Training program

- Bachelor of Engineering (Metallurgy) (Honors), University of Roorkee, India
- PGDBM from XLRI, Jamshedpur, India
- Advance Management Program CEDEP (INSEAD, France)
- Global Leadership Development Programme, India/UK
- Director Certification Program (DCP : 230/2016)

Working Experiences

- **2018 - Present :** Director
NatSteel Holdings Pte. Ltd.
- **2010 - 2013 :** Executive-in Charge, Tubes SBU
Tata Steel Limited, India
- **2005 - 2010 :** Chief, Wire Division
Chief of Marketing & Sales
Chief Technical Services
Tata Steel Limited, India

***Board Member in Other Listed Company :** None





MANAGEMENT



1

**MR. RAJIV
MANGAL**

President and CEO

2

**MR. WANLERT
KANWIWAT**

Chief Operating Officer

3

**MR. JAYANTA
CHAKRABORTY**

Vice President - Finance and
Chief Financial Officer

4

**MR. SIROROTE
MATEMANOSAK**

Vice President - Human Resources
and Corporate Affairs

5

**MR. PAITON
CHUESOOK**

Vice President - Procurement

6

**MR. CHAICHALERM
BUNYANUWAT**

Vice President - Marketing and Sales

7

**MR. AMIT
KHANNA**

Vice President - Capital Projects
and Business Excellence

8

**MR. ARUN KUMAR
CHOWDHARY**

Vice President - Chonburi Plant

9

**MR. PORNCHEI
TANGWORRAKULCHAI**

Vice President - Rayong Plant

10

**MR. RUNGROTH
LERT-A-ROM**

Vice President - Saraburi Plant



INFORMATION OF THE MANAGEMENT

MR. RAJIV MANGAL

President and CEO

Age : 51

Date of Appointment : December 1, 2013

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Metallurgy) (Honors), University of Roorkee, India
- PGDBM from XLRI, Jamshedpur, India
- Advance Management Program CEDEP (INSEAD, France)
- Global Leadership Development Programme, India/UK
- Director Certification Program (DCP : 230/2016)

Working Experiences

- **2018 - Present :** Director
NatSteel Holdings Pte. Ltd.
- **2010 - 2013 :** Executive-in Charge, Tubes SBU
Tata Steel Limited, India
- **2005 - 2010 :** Chief, Wire Division
Chief of Marketing & Sales
Chief Technical Services
Tata Steel Limited, India

MR. WANLERT KANWIAT

Chief Operating Officer

Age : 53

Date of Appointment : April 1, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Electrical), King Mongkut's Institute of Technology
- Global Leadership Development Programme, India/UK

Working Experiences

- **2012 - Present :** Director
N.T.S Steel Group Plc.
- **2012 - Present :** Director
The Siam Construction Steel Co., Ltd.
- **2011 - 2012 :** Plant Manager - Rayong
The Siam Construction Steel Co., Ltd.

MR. JAYANTA CHAKRABORTY

Vice President – Finance and Chief Financial Officer

Age : 53

Date of Appointment : September 15, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Commerce, Calcutta University
- Chartered Accountant, Institute of Chartered Accountants of India
- General Management Programme, CEDEP, France
- Global Leadership Development Programme, India/UK
- Director Certification Program (DCP : 241/2017)

Working Experiences

- **2018 – Present :** Director
NatSteel Holdings Pte. Ltd.
- **2016 – Present :** Director
The Siam Construction Steel Company Limited and The Siam Iron and Steel (2001) Company Limited
- **2013 – 2016 :** Chief Financial Controller (Business Analysis and Group Reporting)
Tata Steel Limited
- **2013 – 2016 :** Director
TM International Logistics Limited,
TS Alloys Limited,
Tata Steel Processing & Distribution Limited
International Shipping &
Logistics FZE
- **2006 – 2013 :** Chief (Corporate Accounts and Financial Reporting)
Tata Steel Limited

MR. SIROTE MATEMANOSAK

Vice President – Human Resources & Corporate Affairs

Age : 56

Date of Appointment : January 1, 2010

No. of Shareholding : 220,000 (0.00%)

Relative : None

Education/Training program

- Master of Business Administration, Kasetsart University
- Bachelor of Laws, (Honors), Thammasat University
- Global Leadership Development Programme, India/UK.
- Ethical Leadership Program (ELP), Thai Institute of Directors (IOD)

Working Experiences

- **2012 – Present :** Director
N.T.S Steel Group Public Plc.
- **2012 – Present :** Director
The Siam Construction Steel Co., Ltd.
- **2012 – Present :** Director
The Siam Iron and Steel (2001) Co., Ltd.

MR. PAITON CHUESOOK

Vice President – Procurement

Age : 56

Date of Appointment : April 1, 2012

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Mechanical),
King Mongkut's University of Technology
North Bangkok, Thailand
- Global Leadership Development Programme,
India/UK

Working Experiences

- **2012 - 2013 :** Director and Vice President
The Siam Iron and Steel (2001) Co., Ltd.
- **2011 - 2012 :** Plant Manager - Saraburi
The Siam Iron and Steel (2001) Co., Ltd.
- **2010 - 2011 :** Senior Department Manager -
Rolling Mill
The Siam Iron and Steel (2001) Co., Ltd.
- **2001 - 2010 :** Department Manager - Steel Plant
N.T.S Steel Group Plc.

MR. CHAICHALERM BUNYANUWAT

Vice President – Marketing and Sales

Age : 50

Date of Appointment : July 31, 2012

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Mechanical Engineering,
King Mongkut's University of Technology
Thonburi, Thailand
- Global Leadership Development Programme,
India/UK

Working Experiences

- **2012 - 2016 :** Director and Vice President
The Siam Iron & Steel (2001) Co., Ltd.
- **2012 - 2012 :** Plant Manager, Saraburi
The Siam Iron & Steel (2001) Co., Ltd.
- **2010 - 2012 :** Senior Department Manager -
Steel Plant and Maintenance
N.T.S Steel Group Plc.



MR. AMIT KHANNA

Vice President – Capital Projects and Business Excellence

Age : 52

Date of Appointment : April 1, 2015

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Science (Electrical Engineering),
National Institute of Technology, Jamshedpur, India

Working Experiences

- **2014 – 2015 :** Head Improvement Initiatives
Tata Steel Limited, India
- **2010 – 2014 :** Head Integrated Electrical
Maintenance - Power House &
Industrial Gases Department
Tata Steel Limited, India
- **2008 – 2010 :** Head TQM - Knowledge Management,
Management Information Group &
Business Assessment
Tata Steel Limited, India

MR. ARUN KUMAR CHOWDHARY

Vice President – Chonburi Plant

Age : 60

Date of Appointment : April 1, 2012

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Mechanical),
Bihar Institute of Technology, India

Working Experiences

- **2012 – Present :** Director
N.T.S. Steel Group Plc.
- **2011 – 2012 :** Plant Manager - Chonburi
N.T.S. Steel Group Plc.

MR. PORNCHEI TANGWORRAKULCHAI

Vice President – Rayong Plant

Age : 49

Date of Appointment : April 1, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Electrical),
Chiang Mai University

Working Experiences

- **2016 – Present :** Director
The Siam Construction Company Limited
- **2008 – 2016 :** Senior Department Manager –
Rolling Mill
N.T.S Steel Group Plc.
- **2006 – 2008 :** Department Manager
N.T.S Steel Group Plc.
- **2005 – 2006 :** Department Manager
The Siam Iron and Steel (2001) Co. Ltd.
- **2004 – 2005 :** Engineer – Steel Plant Department
The Siam Iron and Steel (2001) Co. Ltd.
- **1995 – 2004 :** Engineer – Rolling Mill Department
The Siam Iron and Steel (2001) Co. Ltd.

MR. RUNGROTH LERT-A-ROM

Vice President – Saraburi Plant

Age : 47

Date of Appointment : June 1, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Master Degree of Material science and Engineering,
Carnegie Mellon University, USA
- Bachelor of Engineer (Metallurgy),
Chulalongkorn University

Working Experiences

- **2016 – Present :** Director
The Siam Iron and Steel (2001) Co., Ltd.
- **2015 – 2016 :** Senior Department Manager – Steel Plant
The Siam Iron and Steel (2001) Co., Ltd.
- **2014 – 2015 :** Senior Department Manager – Steel Plant
The Siam Construction Steel Co., Ltd.
- **2012 – 2014 :** Senior Department Manager – Maintenance /
Steel Plant
N.T.S. Steel Group Plc.





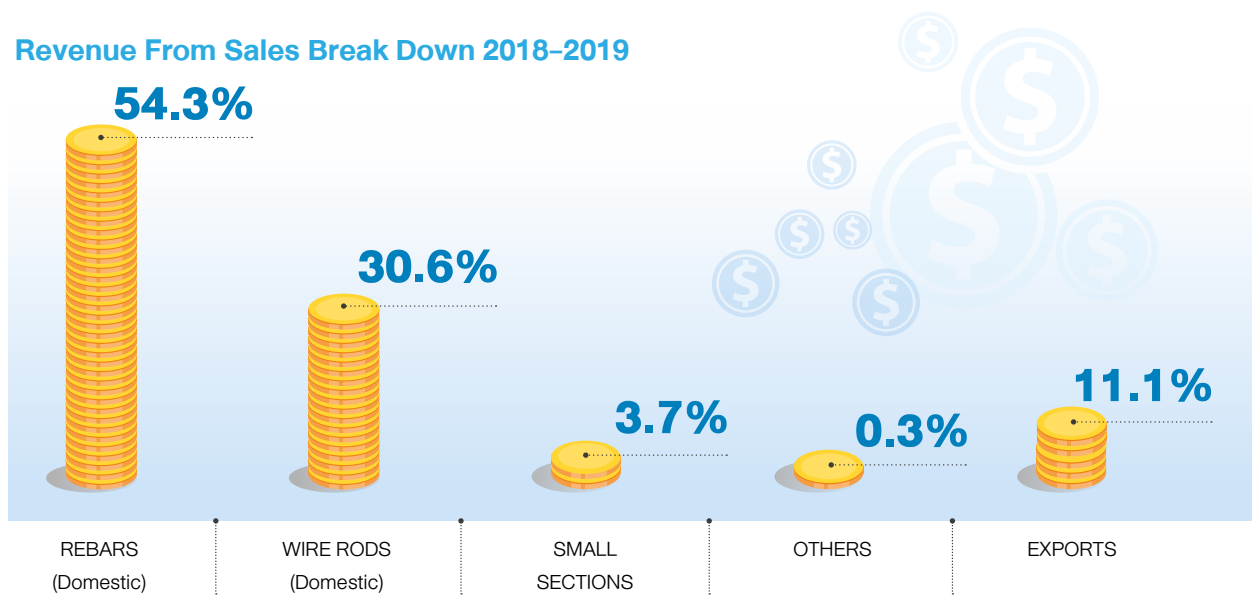
NATURE OF BUSINESS

Structure of Revenues

The Group's operations involve the single business segment of the manufacture and sales of long steel products. The proportions of the Company's revenue from the sales by product lines, as produced by subsidiaries, are as follows:

Line of Products	FY19			FY18			FY17		
	Thousand Ton	Million Baht	%	Thousand Ton	Million Baht	%	Thousand Ton	Million Baht	%
Domestic Market									
Rebars	641	12,064	54.3	682	12,174	54.7	844	12,929	65.6
Wire Rods	332	6,801	30.6	360	6,977	31.4	256	4,263	21.6
Small Sections	41	827	3.7	59	1,094	4.9	69	1,106	5.6
Others	4	61	0.3	3	52	0.2	8	95	0.5
Total Revenues from Domestic Sales	1,018	19,753	88.9	1,104	20,297	91.2	1,177	18,393	93.3
Export Market									
Rebars	123	2,200	9.9	101	1,729	7.8	84	1,295	6.6
Wire Rods	13	269	1.2	12	220	1.0	1	13	0.1
Total Revenues from Exports	136	2,469	11.1	113	1,949	8.8	85	1,308	6.7
Total Revenues	1,154	22,222	100.0	1,217	22,246	100.0	1,262	19,701	100.0

Revenue From Sales Break Down 2018-2019



Business Description of the Company

Tata Steel (Thailand) Public Company Limited (TSTH) was formerly known as Millennium Steel Public Company Limited. Millennium Steel Public Company Limited was established by merging the businesses of N.T.S. Steel Group Plc., (N.T.S.) whose shares were held by Horrungrueng Group and Siam Iron and Steel (2001) Co., Ltd (SISCO) and Siam Construction Steel Co., Ltd. (SCSC), whose shares were held by Siam Cement Holding Limited. In 2006, Tata Steel Limited (TSL), through its wholly owned subsidiary Tata Steel Global Holdings Pte. Ltd. ("TSGH"), acquired the majority stake in Millennium Steel Public Company Limited. The Company changed its name from Millennium Steel Public Company Limited to Tata Steel (Thailand) Public Company Limited (TSTH) in 2006.

The Company's major shareholder, Tata Steel Global Holdings Pte. Ltd. ("TSGH"), is a wholly owned subsidiary of Tata Steel Limited ("TSL") and which operates its business as an investment company with its head office at Singapore. TSL is a registered company incorporated under Indian Laws and is among top three integrated steel producers in India. Though TSL (Indian operations) is in the same industry as the Thailand based Company, its product range is much more diversified and the company caters to a wider group of customers. TSL extends support to TSTH in the business operations by providing assistance in technology knowhow, treasury & finance, training of people, safety, information technology and International sales through its network

of offices around the world. Along with operations in Singapore, TSL drives the long products strategy in India & SE Asia in an integrated manner.

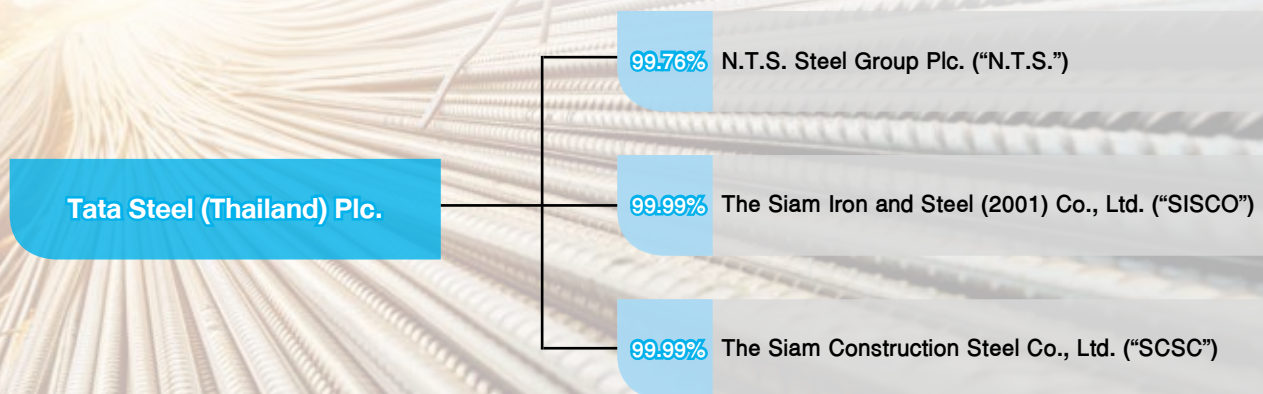
TSTH operates its business as a holding company with shareholding in its three subsidiaries namely N.T.S., SISCO and SCSC. The three subsidiaries produce Reinforcing bars (Rebars), Wire Rods, Small Section and Special Bar Quality Steel led by an experienced and knowledgeable management team.

Policy on division of operation between companies within the group

The Company's operations are undertaken as a group with the Tata Steel (Thailand) Plc as the top policy maker and the three subsidiaries responsible for carrying out the operations according to the prescribed policy with regard to marketing & sales, production, raw material sourcing, finance, human resources management and other aspects of the business.

The Company has a policy to allocate production at each of its subsidiaries with an objective to maximize the profitability of the Company as a whole. The product mix is derived based on the technical and production capability of each plant and specific decisions to roll a particular product is based on the market needs and to serve customer requirements.

Shareholding Structure



NATURE OF PRODUCT



1. Reinforcing Bars (Rebars)

1.1 **Round Bar** in the size range of 6-25 mm. diameters is manufactured in accordance with Thai Industrial Standard (TIS) No. 20-2559, grade SR24.

1.2. **Deformed Bar** in the size range of 10-40 mm. diameters is manufactured in accordance with Thai Industrial Standard (TIS) No. 24-2559, grades SD40 and SD50.

These Rebars are marketed under 'TATA TISCON' trademark. Major usage is in the construction sector in concrete reinforcement such as beams, columns, road surface, bridges, stadiums, dams, houses and buildings, etc.

In addition, the Company markets special quality Rebar under trademark 'TATA TISCON S' where 'S' indicates super ductile. These Rebars has special characteristic to withstand the earthquake shock for a longer period of time compared to standard Rebars. These products are available in size range of 10-40 mm diameter and grade SD 40 and SD 50.

The Company is developing next generation of high strength Rebars equivalent to SD 60.

2. Wire Rod

Major types of products in this category are:

2.1 **Low Carbon Wire Rod:** These are produced in the size range 5.5-17 mm diameter, conforming to SWRM 6-22 grade and in accordance with Thai Industrial Standards (TIS) No. 348-2540. Major applications of wires made from Low Carbon wire rods include binding wire, nail, wire mesh, galvanized wire, barbed wire, numeral wire and chain, etc.



2.2 **Carbon Wire Rod for Cold Heading Quality:** These conform to SWRCH 6A-22A grade and are produced in the size range of 5.5-17 mm. in diameter. The wire rods are manufactured in accordance with Thai Industrial Standards (TIS) No. 2243-2548 and end application of wires includes nut, bolt and screw, etc.

2.3 **Wire Rod for Welding Electrode Quality:** These comply with SWRY11 grade, are produced in size range of 5.5-17 mm. diameter and in accordance with Thai Industrial Standards (TIS) No. 2244-2548. Wires from these wire rods are used for making stick welding electrodes.

2.4 **High Carbon Wire Rod:** These are produced in the size range of 5.5-17 mm diameter, conforming to SWRH 27-82 grade and manufactured in accordance with Thai Industrial Standards (TIS) No. 349-2548. These wire rods serve as raw material for making pre-stressed concrete wire, strand wire, compression spring, binding spring, torsion spring, tire cord, bead wire and sling, etc.

3. Small Section Structural Steel

This product range consists of angle and channel steel complying to SM400-570 and SS400-540 grade and is manufactured in accordance with Thai Industrial Standard (TIS) No. 1227-2558 under trademark 'BorKorSor'. Small section finds extensive usage in general engineering, signboards, support for roofs, transmission line towers etc.



4. Carbon Steel Round Bar

Carbon steel round bar with SS 400-540 quality class and 19-47 mm diameter is manufactured in accordance with JIS G3101 (1995) grade for general use and with S10C-S50C grade in 19-40 mm. diameter is manufactured in accordance with JIS G4051 (1979) grade for application in automobile and general engineering sector.



5. Cut and Bend

These consist of ready to use Rebars at the construction site. Conventional Rebars are produced in straight length or in coil form and then cut to required shape and size. This results in avoiding generation of waste at the site and do not need space along with skilled manpower to produce. Cut and Bend Rebars are made on automatic machinery at the plant and transported just in time to the construction site. As construction practices mature, space and availability of skilled workforce becomes a constraint, proportion of using Cut and Bend Rebars increases.

The Company also manufactures ready to use Stirrups that are marketed under trademark 'Tiscon Superlink' and ready to use dowel under trademark 'Tata Tiscon'. Tiscon Superlink is used during construction of beam and column while dowel equivalent to ASTM A615 grade 60 finds application in road construction and concrete yard.

Production capacity of Tata Steel (Thailand) Public Company Limited

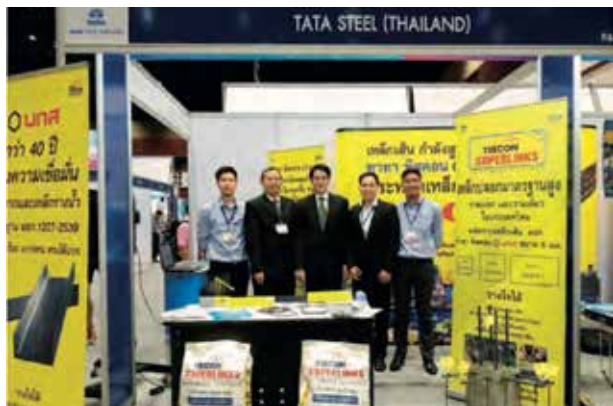


With the total finished goods production of 1.13 Million Tons, the production capacity utilization for the financial year ending in March 31, 2019 stood at 66%.

Management Standard System

All the three subsidiaries of Tata Steel (Thailand) namely, The Siam Iron & Steel (2001) Company Limited (SISCO), The Siam Construction Steel Company Limited (SCSC) and N.T.S. Steel Group Public Company Limited (N.T.S.) have adopted international standards and received certificate of Quality Management System ISO 9001:2015 and also received certificate of General requirements for the competence of testing and calibration laboratories ISO/IEC 17025:2005.

In addition, the Company realizes the importance of the environment control. All the three subsidiaries of Tata Steel (Thailand) have received ISO 14001:2015 certificate for the environmental control and also received certificate of Carbon Footprint for Organization (CFO) from Thailand Greenhouse Gas Management Organization (TGO).



The Company accords highest priority to safety and well-being of workmen at the workplace. All the three subsidiaries of Tata Steel (Thailand) have received certificate of International standard of Occupational Health and Safety Management Systems TIS 18001-2554 and BS OHSAS 18001:2007.

