

PART 1 NATURE OF BUSINESS**1. Policy and Business Overview****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., (NTS) 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. Subsequently, the company changed its name from Millennium Steel Public Company Limited to Tata Steel (Thailand) Public Company Limited (TSTH).

The Company's major shareholder, Tata Steel Global Holdings Pte. Ltd. ("TSGH"), is a wholly owned subsidiary of Tata Steel Limited ("TSL") and operates its business as an investment company with its corporate office at Singapore. TSL is a registered company incorporated under Indian Laws and is among the largest integrated steel producers in India. TSL (Indian operations) is in the same industry as the Thailand based Company. However, TSL's 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 & development of people; occupational safety, health & environment; and Information technology through its network of manufacturing plants and offices around the world. Along with operations in Singapore & Malaysia, TSL drives the long products strategy in India & SE Asia in an integrated manner.

TSTH operates its business as a holding company with Tata Steel Manufacturing (Thailand) Public Company Limited (TSMT) as its operating subsidiary. TSMT operates with three manufacturing units NTS plant, SCSC plant and SISCO plant and manufactures Reinforcement bars (Rebars) including ready to use cut & bend products, Wire Rods, Small Sections and Special Bar Quality steel in state of the art facilities and led by an experienced and knowledgeable management team.

1.1 VISION and MISSION**VISION**

Best in class in ASEAN in Value Creation for stakeholders and Corporate Citizenship

MISSION

To develop and supply value added steel and build long term relationship with stakeholders based on trust and care.

1.2 Significant Developments

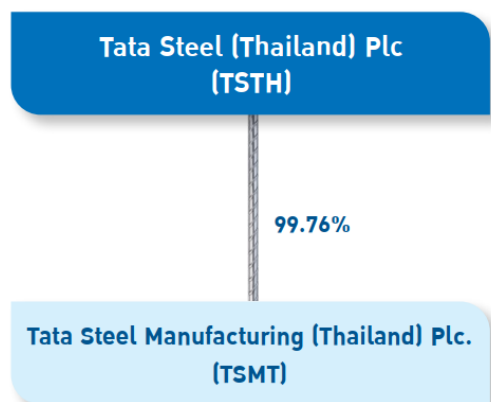
Previous significant profile and developments as follows:

2002	<ul style="list-style-type: none"> The Company was established as a Public Company Limited named “Millennium Steel Public Company Limited” (MS). Acquired the businesses of NTS, SISCO and SCSC, last two of which were subsidiaries of Cementhai Holding Company Limited (CHC). Company listed on SET under the sector of “REHABCO” (Rehabilitation Plan).
2004	<ul style="list-style-type: none"> The SET reclassified the Company securities in the sector of “CONMAT” (Construction and Furnishing Material).
2005	<ul style="list-style-type: none"> CHC agreed to sell all MS shares pursuant to the Blinding Offer from Tata Steel.
2006	<ul style="list-style-type: none"> Tata Steel Groups submitted their voluntary tender offer to all Company’s shareholders. The Company’s major shareholders changed from “CHC” to “Tata Steel Group” The Company’s name changed from “Millennium Steel Public Company Limited” to “Tata Steel (Thailand) Public Company Limited”. Trading stock symbol on SET changed from “MS” to “TSTH”.
2007	<ul style="list-style-type: none"> The Company paid annual dividend for the year 2006 to all preferred and ordinary shareholders at the rate of Baht 0.03 per share (38% of its net profit).
2008	<ul style="list-style-type: none"> The Company paid annual dividend for the year 2007-2008 to all preferred and ordinary shareholders at the rate of Baht 0.076 per share (20% of its net profit).
2009	<ul style="list-style-type: none"> The Mini Blast Furnace (MBF) steel production project using iron ore as raw material was completed. This was considered first of its kind project in Southeast Asia.
2011	<ul style="list-style-type: none"> The SET announced to regroup the Company securities to be under the sector of “STEEL” Mini Blast Furnace mothballed in August 2011 due to cost of imported raw materials. TATA Tiscon Branded rebar launched in August 2011.
2012	<ul style="list-style-type: none"> The Company entered the 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	<ul style="list-style-type: none"> The Company was recognized by the SET for CSRI Recognition Award. NTS was awarded Prime Minister’s Industry Award - Safety Management.
2014	<ul style="list-style-type: none"> The Company was recognized by the SET for Outstanding CSR Award and CSR Recognition award. NTS was awarded Prime Minister’s Industry Award - Quality Management.
2015	<ul style="list-style-type: none"> The Company listed on Thailand Sustainability Investment 2015 for its outstanding performances in Environment, Social and Governance aspects with potential of giving long-term profit to the investors by the SET. The Company was among 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.

