

TATA STEEL (THAILAND)

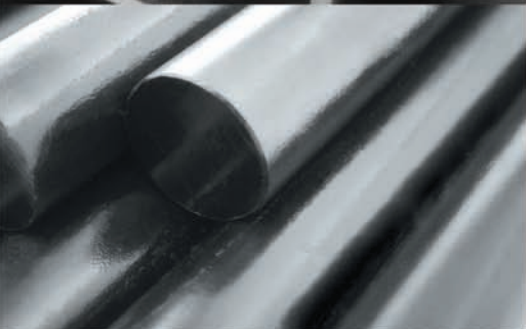


Tata Steel (Thailand)

Public Company Limited



World Class Steel for Thais



ANNUAL REPORT

2012-2013

VISION & GOALS

VISION

Tata Steel (Thailand) aims to become a value creating enterprise for its shareholders by strengthening presence in speciality and branded products while sustaining market leadership in long products in Thailand.

Customer Intimacy, Operations Excellence, Highest Standards of Corporate Citizenship, Happy and Enthused Employees will be our areas of focus to realise this Vision.

GOALS 2015

Value Creation

Increase Return on Invested Capital (ROIC) to 12%

Safety

Reduce Lost Time Injury Frequency (LTIF) to 0.4

Environment

Maintain Carbon Dioxide (CO₂) emissions to less than 1.0 Ton/ton of liquid steel

Employer of choice

In Top Quartile across all industries





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CONSOLIDATED FINANCIAL HIGHLIGHTS

Million Baht

Financial Statements

	2013	2012	2011
Statement of Income			
Net Sales	25,014.52	26,223.03	26,761.72
Total Revenues	25,252.19	26,343.09	26,819.64
Gross Profit	289.96	*(406.00)	(96.91)
Earnings before Income Tax, Financial Charges, Depreciation and Amortization (EBITDA)	641.56	**257.98	326.60
Net Profit (Loss) Before Tax	(4,219.49)	(1,349.75)	(1,060.51)
Net Profit (Loss)	****(4,545.47)	***(-1,580.59)	(976.00)
Statement of Financial Position			
Total Assets	18,101.05	22,959.90	24,913.23
Total Liabilities	9,129.30	9,432.54	9,799.38
Total Shareholders' Equity	8,971.75	13,527.36	15,113.85
Issued and Fully Paid of Share Capital	8,421.54	8,421.54	8,421.54

Financial Ratio

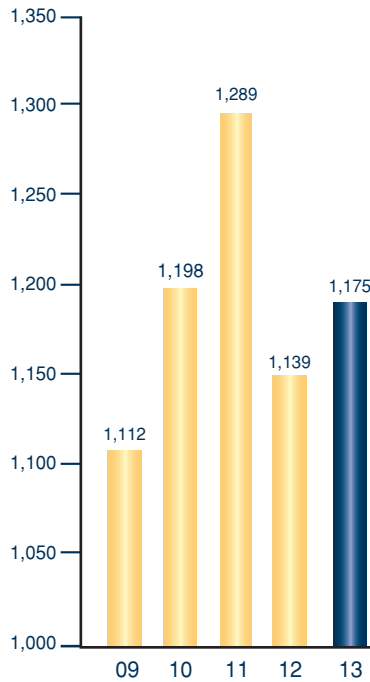
Par Value (Baht)	1.00	1.00	1.00
Book Value per Share (Baht)	1.07	1.61	1.79
Earnings (Loss) per Share (Baht)	(0.56)	(0.19)	(0.12)
Current Ratio (Time)	1.34	1.70	1.91
Debt to Equity Ratio (Time)	1.02	0.70	0.65
Time Interest Earned Ratio (Time)	1.73	0.87	1.15
Return on Total Revenues (%)	(18.00)	(6.00)	(3.64)
Return on Assets (%)	(22.14)	(6.60)	(3.80)
Return on Equity (%)	(40.41)	(11.04)	(6.25)

Note

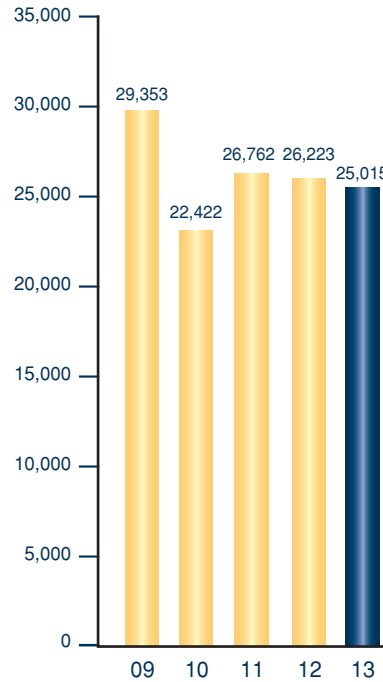
- * One-time charge of ฿408 Mn from MBF Moth ball related expenditure and others.
- ** One-time change of ฿175 Mn impacting EBITDA.
- *** One-time charge of ฿415 Mn from MBF Moth ball related expenditure and others, Deferred Tax Assets write-back of ฿272 Mn on account of reduction in corporate tax rate.
- **** One-time charge of impairment loss ฿3,600 Mn resulting from an impairment testing exercise, consistent with TAS No. 36, Deferred Tax Asset write - back of ฿286 Mn on account of the probability to taxable profit that cannot be utilised.