TSTH Marketing & Sales and Procurement divisions are also ISO 9001: 2015 certified for Quality Management System.



Procurement

Procurement Division of Tata Steel (Thailand) works toward long term sustainability and aims to expand its supply chain network continuously. Parallely, the division regularly communicates policies related to Ethics, Corporate Governance and Safety Standards to all concerned in the supply chain and to relevant business partners so that they can develop proper systems in these areas.

The Company sources raw materials and other products both from domestic market and through import by emphasizing on Value In Use (VIU). Proportion of domestic and import supply was approximately 79% and 21% for 2018-19. Share of domestic buying is higher due to shorter lead time, lower transportation costs, lower currency risk related to fluctuation in foreign currency exchange rate. This also helps in jobs creation and driving the economic growth in the country.

Raw material prices have been very volatile. China's environmental policy also impacted the availability and price of some of the main raw materials globally, though the impact has begun to ease out since the third quarter last year. The Company faces challenges from competition in the procurement of raw materials from induction furnace manufacturers in Thailand. As a mitigation strategy, the Company continues to look for low-cost alternative materials. Care is taken to ensure that there is no waste that affects the environment while procuring any product or services.

Metallic Sourcing

Steel scrap is the main raw material for electric arc furnaces. In 2018, scrap was procured mainly from domestic sources which remained highly competition due to expansion of induction furnace players and also due to the attractiveness to export in view of high international steel scrap price. The Company continues working on developing alternate low cost steel scrap, as well as expanding the scrap purchasing yards, especially in the southern part of Thailand which has the potential to boost up scrap volume. The yard expansion is expected to increase domestic volume and replace imported scrap. Occasionally, the Company also purchases semi-finished products (billet) from the open market after due consideration of reliability of the product and cost benefits over purchase of scrap.

Raw Materials sourcing

Raw Materials team handles the procurement of ferro alloys, refractory and other additives used in the electric arc furnace. Key strategy is to find the right source of supply with optimum value and price combination suitable for the Company operations.

Sourcing directly from manufacturers in low cost countries as well as seeking new vendors are the key strategies being implemented continuously from the previous year.

For the procurement of capital equipment, the procurement process has been improved by collaborating with the procurement functions in Tata Steel India, China Office (TSL China Desk) in order to expand the vendor base into China for machinery and consumable supplies.

Risk Factors

Metallic and Raw Material Price Fluctuations

Scrap is commodity and there is high demand of domestic scrap from new induction furnaces in the country. Similarly, there is high volatility in the price of steel scrap and iron ore in the international market. These volatility may impact the price of raw materials quickly affecting the overall cost of the Company.

Sole Source Manufacturer/ Supplier

Procurement has reduced risk from single manufacturer/ supplier through multiple ways. Firstly, working together with end users through Strategic Procurement Optimization Team (SPOT), efforts are made to develop multiple suppliers. Plant is encouraged to take controlled trials so that usability of alternate material or supplier is tested. Consequently, results show that the supply dependence on single vendors has significantly declined.

Secondly, in case it is single supplier or original equipment manufacturers (OEM), effort is made to develop long term relationship so that joint development is undertaken to manage the cost effectively. Procurement team regularly reviews the items under single source.

Environmental Impacts

The Company has set up and communicated clear policies to suppliers and business partners to recognize and comply with environmental laws including the rules and regulations prescribed by the laws of the land. Presently, the Company has no legal dispute or lawsuits relating to environment issues.

Industry Situation Domestic Market

1. Reinforcing Bars

The Company distributes this product through dealers in Bangkok and provinces in every region of the country. It also directly sells to selected construction companies and project owners. The trademark used is TATA TISCON which is widely recognized and accepted in Thailand and neighboring countries. The Company continuously evaluates the need to increase dealers in provinces based on the reach and potential in the area.

The Company has a Market Development team for new products such as Seismic Rebar, SD50 High Strength Rebar, Cut and Bend, Stirrup and Dowel. This team regularly meets designers, project owners, government agencies, construction work supervisors, construction contractors and dealers to explain the techno-commercial aspects of the new products. In addition, the Company regularly organizes various types of marketing activities for major dealers and modern trade i.e. Global House, Thai Watsadu, Mega Home and Do Home.

2. Wire Rod

The Company directly sells to the manufacturer of wires and selectively distributes via traders in few cases. The Company has created sound platform for continuously improving the product and service offerings to the customers through creation of customer service teams. The team comprise of representatives from production, marketing & sales, technology group and production planning department.

The Company has focused on making customized products as per customer requirements and end applications. The Company regularly supply wire rods for Tire Cord which is a high end application.

3. Small Sections

The Company distributes this product via dealers in Bangkok and provinces in selected regions. Moreover, the marketing & sales team regularly visits end customers such as tower fabricators and EGAT (Electricity Authority of Thailand) to understand the demand trend and changes expected in product and service offerings in the future.

4. Special Bar Quality

The Company directly distributes to the manufacturers of bright bar.

5. Cut and Bend

The Company sells this value added product via the dealers in Bangkok and provinces in every region and also directly sells to the construction companies and project owners.

The Company has organized a separate project management team to coordinate with project owners about production plan and delivery to match with each project site's requirements.

All products are promoted through social media, radio, print media, billboard in Bangkok and provinces. The Company arranges marketing activities in various forms to create a relationship with its customers and distributors.

Export Market

The Company regularly exports Rebars and Wire Rods to countries in the ASEAN region such as Laos, Cambodia, Myanmar, Singapore, and Indonesia. In addition, the Company exports Rebars to India which is supported by the dealer network of Tata Steel India. Total exports during the year were around 11 percent of the total sales.

During the year, the Company has been granted manufacturing license in accordance with international standard, including ACRS (Australia / New Zealand), BIS (India) and SIRIM (Malaysia) to expand export base.

Distribution Proportion

Distribution Channel	Financial Year (%)				
	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Direct Sales	45	46	39	34	32
Regional Agent	21	18	18	18	18
Agent in Bangkok Metropolitan Region	34	36	43	48	50
Domestic Total	100	100	100	100	100

Business Environment

According to the Iron and Steel Institute of Thailand, the country's demand for steel in 2018 was 17.4 million tonnes, increased by 4.8% from the previous year. Import volume was 12 million tonnes, at 69% of the demand for steel in Thailand, rose by 6.4% year-on-year.

Demand for long product in Thailand was 5.8 million tonnes, increased by 2.2 percent year-on-year. Import volume was 2.9 million tonnes, 51% of the demand for long product in Thailand, went up by 11.7% year-on-year.

Table showing production/import/export/usage of steel in Thailand

Year	Production Quantity (Million Tons)	Growth (%)	Import (Million Tons)	Growth (%)	Export (Million Tons)	Growth (%)	Usage Requirement (Million Tons)	Growth (%)	Import (% of Usage Requirement)
2018	7.11	3.5	12.05	6.4	1.71	10.3	17.44	4.8	69.1
2017	6.87	-13.9	11.33	-10.2	1.55	20	16.54	-13.7	68.0
2016	7.98	22.8	12.61	10.3	1.29	8.1	19.28	15.3	65.3
2015	6.50	-3.7	11.44	-3.94	1.20	-11.4	16.74	-3.2	68.3
2014	6.75	-5.2	11.90	-2.9	1.35	-3.1	17.35	-3.7	68.8
2013	7.12	1.4	12.25	8.5	1.40	0.3	17.97	6.3	68.2
2012	7.02	1.2	11.29	23.6	1.40	9.7	16.91	14.3	66.8

Competitive scenario Domestic Market

Competitors of the Company can be classified into four categories as below:

1. The manufacturer with Electric Arc Furnace (EAF) using domestic and imported scrap as raw material. They manufacture semi-finished product called billet to produce

finished steel products such as Rebar, Wire Rod, Structural steel and Special steel. This method can remove the impurities up to almost 100 percent, resulting in consistent quality products.

2. The manufacturers with Induction Furnace (IF) using domestic scrap as raw material for the production of semi-finished products called billet. This method requires high quality scrap steel and strict production control in the absence of secondary refining. The product quality and consistency is not as good as that produced from EAF route of steel making as there may be some impurities in the product. This billet is used to produce products such as Rebar and Sections.
3. Re-rollers using domestic and imported billet. These players do not have or run steel making operations. Finished products from these manufacturers include Rebar, Wire Rod, Sections and Special products.
4. Importers of finished products such as Rebar, Wire Rod, Sections and Special products as an user as well as a distributor.

Considering the current capacity of domestic Rebar, Wire Rod and Section, totaling over 15 million tons, compared to the domestic demand for long product in 2018 at 5.8 million tonnes, the remaining capacity is considered sufficient to accommodate future demand and there should not be any need to import.

In 2018, the steel industry experienced high competition from existing domestic producers who have invested in the machinery and engaged external experts to improve their production capability to produce high quality grades and also from the increase of materials available from the new manufacturers through low cost Induction Furnace route.

With the policy of reducing production capacity and increase in domestic demand, export of steel products from China has decreased during last few years. However, import of wire rods from Vietnam and Malaysia has gone up on account of new capacities that got added in these countries in last 1-2 years. The Company continues to closely monitor the imports of Wire Rod into Thailand.

Export Market

The Company has focused on exports to countries like Laos, Cambodia, Myanmar, and Indonesia in the ASEAN region. Major competition in Laos and Cambodia is from Vietnam steel manufacturers. China is dominant player in Myanmar. However, 'Made in Thailand' and 'Tata Tiscon' enjoys good reputation in the neighboring countries and are recognized for their superior quality. Accordingly, the Company has been working to strengthen the network in these countries. The Company also regularly exports Rebars to India.

Trend of Industry in 2019

International Monetary Fund (IMF) forecasts world economic growth at 3.5%, declined from previous year (3.7%) reflected by a persistent decline in the growth rate for emerging market and developing economies in 2019. Contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies have impacted the growth adversely. China's economy is expected to slow down to 6.2%, decreased from last year (6.6%). China has stimulus policies to boost economy by increase in investment budget to 7.3% in 2019, up by 1.4% from previous year which will come from infrastructure projects, especially railway and roads.

According to forecasts of the National Economic and Social Development Council (NESDC) the Thai economy is expected to grow in the range of 3.5-4.5%, from 4.1% in the previous year. The supporting factors are favorable growth momentum of private consumption, an improvement of private investment attributed by rising capacity utilization to foster export growth and increased BOI's investment applications, an acceleration of public investment following progresses of key public infrastructure projects, especially projects in Eastern Economic Corridor (EEC) that encourage foreign investment in Thailand. Recovery of tourism sector and a clearer redirection of global trade, production, and investment will help to ease the impacts from global slowdown. However, risks from trade war and political uncertainty may have an adverse impact on Thai economy. World Steel Association estimates world steel demand will increase 1.4% from previous year; slowdown of car production and construction activities are likely to impact the demand.

China's demand for steel growth is expected to remain at the same level as last year. The tightening of trade relations between China and USA may lead to steel demand slowdown. In Thailand, the domestic steel industry remains very competitive from new induction furnaces added during last 2-3 years, new investments by Chinese steelmakers and import from China, Vietnam and Malaysia. Measures to increase import tax by USA, may cause steel prices to fluctuate and the countries who were exporting to the USA may look for alternate markets which may also disturb the demand-supply balance in the ASEAN region.



RISK OF BUSINESS

Risk Governance and Management

There are several rapid, unprecedented and unpredictable changes taking place all the time. The size, scale and scope of these changes in today's world can be enormous. The geo-political environment and regulatory framework are uncertain which in-turn is leading to changes in the supply-demand equation, commodity prices, market forces and competition. Many changes are driven by changes in technology and have consequential impacts on supply chain, manufacturing, assembling, logistics and costs. The aforementioned uncertainties warrant robust process and framework to minimize the threats and capture opportunities to create sustainable value for the organization. The Company follows a robust five step Enterprise Risk Management ('ERM') process to address the risks associated with its business. The ERM process framework has evolved and is aligned with Tata Steel (TSL) Group which is based on international standards such as ISO 31000 and Committee of Sponsoring Organizations of the Treadway Commission ('COSO') with inputs drawn from the best practices of leading companies across industries.

The Company confronts several risks in areas of commercial, operations, safety, human resources etc. Accordingly, a risk portfolio matrix has been developed consisting of all known business risks, followed up with a detailed analysis of business environment, market condition and risk mitigation plans with process owners. The Company identifies risks and classifies them into A, B & C category based on likelihood of its occurrence and its impact to business. Category A risk is being highest on the risk metric.

The Risk Register is regularly reviewed by senior executives of various functional units in order to avoid any undue deviations or adverse events by designing and implementing suitable mitigation plans proactively. Regular and extensive reviews at business units lead to robust implementation of mitigation plans which ultimately create value for the business. The movement of risk is understood through the enterprise risk heat map. The same is also reviewed by the Board of Directors on quarterly basis.

Information regarding the Company's key risks and their mitigation strategies are as follows:

1. Market Risk

The GDP growth of the country significantly relies on public investment which has an impact on the steel demand. In 2018,

public investment grew by 3.3 percentages which has been below the estimated growth and apparent steel consumption increased by 4.8 percentages with long steel consumption increased by 2.2 percentages. In addition, imports from China and rising imports from Vietnam and Malaysia also challenge the domestic steel industry in Thailand resulting in long steel production decline by 1.2% during 2018. Periodic engagement with the regulators through the Steel Manufacturers' Associations has helped to reduce the impact of gap in anti-dumping measures taken by the government. In the past year, Company has expanded in the super ductile rebar market, the ready-use product market like dowel and stirrup and expanded in the special wire rods product market like tire cord. All these product segments witnessed sales growth when compared with the previous year. In addition, Company has increased Rebar sales thru the modern trade channel which has been showing comparatively higher growth every year. Besides, focused actions to create Tata Tiscon brand through online social media, dealer partnership program and other marketing activities have helped to build relationship with customers and end users.

The Company also intensified its efforts in export markets to expand its market reach, especially to the ASEAN countries and India; as additional measure to mitigate the volatility in domestic steel demand. This effort has enabled to increase the customer base which resulted in higher export sale volume as compared to last year and also build Tata Tiscon brand to be popular in the ASEAN region.

2. Risk of Raw Material Supply

Raw materials of TSTH production are sourced from both domestic and import. In 2018, there was very high competition in domestic sourcing market from many domestic producers. The main reasons came from high price of raw material in the international market and investments in capacity expansion from domestic producers.

This situation impacted the sourcing cost of TSTH raw material which is mainly sourced from domestic suppliers. In view of high volatility in raw material price, the Company has implemented a sourcing strategy by considering many related factors and closely co-operated between marketing & sales, procurement, production and corporate strategy within the Company and has managed this risk by developing innovation in production process by creating opportunities to produce from alternative types of raw materials.

The Company has also been developing key partner vendors for domestic raw material sourcing and through effective inventory management.

3. Safety, Health and Environment Risks

The Company had embarked on Safety Excellence Journey (SEJ) based on guidelines from TSL as well as the Environment Management System (ISO14001) and Occupational Health and Safety Assessment Management System (OHSAS 18001). At TSTH, Safety, Health and Environment (SHE) organization is defined by Apex Safety Council (ASC) with President & CEO as a chairman and Vice Presidents as the members. Some of the key initiatives launched during the year such as Contractor Safety Management (CSM) to take the same safety standards for contract employees as followed for own employees and strengthen Process Safety Management (PSM) and Road Safety. The Company focused on tracking lead indicators such as Lost Time Injury Frequency (LTIF), Medical Treatment Case (MTC), First Aid Case (FAC) and Property Damage. The employees are motivated to report Near Misses, Safety Observation and Fatal Risk Control Program (FRCP). This highlights vulnerable areas and thereby helps to increase focus on the same.

The Company focuses on health by providing good work environment and regularly monitors industrial hygiene such as dust, noise, chemical and heat. The Company provides physical health check for employees, follows up and supports necessary treatment in case any abnormal result related to work is found. Organizational performance in this area is measured by tracking Health Index.

The Company accords high priority to utilize resources effectively and efficiently with appropriate environmental management regulation to minimize adverse impact to the community. The main raw material used across all three locations is ferrous scrap and is fully recyclable. The Company also emphasizes on environment by monitoring the CO₂ emission to measure and control greenhouse gases, follow up the Environment Impact Assessment (EIA) by monitoring gases such as NO_x, SO_x, CO and dust in all plants by targeting zero complaint and 100% compliance to the regulatory requirements. The Company also effectively utilizes water and applies Zero Discharge principle in water management. For waste management, the Company applies the 3R concept in order to maximize recycle waste by targeting 99% of waste back in process. All plants have improved their environment standard to Green Industry level 4.

4. Human Resource Risks

The Company may encounter the risk of non-availability of young generation for steel manufacturing environment as well as retain

them with the Company in the long run as it operates in the industrial zone, low unemployment rate in Thailand which gives options for alternatives, business challenges & competition, strict regulations on alien labor, rising trend of minimum wage as well as head-hunting by other companies. Although the attrition rate of the Company has remained at a good level, the Company has prepared various initiatives to reduce such risks.

The Company has taken initiatives to strengthen the corporate brand through top universities/local colleges, media and external organizations. At the same time, various improvements are made to ensure that the attrition rate remains at minimum level. There is a bench strength model to create manpower pipeline for each functions. The Company provides career growth opportunities and promotes through an internal recruitment program which provides career opportunity as well as extensive development programs on functional, business acumen, managerial and leadership capabilities.

In addition, there are various channels to listen to employees' voices and opinions to ensure communication to avoid risk of employee dissatisfaction. Employee welfare and benefits are continuously reviewed and improved to remain competitive, based on market survey and benchmark with other leading companies.

5. Financial Risk

Financial risk covers all financial commitments of the Company to its external stakeholders. Ensuring that the commitments are honored as per contracts, assumes highest importance within the TSL group. The Company has adhered to all its commitments during the year and will continue to ensure full compliance. The fluctuation in foreign exchange rates is being addressed through an appropriate foreign exchange hedging mechanism in line with structured hedging policies, monitored by the Regional Treasury Committee, with a formal reporting mechanism to the Board. Liquidity management is integrated with business plan and cash flow projection. The Company has also appropriate insurance policies to cover its assets and business.

6. Risks Associated with Natural Calamity

The Company's inherent risk to natural calamity is relatively moderate due to its operations spread in four different locations. However, the Company is aware of the risk associated with operating in industrial areas and does emergency handling procedures at all its facilities. Structured periodical mock drills are done to ensure effectiveness of such procedures. Disruption to business operation is effectively addressed by flexible supply chain management and switching operation amongst the three production units. Besides, the Company has taken extensive insurance coverage related to natural calamity and all industrial risks.



SIGNIFICANT DEVELOPMENTS

Previous significant profile and developments are as follows:

2002

- The Company established as a Public Company Limited named "Millennium Steel Public Company Limited" (MS).
- Merger of Company business amongst N.T.S., SISCO and SCSC, last two of which were subsidiaries of Cementhai Holding Company Limited (CHC).
- The Stock Exchange of Thailand (SET) approved the Company securities for listing which started trading under the sector of "REHABCO" (Rehabilitation Plan).

2006

- Tata Steel Group submitted their voluntary tender offer to all Company's shareholders.
- The Company major shareholders changed from "CHC" to "Tata Steel Group"
- The Company name changed from "Millennium Steel Public Company Limited" to "Tata Steel (Thailand) Public Company Limited".
- The SET announced the change in stock symbol trading from "MS" to "TSTH".

2007

The Company paid annual dividend payment for the calendar year 2006 to all preferred shareholders and ordinary shareholders at the rate of Baht 0.03 per share (38% of its net profit).

2012

- The Company entered Special Bar Quality steel market, only producer of this product in Thailand.
- The Company launched Seismic Resistant rebar for earth quake prone areas, first time in Thailand.

2013

- The Company received "CSRI Recognition Award" from The Stock Exchange of Thailand.
- N.T.S. received "The Prime Minister's Industry Award 2013 on Safety Management".

2004

The SET authorized the Company securities to resume trading in the sector of "CONMAT" (Construction and Furnishing Material).

2005

CHC agreed to sell all MS shares pursuant to the Blinding Offer from Tata Steel.

2008

The Company paid annual dividend payment for the financial year 2007-2008 to all preferred shareholders and ordinary shareholders at the rate of Baht 0.076 per share (20% of its net profit).

2009

Construction of Mini Blast Furnace (MBF) which is steel production project using iron ore as raw material completed. This was considered as first of its kind project in south-east Asia.

2011

- The SET announced to regroup the Company securities to be under the sector of "STEEL"
- Mini Blast Furnace mothballed in August 2011 due to high volatility in cost of imported raw materials.
- TATA Tiscon Branded rebar launched in August 2011.

2014

- The Company received "Outstanding CSR Award" and "CSR Recognition Award" from The Stock Exchange of Thailand
- N.T.S. received "Prime Minister's Industry Award 2014 on Quality Management".

2015

- The Company received "Thailand Sustainability Investment Award 2015" from The Stock Exchange of Thailand.
- The Company was one of the first 30 companies in Thailand that joined The Children Sustainability Forum to make a commitment in protecting Children Rights.
- SCSC received "Green Mining Award 2015" from Department of Primary Industries and Mines, Ministry of Industry.