2016	<ul style="list-style-type: none"> SCSC won the Prime Minister's Industry Awards 2016 - Safety Management. SCSC received Gold award at ICQCC 2016 (International Convention on Quality Control Circle 2016) held in Thailand. SISCO won Corporate Social Responsibility -Department of Industrial Works Award (CSR-DIW). SCSC received Green Star Award 2016 from Industrial Estate Authority of Thailand.
2017	<ul style="list-style-type: none"> The Company arranged "Tata Steel Mini Marathon 2018 Run for War Veterans". The Company received "Thailand Sustainability Investment Award" and "Sustainability Report Award 2017" from SET. NTS received Prime Minister's Industry Award - Safety Management. NTS and SCSC received "National Safety award" from Department of Protection Labour and Welfare, Ministry of Labour. NTS and SISCO received "Carbon Footprint for Organization" from Thailand Greenhouse Gas Management Organization. SCSC received "Green Star Award" from IEAT. SCSC received "Green Mining Award" from Department of Primary Industries and Mines (DPIM). SCSC received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) and SISCO won Corporate Social Responsibility (Continuous level). SCSC received "Kaizen Gold Award".
2018	<ul style="list-style-type: none"> 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 SET. NTS received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW), 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. NTS and SCSC received "Green Mining Award" from Department of Primary Industries and Mines, Ministry of Industry. SISCO received "3Rs Waste Management Award" from Department of Industrial Works, Ministry of Industry. NTS received "The Prime Minister's Industry Award 2018 on Quality Management". SISCO and SCSC received Happy Workplace Award 2018 from Thai Health Promotion. NTS and SCSC received "National Occupational Safety and Health Award (National Level)" from Department of Labour Protection and Welfare, Ministry of Labour.
2019	<ul style="list-style-type: none"> Certification for Private sector's collective action Coalition Against Corruption (CAC) renewed for TSTH. TSTH received Thailand Sustainability Investment Award (THSI) for 2018-19 from SET. TSTH received Sustainability Disclosure Award for the year 2019 from Thai Listed Companies Association, The

	<p>Securities and Exchange Commission and Thaipat Institute.</p> <ul style="list-style-type: none"> SISCO received Corporate Social Responsibility (CSR-DPIM) in the category of Metallurgy plant from Department of Primary Industries and Mines, Ministry of Industry. SISCO, SCSC and NTS received Corporate Social Responsibility – Department of Industrial Works (CSR-DIW Continuous) Award 2019 from Department of Industrial works, Ministry of Industry. NTS and SCSC received Thailand Labour Management Excellence Award 2018-19 for the role model of Occupational Safety, Health and Environment Management in “National Level” and SISCO received it in 2019 from Department of Labor Protection and Welfare, Ministry of Labor. SISCO received the certificates of Carbon Footprint for Organization for the year 2017, 2018 and 2019 respectively, from Thailand Greenhouse Gas Management Organization (Public Organization). TSTH received the Certificate of Global Warming Reduction Party as a company that has cooperated with the Royal Forest Department, Greenhouse Gas Management Organization and Ban Hin Dat Forest Community Committee NTS and SCSC received the Green Mining Award for the second consecutive year in 2019 from Department of Primary Industries and Mines, Ministry of Industry.
2020	<ul style="list-style-type: none"> N.T.S. Steel Group Plc. changed the company name to Tata Steel Manufacturing (Thailand) Public Company Limited (TSMT) SCSC and SISCO has merged the businesses into TSMT by the Entire Business Transfer (EBT) method. SCSC and SISCO are under the dissolution process. TSTH received Thailand Sustainability Investment Award (THSI) 2020 from The Stock Exchange of Thailand (SET) TSTH received Sustainability Disclosure Award 2020 from Thaipat Institute. NTS and SISCO received Corporate Social Responsibility – Department of Primary Industries and Mines (CSR-DPIM Continuous) Award for the fourth and second consecutive years, respectively in the category of Metallurgy plant from Department of Primary Industries and Mines, Ministry of Industry. SISCO, SCSC and NTS received Corporate Social Responsibility – Department of Industrial Works (CSR-DIW Continuous) Award 2020 from Department of Industrial Works, Ministry of Industry. NTS received Thailand Labour Management Excellence Award 2020 for the role model of Occupational Safety, Health and Environment Management in “National Level” from Department of Labor Protection and Welfare, Ministry of Labor. SISCO received the certificate of Carbon Footprint for Organization 2020 for the second consecutive years, from Thailand Greenhouse Gas Management Organization (Public Organization). NTS and SCSC received the Green Mining Award for the third consecutive year in 2020 from Department of Primary Industries and Mines, Ministry of Industry. SCSC received Green Star Awards 2020 from Industrial Estate Authority of Thailand. NTS received Silver Award of Innovation Kaizen for Thailand Kaizen Award 2020 from Technology Promotion Association (Thailand-Japan).

1.3 Shareholding Structure



Policy on division of operation between companies within the group

The Company's operations are undertaken in a cohesive manner with the Tata Steel (Thailand) Plc. as the policy making body and the three plants responsible for carrying out the operations according to the prescribed policies with regard to marketing & sales, production, procurement of raw material and services, finance, human resources management and other aspects of the business.

The Company has a policy to allocate production at each of its three plants 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, market need and to serve customer specific requirements if any.