CONSOLIDATED FINANCIAL HIGHLIGHTS

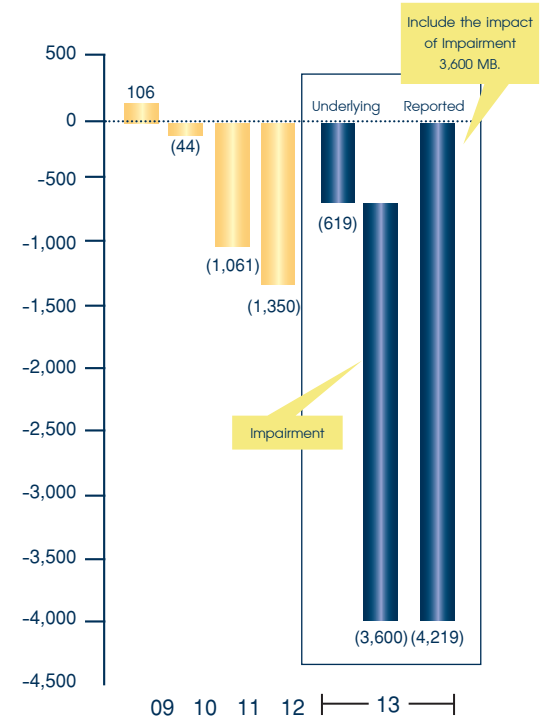
Sales Volume (Thousand Ton)



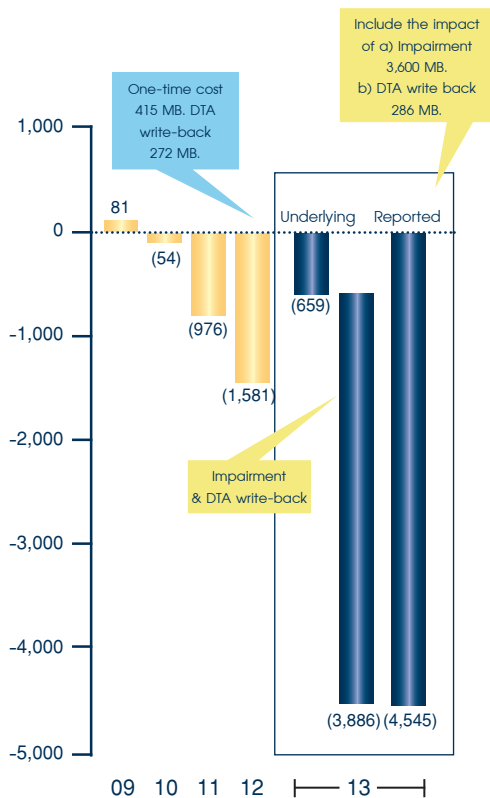
Net Sales (Million Baht)



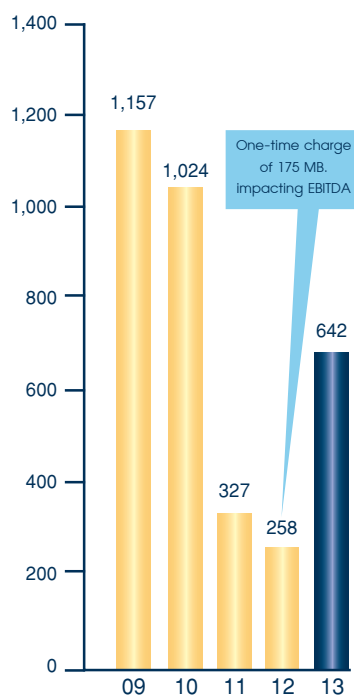
Net Profit (Loss) Before Tax (Million Baht)



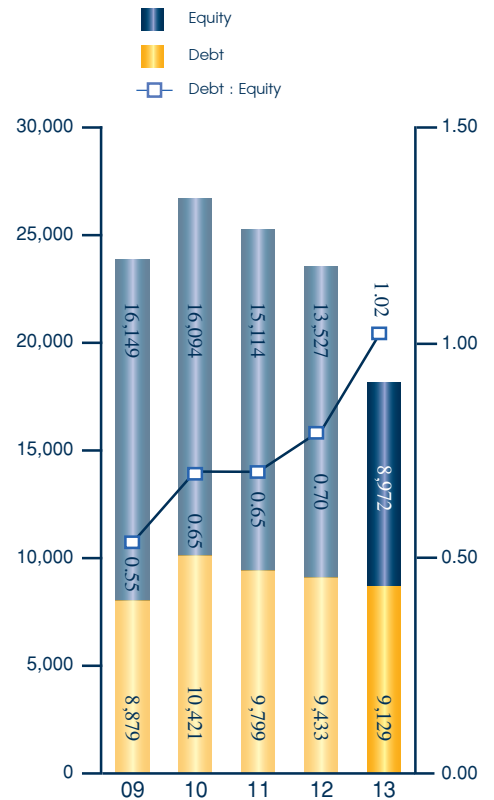
Net Profit (Loss) (Million Baht)



EBITDA (Million Baht)



Debt to Equity



GENERAL INFORMATION OF COMPANY AND SUBSIDIARIES

Tata Steel (Thailand) Public Company Limited

Registration No.