2017

- The Company organized "Tata Steel Mini Marathon 2018 - Run for War Veterans" to strengthen corporate brand.
- The Company received "Thailand Sustainability Investment Award 2017 in Recognition Level" and "SET Sustainability Award 2017" from The Stock Exchange of Thailand.
- N.T.S. received "The Prime Minister's Industry Award 2017 on Safety Management".
- N.T.S. and SCSC received "National Occupational Safety and Health Award (National Level)" from Department of Labour Protection and Welfare, Ministry of Labour.
- N.T.S. and SISCO received "Carbon Footprint for Organization (CFO)" from Thailand Greenhouse Gas Management Organization.
- N.T.S. received "CSR DPIM" from Department of Primary Industries and Mines, Ministry of Industry.
- SCSC received "Green Star Award" from Industrial Estate Authority of Thailand.
- SCSC received "Green Mining Award" from Department of Primary Industries and Mines, Ministry of Industry.
- SCSC received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) and SISCO received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) - Continuous level.
- SCSC received "Kaizen Gold Award".

2016

- The Company received "Thailand ICT Excellence Awards 2017 for Core Process Improvement Project".
- SCSC received "The Prime Minister's Industry Award 2016 on Safety Management".
- SCSC represented at ICQCC 2016 (International Convention on Quality Control Circle 2016) held in Thailand. The team received "Gold Award".
- SISCO received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW).
- SCSC received "Green Star Award 2016" from Industrial Estate Authority of Thailand.

2018

- **Tata Business Excellence Model (TBEM) score improved from 'Good Performance' in 2016 to 'Emerging Industry Leader'.**
- **The Company received "Thailand Sustainability Investment Award 2018" and "SET Sustainability Award 2018 in Outstanding Category" from The Stock Exchange of Thailand.**
- **N.T.S. received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) and SCSC and SISCO received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) - Continuous level.**
- **SCSC and SISCO received "Carbon Footprint for Organization (CFO)" from Thailand Greenhouse Gas Management Organization.**
- **N.T.S. and SCSC received "Green Mining Award" from Department of Primary Industries and Mines, Ministry of Industry (DPIM).**
- **SISCO received "3R Waste Management Award" from Department of Industrial Works, Ministry of Industry.**
- **N.T.S. received "The Prime Minister's Industry Award 2018 on Quality Management".**
- **N.T.S. and SCSC received "National Occupational Safety and Health Award (National Level)" from Department of Labour Protection and Welfare, Ministry of Labour.**



SHAREHOLDERS

Top ten major shareholders from 5,977 Shareholders on the book closing date on June 18, 2019 for the right to attend the Annual General Meeting of Shareholders No. 18 are detailed below;

Name	Ordinary Shares	%
1. T S GLOBAL HOLDING PTE LTD. ^(a)	5,718,472,083	67.90
2. MR. VEERAPHAN THEEPSUWAN	460,207,500	5.46
3. BANGKOK BANK PLC.	296,050,796	3.52
4. MR. VIROJ UNGPAIBOON	273,002,901	3.24
5. MR. THEERACHAI KEERATITECHAKORN	111,002,200	1.32
6. EAST FOURTEEN LIMITED ^(b)	105,103,400	1.25
7. PERSHING LLC.	100,772,455	1.20
8. THAI NVDR COMPANY LIMITED ^(c)	74,791,223	0.89
9. MR. AMPON VIROJVECHAPAND	55,984,000	0.66
10. HORRUNGRUANG GROUP (consist of 9 persons)	40,009,240	0.48
TOTAL	7,235,395,798	85.92
11. OTHER SHAREHOLDERS (5,967 persons)	1,186,145,050	14.08
GRAND TOTAL	8,421,540,848	100.00

Remarks :

(a) Operates its business as an investment company, a wholly owned subsidiary of Tata Steel Limited. The company was incorporated in 2008 and is based in Singapore. Tata Steel Global Holding Pte. Ltd. holds more than 50% shares of the Company. It may, therefore, be possible for the majority shareholder to control almost all the resolutions in the Shareholders meeting such as; voting in agenda of appointment of Directors or any others voted agenda.

(b) East Fourteen Limited comprises;

- 1 EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD
- 2 EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT

- 3 EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES
- 4 EAST FOURTEEN LIMITED-JOHN HANCOCK FUNDS
- 5 EAST FOURTEEN LIMITED-DFA EMERG MKTS SOCIAL CORE PORT
- 6 EAST FOURTEEN LIMITED-OLD WESTBURY SMALL & MID CAP STRATEGIES FUND
- 7 EAST FOURTEEN LTD-WORLD EX US CORE EQUITY PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP
- 8 EAST FOURTEEN LIMITED-EMERGING MARKETS TARGETED VALUE PORTFOLIO
- 9 EAST FOURTEEN LIMITED-DFA-TA WORLD EX US CORE EQ DFAIDG

10 EAST FOURTEEN LTD-WORLD EX U.S. TARGETED VALUE PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.

(c) THAI NVDR COMPANY LIMITED is a subsidiary owned by the Stock Exchange of Thailand. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares excepted the voting right of shareholders meeting. Further information regarding THAI NVDR COMPANY LIMITED can be found on www.set.or.th

As of June 18, 2019, TSTH has 5,721 of Non-Strategic Shareholders (Free-Float), is equivalent to 2,242,637,141 of ordinary shares, calculated from the total paid up ordinary shares of 8,421,540,848 or 26.63%.

Dividend payment policies of the Company and its subsidiaries

The Company has the policy for the dividend payment to the shareholders at the rate of not exceeding 40% of net profit after tax (after deduction of legal reserve) of consolidated financial statements by considering the relevant factors which shall not cause significant effects to the Company's business operation. Such factors are such as the operation performance, financial status, the Company's solvency, the business expansion, the obligations to complete the debts service according to the Company's restructuring loan agreements as well as other loan agreements including any other factors relevant to the business operation of the Company. The consideration shall be consistent

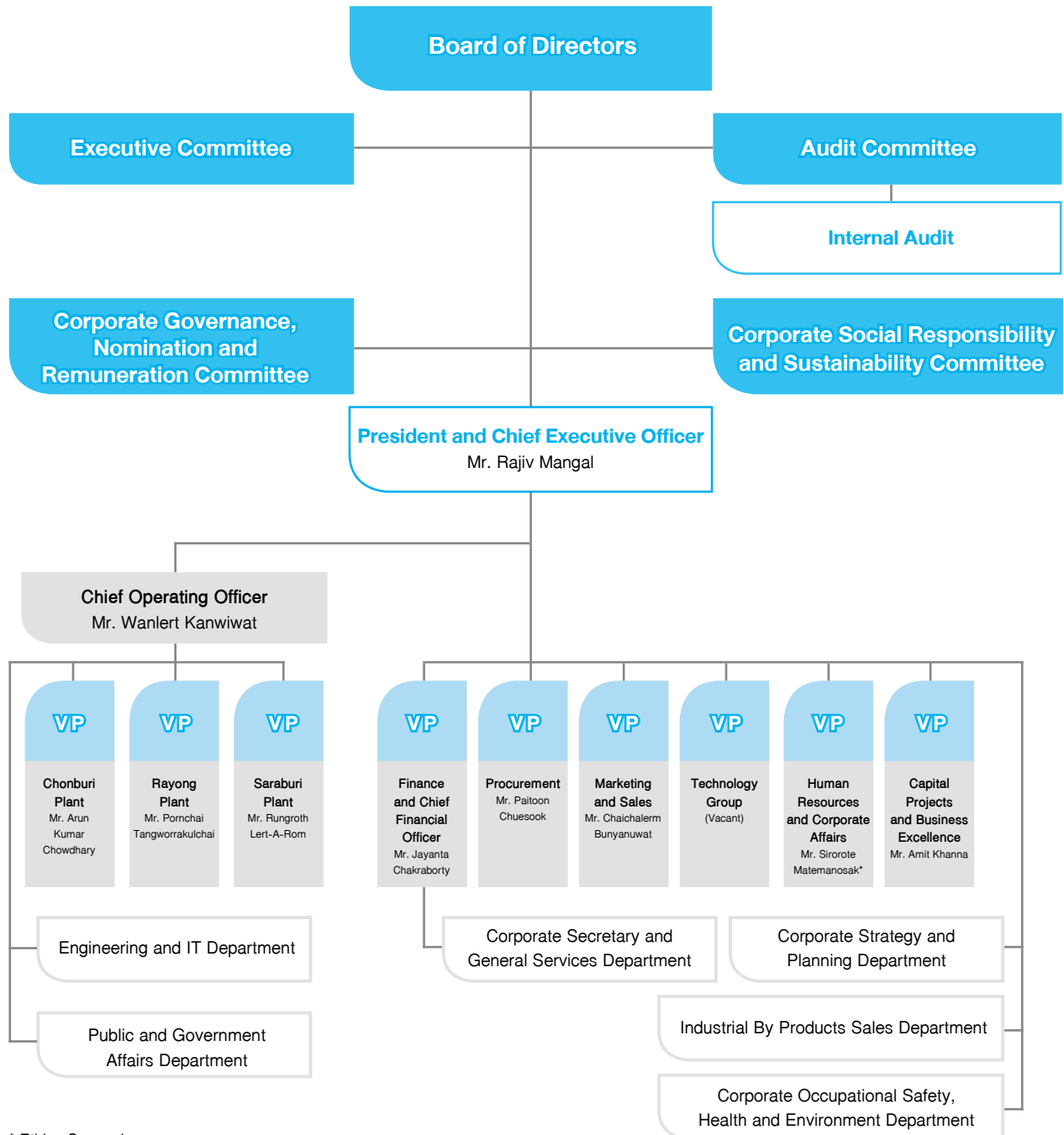
with the concept of maximizing long-term benefit for the shareholders but it shall also be subject to the approval from the Board of Directors and/or the Shareholders' meeting.

Dividend Policy of subsidiaries takes into account of each subsidiary's operating results; that is, a dividend will be declared when the subsidiaries are able to general an adequate amount of the net profit and no retained deficits are reported. In addition, the subsidiaries refer to major factors mentioned earlier in consideration of a dividend payment.



STRUCTURE AND MANAGEMENT

Tata Steel (Thailand) Public Company Limited – Organization Structure



* Ethics Counselor

Board of Directors

The Company's Articles of Association specifies that the Board of Directors will consist of not less than five and not more than 14 Directors. Currently, there are eight Directors including three Independent Directors.

The Board of Directors as on March 31, 2019

Name	Position	Number of Meeting (During financial year 2018-2019)	Attendance
1. Mr. Peeyush Gupta	Chairman	5	5/5
2. Mr. Alan Kam ^(a)	Independent Director	5	5/5
3. Mr. Hatasakdi Na Pombejra ^(a)	Independent Director	5	5/5
4. Ms. Anuttara Panpothong ^(a)	Independent Director	5	5/5
5. Mr. Taratorn Premsoontorn	Director	5	5/5
6. Mr. Ranganath Raghupathy Rao	Director	5	5/5
7. Mr. Ashish Anupam	Director	5	5 ^(b) /5
8. Mr. Rajiv Mangal	Director	5	5/5

Remarks : (a) Independent Director
(b) Attended two meetings through video conference.

Authorized Directors and Binding Signatory Procedures

Mr. Peeyush Gupta, Chairman of the Executive Committee and Mr. Rajiv Mangal, President & CEO are authorized to sign jointly with the Company's seal affixed, OR Mr. Peeyush Gupta, or Mr. Rajiv Mangal are authorised to sign jointly with Mr. Taratorn Premsoontorn together with the Company's seal affixed.

Scope of authority of the Board of Directors

The Board of Directors has the duty and authority to manage the Company in compliance with the objectives, Articles of Association and resolutions of the shareholder's meeting. However, the Board may not approve or decide on the following issues unless acknowledged by the majority of the attending Directors in the meeting of the Company and/or Subsidiaries:

- Any loan exceeding Baht 50 million which is not in the Group's annual budget.
- Granting loans, collaterals, indemnifications, guarantees, letters of support or commitments to any persons and not in the Group's annual budget unless allowed in the contracts of the financial restructuring agreement or business rehabilitation plan of N.T.S.
- Any investments exceeding Baht 50 million which is not in the Group's annual budget.
- Sales, transfers, rent out or permissions related to any properties or assets with the book value exceeding Baht 50 million and not in the group's annual budget.
- Approvals or amendments of the Group's annual budget.
- Any transactions with connected parties which is not in the course of normal business operation.
- Changing of the accounting policy, approval of the annual consolidated financial statements, annual individual financial statements and quarterly group financial statements.
- Changes related to the Group's business operation or termination of any business operation.

Audit Committee

Name	Position	Number of Meeting (During financial year 2018-2019)	Attendance
1. Mr. Alan Kam	Chairman	4	4/4
2. Mr. Hatasakdi Na Pombejra	Member	4	4/4
3. Ms. Anuttara Panpothong	Member	4	4/4

Scope of authority of the Audit Committee

- Supervise and review to ensure that the Company has a financial reporting system that complies with the accounting standards as specified by the laws with transparency, accuracy and adequacy.
- Encouraging the development of a financial reporting system to meet with international accounting standards.
- Review the Company's internal control and internal audit system for appropriateness and effectiveness.
- Review the Company's risk management system.
- Review the Company's compliance with laws on securities and securities exchange and other laws and regulations related to Company's business.
- Review internal control system, plans and audit procedures including audit evaluation of the Company's various operations, in accordance with generally accepted principles and standards.



7. Disclosure of the Company's information in case of connected transaction or transaction that may induce conflict of interest for accuracy and completeness in compliance with the Securities Exchange's regulations. This is to ensure that those transactions are reasonable and to the best interest of the Company.
8. Review and provide recommendations on Internal Audit function's performance and coordinate with the auditors.
9. Prepare report on business supervision of the Audit Committee for publishing in the Company's annual report. Such report to be signed by Chairman of the Audit Committee and should contain at least the following information
 - Opinion on accuracy, completeness and credibility of the Company's financial reports.
 - Opinion on adequacy of the Company's internal control system.
 - Opinion on compliance with the Securities and Exchange laws, Securities exchange regulations and other laws related to Company's business.
 - Opinion on appropriateness of the audit process.
 - Opinion on transactions that may induce conflict of interest.
 - Number of the Audit Committee meetings and attendances of each Committee member.
 - Opinion or overall remark perceived by the Audit Committee upon carrying out their duty according to the Charter.
 - Other transactions that should be noted by shareholders and general investors, under the scope of duties and responsibilities delegated to by the Board of Directors.
10. Consider, select, nominate or remove an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a meeting with the auditor and without the presence of the management at least once a year.
11. Appoint, revoke, transfer or terminate the Head of the Internal Audit Office (if any) or employ or change the employment terms of other members of the Internal Audit Offices.
12. Consider budget and manpower of the Internal Audit Office (if any) or employment budget of Internal Audit Offices.
13. Other functions as specified by laws or as delegated to by the Board of Directors.



Corporate Governance, Nomination and Remuneration Committee

Name	Position	Number of Meeting (During financial year 2018-2019)	Attendance
1. Mr. Peeyush Gupta	Chairman	4	4/4
2. Mr. Alan Kam ^(a)	Member	4	4/4
3. Mr. Taratorn Premsoontorn	Member	4	4/4
4. Ms. Anuttara Panpothong ^(a)	Member	4	4/4

Remarks : (a) Independent Director

Scope of authority of the Corporate Governance, Nomination and Remuneration Committee

- To examine, review, and propose to the Board of Directors guidelines for corporate governance of the Company.
- To advise the Board of Directors and the management in line with the Company's established corporate governance principles.
- To present to the Board of Directors, norms and principles, as well as nominees for filling board vacancies as a result of directors' term completion or other cases. To join the Board, the nominees must obtain approval from the shareholders' meeting.
- To nominate prospective President to the Board of Directors for approval.
- To facilitate Directors in evaluating performance of the Board of Directors collectively and summarize the evaluation result to the Board of Directors so as to enhance the Board's supervision effectiveness.
- To review and recommend remuneration for the Board of Directors and other Board appointed Committees and propose to the Board of Directors and shareholders' meeting for approval.
- To review and recommend remuneration (including Salary increase and Bonus) for the President, Senior Management (COO and VPs) of the Company and propose to the Board of Directors for approval.
- To define guidelines, procedures and determination of such remuneration to correspond with the Company's operating result with regard to the various factors and other companies in the industry.
- To review and recommend the budget for the salary increases, bonus and compensation for employees of the Company and its subsidiaries and propose it to the Board of Directors for approval.
- Other duties assigned by the Board of Directors.

Executive Committee

Name	Position	Number of Meeting (During financial year 2018-2019)	Attendance
1. Mr. Peeyush Gupta	Chairman	1	1/1
2. Mr. Ranganath Raghupathy Rao	Member	1	1/1
3. Mr. Ashish Anupam	Member	1	1/1
4. Mr. Rajiv Mangal	Member	1	1/1



Scope of authority of the Executive Committee

1. Define policies, strategies, management structure and authority to correspond with and support the economic situation for approval by the Board of Directors.
2. Consider and comment on the business plan and annual budget allocation proposed by the management to the Board of Directors for approval.
3. Supervise, oversee and monitor the Company's operations to ensure its efficiency and appropriateness with the business situation to accomplish the objectives according to the policies and business plan prescribed by the Board of Directors.
4. Other functions as designated by the Board of Directors. The Executive Committee may authorize any executives with the authority to perform a specific function or functions as deemed appropriate.

Corporate Social Responsibility and Sustainability Committee

Name	Position	Number of Meeting (During financial year 2018-2019)	Attendance
1. Mr. Hatasakdi Na Pombejra ^(a)	Chairman	3	3/3
2. Mr. Ashish Anupam	Member	3	3 ^(b) /3
3. Mr. Rajiv Mangal	Member	3	3/3

Remarks : (a) Independent Director

(b) Attend three meetings through video conference.

Scope of authority of the Corporate Social Responsibility and Sustainability Committee

The Committee shall have the powers to seek any information or explanation from any employee or Director of the Company that is necessary to discharge its duties under the terms of reference. The Committee may also engage advisers, consultants or legal counsel as deemed appropriate and necessary. The responsibilities of the Committee shall be the following:

1. Formulate the CSR Policy and recommend the same to the Board.
2. Recommend the activities and expenditure to be incurred by the Company under the CSR Policy and monitor the same.
3. Review and monitor the CSR activities to ensure that it is in compliance with the CSR Policy.
4. Discuss with the management, its perspective on social trends and public issues, and concerns which they believe may affect the Company's business activities or performance, and make recommendations to the Board regarding how the Company should respond to these trends, issues and concerns to more effectively achieve its business and CSR goals.

5. Review management's position on key stakeholder expectations involving Corporate Social Responsibility and provide perspectives for the Board's consideration.
6. Review on a continuing basis, the partnerships and relationships, both current and proposed that support the Company's sustainable growth. Review the Company's annual Sustainability Report prior to its issuance.
7. Review benchmarking of the policies, systems and monitoring processes against global best practices in CSR.
8. Review and recommend to the Board the annual budget for CSR.
9. Review reports by management on CSR initiatives.
10. Review on a continuous basis, the Company's communication strategies relating to Corporate Social Responsibility and sustainable growth.
11. Review whether the Company's disclosure requirements on CSR are in compliance with the requirement of the Stock Exchange of Thailand.
12. Review and assess the remit and reports of any audit processes to gain assurance over the CSR activities.
13. Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
14. Oversee activities impacting the quality of life of various stakeholders.
15. Monitor the CSR policy and expenditure of the subsidiary companies.
16. Assist management in formulation, implementation and review of policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital. Oversee Company's Occupational Safety, Health and Environment (OSHE) Plans and compliance.
17. Provide formal feedback to the Board on the matters discussed by the Committee.
18. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Annual General Shareholders' Meeting for year 2018

Name	Position	Number of Meeting (During financial year 2018-2019)
1. Mr. Peeyush Gupta ^(a)	Chairman	1
2. Mr. Alan Kam ^(b)	Independent Director	1
3. Mr. Hatasakdi Na Pombejra ^(c)	Independent Director	1
4. Ms. Anuttara Panpothong	Independent Director	1
5. Mr. Taratorn Premsoontorn	Director	1
6. Mr. Ranganath Raghupathy Rao	Director	1
7. Mr. Rajiv Mangal	Director	1
8. Mr. Ashish Anupam	Director	1

Remarks :

- (a) Chairman of the Board of Director
Chairman of the Executive Committee
Chairman of the Corporate Governance, Nomination and Remuneration Committee
- (b) Chairman of the Audit Committee
- (c) Chairman of the Corporate Social Responsibility and Sustainability Committee

The Management as on March 31, 2019

Name	Position
1. Mr. Rajiv Mangal	President & CEO
2. Mr. Wanlert Kanwiwat	Chief Operating Officer
3. Mr. Jayanta Chakraborty	Vice President - Finance & Chief Financial Officer
4. Mr. Sirorote Matemanosak	Vice President - Human Resources & Corporate Affairs
5. Mr. Paitoon Chuesook	Vice President - Procurement
6. Mr. Chaichalerm Bunyanuwat	Vice President - Marketing & Sales
7. Mr. Amit Khanna	Vice President - Capital Projects and Business Excellence
8. Mr. Arun Kumar Chowdhary	Vice President - Chonburi Plant
9. Mr. Pornchai Tangworrakulchai	Vice President - Rayong Plant
10. Mr. Rungroth Lert-A-Rom	Vice President - Saraburi Plant

Scope of authority of the President & CEO

- Supervise, oversee and manage the normal business operation for the benefit of the Company with regards to the objectives, Articles of Association along with the regulations, resolutions, policies, plans and allocated and approved budget by the Board of Directors within related legal framework and scope of authority prescribed by the Board of Directors.
- Prepare annual business plan and budget in accordance with the Board of Directors' policies and present to the Executive Committee and the Board of Directors.
- Scrutinize information and facts on issues related to business operation before presenting to the Executive Committee and the Board of Directors.
- Has the authority to approve normal business transactions such as raw materials procurement, operating expenses, sales and administrative expenses and investment expenses within the authority limits defined by the Board of Directors.
- Other functions as designated by the Board of Directors.

experience to carry out the functions of Company Secretary as well as completed the courses related to Company Secretary matter i.e. Company Secretary Program, Fundamental Practice for Corporate Secretary.