Subsidiary	Paid up Capital (Million Baht) As at March 31, 2021	Business Type	Product
Tata Steel Manufacturing (Thailand) Plc. ("TSMT")	4,627.96	Manufacture steel	Rebars and Wire Rods

2. Nature of Business Performance

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 subsidiary, are as follows:

Line of Products	Audited		Audited		Audited	
	Year 2020 - 2021		Year 2019 - 2020		Year 2018 - 2019	
	Million Baht	%	Million Baht	%	(Million Baht)	%
Domestic Market						
Rebars	12,811	58.2	11,864	58.9	12,064	54.3
Wire Rods	7,093	32.2	5,605	27.8	6,801	30.6
Small Sections	610	2.8	601	3.0	827	3.7
Others	178	0.8	52	0.3	61	0.3
Total Revenues from Domestic Sales	20,692	94.0	18,122	90.0	19,753	88.9
Exports						
Rebars	1,033	4.7	1,608	8.0	2,200	9.9
Wire Rods	292	1.3	395	2.0	269	1.2
Total Revenues from Exports	1,325	6.0	2,003	10.0	2,469	11.1
Total Revenues	22,017	100.0	20,125	100.0	22,222	100.0

2.1 Nature of Products

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 8-40 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, concrete road, 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 have 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 Thai-Chinese high speed train project use GB Rebar, GB being a Chinese standard that control specific properties like carbon equivalent, fatigue test, etc. The Company has developed this product that conforms to the standard for the Thai-Chinese high speed train project. Consequently, it has reduced the need for import, reduce construction cost and shorten the construction lead time.

The Company is developing next generation of high strength Rebars equivalent to SD 60. This product already presents to some designer and developer and they interested to use this product in their future project. This product has high strength that can received more load than normal rebar. So designer can reduce rebar consumption in their project that means reduce construction cost and increase variety of their design too.

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 producing 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. 349-2561. These wire rods serve as raw material for manufacturing 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 at construction site. Use of Cut and Bend results in avoiding generation of waste at the site and the customers do not need space along with skilled manpower to produce the required shapes and sizes. Cut and Bend Rebars are produced using 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 is expected to increase.

In response to future trends in construction that faces challenges like shortage of skilled labor, speedy construction, and more flexibility, the Company continues to develop ready to use products as;

5.1 Stirrups under the trademark 'Tiscon Superlink' has been launched and are used during the construction of beam and column.

5.2 Dowel under the trademark 'Tata Tiscon', equivalent to ASTM A615 grade 60 finds application in road construction and concrete yards.

5.3 Footing under the trademark 'Tiscon Superbase' is the new ready-to-use product which has been launched in the market for usage during the construction of foundations. This product will make the construction easier and faster.

Management Standard System

The three manufacturing plants of Tata Steel Manufacturing (Thailand) Plc. (TSMT) are located at Chonburi Province, Saraburi Province and Rayong Province. All the three plants 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 17025:2017.

In addition, the Company realizes the importance of the environment control. All the three plants of TSMT have received ISO 14001:2015 certificate for the environmental control and also Saraburi Plant received certificate of Carbon Footprint for Organization (CFO) from Thailand Greenhouse Gas Management Organization (TGO) for four consecutive years.

The Company accords highest priority to safety and well-being of workmen at the workplace. All the three plants of TSMT have received certificate of International standard of Occupational Health and Safety Management Systems ISO 45001: 2018 / TIS 18001:2554.

Tata Steel (Thailand) Plc. Marketing & Sales and Procurement Divisions are also ISO 9001: 2015 certified for Quality Management System.

Investment Promotion License-Based Privilege

The Company can enjoy certain privileges from the BOI and its subsidiary as of March 31, 2021 as follows:

	Production Volume (tons per annum)	Privileges Received
TSMT MBF*	500,000	<ul style="list-style-type: none"> Tax exemption for 8 years for the net profit from the first income (November 2009 – November 2017) Net loss incurred between 1st – 8th year can be realized against taxable profits during the next 5 years.

*Mini Blast Furnace Project

2.2 Industry Situation

Domestic Market

1. Reinforced Bars

The Company distributes this product through dealers in Bangkok and 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 including business partnership program with retail dealers based on the reach and potential in the respective areas to increase retail base and market share in retail market.

The Company has a market development team for new products such as Seismic Rebar, SD50 High Strength Rebar, SD60 High Strength Rebar, GB grade for Thai-China high speed train, Cut & Bend, Stirrup, Dowel and Footing. 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 viz. Global House, Thai Watsadu, Mega Home, Home Pro and Do Home.

2. Wire Rod

The Company directly sells this product to the manufacturers of wires and also selectively distributes via traders. The Company has created a sound platform for continuously improving the product and service offerings to the customers through creation of customer service teams which comprise of representatives from Operations, Marketing & Sales, Technology Group and Supply Chain department.

The Company focuses on developing and manufacturing customized products as per customer requirements and end applications. The Company regularly supply wire rods for Tire Cord and wire ropes that are high end applications.