0107545000136

Business Type

Manufacturer and distributor of long steel products.

Established

July 12, 2002

Listing Date

November 29, 2002

Trading Date

December 18, 2002

Authorized Capital

11,025,579,573 Baht

Ordinary Shares 10,772,806,348 shares

Preferred Shares 252,773,225 shares

Paid Up Capital

8,421,540,848 Baht

Ordinary Shares 8,168,767,623 shares

Preferred Shares 252,773,225 shares

Par Value

1.00 Baht per share

Securities Trading Symbol

TSTH

ISIN Number

Local TH0692010000

Foreign TH0692010018

NVDR TH0692010R12

Head Office

555 Rasa Tower 2, 20/F Floor, Phaholyothin Road,

Chatuchak, Bangkok 10900, Thailand

Tel. 66 (2) 937-1000 Fax. 66 (2) 937-1223

Website

<http://www.tatasteeltailand.com>

Registrar

Thailand Securities Depository Company Limited

4, 6, 7/F, The Stock Exchange of Thailand Building,

62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Tel. 66 (2) 229-2800 Fax. 66 (2) 359-1262-3

Auditors

Miss. Thanawan Anuratbodee

(Certified Public Accountant Registration No. 3440)

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

Rajanakarn Building, 25/F, 183 South Sathorn Road,

Yannawa, Sathorn, Bangkok, 10120, Thailand

Tel. 66 (2) 676-5700 Fax. 66 (2) 676-5757

Investor Relations

Miss Pratana Sinhaneti

Tel. 66(2) 937-1000 Ext. 2430

E-mail pratanas@tatasteeltailand.com

GENERAL INFORMATION OF COMPANY AND SUBSIDIARIES

N.T.S. Steel Group Public Company Limited



Registration	No. 0107536001273
Business Type	Manufacturer of bars, rebars and wire rods
Established	October 4, 1988
Factory	No. 351, Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230 Tel. 66 (3) 834-5355 Fax. 66 (3) 834-5350
Authorized Capital	4,628,010,864.00 Baht
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
Business Type	Manufacturer of rebars
Established	October 4, 1989
Factory	Plot I-23, Map Ta Phut Industrial Estate, Ampher Muang, Rayong 21150 Tel. 66 (3) 868-3968 Fax. 66 (3) 868-3969
Authorized Capital	1,750,000,000.00 Baht
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
Business Type	Manufacturer of wire rods and small sections
Established	September 3, 2001
Factory	No. 49 Moo 11, Tambon Bang Khamode, Ampher Ban Mor, Saraburi 18270 Tel. 66 (3) 628-8000 Fax. 66 (3) 628-8002
Authorized Capital	120,000,000.00 Baht
Paid Up Capital	120,000,000.00 Baht
Par Value	100 Baht
Held by TSTH	99.99 %

MESSAGE FROM THE BOARD OF DIRECTORS



A handwritten signature in white ink on a dark blue background.

MR. HEMANT MADHUSUDAN NERURKAR
Chairman

Dear Shareholders,

GREETINGS,

You will recall that the year FY13 started on an optimistic note and the Company had geared itself to take the “turnaround” initiative forward and build on the performance of Q4 FY12. The first quarter of FY13 saw three (3) significant events that had a deep impact on the Company.

Firstly, Eurozone crisis continued to cripple economic activity in Europe leading to an inclement steel demand causing a lack lustre performance of most European steel companies in 2012. Secondly, the steel and raw material prices took a steep fall of around \$ 100 PMT in the June - August 2012 period and the tremors from this sudden fall were felt in nearly all steel companies all through Q2 and Q3 of 2012 leading to a dismal performance (worse than 2011). Thirdly, China experienced slowdown in first half of 2012 and this had multiple effects. Most notable has been the flow of finished steel from China to SE Asia region especially in Hot Rolled Coils and Wire Rod Coils. In Thailand, the effect has been severe as imports grew by 25% in 2012 over 2011, as compared to a 12% increase in the steel consumption in the same period. In addition, these imports came in at much lower prices causing price erosion in the market.

For Tata Steel (Thailand), such imports impact around 35% of its product mix and being a leader in the category of High Carbon Wire Rods, the Company took the step of approaching the Government to initiate anti-dumping investigations on such imports. We expect the Government to come forward to support the local producers while Company maintains its tight grip on the balance 65% of the product mix of rebars and sections.

Over and above these three events, we faced an unfortunate accident in early May 2012 due to a blast in an adjacent plant causing stoppage of our plant at Rayong for a few weeks. This affected production and had an adverse effect on the cost and a lost sales opportunity.