Company Secretary has the following duties and responsibilities:

- Organize and facilitate Board and Board Committee meetings.
- Organize the annual general meeting of shareholders, and record and publish the related minutes.
- File all documents and related records.
- Monitor and ensure that the Board is in compliance with all related laws and regulations.
- Handle corporate governance issues and provide advice on these to the Board.
- Ensure the Company follows the rules, law and regulation accordingly.
- Assist shareholders, Directors and members of management with any Board-related matters.
- Follow up on all resolutions passed and instructions given by the Board and shareholders' meetings.

Company Secretary

The Company has appointed a Company Secretary since 2003. The Company Secretary has to carry out the duty with responsibility, precaution and faithfulness. Presently, Ms. Arisara Na Ranong is the Company Secretary. She has knowledge and

Remuneration of the Board of Directors and Executives

The Company has clearly and reasonably set a policy and guideline on remuneration of Directors and Executives so that competent Directors and Executives can be retained.

The Corporate Governance, Nomination and Remuneration Committee proposes the remuneration of the Board of Directors and Committees by considering the duties, responsibilities, overall performances and Company's operating result to shareholders for approval. The remuneration is appropriate when compared within the same industry. As per the policy of the Company, the Executives who are nominated as a Director on the Board of the subsidiaries are not paid any remuneration for the position they hold as the Director of the subsidiary.

The Board of Directors, by acknowledgement of the Corporate Governance, Nomination and Remuneration Committee, considers the duties, responsibilities, individual performance

and Company's operating result in both short and long terms while deciding on the remuneration for the President & CEO and Executives of the Company and its subsidiaries. The agreed baseline remuneration is decided to create motivation in Company's administration and implementation to achieve objectives and sustainable growth.

Total Remuneration of the Board of Directors

There are two types of remuneration for the Directors. These are fixed remuneration that is paid every quarter and a meeting allowance, which is paid to the Directors attending the meeting after each meeting.

In case of the retiring or incoming Directors, the remuneration is paid pro-rata by calculating for the actual days in office during that quarter.

Details of Director's remuneration in effective until resolved otherwise by the shareholders' meeting:

	Position	Remuneration (Baht/year)	Meeting Allowance (Baht/meeting)
Board of Directors	Chairman	630,000	42,000
	Vice Chairman	525,000	21,000
	Director	472,500	21,000
Audit Committee	Chairman	168,000	15,750
	Member	115,500	10,500
Executive Committee	Chairman	-	15,750
	Member	-	10,500
Corporate Governance, Nomination and Remuneration Committee	Chairman	150,000	15,750
	Member	75,000	10,500
Corporate Social Responsibility and Sustainability Committee	Chairman	150,000	15,750
	Member	75,000	10,500

Details of the Directors Remuneration in 2018 – 2019

No.	Name	Remuneration (Baht)					
		Board of Directors	Audit Committee	Executive Committee	Corporate Governance, Nomination and Remuneration Committee	Corporate Social Responsibility and Sustainability Committee	Total
1.	Mr. Peeyush Gupta ^(a) Chairman of The Board of Directors The Executive Committee The Corporate Governance, Nomination and Remuneration Committee	-	-	-	-	-	-
2.	Mr. Alan Kam Independent Director Chairman of the Audit Committee Member of Corporate Governance, Nomination and Remuneration Committee	577,500	231,000	-	117,000	-	925,500
3.	Mr. Hatasakdi Na Pombejra Independent Director Member of Audit Committee Chairman of the Corporate Social Responsibility and Sustainability Committee	577,500	157,500	-	-	187,772	922,772
4.	Ms. Anuttara Panpothong Independent Director Member of Audit Committee Member of Corporate Governance, Nomination and Remuneration Committee	577,500	157,500	-	117,000	-	852,000
5.	Mr. Taratorn Premsoontorn Director Member of Corporate Governance, Nomination and Remuneration Committee	577,500	-	-	117,000	-	694,500
6.	Mr. Ranganath Raghupathy Rao ^(a) Director Member of Executive Committee	-	-	-	-	-	-
7.	Mr. Ashish Anupam ^(a) Director Member of Executive Committee Member of Corporate Social Responsibility and Sustainability Committee	-	-	-	-	-	-
8.	Mr. Rajiv Mangal ^(a) Director Member of Executive Committee Member of Corporate Social Responsibility and Sustainability Committee	-	-	-	-	-	-
Total		2,310,000	546,000	-	351,000	187,772	3,394,772

Remarks: (a) Effective June 30, 2016 current employees of Tata Steel Limited and its subsidiaries who are nominated on the Board of subsidiaries do not receive any sitting fee or other remuneration as a Director.

Remuneration Policy for Senior Management Executives

The Corporate Governance, Nomination and Remuneration Committee assesses the performance of the President and CEO based on the Company's operating results, implementation of the Board's policies, sustainability aspects (economy, environment and society) as well as a balance between short and long-term performance objectives and recommends Annual Salary Increase (ASI) for next year and Variable Bonus (VB) for current year to the Board of Directors for approval.

Simultaneously the committee assesses and recommends to the Board ASI for next year and VB for current year for rest of the employees of the Company taking into account the following information regarding the current and previous years:-

1. The business operating results based on EBITDA, PBT and PAT.
2. The capability to develop the business and improve operational efficiency for the business each year.
3. The operating results of other companies in the same industry.

Based on the approval from the Board of Directors, remuneration in terms of Promotion Adjustment (if any), Annual Salary Increase and

Variable Bonus for Chief Operating Officer (COO) or Vice President (VP) are considered and approved by President and CEO as per the Delegation of Authority.

The remuneration policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motive the Senior Management Executives to perform successfully. The remuneration mix for the Senior Management Executives includes;

1. Basic salary and Fixed Bonus
2. Variable Bonus based on the executive's performance in a particular financial year and the performance of the Company
3. Certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings
4. Medical welfare and hospitalization through re-imburements and accidental insurance
5. Retirement benefits as per the law



Remuneration for Senior Management Executives of the Company and for Directors and Senior Management Executives of the core business subsidiaries

Total remuneration of the Senior Management Executives of the Company

Total remuneration in the form of salary, bonus and other incentive for the financial year 2018 - 2019 (April 1, 2018-March 31, 2019) for the 10 Senior Management Executives was Baht 49.49 million.

Other forms of remuneration paid to Senior Management Executives of the Company

Other remuneration in the form of up-country allowance/housing allowance and driver allowance for the financial year 2018-2019 was Baht 6.98 million.

The Company has provided Company cars to Company's Senior Management Executives of the Company and has contributed to the Provident Fund for all Senior Management Executives of the Company at the rate of 10% of total payroll. The contribution in financial year 2018 - 2019 on this account was Baht 3.63 million.

Total remuneration of Directors of core business subsidiaries

The Senior Management Executives of the Company assigned to be Directors of the core business subsidiaries, shall not subject to remuneration in the form of salary and bonus paid for being the Directors as they have already served as the Senior Management Executives of the Company.

The Company does not pay any remuneration to the Directors of its subsidiaries.

Other forms of remuneration paid to Directors of core business subsidiaries

There is no other remuneration paid to the Directors of its subsidiaries.



Employees

The total number of employees of the Company and its subsidiaries as at March 31, 2019 was 1,187. For the financial year 2018-2019, the Company has paid remuneration to its employees totaling to Baht 250.92 million. The paid remuneration as monetary includes salary, overtime, variable bonus, upcountry allowance/metro allowance and as benefit-in-kind such as social security and provident fund contributions.

In addition, the three subsidiaries have also paid in the same way to their employees an amount of Baht 627.43 million.

Number of the employees and remuneration

2018 – 2019 (as of March 31, 2019)	Tata Steel (Thailand) Plc. (*)	N.T.S Steel Group Plc.	The Siam Construction Steel Co., Ltd	The Siam Iron & Steel (2001) Co., Ltd	Total
Management Employee (person)	46 (48)	12 (12)	9 (10)	11 (11)	78 (81)
Supervisory Employee (person)	132 (139)	77 (85)	64 (66)	74 (70)	347 (360)
Operational Employee (person)	31 (33)	275 (298)	254 (258)	202 (206)	762 (795)
Total (person)	209 (220)	364 (395)	327 (334)	287 (287)	1,187 (1,236)
Employee's Remuneration (MB)	250.92 (267.44)	247.20 (270.35)	206.10 (215.89)	174.13 (185.03)	878.35 (938.71)

*Include 169 (170) employees in Headquarters
Previous year (2017 – 2018) data are shown in bracket.

In financial year 2018 - 2019, the number of employees was reduced by 49 persons to improve manpower productivity and thus control cost. The Company has no lay-off policy but the new recruitment and replacement for resigned employees are carefully considered for necessary positions only.

During the past 3 years, the Company has not received any significant labour disputes.

Total remuneration of Senior Management Executives of core business subsidiaries

Total remuneration in the form of salary and bonus for financial year 2018-2019 is included in the remuneration of the above-mentioned Senior Management Executives of the Company.

Other forms of remuneration paid to Senior Management Executives of core business subsidiaries

Other remuneration for financial year 2018-2019 is included in the remuneration of the above-mentioned Senior Management Executives of the Company.

Currently, the Company has no policy to offer Senior Management Executives of the Company and core business subsidiaries with the Employee Stock Option Program (ESOP) or Employee Joint Investment Program (EJIP). The compensation for Senior Management Executives are dependent on Company's operating results, individual performance, duties and responsibilities of them.

Human Resources Development Policy

The Company focuses on recruitment and selection of capable staff that is “intelligent” and “ethical”. The recruitment of new employee both internally and externally focuses on merit system to ensure that most appropriate person is selected through an interview committee based on technical and behavioral competencies and also fit with the organization culture. Those who pass interview process are employed to work for the Company on a probationary period. Suitable appraisal during the probationary period is conducted to judge the capability of the employee as a part of the recruitment process. The Company encourages internal candidates to be given first preference to get promoted or rotated in case any vacancy arises. However the selection process follows same rigor as external recruitment. In addition, the Company gives an importance to merit and fairness of thinking and cultural diversity which can be witness by a recruiting policy opening to both experienced and new graduated candidates, expatriate and local, female employees including short period learning at Tata Steel Limited constantly.

The Company pays attention to retain new employee for long term through variety of actions such as warm welcome orientation by top executives with wrist-binding ceremony, to promote better understanding of Company group operation and individual Company, knowledgeable lecture, plant visiting and on the job training. The Company arranges buddy to take care and assist new employees in the first 2 years of working. This will help new employee on fasten adjustment to organization. The design of challenging duty, responsibility and job specification is for employee to know scope of work for each position including, key performance indicator and expectation plus necessary qualification for that position in order to gain most efficient performance. In addition, the Company also stresses on the performance in compliance with core business values and corporate culture, including readiness for change to respond to rapidly changing business environment and related challenges.

The Company gives priority to continuously develop human resources at all levels and takes responsibility for professional development and career growth of its staff by focusing on four areas. The same are:

- (1) Core foundation knowledge required in all functions, i.e., Safety, Business Ethics, Tata Values, Corporate Culture, Total Quality Management (TQM), etc.
- (2) Functional Development
- (3) Business Development
- (4) Leadership Development

The Company has initiated skill gap assessment in the group of Operational employees in operating functions. The results of skill gap evaluation are used for determining development plan to raise the skill and competencies of employees to perform efficiently. The Company strives for multiple approaches for development, not limit on classroom training only but includes on the job training and self-learning. The intention is to have a development approach that creates meaningful experience for employees, including Job Rotation, Special Assignment, be a member in cross functional task force, Best Practice Sharing, Shop Floor Knowledge Transformation or SKT, Site Visit (both domestic and overseas) etc. This year the Company also initiates “One Dept. One Share” Program which is about sharing experience and expertise with fellow colleagues. Not only participated employees gain knowledge, the internal instructor or trainer also refreshes technical knowledge while preparing for the class and improves his/her communication skills and public speaking.

The Company provides to staff appropriate career advancement opportunities in accordance with their potential and capability. Career Path for staff at each level has been defined. With internal recruitment and appointment policy, employee can be confident that anyone who has good performance along with appropriate capacity level will have an opportunity for higher position for both management line, subject to vacant position, and expertise line, depends on individual expertise level.

The Company has a succession plan for key positions and Senior Management Executives of the Company to ensure that the Company continues to have employees with appropriate knowledge and ability to work in the key positions. The Corporate Governance, Nomination and Remuneration Committee considers the succession plan and proposes to the Board of Directors for approval. The processes are as follows:

1. Determine the key positions of the Company which are critical and have a material impact on the business operations of Company.
2. Determine competencies required for the key positions.
3. Identify the suitable candidates to be the successors.
4. Develop successors as per Individual Development Plan, assign challenging assignments, involve in the working committee and important projects as well as rotation to develop leadership skills and knowledge in all aspects.

Furthermore, the Company initiated “Leaders of Tomorrow” (LOT)” program which has continually held for 3rd batch with an objective to select high potential employees who have proven performance to the Company and can take forward the Company in the future by preparing development plan to be ready for special assignment responsibility, important working group/committee, rotation in existing line or different line in order to increase new skill and experience. In the year 2017 — 2018, the Company arranged special training on Leadership Coaching Program by professional coach and focusing on practicing. “Leaders of Tomorrow” (LOT)” receives fast career track and attractive compensation so as to retain them in the long run.

The Company strives for appropriate and fair employee compensation policy management to be in line with Company’s performance, both for short and long term, by considering on 3 following factors:

- Merit Principle within organization: consider appropriate compensation according to job specification, responsibility and performance appraisal.
- Merit Principle outside organization: consider market competitive compensation level based on compensation survey and adjust suitable compensation in line with market environment by using Customer Pricing Index as a part of consideration on annual increasing review.
- Individual Merit: examine individual compensation according to personal performance and capability in form of annual increasing, annual reward or special increased compensation for instance.

Effort is made to balance cash and non-cash compensation together with employee need and appropriate money need. The Company seeks to listen and understand employees through various channels such as Welfare Committee, Employee Committee, and suggestion box and has a review process in place to consider improving welfare and benefits from time to time. The Company also pay attention on employee and family care for better living and quality of life by providing welfare and various assistant fund to employee, family, and parents such as holiday and leave, medical support on both out-patient and in-patient plus dental care, medical check-up, provident fund, employee uniform, per diem for working up country, emergency loan, for example.

In addition, all year various activities has been conducted for employee and family participation by building happy workplace in all 8 dimensions which are Happy Body, Happy Heart, Happy Society, Happy Relax, Happy Brain, Happy Soul, Happy Money and Happy Family. Examples of activities are Candle and Candle Rain Out Ceremony, Songkran Festival, including other activities such as various sport and recreation activities, employee birthday and activities on different important days like Children Day, Valentine, Chinese New Year, Father Day, Mother Day, Company’s Birthday, and Tata Group Foundation Day, etc.

The Company has focused on promoting good relationship between employee and Company by encouraging various communicating issues related to Company performance to all employee levels on a regular basis. There is a quarterly CEO and top management meeting with employee of 3 factories discussing and answering various questions together with an increasing of communication through different media such as suggestion box directly to President & CEO, order, announcement, internal journal, and intranet.





CORPORATE GOVERNANCE

Corporate Governance Policy

The Company is committed to conduct business with conscience to all groups of stakeholders as mirrored in its compliance with the principles of good corporate governance as recommended by the Stock Exchange of Thailand, notifications of the Office of the Securities and Exchange Commission, provisions of laws, and other regulations. The Company also aims at developing its business in accordance with or exceeding existing regulatory requirements, yet under the corporate governance directives of fairness and transparency for improvement of its practices to the international standard.

Accordingly, in addition to strictly conducting business transactions with the highest level of work ethics as established in the Tata Code of Conduct ("TCoC"), the Company has documented policy and principles of good corporate governance in the Company's "Good Corporate Governance Manual" since 2005. The same is constantly reviewed and updated to reflect the changes in the economic and business landscape. The contents include the principles and practices, responsibilities of the Company's Directors and committees, shareholders' rights and equitable treatment of shareholders, the role of stakeholders, internal control and risk management.

Furthermore during the year 2018-2019, the Board of Directors has considered the implementation of Corporate Governance Code (CG Code) of the Securities and Exchange Commission (SEC) to be appropriately deployed in the context of the Company

business. The Company has reported CG Code compliance and other practices related to good corporate governance, details as appeared on the Page no.51-63.

Other Committees Structure of Committees

Currently the Board of Directors consists of eight members appropriate to the size of the Company, three of whom are Independent Directors as specified in the SEC and Company's regulation. The Company's Directors are knowledgeable and have extensive experience in the areas of law, accounting, finance and steel business. In order to balance of power for conducting business, the Company has defined that the Chairman, as the policy leader, and the President & CEO, as the leader of the business operation, will not be the same individual.

In addition, the Board of Directors has appointed four Committees to perform specific functions and propose to the Board of Directors for consideration and/or acknowledgement. These are the Audit Committee, the Executive Committee, the Corporate Governance, Nomination and Remuneration Committee, and the Corporate Social Responsibility and Sustainability Committee. These committees deliberate at regular intervals and submit their recommendations to the Board for further consideration.

List of members of each Committee and scope of authority appear under "Management Structure".

Selection of the Directors and Executives

The Company follows a matrix of the desired capability/expertise mix of the Directors in the Board of Directors.

Composition of the Board of Directors

Name of the Board of Directors	Qualification on Independence	Woman Director	Educations and Experiences								
			Engineering	Accounting	Finance	Internal Audit/ Internal control/ Risk Management	Legal	Marketing & Sales	Human Resources	Business Management	Economics
1. Mr. Peeyush Gupta			●					●		●	
2. Mr. Alan Kam	●				●	●				●	
3. Mr. Hatasakdi Na Pombejra	●						●			●	
4. Ms. Anuttara Panpothong	●	●			●				●	●	
5. Mr. Taratorn Premsoontorn					●	●				●	●
6. Mr. Ranganath Raghupathy Rao				●	●					●	
7. Mr. Ashish Anupam			●							●	
8. Mr. Rajiv Mangal			●					●		●	

The Corporate Governance, Nomination and Remuneration Committee, comprising of four Directors two of whom are Independent Directors, is responsible for the selection of Directors and top management, before proposing to the Board of Directors and/or the shareholders' meeting for election or appointment. The selection of the Directors is not only relying on the Committee's judgement but also need to be in line with the guidelines and principles approved by the Board of Directors. The Committee ensures that the qualifications of the selected Directors are in sync with the Company's business strategy. The Company also considers the list of Director available from (1) Recommendations from current Board members (2) Professional search firm and (3) The IOD director pool, while selecting Directors.

The selection of an Independent Director is discussed and agreed by the Corporate Governance, Nomination and Remuneration Committee. The Company's definition of "Independent Director" is stricter than the one specified by the SEC so that they can act independently suitable with specific nature of the Company.

Qualifications of Director

1. Possess the qualifications with no prohibited characteristics as specified in the Company's Articles of Association, the Public Company Limited Act and the Stock Exchange regulations.
2. Persons with capabilities, experiences and diversity of skills, knowledgeable, competent, leadership, varied perspectives, ethical, transparent and ability to express opinions independently.
3. Persons who can devote sufficient time to attend Board and Committee meetings to monitor Company's operation. Holding of Board positions in other companies should be limited to an appropriate numbers.
4. Persons who are not Directors, Executives, shareholders or partners with substantial shareholding of the similar or competitive business operations or business operations that may provoke conflict of interest with the Company.
5. For Director who is also the President, selection consideration would also base on past performance and result of appropriate evaluation.
2. No participation in the management nor being a staff, employee, salaried advisor, company secretary, person with controlling power, parent company, subsidiary, associate or juristic person who may have conflict with, and not having interest in such activities for the previous 24 months prior to appointment.
3. No kinship, marriage or legally registered as the father, mother, spouse brother/sisters and child, including child's spouse, with any executive, major shareholder, person with controlling power or person who will be nominated as executive or person with controlling power of the Company or subsidiaries.
4. No business relationship with the Company, parent company, subsidiary, associate or juristic person who may have conflict with, in a way that may limit the exercise of independent judgement. This includes not being, or not having been a major shareholder, non-Independent Director or Executive of an entity which have business relationship with the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not having direct or indirect interest in the following activities for the previous 24 months as follow.
 - 4.1. Transactions in the course of normal business operation such as merchandise sales, raw materials purchase or providing services value more than 3% of the Company tangible assets or within the period of 12 months.
 - 4.2. Transactions of renting or renting out of immovable properties.
 - 4.3. Transactions related to assets or services such as acquisition or disposition of assets, rights or providing or receiving services.
 - 4.4. Transactions related to granting or receiving financial assistance such as granting or receiving loans, guarantees or providing asset as collateral, including other similar practices which result in the obligation for debt repayment to other parties with value more than 3% of the net physical asset or more than Baht 20 million, whichever is the least within the period of 12 months. In case of transactions of granting or receiving financial assistance, debt obligation incurred during the period of one year prior to the date of business relationship of the same person should be accumulated.

Qualifications of Independent Director

1. Holding not over 0.5% of the total voting shares of the Company, parent company, subsidiary company, associate company or juristic person who may have conflicts with, including shares held by related persons.