3. Small Sections

The Company distributes this product via dealers in Bangkok and in selected regions. Moreover, the marketing & sales team regularly visits end customers such as tower fabricators and EGAT (Electricity Generating 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 in every region and also directly sells to the construction companies and project owners.

The Company has created a separate project management team to coordinate with the project owners about production plan and delivery schedule to match with each project site's requirements. Moreover, company has initiated "CAB web ordering" and "Bar-Cut-List service" to help customers to improve their planning process and reduce work load.

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 such as Laos, Cambodia, Malaysia, Vietnam and Indonesia including new market such as Bangladesh and Taiwan. In addition, the Company exports Rebars to India which is supported by the dealer network of Tata Steel India. In the backdrop of lockdowns and logistic challenges from the COVID-19 pandemic, total exports during the year were around 6 % of the total sales.

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

Distribution Proportion

Distribution Channel	Numbers represent (%)				
	2020-21	2019-20	2018-19	2017-18	2016-17
Direct Sales	51	43	45	46	39
Regional Agent	21	22	21	18	18
Agent in Bangkok Metropolitan Region	28	35	34	36	43
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 2020 was 16.5 million tonnes, declined by 11.6% from the previous year. Import volume was 10.4 million tonnes, at 63% of the demand for steel in Thailand, dropped by 14.9% year-on-year.

Demand for long product in Thailand was 6.3 million tonnes, decreased by 9.9 % year-on-year. Import volume was 2.3 million tonnes, 37% of the demand for long product in Thailand, went down by 18.5% 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)
2020	7.19	-7.9	10.40	-14.9	1.11	-19.7	16.48	-11.6	63.1
2019	7.80	-13.7	12.23	1.4	1.38	-21.1	18.64	-3.6	65.6
2018	9.03	-3.1	12.05	6.54	1.75	12.9	19.33	1.3	62.4
2017	9.32	-2.4	11.33	-10.2	1.55	20	19.10	-8.5	59.3

2016	9.54	46.8	12.61	10.3	1.29	8.1	20.86	24.6	60.5
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

Source: Iron and Steel Institute of Thailand

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 %, resulting in consistent quality products. Rebars made through EAF route are marked accordingly to educate the consumers.
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. Rebars made through IF route are marked accordingly to educate the consumer.
3. Re-rollers using domestic and imported billet. These producers 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 2020 at 6.3 million tonnes, the remaining capacity is considered sufficient to accommodate future demand and there should not be any need to import.

In 2020, Thai economy had slowed down from the COVID-19 which affected the business, especially automotive and construction industries. The COVID-19 pandemic caused spending slowdown in private sector. However, government infrastructure projects provided key support to the steel industry in the country. In addition, local producers improved their capability to produce high quality and special grades to supply in the market and to the government projects in particular. Meanwhile, there has been an increase of materials availability from the new manufacturers through low cost Induction Furnace route.

The COVID-19 pandemic affected the global economy to shrink severely which resulted in the decline in global steel demand in the first half of 2020. Lockdown measures taken by many countries pushed manufacturers in each country to adjust their production. Moreover, the logistics challenges increased the risk in terms of shortage of imported products including billet and scrap. Import of wire rods from Vietnam and Malaysia also decreased. The situation of the COVID-19 outbreak in China has eased and it is able to resume normal economic activities. However, exports from China declined as domestic demand increased. The Company continues to closely monitor the imports of Wire Rod into Thailand.

The market share in the past 5 years is below:

Year	FY21	FY20	FY19	FY18	FY17
Total Mkt Share	21%	21%	18%	19%	18%

Customer Satisfaction

The Company conducts customer satisfaction survey once in two years for every customer group. The survey covers 6 aspects; product quality, product availability, sales team, transportation, finance and marketing activity. Currently, the company has initiated the customer satisfaction survey 2020 based on third-party assessment. The last survey which was conducted in the year 2017-2018 has shown the customer satisfaction score improved from the previous year from 81 to 84 points where product quality got the highest satisfaction score when compared to competitors.

Export Market

The Company has focused on exports to countries like Laos, Cambodia, Indonesia and Malaysia in the ASEAN region, and has found new markets to distribute products such as Bangladesh. Major competition in Lao and Cambodia is from Vietnam steel manufacturers and China is the 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 2021

International Monetary Fund (IMF) forecasts global economy to recover from the COVID-19 pandemic. World economic growth is projected at 5.5%, improved from previous year (-3.5%). Vaccine approvals has raised hopes of a turnaround from the pandemic later this year reflecting expectations of a vaccine-powered strengthening of activities later in the year and additional policy support in some of the large economies. Nevertheless, renewed waves and new variants of the virus pose concerns for the outlook amid exceptional uncertainty for the global economy. Meanwhile, China has set growth target of over 6%, from economic activity recovery. The Chinese government targets to create more than 11 million new urban jobs, adjust the budget deficit to GDP to 3.2% and also increase domestic demand and expand investment effectively.