Despite these unforeseen and unfortunate incidents, the Company

and its three subsidiaries have demonstrated a steely resolve to stay on the path of “turnaround.” The recovery in H2 FY13, assisted by the economy bounce back, has been significant. The Company has achieved a positive EBITDA performance of 2.5% of sales and the year saw an improvement in the EBITDA over the last 2-year period level of around 1% of sales.

Notable achievements of FY 2013

- Safety: The Company recorded its lowest ever Lost Time Injury Frequency rate (LTIFR) of 0.46 as compared to 0.77 in FY 12 and 1.31 in FY11.
- Environment Management related to Zinc Dust disposal, EHIA process review and CO2 emission levels has been managed well. This year, N.T.S. Steel Group Public Company Limited, a subsidiary of the Company received ISO14001 certification in a record time of 9 months.
- Scrap sourcing: Initiatives taken on vendor segmentation has improved the domestic scrap collection thereby restricting the use of expensive imported scrap. Innovative programs like Value in Use (ViU) and “backward integration” has enabled integration of scrap procurement with plant operations.
- An improvement project in Marketing and Sales has enabled additional sales of rebars by acquiring new customers (in regions) and increasing sales to existing customers by better relationship management. As a result, the brand TATA TISCON could increase its regional sales by 77% over last year and strengthened its leadership position further in the market. The year saw the successful development and launch of Seismic rebars, first time in Thailand.
- Maintaining its focus on high end products, the Company continued its efforts to develop new products in the category of wire rods. However, the sales of high end products took a slight dip to 26% of the total sales (28% in FY12), largely due to the increased imports from China.
- A new initiative called LOT - “Leaders of Tomorrow” was launched to encourage fast track career progression for the potential leaders.

MESSAGE FROM THE BOARD OF DIRECTORS



MR. PEEYUSH GUPTA
President and CEO



A significant feature of FY13 has been the tight control on the working capital to ensure a healthy cash balance in the Company. This has enabled return of confidence of Banks, suppliers and customers who can see the effective functioning of the "Turnaround plan" in the Company. Management of the "spread" (selling price minus the metallic consumer price) has been especially noteworthy in the wake of external uncertainties faced by all steel companies in Thailand and SE Asia. The steady performance improvement over the last few quarters gives the confidence that we are on the way out of the trough and are well positioned to achieve better performance in future years.

You will recall that the company had taken a major decision in August 2011 to mothball the Mini Blast Furnace (MBF) due to the high cost of raw materials (iron ore and coke) that led to a higher cost of billet from the Hot Metal route versus the Scrap route. In addition to the loss of flexibility, being 100% import dependent and in a volatile raw material price regime, the MBF route is unviable as compared to the Electric Arc Furnace (EAF) route that runs on scrap. Since, the MBF was shut for 20 months, the impairment testing in line with the requirements of TAS 36 (Revised 2009) "Impairment of Assets" required the company to take a major decision this year to permanently close the MBF. Accordingly, the company has decided to impair the MBF and the related assets that are obsolete and not in use leading to a one-time charge to the income statement. Despite the closure of MBF, the capacity to produce the finished goods in its subsidiaries remains unchanged and therefore the company will continue to be a leader of long products in Thailand.

Outlook for FY 2014

Despite the slow recovery expected in Europe in 2013 and continued impact of imports of steel from China in SE Asia, the Company is looking forward to a period of next 5-7 years of robust demand in Thailand. This is arising out of the burgeoning need to build on the infrastructure in Thailand to maintain its competitiveness in the ASEAN and to provide support to the large industrial base that operates out of Thailand. The recently announced Baht 2.2 trillion plan comprising of infrastructure projects for rail system (82.92%) and road construction (14.47%) is a step in that direction. Further, this will be supported by the growth in Automotive production as Thailand inches up the ladder of highest Automotive producers and exporters from this region. The growth in neighbouring economies like Laos, Cambodia, and Myanmar will augur well for Thai industries. The resurgence and renewed confidence of private construction, restart of the stalled infrastructure projects in Bangkok and emergence of Chiangmai as the construction zone makes Thailand poised to attain a GDP growth of 5% in 2013 over 2012 (6.4% in 2012 over 2011 due to the flood impact in 2011). This will result in robust 6-7% growth in steel demand.

Accordingly, the Company plans to strengthen its leadership position in the construction space and steadily increase its presence in the growing Automotive segment. Having seen the positive impact of the "turnaround initiative," the Company feels energized to become a value-creating player for its stakeholders. Improved and consistent growth prospects for the region indicate that the company is in the right place and at the right time. Operating under the guiding principles of Tata Code of Conduct, the company stays committed to be a responsible corporate citizen with the highest standards of safety in all its operations.