5. Not being an auditor of the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not being major shareholder, non-Independent Director, Executive or managing partner of the auditing office whose auditor works in the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and should have no interest in such characteristics for the previous 24 months.
6. Not being a professional service provider, including being a legal advisor or financial advisor who receives service fee of more than Baht two million from the Company, parent company, subsidiary, associate or juristic person who may have conflict with. In case the professional service provider is the juristic person, it should include being a major shareholder, non-Independent Director, Executive or managing partner of such professional service provider and not having interest in such characteristics for the previous 24 months.
7. Not being a Director appointed as representative of the Company's Director, major shareholders or shareholders related to major shareholders.
8. Not having characteristics that would make independent expression of opinion about Company's operation impossible.
9. Capable of taking care of every shareholder's interest equally.
10. Capable of managing conflict of interest.
11. Be able to attend the Board of Directors' meeting to make decision on matters independently.
12. Possess the qualifications with no prohibited characteristics specified by the Company's Articles of Association and regulations of the Public Company Limited Act and the SEC.
13. The age not younger than 21 years.

Retirement Age

The retirement age for the Independent Director and Non-Executive Director would be 70 years. The retirement age for other Directors, Executive Directors and President and CEO would not be beyond the age of 60 years.



Guideline and Voting Procedures

In case the election of Company's Director is proposed to the shareholders' meeting for consideration, it would proceed according to the guidelines and procedures specified in the Company's Articles of Association such as shareholders will have one vote for each share held and in case of a tie, the Chairman of the meeting will have a deciding vote. However, for the election of Company's Director, voting for individual or multiple Directors may be applied but all voting rights equivalent to all the shares held must be exercised at one time and cannot be divided for various candidates.

In the event that a vacancy occurs due to any reason other than the retirement of a Director, the Board shall consider appointing a qualified person who is not prohibited by law to be a replacement Director at the following meeting, except where the remaining term of the vacancy is shorter than two months. The replacement Director shall serve the remaining term of the vacancy. The Board's resolution for replacement shall be three-fourths majority votes of remaining Directors.

Selection of Directors and Executives

The Executive Committee makes initial selection for individuals to be appointed as the President & CEO and senior executives, by filtering qualified persons having knowledge, skills and experience beneficial to the Company. The candidates must have good understanding about business and be able to manage operations to achieve goal and targets formulated by the Board of Directors. The candidate will be further proposed to the Corporate Governance, Nomination and Remuneration Committee to be considered and then proposed for approval by the Board of Directors.

Corporate Governance of Subsidiaries

The Board oversees the Company's subsidiaries in order to protect the holding company's interests by establishing the Compliance Unit to supervise and ensure the operations comply to stated norms and are appropriate. The guidelines for corporate governance of the subsidiaries are as follows:

1. Encourage them to adopt good corporate governance principles.
2. Appoints representative Directors and members of management to serve on the Boards of subsidiaries.

3. Oversees business operations through the appointed representative Directors, members of management and group-wide policies.
4. Considers key matters such as strategic directions, business plans, capital increases or decreases and divestment.
5. Monitors operating results via members of management, the Executive Committee, and the Board itself.
6. Monitors compliance with the rules and regulations regarding: related party transactions, acquisition and disposition of assets and adequate and timely disclosure of information. This also includes maintaining proper accounting records and preparing financial reports in accordance with all applicable laws and generally accepted accounting principles.
7. Assigns the Company's internal audit unit to conduct audits at the subsidiaries and affiliates in order to ensure the adequacy and effectiveness of their internal control systems.

Use of Insider Information

The Company has developed its policies to monitor the use of insider information cautiously and efficiently. Written policies are specified in the Company's Corporate Governance Guideline, while other preventive measures have been fostered to ensure effective monitoring of insider information expected to be used by the Board of Directors and executives.

The Board of Directors and executives possess complete knowledge and understanding on the obligation in reporting the holding of the Company's securities, held by their spouses, minors, and themselves. The Board of Directors and executives are also required to report on the change of the holding of the Company's securities in compliance with the requirements and penal provisions of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and the Capital Market Supervisory Board (CMSB).

In case where the Board of Directors and executives shall announce the possession and/or change of the holding of the Company's securities, the Corporate Secretary would help summarize and collect the related information to be proposed to the Board of Directors' meeting for acknowledgement of details, which shall also be disclosed in the annual report.

Additionally, the Company has implemented adequate internal control measures to supervise the use of insider information complying with good corporate governance principles, while defining a policy to prohibit the use of insider information for personal gain (Abusive Self-Dealing), for instance, trading of insider information (Insider Trading), requesting the Board of Directors, executives, and employees related to the financial information of the Company and its subsidiaries to sign for acknowledgement of the violation of trading of securities specified below:

1. The above-mentioned persons are prohibited to trade Company's securities within 2 (two) weeks prior to the disclosure of the Company's quarterly financial statements and annual financial statements and within 24 (twenty-four) hours following the disclosure of the said financial statements to the SET (Blackout Period).
2. In case of being the non-disclosed significant information which may have a direct impact on the prices of the Company's securities, the Board of Directors would prohibit the trading of the Company's securities until the 24-hour period is due as such information has already been released to the public.

Directors and executives are required to notify the Board of Directors of the trading of the Company's securities within a period of 1 (one) day prior to the actual trading date.

Auditor's Fee Audit Fee

For the period April 2018 - March 2019, the Company and its subsidiaries paid audit and quarterly review fee of Baht 3,151,235.

Non-audit Fee

For the period of April 2018 - March 2019, the Company and its subsidiaries paid a fee such as for audit procedures of the consolidated reporting packages under the Group Accounting Policies of Baht 898,000 and travelling, per diem, lodging etc. of Baht 501,022 to its auditor, the audit firm affiliated with the auditor, individuals or business entities related to the auditor and its affiliated audit firm.

Compliance with Good Corporate Governance Principles in Other Matters

The Company follows the principles of good corporate governance for listed companies issued by SET. The Company also follows the OECD (Organisation for Economic Co-operation and Development) Principles of Corporate Governance. It comprises

of 5 relevant principles and practices; (1) shareholders' right, (2) equitable treatment of shareholders, (3) role of stakeholders, (4) disclosure and transparency and (5) responsibilities of the Board of Directors. The Company incorporated this in its "Good Corporate Governance Policy" to improve the practices standard. The principles were adapted for appropriate use in relation to Company's circumstances and have been reviewed and improved to make it up-to-date and correspond to the ever changing situation.

In the year 2018, the Company's rating in the Corporate Governance evaluation has improved from "Very Good" to "Excellence" in reflecting the continuous improvement on corporate governance. The implementation of Company's corporate governance report according to 5 principles of OECD during the year 2018-2019 is as follows:

Category I Shareholders' Rights

The Company emphasizes and respects the rights of every individual shareholder in playing a key role in financing the Company. In doing so, every shareholder is encouraged to make maximum use of their rights in protecting the Company's overall interest, and refrain from doing any action that may diminish the rights of the shareholders which can be summarized as follows:

1. **Basic rights** include registering as a shareholder of the Company, buying or selling shares and receiving dividends equally, receiving sufficient Company newsletters and information. These may include changes in the structure of the capital, changes in the control of the Company's important assets, buy or sell as well as being equally entitled to share buybacks.
2. **The right to vote in shareholder meetings.** This means using their rights to vote for a Director, fixing the Director's remuneration, the allocation of profits and dividends, the appointment of the Company's auditor and fixing the auditor's fees, changes to the Memorandum of Associations and the Articles of Association, increasing or decreasing the Company's registered capital, and important transaction approvals that affects the business direction.
3. **Other rights as stated by law.**

In addition to supporting and encouraging the use of the rights stated above, the Company also facilitates the rights of every shareholder in attending the shareholder's meetings. The policies that create ease for shareholders to attend shareholders' meetings are as follows:

- An easy process to attend shareholders' meeting with minimum expenses.
- Setting a location that is convenient and can be reached through public transport.
- Providing a description of the documentation required to attend the meetings.
- Providing experienced personnel with the appropriate facilities in validating and registering the shareholder's attendance.
- Providing the opportunity for shareholders who are not able to attend the meeting in person to nominate a representative to attend the meeting. This means nominating their own representative or nominating an Independent Director of the Company as their proxies. This is an easy process as a result of the documents required to attend the meeting be sent out in advance to the shareholders to reduce the time required to check their documents before attending the meeting.
- Providing a stamp duty on the document that nominates a representative to attend the shareholders' meeting in the event that such document did not already have a stamp duty.
- Applying Barcode system for registration process for quality registration procedure.
- Allowing shareholders to register their attendance 2 hours in advance prior to the meeting. Furthermore, after the meeting has started shareholders are able to register and vote on the agenda being considered.

The Company Secretary office facilitates and protects the rights of the shareholders. Shareholders can contact the Company secretary office on phone number +66 2937 1000 Ext 3111, 3156 and 3210.

Category II Equitable Treatment of Shareholders

The Company realizes its duty to look after the interest of every shareholder, whether it is the majority shareholder, institutional investor, foreign shareholder or minor shareholder by equitable treatments described as under:

Shareholders' meeting

Every year, the Company organizes a shareholders' meeting within four months from the end of the Company's financial year (within July). This meeting is the Annual General Meeting, while other meetings are called Extraordinary General Meeting. In the past financial year, no Extraordinary General Meetings was organized.

The 2018 Annual General Meeting was conducted at 09:00 pm on the 25th of July 2018 at the Siam Kempinski Hotel Bangkok. Those who had were shareholders on the record date, 25th of May 2018, were eligible to attend the meeting.

The Company has established a system and mechanism that allows an effective shareholders' meeting. Information regarding the date, time, location, agenda, rules, and instructions to attend the meeting, the voting process, and agenda items were provided to the shareholders in advance. The Company did not undertake any action that would limit the shareholders' ability to receive such information or restrict the shareholders ability to attend the meeting.

The Company assigned The Thailand Securities Depository (TSD), the Company's registrar, to process and deliver the notice of the meeting and relevant documents in both Thai and English to all shareholders 21 days prior to the meeting. The documents include:

1. Notice of Shareholders' meeting with clear details regarding the date, time, location and meeting agenda(s) for information/ approval/consideration. The purpose and reasoning for each agenda, and the Board of Directors' opinion on each agenda item. This constitutes sufficient information for the decision of shareholders.



2. Proxy letter for the shareholders' meeting in the format as specified by the Ministry of Commerce both in the A format which is the easy and simple format to follow, or the B format that fully dictates each action as "Approved", "Disapproved", or "Abstained" for each agenda item. This proxy letter also allows the shareholders to vote for each Director for appointment to the Board.
3. Information about the Independent Directors that the Company has designated as proxies. These information include their name, age, address and their vested interest, if any, in the proposed agenda of the meeting.
4. The Company's Annual Report in both Thai and English in the form of a CD Rom, as well as in paper form for the shareholders who notified the Company in advance of their desire to receive it in paper format.
5. Explanation about the documents that are required to be presented to attend the meeting.
6. Articles of association in connection with the Annual General Meeting.
7. The map of the location where the Annual General Meeting will take place.

In addition to this, the Company also:

1. Advertised the details of the Annual General Meeting through a Thai newspaper for 3 consecutive days and 3 days prior to the meeting.
2. Notified via the Stock Exchange website (www.set.or.th) that the shareholders' meeting information will be available via the Company website one month in advance so that the shareholders are able to stay informed about the meeting in a convenient and speedy manner. In addition to this, the shareholders will be able to study the necessary information in order to study most of the documents before providing by the Company.
3. Distributed information via the Stock Exchange of Thailand's website (www.set.or.th) to inform shareholders that they are able to submit questions regarding the meeting agenda in advance.
4. The shareholders are able to submit questions to the Board of Directors or individual Independent Directors through the Company's Secretariat Office for proposing to the Board of Directors to consider during the period.

5. For the current year the shareholders' meeting information was notified on June 4, 2019 and the period to submit questions was stated as during June 15 - July 15, 2019.

Furthermore, at the registration desks at the venue of the Annual General Meeting, the Company organized activities to build an effective relationship between the Company and the shareholders. Examples of these include an invitation to donate sports equipment to children in northern areas, a booth to report on CSR projects, and a booth to recommend and provide information on the Company's products.

Before the Meeting

The Corporate Secretary informs shareholders of the Articles of Association related to the meeting and meeting procedures such as voting procedures, vote counting procedures and announcement of the result.

During the Meeting

The presiding Chairman conducts the meeting transparently according to the announced agenda with no additional agenda for consideration other than those specified on the notification inviting shareholders to the Annual General Meeting. Appropriate and sufficient time is allotted for consideration of each agenda before voting. Shareholders are allowed to vote for election of individual Director and encouraged to provide comments, recommendations and ask questions freely.

The Company uses voting ballots for convenience of shareholders and arranges for an independent inspector (Third Party) to supervise voting and vote counting for transparency according to law and Company's Articles of Association. Vote counting is done by computer. Only shareholders' voting ballots of 'Disapprove' or 'Abstain' are compiled for calculation by deducting from number of overall eligible shareholders who have the right to vote. Shareholders have one vote per one share. Results of the vote for each agenda are announced after resolving of each agenda item by slide projection. The meeting is also recorded on a video media.

After the Meeting

The Company announces the meeting resolutions (Approve, Disapprove or Abstain) through SET news network (www.set.or.th) immediately after the meeting and prepares the meeting minutes within the period specified by law. The minutes record details such as

1. Names and positions of the attended Directors, Executives including related persons
2. Announcement of voting procedures and vote counting

3. Questions and answers, comments and recommendations
4. Meeting resolutions and voting result on each agenda, classified as Approve, Disapprove, Abstain and Voided Ballot.

There were 535 shareholders who attended the Annual General Meeting of the shareholders on 25th July 2018 in person and through proxy. This represents 6,214,317,283 shares or 73.79% of the 8,421,540,848 issued shares. The Chairman as the representative of the Board, the Chairman of individual committees namely the Audit Committee, the Executive Committee and Corporate Governance, Nomination and Remuneration Committee, and all members of the Board of Directors attended the meeting.

In addition to this, the Company's executives, the Company's auditor, as well as the Company's legal department also attended the meeting to answer any questions from the shareholders.

Use of insider information

Details of the Company's policy and measures to prohibit the use of insider information for the benefit of Directors and Executives are under "Use of Insider Information" on Page 50-51.

There has been no incident of the use of insider information for the benefit of securities trading by the Directors or Management representatives during the previous year.

Report on stakeholders

The Company has specified that its Directors, Executives and related persons must declare their own interest in the form as defined by the Board of Directors. When there is any appointment as the Directors or Executives or changes in the report, the Company Secretary has been assigned to compile and present to Chairman of the Audit Committee and Chairman of the Board of Directors for acknowledgement such reports. The Company would use such information to monitor and supervise transactions that may lead to conflict of interest such as connected transactions.

Connected Transactions

The Company clearly defined principle and procedure of the connected transactions and strictly complies with the regulation of the Securities and Exchanges Commission, Capital Market Supervisory Board and the Stock Exchange of Thailand in regard to the conflict of connected transactions. The Directors and Executives having interests and/or connection on a matter do not attend the meeting and vote on such matter.

For new upcoming connected transactions, its transaction size and value are taken into account, and submitted to the Audit Committee for consideration before further submission for endorsement by the Board of Directors.

Besides, the Audit Committee is entrusted to review connected transactions on a quarterly basis to avert possible conflicts of interest. Disclosure of connected transactions is provided in the notes to the audited financial statements.

In the previous year, the Company never acted against the regulations of the SET and SEC on Connected Transactions or acquisition/disposition of assets, including a transaction of providing financial assistance to non-subsidiaries.

Category III Role of Stakeholders

Engagement of all relevant stakeholders of the Company's operations, both directly and indirectly, is the most important component to analyze and determine the sustainability framework of the Company. Therefore, the Company recognizes the rights and benefits of all relevant stakeholders, not only the statutory rights, but also includes mutual agreements by responsible for both internal and external stakeholders who are effected in term of sustainability with strict fairness. Key issues are communicated and stakeholder's engagement mechanisms are developed regularly.

The Company focuses on the stakeholders' engagement that effects Company's performance. The guidelines and responsibilities of each group of stakeholders are:

Shareholders

The Company is committed to create maximum benefits and maximize value for the shareholders continuously and fairly. The operations of the Company are performed in line with corporate governance and vision of the Company. The Company is also committed to provide correct and complete information about the Company's business in accordance with the relevant regulations and agreements.

Employees

The Company recognizes that employees are the backbone for achieving the organizational goals. Accordingly, emphasis is placed in providing equal opportunities for all employees without discrimination against any social status, nationality, caste, religion, family, marital status, gender, sexual orientation, age, nationality and ethnicity. The remuneration and welfare of the employees, the quality of life of the employees and their families are enhanced

and comparable to other leading companies. Provident Fund is applied as an instrument to motivate employees and to maintain long-term employee retention by providing a consistent savings as a guarantee for the life after retirement.

There is also a focus on safety, health and environment for all employees. Training and staff development at all levels is considered as an important factor in the journey towards sustainable development.

Customers

The Company has adopted “customer centricity” to ensure that the products and services delivered to the customers meet their needs and maximize customer satisfaction. The Company continues to improve the quality of products and services in terms of both quality standards and fair prices to satisfy the diversified needs of the customers. The Company has channels for receiving complaints, including return policy, if the any unqualified product is found. The Company maintains client confidentiality and does not use customer data to generate undue benefits.

Partners

The Company and its subsidiaries set a clear policy and framework based on the Tata Code of Conduct (TCoC) for its business implementation with transparency and equitability in dealing with all partners. Compliance with the fair commercial competition framework and TCoC, maintain payment standard by close monitoring of payment status help to build good and long-term relationship with business partners. The Code covers joint operations between the Company and its partners, for instance, regular trainings on safety have been extended to transport contractors.

Competitors

The Company strives to operate with integrity and comply with the rules of fair competition. The Company does not use unfair or misleading information about the products or services of any competitors. The Company also cooperates with its competitors to create fair competition conditions.

Creditors

The Company carefully and strictly complies with the conditions and requirements of both trade creditors, lenders and makes timely payment. The Company also provides information with accuracy, transparency, equity and fairness to the creditors throughout the liable period.

Community and Society

The Company is committed to operate with carrying out business by being a good corporate citizenship. The corporate social responsibility is set as framework for operation to all levels of employees to perform to be conscious of the social responsibility throughout the process (CSR in Process), together with carry out business under the responsibility of community and society (CSR after Process). The Company also supports for community development and quality of life through activities in various forms. The Company focuses on environmental protection, rigorously and continuously throughout, in order to maintain good environment forever with the implementation and strict compliance in all production processes and all work procedures including compliance with strict environmental laws and regulations. TSTH Group has committed to make a significant leadership role in “Climate Change” as a result of global warming. “Back to Nature (green)” is used in all stages of the business of the organization. The Company responses rapidly and effectively to the environment and community by fully cooperating with the government and relevant external agencies.

Government authorities

The Company operates in compliance with the law. All employees are required to strictly abide by the laws and regulations of government agencies.

Media & Reporters

The Company gives importance to the disclosures in the media and ensures that the communication to the public are shared correctly and with up to date information.

Code of Ethics

All employees adhere to the Company’s Code of Conduct issued under the “Tata Code of Conduct (TCoC)” which defines guidelines and practices related to ethical business conduct with all stakeholders. Measures and channels for stakeholders to communicate/inform on unethical conducts are clearly spelt out along with process to protect the informant under the “Whistle Blower Policy” for Directors, Employees, Customers, Suppliers and other Stakeholders of Tata Steel (Thailand) Public Company Limited Group.

All stakeholders can suggest/ report/ appeal on the above Code of Conduct in person/ by letter/ E-mail/ telephone/ fax by contacting the Chairman of the Audit Committee or the Ethics Counselor, details of whom are as given below:

Chairman of the Audit Committee

Mr. Alan Kam

Email address: alank@libertasth.com

Ethics Counselor

Mr. Sirorote Matemanosak

Tata Steel (Thailand) Public Company Limited

Rasa Tower 2, 20th Floor,

555 Phaholyothin Road, Chatuchak, Bangkok 10900

Tel. : +66 2937 1000 ext. 1810 Fax : +66 2937 1224

Email address: sirorotem@tatasteelthailand.com

Workplace Safety

The safety and occupational health responsibilities of the Company are driven by our commitment to ensure zero harm to people we work with and society at large and are integral to the way we do business. The Company has a clear and concrete policy pertaining to the workplace safety and sanitation which is posted on the website of the Company.

The Company is driven by the following Safety Principles:

- Safety is line management responsibility.
- All injuries can be prevented.
- Felt concern and care for the employee on “24 hours safety” shall be demonstrated by Leaders.
- Employees shall be trained to work safely.
- Working safely shall be condition of employment.
- Every job shall be assessed for the risk involved and shall be carried out as per authorized procedures/ checklist/ work permit and using necessary work permit and personal protective equipment.

The Company is also committed to continual improvement in our safety & occupational health performance and accordingly, we shall set objective-targets, develop, implement and maintain management standards and systems, and go beyond compliance of the industry standard, legal and other requirements.

The safety & occupational health performance during the last three years is shown in the following table:

Content	Unit	FY19	FY18	FY17
Number of Incidents				
Lost time injuries frequency rate	Case/Million man-hour	1.28	0.17	0.00
Health Index	Index	11.3	10.84	10.75
Abnormal medical checkup result from work	%	5.46	2.55	3.30

Category IV Disclosure and Transparency

The Company has always recognized the importance of taking responsibilities in disclosing the Company's financial and non-financial information to foster greater investment decision, transparency and accountability as well as the highest benefits of shareholders, investors, analysts, and stakeholders. Such information are accurate and complete, creating no misunderstanding or misinterpretation. Also, such information are up-to-date and timely as specified by the Securities and Exchange Commission (SEC) and relevant agencies.