According to forecasts of the Bank of Thailand (BOT) the Thai economy is expected to grow in the range of 1-2%, from -6.1% in the previous year. The majority of factors to support economic recovery in Thailand are the recovery of the world economy and the global trade, the government stimulus measures, stimulating private investment and the rebound of domestic demand to stimulate economy and consumption in the country. However, as per the latest outlook from the Bank of Thailand (BOT), the complete economic recovery may be delayed to the first quarter of 2023. The number of tourists' arrival in 2021 is expected to decline, which will have a significant negative impact on Thai economy.

World Steel Association estimates world steel demand will increase by 4.1% from previous year as expected demand tends to grow from every region around the world following the recovery of the world economic environment, although the recovery from the pandemic gets uncertain from the 2nd wave of infection.

China's demand for steel is expected to increase. As Chinese government has kicked off a number of new projects to support the economy, the growth in infrastructure investment is expected to pick up in 2021 and continue to affect steel demand in 2022.

In Thailand, Iron and Steel Institute of Thailand expects the steel demand in the country to increase by 4-5% to 17.8-18.4 million tons in 2021. The main factors are Thai economy recovery, construction sector expansion, investment in government infrastructure projects; especially transportation such as Thai-China high speed train, MRTA projects and High-speed rail linking 3 airports. However, the domestic steel industry remains very competitive from induction furnaces and import from overseas.

2.3 Procurement

Tata Steel (Thailand) Plc. supports sustainable procurement practices by regularly promoting its corporate governance policies, ethical and safety standards to its business partners so as to enhance their long-term and all around capability.

Procurement division's scope includes sourcing of steel scrap, billet, raw materials and production supplies, MRO goods, consumable, services, inbound & outbound logistics and supply management. The division plans its sourcing strategy of both goods and services with an aim to maximize value in use, deliver required quantity on time aligned to the organization working capital requirement and to support production plan so as to ensure that finished steel is delivered to end Customers on time in full.

Procurement strategy and sourcing processes are alignment with the Tata Steel Group's overall procurement strategy through regular interactions, periodic sharing of information and using common vendors.

During the year, 75% of the sourcing, in volume terms, was from the domestic and 25% from overseas sources. The division faced a huge challenge with respect to the desired quantity to be delivered on time as global supply chains were obstructed by the COVID-19 pandemic. Lockdown restrictions adversely impacted manufacturing processes at our suppliers end coupled with transportation issues arising out of free movement of goods and services around the world. A robust risk management process and organisational agility helped the Company to overcome this crisis.

Integrating technology into Procurement management

Applying technology into business has inevitably become the new normal. To enhance efficiency and bring competitive advantage to the operations, Procurement division has implemented e-RFX interface for the sourcing function.

e-RFX is an e-procurement system, acronym for Electronic Request For [x], where x represents Proposal (RFP), Quotation (RFQ), Information (RFI) or Tender (RFT) via electronic media. This brings transparency in the process, improves agility, streamlines and bring consistency in communication to all stakeholders, both internally and externally. E-auction or online bidding system inculcates an environment of healthy competition, transparency and fairness. This has also helped to reduce the cycle time in the procurement process thereby improving organizational agility. The process of price survey and price negotiation now consumes up to 40% less time thereby improving effectiveness of the Procurement function. E-auction has also helped to bring down the cost of raw materials.

Steel scrap and Billet sourcing

The company makes steel through Electric Arc Furnace (EAF) where major raw material is steel scrap. Majority of steel scrap used in the company is sourced locally. During the year, scrap sourcing environment in the country was high competitive as steel demand grew along with few new entrants in the steelmaking industry. The company follows a detailed analytical tool called Value in Use whereby alternate types of scrap are tried to give an optimum output in the steel making operation. To increase the volume of domestic scrap, the division expanded sourcing to new yards across the country and neighboring countries. Moreover, the Company regularly evaluates the option of sourcing billets from the market when on-peak cost appears uncompetitive. This has helped the company to optimize the total cost of operations and provided flexibility in the system.

Raw Materials sourcing and Production Supplies sourcing

In the backdrop of supply chain disruption across the world due to pandemic, the Company considered and focused on distributing order among multiple sources across different countries to mitigate the risk of disruption in the supplies due to lockdown restrictions. Inventory was constantly reviewed and maintained to ensure smooth operations. During the year, the Company implemented E-auction for sourcing high-value raw materials.

Services sourcing

The Company initiated and implemented Service Code mechanism to clearly define and standardize each service job in order to create a data base of services across the locations. This is expected to facilitate in data analytics and future job improvement.

Environmental Impact

Tata Steel (Thailand) Plc. realizes that steel industry impacts the environment in multiple ways such as air emission, waste management and is a significant consumer of energy. With its focus on sustainability, the Company and its business partners ensure that all processes comply with environmental laws in the country. There has not been any legal dispute or lawsuits relating to environment issues during the year.