Lastly, on behalf of the Board of Directors, we would like to place our deep appreciation to the shareholders for having understood the need for the close down of the Mini Blast Furnace. In addition, the Board of Directors would like to express their gratitude to the shareholders, customers, employees, business associates, financial institutions both local and overseas, media as well as all other related Government and private agencies for their trust and support extended to the Company.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. HEMANT MADHUSUDAN NERURKAR

Chairman

Age : 65

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Technology (Metallurgical Engineering), Collage of Engineering, Pune, India

Work experience in the 5 preceding years

2012 - Present	Director, Tata Steel Odisha Ltd., India
2011 - Present	Director, Tata Steel Europe Ltd.
2011 - Present	Chairman, TRL-Krosaki Refractories Limited
2010 - Present	Chairman, Tata Steel Holdings Pte Ltd., Singapore
2010 - Present	Chairman, Tata Steel Global Minerals Holdings Pte Ltd., Singapore

2010 - Present	Chairman, Tata Steel Global Procurement Pte Ltd., Singapore
2010 - Present	Chairman, Proco Issuer Pte Ltd., Singapore
2010 - Present	Chairman, Corus Consulting Ltd. U.K.
2010 - Present	Director, CEDEP., France
2010 - Present	Director, Xavier Inst. of Mgmt, Bhubaneswar
2010 - Present	President, Institute for Steel Development & Growth
2010 - Present	Director, New Millennium Capital Corporation, Canada
2009 - Present	Managing Director, Tata Steel Limited, India



MR. KOUSHIK CHATTERJEE

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

Age : 44

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Commerce (Honours), University of Calcutta, India
- F.C.A (Fellow Member of the Institute of Chartered Accountants of India), Institute of Chartered Accountants of India

Work experience in the 5 preceding years

2012 - Present	Executive Director & Group CFO Tata Steel Ltd., India
2012 - Present	Director, Tata Steel Odisha Ltd., India
2010 - Present	Director, Tata Steel Global Procurement Pte Ltd., Singapore
2010 - Present	Director, ProCo Issuer Pte Limited, Singapore

2009 - Present	Chairman & Director, Tata Metaliks Ltd.
2009 - Present	Director, Tata Steel Global Minerals Holdings Pte Limited, Singapore
2008 - Present	Director, Tata Steel Holdings Pte Limited, Singapore
2006 - Present	Director, Tata Steel UK Ltd., U.K.
2006 - Present	Director, Tata Steel Europe Limited
2006 - Present	Director, Tata Steel Holdings Pte Ltd., Singapore
2004 - Present	Director, The Tinsplate Company of India Ltd.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. MARIS SAMARAM

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

Age : 70

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Accounting, University of the East, Philippines
- Program for Management Development,
Harvard Business School, USA
- Directors Certification Program (DCP : 33/2003)
- Board's Failure and How to Fix it
- Audit Committee Program (ACP : 3/2004)
- Monitoring the Internal Audit Function (MIA : 3/2008)
- Monitoring the System of Internal Control and Risk
Management (MIR : 4/2008)
- The Responsibilities and Liabilities of Directors and
Executives under the New SEC ACT (May 2008)
- Handling Conflicts of Interest: What the Board Should Do? (2008)

Work experience in the 5 preceding years

2001 - Present	Director, Indorama Ventures Limited
2008 - 2011	Director and Vice Chairman of the Audit Committee Indorama Polymers Plc.
2005 - Present	Director, PAC Siam Co., Ltd.
2005 - Present	Director, Marsh PB Co., Ltd.
2003 - Present	Independent Director and Chairman of the Audit Committee Siam Commercial Bank Plc.
2001 - Present	Advisor, M.E.D. Co., Ltd.
2004 - 2010	Independent Director and Audit Committee Member Sub Sri Thai Warehouse Plc.



ASST. PROF. RAWEWAN PEYAYOPANAKUL

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

Age : 65

No. of Shareholding (%) : 22,000 (0.00)

Relative : None

Education / IOD's program

- Master of Business Administration,
Michigan State University, USA
- Bachelor of Accounting, Thammasat University
- Directors Accreditation Program (DAP : 4/2003)
- Audit Committee Program (ACP : 4/2005)

Work experience in the 5 preceding years

2008 - Present	Independent Director and Chairman of the Audit Committee, Sabina Plc.
2000 - Present	Independent Director and Member of the Audit Committee, Thai Cane Paper Plc.
1999 - Present	Independent Director and Member of the Audit Committee, Thai Theparos Food Products Plc.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. HATASAKDI NA POMBEJRA

Independent Director,
Member of the Audit Committee

Age : 56

No. of Shareholding (%) : 0

Relative : None

Education / IOD's 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 (honours) Thammasat University, Thailand
 - Directors Certification Program (DCP : 2003)
 - Audit Committee Program (ACP : 2006)
 - The role of Chairman (RCM : 2008)
 - Advanced Audit Committee Program (1/2009)

Work experience in the 5 preceding years

2006 - 2009

Independent Director/
Member of the Audit Committee/
Chairman of the Good Governance
Committee
Surapon Foods Public Company Limited.



MR. TARATORN PREMSOONTORN

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

Age : 50

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Master of Business Administration,
Oklahoma City University, USA
- Bachelor of Economics, Chulalongkorn University

-
- Directors Certification Program (DCP : 40/2004)
 - Directors Accreditation Program (DAP : 2/2003)
 - Finance for Non-Finance Directors Program
(FND : 7/2003)

Work experience in the 5 preceding years

1996 - Present

Senior Vice President Bangkok Bank Plc.