The Management is responsible for the communication and disclosure of important information in accordance with the requirements of both periodic and non-periodic reports. The periodic report includes financial statements, annual statements (Form 56-1) and annual report (Form 56-2), while the non-periodic report involves disclosures, if any, relating to asset acquisition and disposal, participation and cancelation of joint venture, increase and decrease of investment capital, issuance of new securities, and buy-back of shares.

The Company has established the Corporate Secretary Office to serve as the Company's information disclosure center for both normal situations and urgent cases. Samples of information are described as follows:

1. Financial and non-financial information with complete, accurate, and unbiased details both in Thai and English languages complying with the SET's news system (www.set.or.th) / the Company's website (www.tatasteelthailand.com).
2. Management Discussion and Analysis of financial status and overall performance of each quarter (the SET's news system (www.set.or.th) / the Company's website (www.tatasteelthailand.com), newspaper.
3. The up-to-date shareholding structure with complete details of the proportion of major and minor shareholders. The structure can unveil the information of the Beneficial Owner as well as the shareholding information of the Board of

Directors and executives. In total, shareholding of all Directors shall not exceed 1 (one) percent of the issued and traded shares (annual report / the Company's website (www.tatasteelthailand.com)).

4. The information in the annual report are disclosed clearly and completely for the benefits of shareholders' decision making, for instance, Management Discussion and Analysis on financial status and operating performance, industry overview and competition, business risk, profile of the Board of Directors and executives, remuneration of the Board of Directors and senior executives, and the Board of Directors' meeting attendance etc., the Company's website (www.tatasteelthailand.com).
5. Financial statements in accordance with generally accepted accounting principles audited by an independent auditor, qualified and approved by the Securities and Exchange Commission (SEC). In the past the Company did not delay the submission of quarterly and annually financial statements to the Stock Exchange of Thailand (SET) and the SEC (the SET's news system (www.set.or.th)/ the Company's website (www.tatasteelthailand.com)).
6. The information on related party transactions (if any).

In addition to the disclosure of information specified by the Securities Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and relevant authorities, the Company has assigned its President & CEO as "Speaker" to communicate on the Company's information to the public, while assigning the Company Secretary to manage the overall function of Investor Relation by being responsible for communicating and coordinating with external practice i.e. shareholders, institutional shareholders, investors, analysts, and other related agencies. The Company provides convenient channels for accessing the Company's information such as meeting materials, operating performance materials, and other relevant reports via the Company's website (www.tatasteelthailand.com). This policy has been developed to strengthen investors' understanding and confidence towards the Company.

Furthermore, after quarterly and annual financial performance is disclosed to SET, the Company conducts quarterly Press briefing and Analyst Meeting to disseminate its operational performances and movement of steel business to the public via several types of media, analyst, bankers including newspapers and magazines.

Category V

Responsibilities of the Board of Directors

The Company has specified roles and responsibilities of the Board of Directors to ensure they can perform their duties based on integrity, carefulness, and circumspection with the objective to provide all shareholders with equitable treatment and create mutual confidence between shareholders and the Company. The Company's management system complying with good corporate governance principles has been implemented to ensure honest, reasonable, and independent supervision and operations under the legal framework and business ethics aiming for greater performances of the Board of Directors, particularly to maximize benefits for all stakeholders.

Structure of the Board

The Company has remained firm in checking and balancing the management principles (Check and balance), while emphasizing clearly on the Board diversity strategy. The Board of Directors comprises of qualified persons with appropriate knowledge, ability, experience, professionalism, gender diversity (at least one woman Director), and leadership backed by organizational management skills and perspectives strictly committing to time and efforts for functioning and responding for the position of Director, who can express freely and independently to benefit the Company's business operations. Committees are also appointed to consider specific matters leading to appropriate decision making in compliance with corporate governance principles.

In addition, the Board of Directors has also appointed a qualified and experienced Corporate Secretary to be responsible for secretarial matters in accordance with the provisions of "Management Structure".

Duties, Roles, and Responsibilities of the Board of Directors

The Board of Directors shall devote time and effort for the Company and would never seek personal gain or be involved in any conflict of interest deemed to have competed with business operations of the Company and its subsidiaries. The ultimate goal is to keep the business stable for the balanced and sustainable benefits of all stakeholders, while being able to increase the shareholders' value in the long run, conforming to the Company's vision and goal.

The Board of Directors is responsible for defining the Company's visions, missions, management strategies, long-term plans, and annual budgets by delegating the Management to propose the aforementioned matters to the Board of Directors, which would be discussed fully and mutually based on cautiousness, honesty, and accountability aiming for greater business efficiency. During the financial year 2018-2019, the Board of Directors has reviewed the Company's operations, risk management and budget allocation plans, while evaluating the overall performance of the Company and its committees on a quarterly basis. The Directors have also reviewed the strategies, objectives and annual budgets. The Board of Directors monitors the implementation of the Company strategy through the performance of the Company on quarterly basis. Furthermore, the Company has developed effective monitoring and supervision measures for senior executives to review, improve, and develop the Company's risk management, internal control, and audit systems in line with diversified circumstances, while being able to oversee and develop corporate governance principles to align with internationally accepted standards.

Authority of the Board of Directors

1. Approve annual business plan, annual investment plan, mid-term or long-term plan
2. Approve short/long term loan from banks/financial institutions, placing collateral as loan guarantee, signing on approved loan agreement or cancellation of loan term
3. Approve open/close bank accounts
4. Approve to use/change to accounting principle, or update/change to schedule of depreciation rate
5. Approve financial statements and allocation of accumulated profit
6. Approve purchase, sell, exchange, mortgage, sale with right of redemption, lease, rent, or let of land and buildings which the book value is not be over than Baht 50 Million
7. Approve selling tangible and other assets (excluding land and building)
8. Approve HR concerning matter in organizational structure, HR planning, nomination and recruitment of senior executive and budgeting for annual raises and bonus
9. Approve joint-venture, stock investment

10. Approve matters submitted to AGM

11. Board may not approve or decide on the following issues unless acknowledged by the majority of the attending Directors in the meeting of the Company/ or Subsidiaries:

- 11.1 Any loan exceeding Baht 50 million and not in the Group's annual budget.
- 11.2 Granting loans, collaterals, indemnifications, guarantees, letters of support or commitments to any persons and not in the Group's annual budget unless allowed in the contracts of the financial restructuring agreement or business rehabilitation plan of N.T.S.
- 11.3 Any investments exceeding Baht 50 million and not in the Group's annual budget.
- 11.4 Sales, transfers, rent out or permissions related to any properties or assets with the book value exceeding Baht 50 million and not in the group's annual budget.
- 11.5 Approvals or amendments of the Group's annual budget.
- 11.6 Any transactions with connected parties not regarding as normal business operation.
- 11.7 Any Changing of the accounting policy, approval of the annual consolidated financial statements, annual separate financial statements and quarterly group financial statements.
- 11.8 Any changes related to the Group's business operation or termination of any business operation.

Duties of Chairman of the Board of Directors

The primary function of the Chairman of the Board of Directors is to lead and manage the Board. The Chairman is responsible for all implementations of the Board and act as a direct liaison between the Board of Directors and the Management through the President & CEO of the Company. Also, the Chairman is expected to disseminate the Board's resolutions to all parties involved, ensuring that all requirements are implemented in the most productive and appropriate way.

With different responsibilities between the Chairman as a policy leader and the President & CEO as a leader of corporate management, the Company has determined to separate the roles

and responsibilities between the Chairman and the President & CEO clearly. As a consequence, the Chairman would remain independent of the Management and be involved in no business benefit or relationship that may possibly hinder his independent discretion.

Significant roles and responsibilities of the Chairman are as follows:

1. Guiding the Board to ensure its effective functioning.
2. Providing the President & CEO with independent advices.
3. Consulting with the President & CEO, and Corporate Secretary to prose meeting agendas.
4. Encouraging all members of the Board of Directors to freely debate issues, raise inquiries, and express productive opinions during meetings.
5. Fostering constructive relationship for members of the Board of Directors and the Management.
6. Ensuring effective communication with all shareholders.

The Audit Committee

The Audit Committee was first appointed by the Board in the year 2002. Currently it consists of three Independent Directors.

Mr. Alan Kam, Chairman of the Audit Committee, has extensive experience in the area of accounting and finance.

The Audit Committee has the duty to review the correctness of the financial statements and review the operations to be in compliance with the policy and Company's regulations, along with the laws, regulations and guidelines of the supervisory agencies responsible for developing financial and accounting system to be in line with international standards. The review ensures that the Company has internal control system, internal audit system and risk management system which are concise, appropriate, up-to-date and efficient.

The Board has authorized the Audit Committee to express its opinion independently. Since 2009, the Board of Directors appointed an Internal Audit team within the Company that reports directly to the Audit Committee. When needed, the Audit Committee may seek an external independent advisory at the Company's expenses.

The Executive Committee

The Executive Committee was appointed by the Board in the year 2002. It consists of four Directors with the responsibility to supervise the Company's operation as assigned by the Board of Directors to consider the policy, strategies, structure and administration authority, business plans, budget allocation and supervising and monitoring of Company's operation, along with screening the matters before presenting to the Board of Directors for consideration.



The Corporate Governance, Nomination and Remuneration Committee

The Board of Directors had established the Corporate Governance, Nomination Committee and the Remuneration Committee in the year 2004. Later on of January 31, 2013 the Board of Directors approved merging of the 2 sub-committees to facilitate and streamline its working and reduce cost.

The Corporate Governance, Nomination and Remuneration Committee includes four members of the Board of Directors, and half of these are Independent Directors, having the duty on corporate governance namely: to propose, review and supervise the functions of the Board of Directors and Executives in accordance with the Company's corporate governance guidelines; to consider selection process and recruit appropriate person for nomination as Director or President & CEO or replacement of the Director who retires by rotation or in other cases. It has also the duty of consider remuneration e.g. to study, consider and monitor the change and trend of the remuneration of the Board of Directors, Members of Committees, President & CEO and the senior management of the Company.

Corporate Social Responsibility and Sustainability Committee

As a responsible corporate citizen, the Company has increased emphasis on long term sustainability and in accordance with the guidelines from Tata Group. The Board of Directors, by the consideration of the Corporate Governance, Nomination and Remuneration Committee, established Corporate Social Responsibility and Sustainability Committee in the year 2018.

The Corporate Social Responsibility and Sustainability Committee includes three members of the Board of Directors, and one of them being an Independent Director. The Chairman should be a Non-Executive Director. The Committee will assist the Board to formulate, monitor and review CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities. The Committee will also guide the Management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates

value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capitals.

Terms of the Board of Directors and Committees

The term of office of each Director shall be for three years, provided that at every Annual General Meeting of Shareholders, one-third of the Directors retire. According to the Board of Directors policy, Directors have to jointly agree on the retiring sequence Director who retires will be re-elected. The Director whose term has been 9 years or 3 continuous terms in his/her office may be re-elected with the tenure of 1 year for each re-election period. The term for Independent Directors shall not be over 9 years. The term of members of other Committees shall be equal to the tenure of the Director on the Board and the Director will vacate the Committee as soon as he/she steps down from the Board.

Serving on other Company Boards by Directors and President & CEO

The Company has a clear policy on maximum number of other listed companies allowed for each Director to serve as the member



of their Boards. The Directors shall not serve more than 5 listed companies as the member of the Boards. The President & CEO shall not serve in other listed companies except as a Director on the Board of other Tata Group Companies.

50% of the current Board of Directors should have their domicile in Thailand. According to the data captured during the last five years, no Director has served on more than 5 other listed company Boards. Each of the Directors is capable to perform his/her duties and dedicate appropriate time and efforts for the Company.

Since the President & CEO is an Executive Director, just like other employees, he has to dedicate his full efforts for the Company according to the terms of the employment contract. He has not been appointed as a Director in other listed company Any association with other companies outside Thailand is declared in the resume printed in the annual report.

Meeting of the Board of Directors

The Company schedules at least 5 (five) Board meetings each year, where all members of the Board of Directors are informed in advance. Pre-circulated significant agendas are determined for each meeting, both for the Board of Directors and the Committees. The Company is also required to make a follow-up action on each implementation and its outcomes, while being prepared to call any ad-hoc meeting in case of specific requirement. For each meeting, the invitation letter as well as agenda and supportive documents are delivered to all the members of the Board of Directors at least 7 (seven) days prior to the actual meeting date. For each meeting, in addition to the quorum required by law, there shall be at least half of the total number of the Board of Directors attending the meeting. The Company has also set a minimum quorum policy for the Board of Directors' voting, requiring at least two-thirds of the total number of the Board Directors to be in line with good corporate governance principles. Meanwhile, the Chairman presiding over the meeting would provide the Board of Directors with an opportunity to express their opinions freely and independently, with sufficient time allocated for discussion in the meeting. Each agenda would be discussed based on the fairness and benefits of all shareholders and stakeholders. For the resolution of each agenda, the majority vote would be adopted, where 1 (one) member of the Board of Directors would be eligible to cast 1 (one) vote. In case of equal votes, the Chairman of the meeting would be required to cast his final vote. However, any member of the Board of Directors having an interest in a discussing agenda would not be allowed to attend the meeting.

After the meeting, all agendas are recorded clearly in a written form, with significant details including the list of members of the

Board of Directors attending the meeting, members of the Board of Directors not participating in the meeting, participants in the meeting, and feedbacks and comments on different agendas. The draft of minutes is circulated to all members through e-mail and is proposed for approval in the next meetings. Directors can add comments for completion and correctness before it is put up for the signature of the Chairman.

During 2018-2019, the Company has held 5 (five) Board meetings and the meetings were attended by all the Directors on the Board, the attendance proportion of each Director is 100% of the whole year meetings (including the meeting via video conference). The management team is present for the meetings on a regular basis, as part of the strategy to provide further information for those who directly encounter problems, where the Board of Directors' policies and decisions can be acknowledged immediately to stimulate greater operational effectiveness. However, in some cases, only the Board of Directors or non-executive Directors would be required to attend certain meetings to ensure genuine independence in making decisions and expressing opinions. Additionally, non-executive Directors hold further discussion outside the meeting requirements on a quarterly basis.

The summary of the total number of meetings and attendance of the Board of Directors during 2018-2019 is detailed in the section on "Management Structure".

Performance Evaluation of the Directors

According to the good Corporate Governance, the Board of Directors require the Directors and Committees to evaluation the performance annually to ensure that the Directors' performance is effective and fair toward all Stakeholders. The evaluations are both as a whole Board and as individual. The Board of Directors regard that the evaluation would be the tool to help considering the result of the performance including the obstacle during the past year. The result will be analyzed and considered to find the conclusive standard for further development.

The Board's performance evaluation is considered from 1) The structure and qualification of Board of Directors 2) Duties, Roles, and Responsibilities of the Board of Directors 3) The meeting of Board of Directors 4) The relationship with Management team 5) Self-development of Directors and executive and 6) Committees. The individual's performance evaluation is considered from 1) The readiness of the Directors 2) Strategy planning and business planning 3) Risk management and internal control 4) Conflict of interest management 5) The follow-up of financial statement and the Company's operational and 6) The meeting of Board of Directors. The evaluation process as follow;

1. The Corporate Governance, Nomination and Remuneration Committee review the performance evaluation for completion, correction and current.
2. The Company Secretary compiles the result and comments of the performance evaluation.
3. The Company Secretary concludes the result of the evaluation and proposes to the Board of Directors for further development.

Audit Committee, Corporate Governance, Nomination and Remuneration Committee and the Corporate Social Responsibility and Sustainability Committee use the same procedure of evaluation as the performance evaluation of the Board of Directors.

Finally, the Directors commented completely and independently in the performance evaluation form of the Board of Directors and Committees for year 2018 — 2019. The result of the evaluation is “Good”.

Performance Evaluation of the President & CEO

The Committee reviews the President & CEO's performance on a yearly basis. The Board of Directors consider and grant an approval for a performance result in accordance with principles of the Corporate Governance, Nomination and Remuneration Committee. The evaluation is based on the President and CEO's performances in various aspects, for instance, leadership, policy and strategy determination, financial management, relationship with the Board of Directors and other stakeholders, product and service knowledge, and performances compared to other business companies in the same industry. During 2018-2019, the overall evaluation result is in line with the standards and requirements set by the Company.

Business Ethics

The Company conducts its business based on 5 core values of “Pioneering, Integrity, Excellence, Responsibility and Unity” under Tata Code of Conduct (TCoC). This code represents Company's core values and principles that guide and direct the business operations for the Tata Group. This ensures that the Company operates at the highest level of ethical standards.

TCoC has been translated into Thai language with exactly the same format as original copy for easy understanding. A copy of the same has been distributed to the Board of Directors, Management Committee, Company's Executives, and every employees. The distribution of this document has also been extended to external stakeholders both in the public and private sectors that conduct business with Tata Steel (Thailand). In addition to this, the Company's management has organized an

appropriate level of oversight and communication to encourage employees at all levels to uphold these Code of Conduct in day to day business activities in strict manner. This refers to the transparency, honesty, and fairness. All employees of the Company were required to attend ethics seminars and were tested accordingly. Furthermore, employees were required to sign a pledge to abide by the strict guidelines set out in the Code of Conduct.

Tata Code of Conduct is treated as a live document. As such, it is continuously modified and improved to reflect the cultural norms and rules that constantly change. In the event that the Company's Code of Conduct is violated, a report must be made to the superiors according to the Company's hierarchy. Since 2008, the Company has established an Ethics Counselor to encourage employees to send complaints or report on actions that violate the Company's Code of Conduct.

Furthermore, the Company has announced “Whistle Blower Policy” for the Directors, employees, customers, suppliers and other stakeholders of Tata Steel (Thailand) Public Company Limited Group to safeguard employees and external stakeholders who choose to report on the violation or possible violation of the Code of Conduct to the Chairman of the Audit Committee or the Ethics Counselor or to other company's specific units safely and practically.

Since 1st October 2017, The Company started TCOC Helpline, a new way to connect employees, contractors and partners to a third party who is independent from Tata Steel (Thailand) Group, is based in a different country and is an expert in taking note of the code of conduct violation from employees or contractors. The service is totally confidential and is available at any time, 24 hours a day, 7 days a week. The helpline can be called for free on 001800 441 0657. Calls made to this number are not recorded. Hence the users can remain anonymous. Alternatively, the users can make a report via the In-Touch website <http://www.speak-up.info/tsth/>. The whistle blower's identity is not recorded to ensure confidentiality and the whistle blower's identity remains anonymous.

Anti-Bribery and Anti-Corruption

The Company operates fairly and transparently by enforcing covenants relating to the prevention, stopping, and investigating of racketeering, corruption, and bribes. In addition to this the Company established a clear policy that discourages bribes and all forms of corruption. Furthermore, the Company also cooperates with both the public and private sectors to build standards on clean business conducts.

In 2014, the Company signed Thailand's private sector's declaration of intent for a Collective Action Coalition (CAC) in resisting and discouraging corruption in all of its forms, and in 2015 the CAC directors has approved the Company as "a company that has been evaluated to have full procedures and clear standards that prevents corruption within the organization up to the level that is required by the CAC". The Company has submitted the application for a Collective Action Coalition (CAC) certificate renewal in 2019.

The Company is also a certified member of Partnership against Corruption for Thailand (Pact) and signed a declaration to promote children's rights and business principles at The Children Sustainability Forum hosted by Thaipat Institute and UNICEF.

All Board Members, senior executives and all employees comply with these policies. The Company takes a zero-tolerance approach to corruption and does not, either directly or indirectly, through intermediaries or other third parties, solicit, receive, offer, promise or provide any financial or other advantage of material value or otherwise exercise improper influence with the intention of obtaining advantage in the conduct of its business.

Internal Control and Internal Audit

The Company encourages employees at all levels to realize the importance of internal control and internal audit system by setting up efficient controlling/monitoring procedures throughout the organization. The intent is to have a compliant process to maintain flexibility where employees can control, supervise, evaluate and review their own work to minimize the risk of fraudulent acts and improper exercise of power and to prohibit illegitimate activities.

Since 2009, the Company has also set up its own internal audit function. This Internal Audit team has the responsibility to supervise the internal audit work of the Company and its subsidiaries. Internal Audit team operates under the supervision of the Audit Committee. The Audit Committee carries out quarterly review to oversee compliance with the policies, plans, authority and regulations, including evaluating the risk management and internal control for appropriateness and effectiveness. This is done to ensure that major operations and significant financial transactions are carried out according to the prescribed guidelines and regulations.

Additional details appear in "Internal Control and Risk Management"

Handling of Conflict of Interest

The Company places high importance on the handling of Conflict of Interest issues with caution. Directors, Executives and employees are expected to work with honesty, independence and in a transparent manner in the overall interest of the Company and Shareholders by following the guidelines of SEC, SET, Company's Articles of Association and relevant laws. It also reports and discloses complete and clear information on Company's operation. Care is taken to not disclose insider information or uses such information for personal advantage. If any of the Directors has a stake or interest in the matter discussing, he/she will not attend such meeting or will abstain his/her vote.

Moreover, the Company emphasizes the strict compliance with the Code of Conduct in business operation and has set clear guidelines on the subject for employees at all levels.