The Company is focused on energy conservation to ensure the competitiveness of the industry and to minimize environmental impact, such as greenhouse gas emissions. It is in discussion with business partners to set up solar power technology in all its three plants as an alternative source of energy to reduce the greenhouse gas emissions (GHGs) and mitigate future damage to the environment.

Production capacity of Tata Steel (Thailand)

	NTS	SISCO	SCSC	Total
Capacity (tons per annum)				
- Rebars	450,000	-	500,000	950,000
- Wire rods	350,000	300,000	-	650,000
- Small Sections	-	100,000	-	100,000
Total capacity	800,000	400,000	500,000	1,700,000

With the total finished goods production of 1.33 Million Tons, the capacity utilization for the financial year ending in March 31, 2021 stood at 78%.

3. Risks of Business

The growing intensity of volatility, uncertainty, complexity, and ambiguity (VUCA) in the business environment presents roadblocks to most companies' journey towards the objectives. Increasingly VUCA for the company can be seen in many forms significant fluctuation in price of raw materials, energy and volatility in steel prices, the Covid-19 pandemic, acts of terrorism, cyber security threats, and many more. To ensure business continuity, TSTH has implemented an Enterprise Risk Management (ERM) process to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision making. The Company follows a robust five step Enterprise Risk Management 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 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 – "Bottom up risks". Also, the Senior Management deploys the top of the mind concerns to respective units to know the management's focus which is called "Top down risks". Both types of the risks

are identified and classified into A, B & C category based on likelihood of its occurrence and its impact to the business. The Risk Register and Enterprise Risk Heat Map are 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 which ultimately create value for the business. At the Senior Management level, an Executive Committee has been constituted to drive the ERM process at Company level. The Executive Committee, chaired by the President and CEO reviews the implementation of mitigation plans every month.

The Audit and Risk Management Committee of the board reviews the Enterprise Risk Management of the Company in its quarterly meetings. The committee takes note of corporate risks relating to operations, climate change risk, reputational risk, product stewardship as covered in the risk register, the risk mitigation plans and also provides recommendations for further improvement in the risk management process.

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

Macroeconomic and steel market risks

Government reduces budget allocation for infrastructure projects in order to utilize budget for other welfare projects leading to lower demand of construction steel like Rebar and wire rod. Adverse impact on purchasing power and steel demand from economic slowdown resulting from Covid-19

Mitigation Strategies

The Company has increased reach and pocket share in retail market by adding new customers in the provinces that did not have any presence/ low level of our products, aggressive approaches in particular segments of rebar like the non-MT rebar, Precast and Bar in coil (BIC) market and kept expanding in the GB rebar market, the ready-use product market like dowel, stirrup and Cut & Bend markets. All of these are high value added products and has recorded total sales growth when compared with previous year. The Company has also developed and expanded in the wire rods market by improving the quality of product, product customization to cater to the specific requirements of each customer. Besides, focused actions to create Tata Tiscon brand value through online social media, dealer partnership program and other marketing activities have helped to build relationship with the customers and end users.

The Company also intensified its efforts in the export markets to protect its market share, especially to the ASEAN countries as additional measure to mitigate the volatility in domestic steel demand. Although last year, the export market has been affected by the closure of many countries due to the Covid-19 outbreak, the company has still been able to increase exports sale volume in countries like Laos, Bangladesh and new markets in Taiwan and Vietnam.

Raw material supply risk

Lockdown measure taken by many countries, suspension of manufacturing activities, restrictive measures on ports to curb the spread of Covid-19 adversely impacting supply of raw materials, uncertainty and increased time in logistics & supply chain. Also rising demand from the construction sector in Thailand and increasing demand of steel in China bring about extremely

Mitigation strategies

The Company is focusing on a risk management in various perspectives to enhance efficiency on strategic procurement and driven a sustainable procurement sourcing policy. Enhanced syndication with the in-house stakeholders through steering committees in sourcing alternative / substitute raw-material to be a secure alternative source of supply. At the same time, coordination with various business partners and distribution of order portions to multiple sources mitigate the risk from supply shortage causing from

competitive environment for sourcing raw-material.

manufacturing shutdown or logistic movement disruptions as a result from lockdowns to curb spreading of Covid-19. In raw material inventory management, the Company takes into account safety-stock level and adjusts the inventory level accordingly.

Safety, Health and Environment Risks

Non-compliance/delay in implementation of the provisions of safety, health and environmental laws & regulations, which may lead to stoppage of operations, damage to assets and loss of reputation

Mitigation strategies

At TSTH, Safety, Health and Environment (SHE) organization is defined by Apex Safety Council (ASC) with President & CEO as the chairman, Chief Operating Officer and Vice Presidents as the members. Some of the key initiatives launched during the year such as Process Safety Management (PSM), safety audit by Job Cycle Check (JCC), strengthen Contractor Safety Management (CSM) 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.