2003 - 2009

Director, Prasit Patana Plc.

2001 - 2013

Director, Sriracha Harbour Plc.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. PETER JOHN HOGG

Director,
Member of the Executive Committee

Age 44

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- MA (Hons) Manufacturing Engineering,
University of Cambridge 88-91
- MBA, University of Warwick, 99-01

Work experience in the 5 preceding years

2011 - Present	Commercial Director, Long Products Tata Steel Europe
2008 - 2011	General Manager, Tata Steel Specialist Tata Steel Europe
2004 - 2008	Director, Wire Rod Business Corus UK



MR. PEEYUSH GUPTA

Director,
Member of the Executive Committee,
President & CEO

Age 44

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

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

Work experience in the 5 preceding years

2012 - Present	President & CEO, Tata Steel (Thailand) Plc.
2011 - 2011	Joint CEO, Tata Steel (Thailand) Plc.
2007 - 2011	Chief (Marketing & Sales - Flat Products) Tata Steel Limited, India
2007 - 2007	Chief (Strategy & Integration - Long Products) Tata Steel Limited, India
2004 - 2006	Financial Controller (Long Products) Tata Steel Limited, India

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. THANA RUANGSILASINGHA

Chief Operating Officer

Age 58

No. of Shareholding (%) : 50,000 (0.00)

Relative : None

Education / IOD's program

- Master of Engineering Ohio State University, USA
- Bachelor of Engineering, Chulalongkorn University

Work experience in the 5 preceding years

2010 - Present	Director, N.T.S. Steel Group Plc.
2004 - Present	Director, The Siam Construction Steel Co., Ltd.
2002 - Present	Director, The Siam Iron and Steel (2001) Co., Ltd.
2011 - 2012	Vice President - Operations Tata Steel (Thailand) Plc.



MR. AMIT GHOSH

Chief Financial Officer

Age 59

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Master in Business Administration, XLRI,
Jamshedpur, India
- Associate Member of Institute of Cost and
Works Accountants of India.
- Bachelor of Commerce (Honors), University of Calcutta

Work experience in the 5 preceding years

2012 - Present	Director The Siam Construction Steel Co., Ltd.
1996 - 2007	Vice President - Finance & Accounting Tata Metaliks Ltd., India

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. SIROTE MATEMANOSAK

Vice President - Human Resources & Corporate Affairs

Age : 50

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

Relative : None

Education / IOD's program

- Master of Business Administration, Kasetsart University
- Bachelor of Laws, Thammasat University

Work experience in the 5 preceding years

2012 - Present	Director, N.T.S. Steel Group Plc.
2012 - Present	Director, The Siam Iron and Steel (2001) Co., Ltd.
2012 - Present	Director, The Siam Construction Steel Co., Ltd.
2008 - 2009	Chief of Corporate Human Resources Tata Steel (Thailand) Plc.



MR. PAITHOON CHUESOOK

Vice President - Procurement

Age : 50

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Engineering (Mechanical),
King Mongkut's Institute of Technology North Bangkok,
Thailand

Work experience in the 5 preceding years

2012 - 2013	Director, The Siam Iron and Steel (2001) Co., Ltd.
2011 - 2012	Plant Manager - Saraburi Tata Steel (Thailand) Plc.
2010 - 2011	Senior Department Manager - Rolling Mill The Siam Iron and Steel (2001) Co., Ltd.
2006 - 2010	Department Manager - Steel Plant N.T.S. Steel Group Plc.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. BISWAJIT GHOSH

Vice President - Quality Assurance and Product Development

Age : 47

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Engineering (Metallurgical),
Ranchi University, India

Work experience in the 5 preceding years

2012 - Present	Vice President- Quality Assurance and Product Development Tata Steel (Thailand) Plc.
2011 - 2012	Vice President - New Product Development Tata Steel (Thailand) Plc.
2011 - 2011	Senior Advisor to President Tata Steel (Thailand) Plc.
2009 - 2011	Chief Technology (Steel & Mills) Tata Steel Limited, India
2001 - 2009	Head LP (Through Process Control) Tata Steel Limited, India



MR. SONGSAK PIYAWANNARAT

Vice President - Marketing and Sales Office

Age : 42

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Statistics
(Insurance and Business Administration), Chulalongkorn University
- Master of Business Administration,
Thammasat University

Work experience in the 5 preceding years

2012-2012	Vice President - Projects TSN Wires Company limited
2004-2012	Domestic Sales Department Manager The Siam Industrial Wire Co., Ltd.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. CHANDRA MOHAN VERMA

Vice President - Capital Projects & Business Excellence Office

Age : 48

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Mechanical Engineering, APS University, Rewa, India

Work experience in the 5 preceding years

2012-2012	Senior Department Manager - Capital Project and Business Excellence Tata Steel (Thailand) Plc.
2011-2012	Senior Department Manager, President Office Tata Steel (Thailand) Plc.
2008-2010	Head BAF/SPM, Cold Rolling Mill Tata Steel Limited, India



MR. ARUN KUMAR CHOWDHARY

Vice President - Chonburi Plant

Age : 53

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

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

Work experience in the 5 preceding years

2012 - Present	Director, N.T.S. Steel Group Plc.
2012 - Present	Director The Siam Iron and Steel (2001) Co., Ltd.
2011 - 2012	Plant Manager - Chonburi
2010 - 2011	Senior Department Manager - MD Office (MBF Operation) Tata Steel (Thailand) Plc.
2009 - 2010	Senior Department Manager - MD Office (MBF Operation) N.T.S. Steel Group Plc.
2009 - 2009	Senior Department Manager - Maintenance N.T.S. Steel Group Plc.