Training and development Programs for Directors and Executives

As the Company has always recognized the importance of duties and responsibilities of the Board of Directors and executives, it is necessary to provide them with knowledge development programs related to the Company's business operations. The Company arranges an orientation for new members of the Board of Directors and executives. The schedule for the 2 day "Induction Program" is with the President & CEO and Vice Presidents sharing the update on the performance, opportunities, concerns and risks of the Company as a whole and individually in the areas of operation, finance, marketing & sales, procurement, capital projects and business excellence. The program includes the new Directors visiting the Plants and understanding the operations. The Company Secretary prepares a dossier with the Director's Manual and other useful documents for the new Directors.

Training programs are organized by reputed institutions, including the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), the Thai Institute of Directors (IOD), and nationally renowned universities, aiming to maximize knowledge and ability to perform work effectively and keep pace with changing business situations. All Thai Directors, President & CEO and VP-Finance & CFO have attended various training programs organized by IOD. To encourage and support the Board of Directors to attend further training programs which enhances their understanding on directors' roles, a separate training budget for the Directors has been approved by the Board of Directors in 2019.



INTERNAL CONTROL SYSTEM

The Board of Directors of the Company is responsible for the financial statements of Tata Steel (Thailand) Public Company Limited and its subsidiaries, including financial information disclosed in the annual report for the fiscal year 2018-2019, which have been prepared in accordance with generally accepted accounting principles prevailing in Thailand, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The policies pursued are appropriate and applied consistently with regard to reasonableness and careful preparation. Important information is also adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

The Board of Directors have assigned the Audit Committee to review the financial reporting process of the Company and its subsidiaries in accordance with generally accepted and consistently applied accounting standards in-line with the rules and regulations of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") as well as concerned legislations. The responsibilities of the Audit Committee includes reviewing the Company's performance in compliance with corporate governance principles, maintaining suitable, effective and well-recognized internal control and audit systems, the selection and recommendation of external auditors, and any other tasks assigned by the Board of Directors.

The Company's Internal Audit Department reports to the Audit Committee. The Internal Audit Department is responsible for reviewing the adequacy and effectiveness of the Company's internal control systems for TSTH and its subsidiaries. The department reports its findings and recommendations to the management and the Audit Committee. The internal control reviews are performed to ensure the existence of an effective system of internal controls which provide reasonable assurance for achievement of the Company's objectives. The risks at all levels of the Company are managed through an effective internal control system and documented in TSTH's Internal control system evaluation form of sufficiency in line with the requirements of the Securities and Exchange Commission (SEC) of Thailand.

The Board of Directors of the Company has considered the recommendations of the Audit Committee, evaluated its opinion

on the internal control systems of the Company and its subsidiaries and found the internal control systems to be adequate. The internal control system in use at the Company has adopted to the internal control framework as advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The summary of TSTH's internal control systems in-line with the COSO principle are detailed below.

Control Environment

The Company prepares annual and long term plans which are approved by the Board of Directors. These plans form the basis of arriving at employee goals and objectives at all operating units and the steps to be followed to achieve the Company's objectives. These objectives are reviewed from time to time. The Company has a well-structured organization in place that describes the individual's responsibility for key businesses and other functions. All employees have been provided the TSTH Policies Handbook which contains all of the policies that facilitate in improving the control environment. TSTH has detailed Code of Conduct for its Directors, executives, stakeholders and employees. The Code of Conduct of the Company has been announced to, read, and signed off by all employees. The Anti-Corruption Policy has been implemented by TSTH to conduct the Company's global business operations honestly, fairly, without corruption or bribery and with accountability. These policies are also published on the website of Tata Steel (Thailand) Public Company Limited.

Enterprise Risk Management

The Company has a process to identify and consider the implications of business risk factors which are continuously updated with changes in economic scenario, financial outlook, relevant industry environment and internal resources. Risks are prioritized based on the likelihood of occurrence and severity impact on the achievement of business objectives.

A dimension of Risk Velocity has also been added. Risks Assessment Matrix is cascaded throughout the Company. Head of Departments formulate the comprehensive action plan to mitigate the risks. The review and monitoring is performed regularly through the corporate level meeting of Management Team. Enterprise Risk Management is an integral part of the reports presented in the Board Meetings.

Operational Control of Management

The Company has established policies and procedures that are appropriate for the efficient operations of the business. These include the determination of clear scope, responsibility and authority for each level of management, and monitoring of the operation of the Company and its subsidiaries on a regular basis. Appropriate internal controls are also evident in transactions concerning major shareholders, Directors and management team or related parties.

Information and Communication

The Company and its management ensure that adequate and sufficient information is provided to the Board for their review and consideration. The minutes of the meeting of the Board of Directors are prepared by the Company Secretary. The minutes cover all aspects of discussion held during the Board meeting. The minutes of the meeting are reviewed and signed by the Chairman of the meeting. The Company Secretary fulfills any requirement or provide any information needed to provide assistance to the Directors as requested.

Whistleblower Policy

The Company has a Whistleblower Policy which provides channels for employees to lodge any concern or complaints anonymously. The website of the Company provides various communication channels for external parties, e.g. Investor Relations, Customer Relation, etc. The Company also provides a communication channel to external parties who may wish contact the Independent Director and Chairman of the Audit Committee directly by sending an email to: alank@libertasth.com or may contact the third party TCOC Helpline through toll-free phone / via the website reporting as detailed in the whistle blower policy.

Monitoring

The annual business plan is reviewed and approved by the Board of Directors. The Company's quarterly financial statements are reviewed and approved by the Audit Committee. Moreover, the Audit Committee reviews the annual audited financial statements and makes recommendations to the Board for its consideration and approval. The Management evaluates the capability of the internal control system on an annual basis and updates it accordingly to reflect the evolving needs of the business.

The Company's Internal Audit Department formulates the annual internal audit plan which is approved by the Audit Committee. The risk-based audit plan considers several risk factors and the results of previous internal audit reviews. The Internal Audit Department reviews the internal control system throughout the various business processes and across all subsidiaries according to its Annual Internal Audit Plan. The deficiencies and recommendations are communicated to agencies responsible for implementation. The audit reports and findings are presented to the Audit Committee on quarterly basis.

The Board believes that the internal control system of the Company, in general, is adequate to assure that the financial statements of Tata Steel (Thailand) Public Company Limited and subsidiaries present, in all material respects, the financial positions, results of operations, and cash flows accurately.





CONNECTED TRANSACTIONS

Characteristics of connected transactions

For the 12-month period ended March 31, 2019, March 31, 2018 and March 31, 2017, the Company entered into connected transactions with related companies as summarized below:

Type of Connected transactions

Unit : Thousand Baht

	FY19	FY18	FY17
Sales	2,451,627	1,625,518	1,027,145
Other income	-	15,073	-
Purchases	1,251,305	730,406	1,213,500
Purchases of assets	3,370	562	7,766
Interest expenses	-	-	1,520
Other expense	1,935	5,870	4,460
Trade receivables	58,385	464,272	236,845
Other receivables	328	199	153
Other non-current assets	-	-	71,220
Trade payables	2,285	2,943	2,493
Other payables	3,849	32,536	28,009
Current-portion of long-term loans	-	-	270,596

Pricing Condition and Policy

The said connected transactions between the Company and subsidiaries or related companies were adopted for commercial transactions, including borrowing or grant of loans within the policy frame work of transfer pricing mechanism on fair and at an arms' length basis, with prices and interest rates applicable to third party. In the absence of reference price or interest benchmark rate, the Company uses the third party prices as if operating under the same or similar conditions with significant transactions.

Necessity and Appropriateness of Connected transactions

The said connected transactions have been transacted in the normal course of business and in accordance with generally accepted trading terms. The benefits to the Company from such transactions were that purchase of raw materials ensured quality and continuity of supply; sales of goods added more channels of product distribution.

Measures/Procedures of approving connected transactions

In approval of connected transactions, each subsidiary, as clearly set forth in the Authority Table of the Company, must seek approval from either its Vice President or the subsidiaries' Board of directors or President or Executive Committee or the Company's Board of directors, depending on the amount of budget involved under the Company's internal control system which has properly been set up. Such authoritative power is reviewed on a regular basis for the sake of operational flexibility and internal control.

Should there be any transactions relating to persons having conflict of interest with the Company, the Company will strictly follow rules, regulations according to the notifications of by the Securities and Exchange Commission and the Stock Exchange of Thailand, i.e., seeking approval from the Board of Directors and/or the shareholders, with the recommendation from the Audit Committee. Directors and Executives having interest and/or connection on a matter will not attend the meeting or vote on such matter to make the fair decisions.

The implementation also included the compliance with the regulation, in case there shall be a disclosure of connected transactions and acquisition or disposition of assets of the Company or its subsidiaries. The company conforms to the accounting standards announced by Federation of Accounting Professions with respect to the disclosure of connected transactions or connected transactions are established on the basis of necessity, reasonableness, and the optimal benefit of the company.

Policy or future trend of connected transactions

Future connected transactions between the Company and its subsidiaries or related companies will continue to be conducted in the ordinary course of business on fair and at an arm's length basis. In respect of transactions involving persons with conflict of interests or having interests and/or connected persons, the Company will strictly perform accordingly to measures and procedures prescribed by the Securities and Exchange Commission, the Stock Exchange of Thailand and Revenue Department.





MANAGEMENT DISCUSSION & ANALYSIS

Financial Performance

During Financial Year 2018-19 (FY19), the deliveries were at 1.154 million Tons as against 1.217 million Tons of previous year. Lower deliveries as compared to the previous year were primarily due to depressed market sentiment in Thailand with low demand in long products. The mega projects are delayed and yet to start ordering for the materials. Softening of international prices resulted in slowdown in demand for domestic wire rods while there have been

increasing imports from Malaysia, Vietnam, Russia and China. However, revenue from sales remained almost at par with previous year reflecting higher price of finished goods from increasing trend of raw material price. With the pressure on volume and margin, EBITDA for the year was at Baht 503 million and Profit/ (Loss) before taxes for the year at Baht (148) million.

The analysis of major items of the financial statement is shown below:

1) Revenue from sales and other income

Unit: Million Baht

	FY19	FY18	Change %
Revenue from sales	22,222	22,246	(0%)
Gain on exchange rate - net	2	3	(33%)
Dividend income from other long-term investment	-	15	(100%)
Interest income	3	3	(0%)
Compensation from insurance company	41	25	64%
Written-off payables from restructuring	6	-	100%
Others	30	15	100%
Revenue from sales and other income	22,304	22,307	(0%)

2) Cost of sales

Unit: Million Baht

	FY19	FY18	Change %
Cost of sales	21,620	20,675	5%

Cost of sales higher by 5% reflecting higher metallic prices and increase in electrodes prices leading to higher conversion cost.

3) Selling expenses

Unit: Million Baht

	FY19	FY18	Change %
Selling expenses	187	208	(10%)

The selling expenses during FY19 was lower as compared to the previous in line with sales volume.

4) Administrative expenses

Unit: Million Baht

	FY19	FY18	Change %
Administrative expenses	566	757	(25%)

The administrative expenses during previous year included a loss from impairment of non-current asset classified as held-for-sale, expenses related to sustainable marketing strategy project and Brand Equity & Brand Promotion fees not present in the current year.

5) Finance Costs

Unit: Million Baht

	FY19	FY18	Change %
Finance Costs	79	83	(5%)

The reduction in Finance cost over previous year reflects lower utilization of utilities financing on account of off-peak operation during the current year, partly offset by the higher interest from usance LC charges from higher import of raw materials.

6) Profit (loss) before income tax expense

Unit: Million Baht

	FY19	FY18	Change %
Profit (loss) before income tax expense	(148)	585	(125%)

PBT for the year of FY19 was lower over FY18 attributable to the lower sales volume due to weak market sentiment, higher cost of goods sold due to higher metallic and raw material price, partly offset by the lower administrative expense.

7) Income tax expense

Unit: Million Baht

	FY19	FY18	Change %
Income tax expense	41	131	(69%)

Lower profit before taxes at SISCO and SCSC as compared to the previous year, resulted in lower income tax expenses in the current year.

8) Cash and cash equivalents

Unit: Million Baht

	FY19	FY18	Change %
Cash and cash equivalents	927	520	78%

As on March 31, 2019, the Company and its subsidiaries had a net increase in cash and cash equivalents of Baht 407 million as compared to the previous year. The change was mainly on account of increase in net cash from operating activities amounting to Baht 720 million. This comprised of operating profit before changes in operating assets and liabilities of Baht 503 million and decrease in changes in operating assets and liabilities of Baht 217 million which is largely due to the decrease in the trade and other receivables. With respect to investing activities, there was a net cash flow of Baht 255 million related to investment in fixed assets. Net cash outflow of Baht 58 million from financing activities was towards short-term loan repayment of Baht 54 million and towards lease liabilities Baht 4 million.

9) Trade and other receivables, net

Unit: Million Baht

	FY19	FY18	Change %
Trade and other receivables, net	676	1,259	(46%)

The decrease in trade and other receivables was mainly on account of lower export trade receivables. Export sales made during March'19 was fully collected within the month.

As on March 31, 2019, trade receivable from related parties was 9% as compared to 38% in the previous year, reflecting export sales to India fully collected within the month.

The Company and its subsidiaries have set a policy for provision for doubtful accounts based on an estimate of receivables expectedly uncollectible using historical collection experience and review of current status of existing receivables. As on March 31, 2019, the Company and its subsidiaries set aside a cumulative provision for doubtful accounts amounting to Baht 93 million, equivalent to 12.62% of total trade accounts receivables.

10) Inventories, net

Unit: Million Baht

	FY19	FY18	Change %
Inventories, net	3,188	3,478	(8%)

The reduction in inventories over previous year is due to improved working capital management resulting in lower finished goods inventory.

11) Property, plant & equipment and Intangible assets

Unit: Million Baht

	FY19	FY18	Change %
Property, plant & equipment and Intangible assets	3,180	3,317	(4%)

Reduction in property, plant & equipment and intangible assets is on account of normal depreciation and amortization for the year, partly offset by additional investment of Baht 347 million in fixed assets.

12) Other non-current assets

Unit: Million Baht

	FY19	FY18	Change %
Other non-current assets	100	78	28%

Increase in other non-current assets reflects the refundable corporate income tax paid during FY19.

13) Short-term borrowings from financial institutions

Unit: Million Baht

	FY19	FY18	Change %
Short-term borrowings from financial institutions	1,720	1,774	(3%)

Reduction in short-term borrowings from banks mainly from lower utilization of scrap, utilities, and other raw material financing partly offset by the higher trust receipt relating to import of billets.

As at 31 March 2019, short-term borrowings from financial institutions bear interest rates at 2.67% - 3.95% per annum for trust receipt and BIBOR+2% - BIBOR+2.1% per annum for other working capital arrangement (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).

14) Finance lease liabilities, net

Unit: Million Baht

	FY19	FY18	Change %
Finance lease liabilities, net	42	-	100%

Increase in Finance lease liabilities, reflects arrangement of installation of solar roof top of SCSC in order to reduce the cost of energy expenses.

Sources of Capital Funds

Appropriateness of capital structure

As on March 31, 2019, the Company and its subsidiaries' had a debt to equity ratio of 0.34 times improved from 0.37 times in 2018.

Shareholders' equity

As on March 31, 2019, the Company and its subsidiaries had shareholders' equity of Baht 9,035 million consisting of the paid-up capital from ordinary shares totaling Baht 11,810 million. The retained earnings (deficit) was Baht (3,131) million, the legal reserve was Baht 369 million, Unrealised gain on re-measurement of available-for-sale investments was Baht 1 million and Non-controlling interests was Baht (14) million.

Liabilities

As on March 31, 2019, the Company and its subsidiaries had liabilities amounting to Baht 3,115 million consisting of current liabilities of Baht 2,856 million and Baht 259 million for non-current liabilities, representing 92% and 8% of total liabilities, respectively. Current liabilities included short-term borrowing from financial institutions of Baht 1,720 million, trade and other payables of Baht 1,110 million, current portion of finance lease liabilities, net of Baht 1 million and other current liabilities of Baht 25 million. Non-current liabilities included finance lease liabilities, net of Baht 41 million, employee benefit obligations of Baht 217 million and provision for decommissioning costs of Baht 1 million.

Contingent Liabilities potentially affecting its operation and financial status in the future

As of March 31, 2019, the Company had contingent liabilities as follows:

1. Its subsidiaries had Letter of Credit (L/C) amounting to Baht 35 million opened but were not under the liabilities' condition.
2. Letters of guarantee issued by the financial institutions to the Revenue Department, Electricity Generating Authority of Thailand, Provincial Electricity Authority, Industrial Estate Authority of Thailand and Bureau of Indian Standards amounting Baht 350 million in the normal courses of business.
3. Its subsidiaries had obligations under the purchase agreement of machinery, equipment and computer software totaling of Baht 72 million
4. The Company and its subsidiaries had obligations under lease agreements (including service fee) amounting to Baht 72 million.

Other factors potentially affecting Company's operation and financial status in the future

Other factors that may affect Company's operation and financial status in the future are shown as the risk in item "Risk Factors", and item "Notes to Financial Statements", No. 30: Financial Instruments.



REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of Tata Steel (Thailand) Public Company Limited consists of three Independent Directors of the Company, who possess appropriate qualifications to serve on the Audit Committee.

During the fiscal year 2018-2019, the Committee held 4 meetings. The attendance of the Audit Committee members are as under:

Name	Position	Attendance /No. of meeting held
1. Mr. Alan Kam	Chairman of Audit Committee	4/4
2. Mr. Hatasakdi Na Pombejra	Member of Audit Committee	4/4
3. Ms. Anuttara Panpothong	Member of Audit Committee	4/4

The Audit Committee has performed the tasks in accordance with the scope of its responsibilities as assigned by the Board of Directors, as per the Audit Committee Charter and in alignment with the regulations of the Stock Exchange of Thailand (SET).

During the fiscal year 2018-2019, the Committee also held one separate meeting with the Internal Auditor and one with the External Auditors without the presence of the management.

Significant activities of the committee during the year are summarized hereunder:

- 1) The committee reviewed and approved the quarterly financial statements and the annual financial statements of the Company, discussed the significant accounting policies, internal controls etc. with the management, internal auditor and external auditors of the Company.

Based on the review and discussions with the external auditors of the Company, the Committee believes that the Company's financial statements are correct, complete,

presented fairly with adequate information in compliance with generally accepted accounting standards and relevant regulations.

- 2) The Committee supervised and reviewed related transactions or transactions that may involve conflicts of interest including connected transactions in order to ensure that the Company has operated in accordance with normal business conditions reasonably and strictly complied with measures and procedures in accordance with the announcements and regulations of the Securities and Exchange Commission, The Stock Exchange of Thailand and the Revenue Department.
- 3) The Committee supervised and reviewed the process of whistle blower including raising concerns about violations of the code of conduct ("Whistle Blower Policy and Practices") and providing suggestions for improving the process in order to increase efficiency and effectiveness in accordance with the Company's code of conduct as well as scrutinize consideration complaints for fairness to all parties with appropriate protection measures for complainants.

- 4) The Committee held meeting with external auditors in the absence of management to review external auditor's scope of work, audit approach and any issues they might be facing.
- 5) Each quarter of the year, the Committee deliberated the Management Discussion and Analysis (MD&A) in consultation with the Management. The Committee approved the quarterly MD&A reports and reviewed the annual MD&A report before recommending the same to the Board of Directors.

The Committee believes that the Management Discussion and Analysis (MD&A) report is presented fairly with adequate information.

- 6) The Committee reviewed and approved the Annual Internal Audit Plan for the fiscal year 2018-2019. The audit findings were reviewed by the committee and recommendations were given to follow up the corrective actions. The Committee reviewed quarterly presentation of Internal Audit which include progress of audit coverage according to the plan, significant findings and follow up status of audit recommendations. The Committee also reported some of the significant audit issues to the Board for their information. The Committee held separate meeting with the internal auditor in the absence of management to review their scope of work, audit approach and any issues they might be facing.

Based on its review, the Committee is of the opinion that the Company's internal audit function including its independence and team size is adequate and effective.

- 7) The Committee assessed the adequacy of internal control systems with the Company's management, external auditors and internal audit and reviewed significant findings on internal controls of all the major subsidiaries of the Company, recommended corrective actions. The Committee works together with the Internal Auditor and Management to streamline the internal control systems and procedures as a continuous process.
- 8) The Committee reviewed the Enterprise Risk Management of the Company in its quarterly meetings. The risk register covers several corporate risks related to operations, climate

change risk, reputational risk, and product stewardship. The committee took note of these risks, risk mitigation plans and also provided recommendations for further improvement in the risk management process.

- 9) The Committee has conducted a self-assessment to review and evaluate its performance by benchmarking it with the Audit Committee Charter and best practice guidelines. The Audit Committee is satisfied that it has been effective in carrying out its duties and has followed the terms of reference in its charter. The results of the self-assessment were reported to the Board of Directors of the Company.

- 10) The Committee considered, selected, proposed the appointment and proposed the auditor's remuneration by assessing knowledge, ability, experience and independence of the performance for the fiscal year 2018-2019 and resolved to propose to the Board of Directors to propose to the shareholders' meeting to consider reappointment of the auditor for the fiscal year 2019-2020.

In summary, the Audit Committee performed its duties as specified in the Board-approved Charter with competence, prudence, and independence in equitable interests of stakeholders. In the opinion of the Committee, TSTH's financial reports were accurately prepared in all material aspects under generally accepted accounting principles. TSTH has adequate risk management practices, appropriate internal control and internal audit system, compliance with good corporate governance, legislation, requirements, and obligations relevant to its businesses.



Alan Kam

Chairman of the Audit Committee



REPORT OF THE CORPORATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

The Corporate Governance (CG), Nomination and Remuneration Committee comprises of four Directors out of which half are Independent Directors. During the fiscal year 2018-2019, committee members performed their duties according to the charter as set by the Board. The committee carried out its supervisory tasks in pursuance to the regulations concerning the good corporate governance principles.