In the area of health, organizational performance is measured by tracking Health Index. During this year the Company had launched health campaign "We all can be better than before", to motivate and award employees who improved their health index. The Company strictly implements Covid-19 prevention measures to minimize the risk of any infection amongst the employees and other stakeholders. Company also provide good work environment and regularly monitors industrial hygiene such as dust, noise, chemical and heat. Also, provides physical health check for employees, follows up and supports necessary treatment in case any abnormal result related to work is found.

In the area of environment, 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 NOX, SOX, CO and dust in all plants by 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.

The Board of Directors has appointed the Corporate Social Responsibility and Sustainability Committee with an additional mandate to have an oversight on the performance of occupational safety, health and working environment.

Information Security Risk

TSTH introduces more interactions through digital platforms with customers, suppliers and other stakeholders of the Company, and

Mitigation strategies

The Company is aware of the risks and take seriously prevention in its IT network. Mechanisms are in place to capture alerts and triggers from external

need to secure the IT systems and infrastructure vulnerable to cyber-attacks. Breach of information security due to cyberattacks, Non-compliance to IT legislations and regulations may lead to business disruption and imposition of penalties.

sources and any information security related incidents. In the dynamic cyber security environment, the security paradigm shift from protection of our boundary at data center and corporate network to protect the vanishing boundary from Bring-Your-Own-Device (BYOD), cloud-based applications and Internet of Things (IoT).

The Company is moving to resilience through zero trust platform/network. Significant efforts have been made to increase awareness in addition to investments in well-known cloud-based solutions such as GEP Smart Procurement (E-RFX Project), People Strong System (HR Easy Project). The Company has enacted various policies and procedures to ensure proactive workforce awareness in cyber security, information security, data privacy and comply with PDPA.

Human resource risks

Dramatic changes caused by Covid-19 pandemic have unprecedented implications on companies around the world and influenced Human Resources Management profoundly. Employees at all levels continue to be worried about their own health and the health of the Company. Prolonged Covid-19 pandemic may impact to employee morale loss due to work disruption which may lead to the reduction in workforce productivity.

Mitigation strategies

HR plays a vital role on rapid response to Covid-19, in keeping the workforce engaged, productive and resilient. Proactive labour relations and communication both 2 ways and 1 way to employees and contractors are in place. Employees are notified on the business situation, organizational changes, direction and any related policy to regain morale and confidence. The Company constantly takes inputs from the employees and provides frequent 2-way communication through activities such as Employee Dialogue, Vice President meets employees, etc.

In addition, to ensure business can sustain and prevent job losses, HR and senior leadership has considered reconfiguring workflows, processes, together with upskilling of employees to be multi-skilled, agile, including IT skills capability to serve more in the virtual work arrangements in the future. Various functional focus trainings are provided, ideas on process improvements are gathered, and there is an establishment of Virtual Office Policy which derived from the working group employee's viewpoints to serve future ways of new normal working.

Financial risks

Contraction in global and domestic liquidity adversely affecting availability and cost of capital

Mitigation strategies

Broadly, the working capital management is integrated with business plan together with cash flow projection. Daily cash and rolling cash forecast has been focused and syndicated between Finance, Marketing & Sales and Procurement to help in maintaining adequate cash flow and keeping the finance cost under control. Focus on working capital management is maintained in various meetings and action plans. The Company also has regional treasury committee who monitors and ensures all the group finance policies, with a formal reporting mechanism to the Board.

Risks Associated with Natural Calamity

Disruption of production and supply due to natural calamities like flood and draught

Mitigation strategies

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 risks associated with operating in industrial areas and has 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.

Emerging risk

Sudden correction in the current price levels especially when most economies are struggling from Covid-19

Mitigation strategies

The Company avoids speculation and inventory build-up by regularly buying and selling and considering the appropriate finished steel orders in hand based on company's steel inventory bracket.

4. Operating Assets

4.1 Property, Plant and Equipment Used in Business Activities for the Company and Its Subsidiary

As of March 31, 2021, property, plant and equipment used in business activities can be summarized as below:

Type of Asset	Proprietary right/ownership	Book Value (Baht million)	Obligation
1. Land	Ownership	802.31	- None -
2. Land improvement, buildings and structures	Ownership	361.87	- None -
3. Machinery and equipment	Ownership	1,293.36	- None -
4. Furniture, Fixtures, equipment and Vehicles	Ownership	50.59	- None -
5. Work in progress	Ownership	58.27	- None -
Total		2,566.40	

Details of operating assets can be categorized by each Company as follows:

Tata Steel (Thailand) Public Company Limited ("TSTH")

Type of Asset	Proprietary right/ownership	Book Value (Baht million)	Obligation
1. Building Improvement	Ownership	0.76	- None -
2. Furniture, Fixtures, equipment and Vehicles	Ownership	10.55	- None -
3. Work in progress	Ownership	0.00	- None -
Total		11.31	

Tata Steel Manufacturing (Thailand) Public Company Limited ("TSMT")

Type of Asset	Proprietary right/ownership	Book Value (Baht million)	Obligation
1. Land	Ownership	802.30	- None -
2. Land improvement, buildings and structures	Ownership	361.11	- None -
3. Machinery and equipment	Ownership	1,293.35	- None -
4. Furniture, Fixtures, equipment and Vehicles	Ownership	40.09	- None -
5. Work in progress	Ownership	58.27	- None -
Total		2,555.12	