THE BOARD OF DIRECTORS AND MANAGEMENT



MR. WANLERT KANWIWAT

Vice President - Rayong Plant

Age : 48

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Bachelor of Engineering (Electrical),
King Mongkut's Institute of Technology Ladkrabang, Thailand

Work experience in the 5 preceding years

2012 - Present	Director N.T.S. Steel Group Plc.
2012 - Present	Director The Siam Construction Steel Co., Ltd.
2011 - 2012	Plant Manager - Rayong Tata Steel (Thailand) Plc.
2010 - 2011	Senior Department Manager - Steel Plant N.T.S. Steel Group Plc.
2007 - 2010	Department Manager - Rolling Mill The Siam Iron and Steel (2001) Co., Ltd.



MR. CHAICHALERM BUNYANUWAT

Vice President- Saraburi plant

Age : 45

No. of Shareholding (%) : 0

Relative : None

Education / IOD's program

- Engineering,
King Mongkut's University of Technology Thonburi,
Bachelor of Mechanical

Work experience in the 5 preceding years

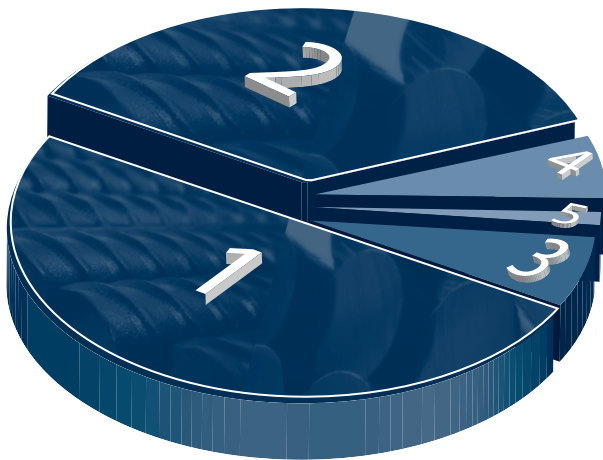
2012 - 2012	Plant Manager, Saraburi The Siam Iron & Steel (2001) Co., Ltd.
2010 - 2012	Senior Department Manager - Steel plant and Maintenance Steel plant N.T.S. Steel Group Plc.
2008 - 2010	Senior Department Manager - Central Engineering Tata Steel (Thailand) Plc.

Structure of Revenues

The proportions of the Company's revenues from the sales by product lines, as produced by subsidiaries, are as follows:

Line of Product	FY'13 Year 2012 - 2013			FY'12 Year 2011 - 2012			FY'11 Year 2010 - 2011		
	(Thousand Ton)	(Million Baht)	%	(Thousand Ton)	(Million Baht)	%	(Thousand Ton)	(Million Baht)	%
Domestic Market									
Rebars	624	12,803	51.18	566	12,609	48.08	614	12,306	45.98
Wire Rods	415	9,167	36.65	440	10,543	40.20	474	10,357	38.70
Small Sections	59	1,452	5.81	44	1,109	4.23	34	758	2.83
Others & Billets	6	121	0.48	8	145	0.55	6	105	0.39
Total Revenues from Domestic Sales	1,104	23,543	94.12	1,058	24,406	93.06	1,128	23,526	87.91
Export Market									
Rebars	41	815	3.26	35	736	2.81	87	1,678	6.27
Wire Rods	30	641	2.56	46	1,081	4.13	74	1,557	5.82
Small Sections	-	-	-	-	-	-	-	-	-
Others & Billets	1	16	0.06	-	-	-	-	-	-
Total Revenues from Export	72	1,472	5.88	81	1,817	6.94	161	3,236	12.09
Total Revenues	1,175	25,015	100.00	1,139	26,223	100.00	1,289	26,762	100.00

Revenues from Sales 2012 - 2013 (Million Baht)



1. Rebars	12,803	(51.2%)
2. Wire Rod	9,167	(36.6%)
3. Export	1,472	(5.9%)
4. Small Sections	1,452	(5.8%)
5. Others	121	(0.5%)

Business Description of the Company and its subsidiaries

The Company operates its business as a Holding Company with shareholding in its three subsidiaries namely the NTS, SISC and SCSC. The three subsidiaries are producers of rebars, wire rods, small sections and Special Bar Quality steel.

The Company's operation is undertaken as a group with the Company as the top policy maker and the 3 subsidiaries are responsible for carrying out the operation according to the prescribed policy of the Company with regard to marketing, production plan, raw material sourcing, finance, human resources management and other aspects of administration.