For the fiscal year 2018-2019, the CG, Nomination and Remuneration Committee held four meetings, with attendance record as shown below.

Name	Position	Attendance/No. of meeting
1. Mr. Peeyush Gupta	Chairman of the CG, Nomination and Remuneration Committee	4/4
2. Mr. Alan Kam*	Member of the CG, Nomination and Remuneration Committee	4/4
3. Mr. Taratorn Premsoontorn	Member of the CG, Nomination and Remuneration Committee	4/4
4. Ms. Anuttara Panpothong*	Member of the CG, Nomination and Remuneration Committee	4/4

Remark: * Independent Director

Significant duties performed by the Committee in the fiscal year 2018-2019 were as follows:

CG and Nomination

- Proposed the Board to consider appointment of the Corporate Social Responsibility and Sustainability Committee of the Board in order to increase emphasis on long term sustainability and in accordance with the guideline from Tata Group.
- Proposed the Board to consider the implementation of new Corporate Governance Code (CG Code) for listed companies issued by the Securities and Exchange Commission (SEC). Effective from CY 2019 (Annual Report 2018-2019).
- Held discussion with the management and proposed the Board to consider the action plan to improve effectiveness of corporate governance.
- Reviewed the CG Report scores of the Company for the year 2018 which was in the 'Excellence' category and discussed the recommendations for improvement.
- Reviewed and revised self-assessment forms of the Board of Directors and Committees' performance both of the Board and Individual assessment. Such revision is in order to align with the changing of the Company's good corporate governance environment together with the SET example form.

- Considered the candidature and proposed the Board to consider appointment of Independent Directors who retired in accordance with the Company's CG Policy.
- Proposed the Board to consider appointment of Directors who retire by rotation in Annual Shareholders' Meeting.

Remuneration

- Proposed the Board for consideration of remuneration to Directors for the fiscal year 2019-2020.
- Considered Annual Salary Increase and Variable Bonus for the President & CEO.
- Considered Annual Salary Increase and Variable Bonus budget for the employees of Company and its subsidiaries.

Peeyush Gupta

Chairman of CG, Nomination and Remuneration Committee



REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

Dear Shareholders,

In line with Tata Group philosophy, the Company strives to be a responsible corporate citizen. On April 24, 2018, the CG, Nomination and Remuneration Committee proposed the Board of Directors to approve the appointment of Corporate Social Responsibility (CSR) and Sustainability Committee with three Directors to perform their duties according to the charter as set by the Board. The committee increases emphasis on long term sustainability and in accordance with the philosophy and guidelines from the Tata Group. The CSR and Sustainability Committee reports the progress of the meeting in the subsequent Board meeting. The Occupational Safety Health and Environment (OSHE) aspects at TSTH was added to the Committee Charter in view of the fact that steel companies have significant impact on people working in and around the manufacturing sites and the environment.

The CSR and Sustainability Committee comprised of three Directors and held a total of three meetings, with attendance record as shown below.

Name	Position	Attendance/ No. of meeting
1. Mr. Hatasakdi Na Pombejra (appointed as Chairperson effective April 24, 2018)	Chairman of CSR and Sustainability Committee	3/3
2. Mr. Ashish Anupam (appointed as Member effective April 24, 2018)	Member of CSR and Sustainability Committee	3*/3
3. Mr. Rajiv Mangal (appointed as Member effective April 24, 2018)	Member of CSR and Sustainability Committee	3/3

Remark: * via video conference

Significant duties performed by the Committee in the fiscal year 2018–2019 were as follows:

- Assessed and prioritized 5 sustainability key material issues to be focused with KPIs, targets and action plans for ensuring it's significance and achievement for both stakeholders and the Company comprising of 1) Risk Management 2) Customer Satisfaction 3) Air Emission 4) Corporate Governance and Promoting Ethical Behavior and 5) Community Engagement.
- Reviewed and monitored the CSR activities in the main 4 missions to ensure that they are in compliance with the CSR policy comprising of 1) Supporting the communities nearby the workplace 2) Promoting education of children and youth in remote areas 3) Supporting non-Profit Organizations and 4) Environmental Conservation.
- Oversaw the Occupational Safety, Health and Environment plans on 6 Strategic Priorities 1) Safety leadership 2) Safety competency and capability 3) Contractor safety management 4) Road safety 5) Process safety management and 6) Occupational health and Industrial hygiene together with 4 Safety campaigns of 1) Liquid steel leak and burn injury 2) Hand tools and equipment 3) Road safety and 4) Natural gas and flammable materials.

Awards and Recognitions during the year were as follows:

- Tata Steel (Thailand) Plc. received SET Sustainability Awards 2018 for Outstanding Sustainability and Thailand Sustainability Investment Award 2018 from the Stock Exchange of Thailand and Sustainability Report Award 2018 in Recognition Level from Thai Listed Companies Association, SEC and Thaipat Institute.
- N.T.S. Steel Group Plc. (N.T.S.) and The Siam Construction Steel Co., Ltd. (SCSC) received National Safety Awards 2018 at National Level from Department of Labour Protection and Welfare, Ministry of Labour.
- SCSC and The Siam Iron and Steel (2001) Co., Ltd. (SISCO) received CSR - DIW (Department of Industrial Works) Continuous Awards 2018 from Ministry of Industry.
- N.T.S. received CSR - DPIM (Department of Primary Industries and Mines) Continuous Awards 2018 and received CSR - DIW (Department of Industrial Works) Awards 2018 from Ministry of Industry.
- SCSC and SISCO received Carbon Footprint for Organization Certificate from Thailand Greenhouse Gas Management Organization (Public Organization).
- N.T.S. and SCSC received Green Mining Award 2018 from Department of Primary Industries and Mines, Ministry of Industry.
- SISCO received 3R Waste Management Award 2018 from Department of Industrial Works, Ministry of Industry.



Hatasakdi Na Pombejra

Chairman of CSR and Sustainability Committee



REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES TO THE FINANCIAL STATEMENTS

Dear Shareholders,

The Board of Directors of the Company is responsible for the financial statements of Tata Steel (Thailand) Public Company Limited and subsidiaries, including financial information disclosed in the Annual Report for the year 2018-2019, which have been prepared in accordance with generally accepted accounting principles prevailing in Thailand, and financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The policies pursued are appropriate and applied consistently with regard to reasonableness and careful preparation. Important information is also adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

The Board has appointed an Audit Committee comprising Independent Directors to supervise and review financial statements as well as to assess the internal control and risk management systems to ensure that accounting records are accurate, complete, and timely to prevent frauds and unusual operations. The views of the Audit Committee are reported in the Report of the Audit Committee for 2018-2019 in the Annual Report herein presented.

The Board believes that the internal control system of the Company, in general, is adequate to assure that the financial statements of Tata Steel (Thailand) Public Company Limited and subsidiaries present, in all material respects, the financial positions, results of operations, and cash flow accurately.

Peeyush Gupta

Chairman of the Board of Directors

Rajiv Mangal

President and CEO



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>Assessment of impairment of investments in subsidiaries and goodwill</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"> 1. Calculating the discounted cash flow using a discounted cash flow model for 5 years, with constant terminal growth rate applied from the 5th year onward. These cash flows were then discounted to net present value using the weighted average cost of capital; and 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. <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"> - 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. - I compared the cash flow forecast to the approved budgets and business plans and other evidence of future intentions. - 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. - I assessed management's key assumptions by comparing them to historical results and economic and industry outlook. - I tested the parameters used to determine the discount rate applied and re-performed the calculations. - 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. <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.



Varaporn Vorathitikul

Certified Public Accountant (Thailand) No. 4474

Bangkok

19 April 2019



FINANCIAL STATEMENT

Tata Steel (Thailand) Public Company Limited

Statement of Financial Position

As at 31 March 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
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	-	-
Total current assets		5,391,805,182	5,780,879,129	3,179,463,902	3,247,556,587
Non-current assets					
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
Total non-current assets		6,758,522,026	6,892,041,992	12,133,162,701	12,125,434,551
Total assets		12,150,327,208	12,672,921,121	15,312,626,603	15,372,991,138

Tata Steel (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2019

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
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
Total current liabilities		2,855,781,285	3,240,397,243	1,907,254,885	2,030,801,501
Non-current liabilities					
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	-
Total non-current liabilities		259,010,024	205,572,789	54,696,378	57,947,169
Total liabilities		3,114,791,309	3,445,970,032	1,961,951,263	2,088,748,670

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
Liabilities and equity (continued)					
Equity					
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)					
Appropriated - legal reserve	25	369,091,777	365,870,595	369,091,777	365,870,595
Unappropriated		(3,130,723,535)	(2,938,625,575)	1,171,216,013	1,108,004,323
Other components of equity		1,057,455	2,893,039	-	-
Equity attributable to owners					
of the parent		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)	-	-
Total equity		9,035,535,899	9,226,951,089	13,350,675,340	13,284,242,468
Total liabilities and equity		12,150,327,208	12,672,921,121	15,312,626,603	15,372,991,138

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)
Gross profit		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)
Profit (loss) before income tax expense		(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
Profit (loss) for the year		(188,880,912)	454,353,839	64,423,654	43,601,586
Other comprehensive income (expense)					
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	13	(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	-	-
Other comprehensive income (expense) for the year, net of tax		(2,534,278)	7,887,064	2,009,218	3,533,982
Total comprehensive income (expense) for the year		(191,415,190)	462,240,903	66,432,872	47,135,568

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
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>
Total comprehensive income (expense)					
attributable to:					
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>
Earnings (loss) per share					
Basic earnings (loss) per share (Baht)	29	(0.02)	0.05	0.01	0.01

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								
	Issued and paid-up share capital	Premium on ordinary shares	Expired warrants	Appropriated - legal reserve	Unappropriated	comprehensive income			Total owners of the parent	Non-controlling interests	Total equity	Baht
						Available-for-sale investments	-	-				
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2017	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			
Changes in equity for the year												
Legal reserve	-	-	-	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			
Closing balance as at 31 March 2018	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			
Opening balance as at 1 April 2018	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			
Changes in equity for the year												
Legal reserve	-	-	-	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)			
Closing balance as at 31 March 2019	8,421,540,848	3,258,624,766	130,201,936	369,091,777	(3,130,723,535)	1,057,455	9,049,793,247	(14,257,348)	9,035,535,899			

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

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
Cash flows from operating activities					
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
Changes in working capital					
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
Cash flows from operating activities					
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)
Net cash generated from (used in) operating activities		720,045,902	319,036,638	(11,096,207)	6,384,217

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
Cash flows from investing activities					
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
Net cash generated from (used in) investing activities		<u>(255,221,512)</u>	<u>(109,820,340)</u>	<u>413,956,972</u>	<u>9,595,822</u>
Cash flow from financing activities					
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)	-	-	-
Net cash used in financing activities		<u>(57,646,719)</u>	<u>(619,962,200)</u>	<u>(74,126,121)</u>	<u>(424,223,950)</u>
Net increase (decrease) in cash and cash equivalents		407,177,671	(410,745,902)	328,734,644	(408,243,911)
Cash and cash equivalents at the beginning of the year		<u>519,588,872</u>	<u>930,334,774</u>	<u>378,137,760</u>	<u>786,381,671</u>
Cash and cash equivalents at the end of the year	7 a)	<u>926,766,543</u>	<u>519,588,872</u>	<u>706,872,404</u>	<u>378,137,760</u>

1 General information

Tata Steel (Thailand) Public Company Limited ("the Company") is a public limited company which is incorporated and domiciled in Thailand and is listed on the Stock Exchange of Thailand since November 2002 with the objective to invest in other companies and provide management services. The address of the Company's registered office is as follows:

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

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

The major shareholder is T S Global Holdings Pte. Ltd. ("TSGH"), which is incorporated in Singapore and holds 67.90% of the Company's shares, and is an affiliate of Tata Steel Limited, a listed company incorporated under the law of India.

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 Hebstee 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 recognise 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 ceased 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 is 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 currency 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 Thousand Baht	2018 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 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 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:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
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)	-	-	-
	(4,945)	60,968	1,540	(121)

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(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)
	(97,209)	(11,774)	(13,298)	7,569

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

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

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	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	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	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	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)	-	-
	646,025	1,220,280	9,428	42,244

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	-	-
	3,188,350	3,477,956	-	-

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

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

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

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

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
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.

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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

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

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.

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15 Property, plant and equipment, net

Consolidated financial statements													
	Land Thousand Baht	Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Furniture, Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht						
As at 1 April 2017													
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	798,694	628,405	2,097,768	40,726	107	67,144	3,632,844						
For the year ended 31 March 2018													
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	798,694	549,465	1,860,537	60,395	219	22,175	3,291,485						
As at 31 March 2018													
Cost	798,694	4,498,560	12,406,246	202,796	3,081	22,175	17,931,552						
Less Accumulated depreciation	-	(2,824,539)	(9,766,854)	(142,394)	(2,862)	-	(12,736,649)						
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)						
Net book amount	798,694	549,465	1,860,537	60,395	219	22,175	3,291,485						

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

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	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	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
As at 1 April 2017				
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
For the year ended 31 March 2018				
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
As at 31 March 2018				
Cost	-	80,011	234	80,245
<u>Less</u> Accumulated depreciation	-	(47,306)	-	(47,306)
Net book amount	-	32,705	234	32,939

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
As at 1 April 2018				
Cost	-	80,011	234	80,245
<u>Less</u> Accumulated depreciation	-	(47,306)	-	(47,306)
Net book amount	-	32,705	234	32,939
For the year ended 31 March 2019				
Opening net book amount	-	32,705	234	32,939
Additions	-	409	9,365	9,774
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
As at 31 March 2019				
Cost	4,733	82,145	-	86,878
<u>Less</u> Accumulated depreciation	(594)	(53,246)	-	(53,840)
Net book amount	4,139	28,899	-	33,038

16 Goodwill, net

	Consolidated financial statements Thousand Baht
As at 1 April 2017	
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
For the year ended 31 March 2018	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	3,456,014
As at 31 March 2018	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	3,456,014
For the year ended 31 March 2019	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	3,456,014
As at 31 March 2019	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	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:

	Consolidated financial statements					
	2019			2018		
	The Siam Iron and Steel (2001)	The Siam Construction Steel	Total	The Siam Iron and Steel (2001)	The Siam Construction Steel	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Goodwill allocation	1,685	1,771	3,456	1,685	1,771	3,456

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

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

¹ Budgeted gross margin.

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

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

These assumptions have been used for the analysis of each CGU

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

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

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
As at 1 April 2017			
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>
For the year ended 31 March 2018			
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>
As at 31 March 2018			
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>
For the year ended 31 March 2019			
Opening net book amount	24,360	1,232	25,592
Additions	259	21,038	21,297
Transfers	18,702	(18,702)	-
Write-off - cost	-	(1,081)	(1,081)
Amortisation charge	(15,018)	-	(15,018)
Closing net book amount	<u>28,303</u>	<u>2,487</u>	<u>30,790</u>
As at 31 March 2019			
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
As at 1 April 2017			
Cost	245,853	-	245,853
<u>Less</u> Accumulated amortisation	(198,608)	-	(198,608)
Net book amount	47,245	-	47,245
For the year ended 31 March 2018			
Opening net book amount	47,245	-	47,245
Additions	-	1,232	1,232
Amortisation charge	(24,264)	-	(24,264)
Closing net book amount	22,981	1,232	24,213
As at 31 March 2018			
Cost	245,853	1,232	247,085
<u>Less</u> Accumulated amortisation	(222,872)	-	(222,872)
Net book amount	22,981	1,232	24,213
For the year ended 31 March 2019			
Opening net book amount	22,981	1,232	24,213
Additions	259	7,984	8,243
Transfers	6,211	(6,211)	-
Write-off - cost	-	(1,081)	(1,081)
Amortisation charge	(14,262)	-	(14,262)
Closing net book amount	15,189	1,924	17,113
As at 31 March 2019			
Cost	252,323	1,924	254,247
<u>Less</u> Accumulated amortisation	(237,134)	-	(237,134)
Net book amount	15,189	1,924	17,113

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
Deferred tax assets				
- 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
	48,604	38,048	12,358	12,525
Deferred tax liabilities				
- To be recovered within 12 months	(4,463)	(473)	-	-
- To be recovered more than 12 months	(22,237)	(600)	-	-
	(26,700)	(1,073)	-	-
Deferred tax assets, net	21,904	36,975	12,358	12,525

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

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)

	Consolidated financial statements			31 March 2018 Thousand Baht
	1 April 2017 Thousand Baht	(Credited) charged to profit or loss Thousand Baht	(Credited) charged to other comprehensive income Thousand Baht	
Deferred tax assets				
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
	38,105	1,455	(1,512)	38,048
Deferred tax liabilities				
Available-for-sale investments	(560)	-	(40)	(600)
Derivatives assets	(302)	(171)	-	(473)
	(862)	(171)	(40)	(1,073)
Deferred tax assets, net	37,243	1,284	(1,552)	36,975

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.

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

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)

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

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

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

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:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
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	1,720,436	1,774,341	-	-

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
	1,109,562	1,372,387	62,850	103,518

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	41,869	-	-	-
Representing lease liabilities:				
- Current	1,087	-	-	-
- Non-current	40,782	-	-	-
Present value of finance lease liabilities	41,869	-	-	-

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	-	-	-
	41,869	-	-	-

23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
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:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
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>

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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	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	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	<u>19,986</u>	<u>19,415</u>	<u>2,289</u>	<u>2,299</u>

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					
	Increase (decrease) to employee benefit obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
	%	%	Thousand Baht	Thousand Baht	Thousand Baht	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					
	Increase (decrease) to employee benefit obligations					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2019	2018	2019	2018	2019	2018
	%	%	Thousand Baht	Thousand Baht	Thousand Baht	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	2018
	Thousand Baht	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)
Tax charge	(335)	(1,227)

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
Other comprehensive income	(3,310)	776	(2,534)	9,439	(1,552)	7,887
Current tax		-			-	
Deferred tax (Note 18)		776			(1,552)	
		<u>776</u>			<u>(1,552)</u>	
	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
Other comprehensive income	2,511	(502)	2,009	4,417	(883)	3,534
Current tax		-			-	
Deferred tax (Note 18)		(502)			(883)	
		<u>(502)</u>			<u>(883)</u>	

29 Earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
For the years ended 31 March				
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:

	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	
Currency						
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

	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	
Currency						
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:

Name	Type of Business	Relationship
Tata Steel Limited	Manufacture steel	Ultimate parent company
T S Global Holdings Pte. Ltd.	Investing	Major shareholder
The Siam Iron and Steel (2001) Co., Ltd.	Manufacture wire rods and small section products	Common shareholders and management
The Siam Construction Steel Co., Ltd.	Manufacture steel bars	Common shareholders and management
N.T.S. Steel Group Public Company Limited	Manufacture, render a manufacturing service, distributions and trading of steel bars, wire rods and small section products	Common shareholder and management
The Siam Industrial Wire Co., Ltd.	Manufacture steel wire	Same group of shareholders
NatSteel Trade International Pte. Ltd.	Trading	Same group of shareholders
NatSteel Recycling Pte. Ltd.	Trading	Same group of shareholders
Tata International Metals Asia Ltd.	Trading	Same group of shareholders
T S Asia (Hong Kong) Ltd.	Trading	Same group of shareholders
Tata Refractories Ltd.	Manufacture refractory	Same group of shareholders
NatSteel Holdings Pte. Ltd.	Manufacture steel	Same group of shareholders
Tata Steel UK Ltd.	Manufacture steel	Same group of shareholders
Tata International Singapore Pte. Ltd.	Trading	Same group of shareholders
Tata Steel IJmuiden BV	Manufacture steel	Same group of shareholders
Tata Consultancy Services (Thailand) Ltd.	Software services	Same group of shareholders
Tata Consultancy Services Ltd.	Software services	Same group of shareholders
Tata Services Limited	Training services	Same group of shareholders
Tata Sons 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
Revenues				
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	2,451,627	1,625,518	-	-
Interest income				
The Siam Iron and steel (2001) Co., Ltd.	-	-	4	-
N.T.S. Steel Group Public Company Limited	-	-	86,679	83,693
Total	-	-	86,683	83,693
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	-	-	428,210	482,130
Other income				
NatSteel Holdings Pte. Ltd.	-	80	-	-
Tata Steel Limited	-	14,993	-	-
Total	-	15,073	-	-

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

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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
Expenses				
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
Trade receivable - related parties				
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	-	-
Total	58,385	464,272	9,428	42,244
Other receivables - related parties				
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	-
Total	328	199	7,464	37,940
Trade payable - related parties				
Tata Steel Limited	2,285	2,242	-	-
Tata International Singapore Pte. Ltd.	-	701	-	-
Total	2,285	2,943	-	-
Other payables - related parties				
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	-
Total	3,849	32,536	6,363	35,228

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	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	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	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	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:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand	2018 Thousand	2019 Thousand	2018 Thousand
Currency				
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		
<u>Financial assets</u>						
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.
<u>Financial liabilities</u>						
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)

	Consolidated financial statements		
	2018 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax Thousand Baht	Non BOI promoted activities Thousand Baht	Total Thousand Baht
Revenue from 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.

An aerial night photograph of a city, likely Tokyo, showing a complex highway interchange with multiple lanes of traffic. The scene is illuminated by city lights, with a prominent skyscraper on the right and a dense cluster of buildings on the left. The sky is dark blue, and the overall atmosphere is one of a bustling urban environment.

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