5. Legal Dispute

As of March 31, 2021, the Company and its subsidiary which include NTS Plant, SISCO Plant and SCSC Plant had no legal dispute, neither as plaintiff nor defender, that have not yet been finalized in the following 3 cases:

- 1) No legal dispute or law suits which may have adverse impact to the assets of the Company or its subsidiary in the amount of exceeding 5% of the shareholders' equity.
- 2) No legal dispute or law suits which may have material effect to the operations of business of the Company or its subsidiary.
- 3) No legal dispute or law suits arising from the normal operation of the business of the Company and its subsidiary.

6. 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, 20 th Floor, Phaholyothin Road, Chatuchak, Bangkok 10900, Thailand
Telephone	: +66 2937 1000
Fax	: +66 2937 1224
Website	: https://www.tatasteelthailand.com
Ordinary Shares	: 8,421,540,848 shares
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 Tel : +66 2009 9000 Fax : +66 2009 9991 Email : SETContactCenter@set.or.th https://www.set.or.th/tsd
Auditors	: Ms. Varaporn Vorathitikul (Certified Public Accountant No. 4474) PricewaterhouseCoopers ABAS Ltd. ("PwC") 15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn Bangkok, 10120, Thailand Tel. : +66 2844 1000

Filing a Complaint on Ethics	: Chairman of the Audit and Risk Management Committee Mr. Alan Kam Email : alank@libertasth.com
Ethics Counselor	: Mr. Sirorote Matemanosak Tel. +66 2937 1000 Ext. 1810 Fax. +66 2937 1224 Email : sirorotem@tatasteelthailand.com
Whistle Blower Channels	: TCoC Helpline: Monday-Friday at 08.30-17.30 hrs. (except Public Holiday) 1-800-292-777 (Toll Free) or 0-2677-2800 Email: tell@thailand-ethicsline.com Post: TCoC Helpline Services, P.O. Box 2712, Bangrak Post Office, Bangkok 10500
Investor Relations	: Ms. Somjai Jarukitcharoon Tel. +66 2937 1000 Ext. 3210 Fax. +66 2937 1224 Email : somjaij@tatasteelthailand.com
Corporate Communications and Activity	: Mr. Jitti Suwanvajokkasikij Tel. +66 2937 1000 Ext. 2420 Fax. +66 2937 1224 Email : jittis@tatasteelthailand.com

Subsidiary Profile (As of March 31, 2021)

Tata Steel Manufacturing (Thailand) Public Company Limited (The Company's name changed from N.T.S. Steel Group Public Company Limited on August 27, 2020)

Registration No.	0107536001273
Established	October 4, 1988
Ordinary Share	3,856,637,797 Shares
Paid Up Capital	4,627,965,356.40 Baht
Par Value	1.20 Baht per share

Held by Tata Steel (Thailand) Plc. 99.76 %

The subsidiary operates with three manufacturing units.

1. NTS Plant:

Business Type	Manufacturer of bars, rebars and wire rods
Steel Capacity (Billet)	550,000 tons/year (EAF on scrap)
Rolling Capacity	800,000 tons/year
Factory	No. 351, Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230 Tel. +66 3834 5355 Fax. +66 3834 5350

2. SCSC Plant:

Business Type	Manufacturer of rebars
Steel Capacity (Billet)	550,000 tons/year (EAF on scrap)
Rolling Capacity	500,000 tons/year
Factory	No.1, I-7 Road, Map Ta Phut Industrial Estate, Ampher Muang, Rayong 21150 Tel. +66 3868 3968 Fax. +66 3868 3969

3. SISCO Plant:

Business Type	Manufacturer of wire rods and small sections
Steel Capacity (Billet)	300,000 tons/year (EAF on scrap)
Rolling Capacity	400,000 tons/year
Factory	No. 49 Moo 11, Tambon Bang Khamode, Ampher Ban Mor, Saraburi 18270 Tel. +66 3628 8000 Fax. +66 3628 8002

Corporate Office

Rasa Tower 2, 20th Floor, 555 Phaholyothin Road, Chatuchak, Bangkok 10900, Thailand

Tel. +66 2937 1000

Fax. +66 2937 1224

Tata Steel (Thailand) Public Company Limited. has merged the businesses of two of its subsidiaries, The Siam Construction Steel Company Limited and The Siam Iron and Steel (2001) Company Limited into Tata Steel Manufacturing (Thailand) Public Company Limited to form one operating subsidiary using the Entire Business Transfer (EBT) method. The EBT process has been completed on December 31, 2020. Consequently, the following two subsidiaries are currently under the dissolution process.

The Siam Construction Steel Company Limited

Registration No. 0105532094348

Established October 4, 1989

The Siam Iron and Steel (2001) Company Limited

Registration No. 0105544085276

Established September 3, 2001