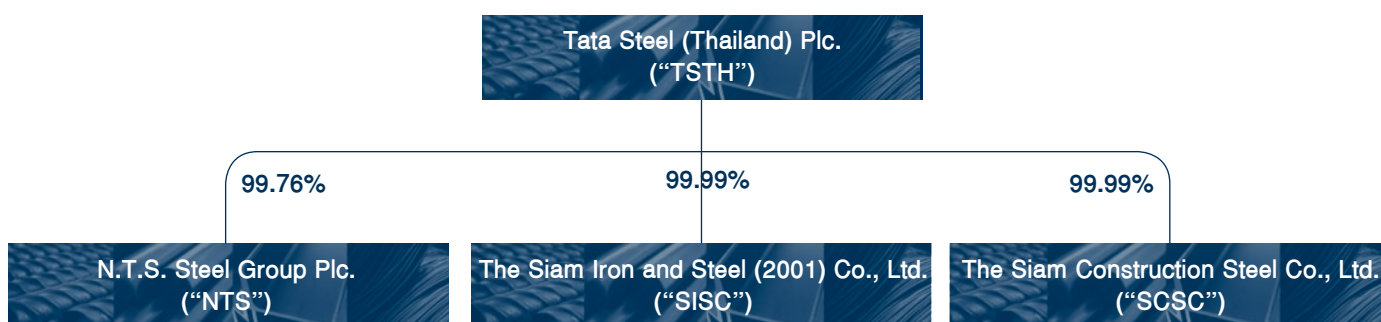
The Company's major shareholder is the Tata Steel Global Holdings Pte. Ltd. ("TSGH"), a wholly owned subsidiary of Tata Steel Limited ("TSL"), and which operates its business as an investment company with its head office at Singapore. TSL is a registered company incorporated under Indian Laws and is among top three integrated steel producers

of 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 wide group of customers. TSL also extends support to TSTH in the business operations by providing assistance in technology, knowhow, treasury and finance, training of people and International sales through its network of offices. Along with Singapore operations, TSL drives the long products strategy in India & SE Asia in an integrated manner.

Policy on division of operation between companies within the group

The Company has a policy to allocate production at each of its subsidiary with an objective to maximize contribution 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 customer requirements.

Shareholding Structure



Products

1. Reinforcement Bars ("Rebars")

The product line consists of round bars and deformed bars with diameter in sizes 6-25 mm and 10-40 mm, respectively. The round bars are produced in accordance with Thai Industrial Standards Institute (TIS) No. 20-2543, grade quality: SR 24 and deformed bars are produced in accordance with Thai Industrial Standards Institute (TIS) No. 24-2548, grade quality, SD 30, SD 40 and SD 50. The rebar products are used by the construction sector and primarily for reinforcement of concrete in applications such as roads, bridges, footing, buildings, houses and general use, etc. Last year, the Company developed and launched a new

rebar product with seismic resistance properties under the brand umbrella of TATA TISCON and called it as Super Ductile rebars, with grade quality of SD 40 in diameters of 10 to 40 mm. The new rebar product complies with the international quality standard to provide seismic resistance and thus provides higher safety and protection to the building structures in Thailand.

2. Low Carbon Wire Rods (“LCWR”)

LCWR is of grade quality: SWRM 6-22, SWRY11 and SWRCH6A-22A. The size range is 5.5-16 mm and these are produced in accordance with Thai Industrial Standards Institute (TIS) No. 348-2540, JIS G3503 (1980) and JIS G3507 (1991) respectively. These are used as raw materials by the wire industry who in turn make wire products for construction & General Engineering sector for applications such as binding wire, nails, wire mesh, galvanized wire, barbed wire, welding wire, cold drawn wire, screw and nuts, etc.

3. High Carbon Wire Rods (“HCWR”)

HCWR is of grade quality: SWRH 27 - 82. The size range is 5.5 - 19 mm and these are produced in accordance with Thai Industrial Standards Institute (TIS) No. 349- 2548. These are used as raw materials by the wire industry for construction, automotive and general engineering sector with products such as PC wires and PC strand, compression springs, extension springs, torsion springs, slings etc.

4. Small Sections

Small sections are hot rolled products and have various forms such as angles and / or channels. These are produced in accordance with Thai Industrial Standards Institute (TIS) No. 1227-2539, grade quality: SM400-570 and SS400-540. These products serve as end use products in construction sector with applications such as roof structures, electricity poles and billboards etc.

5. Special Bar Quality (“SBQ”)

SBQ is a round steel bar in plain carbon steel in the size range of 19 - 40 mm These are produced in accordance with JIS G3101 (1995) for SS400 grade for General Engineering applications. For special usage, SBQ is produced to JIS G4051 (1979) spec in grades S10C - S50C. These products serve Automotive and General Engineering sector.

6. Cut and Bend (“CAB”)

Cut and Bend products are ready to use products for the construction sector and have been developed for the customers to assist in time saving, labor, transportation cost reduction and to provide better yields. The raw material is rebars, which are then taken to a “Cut and Bend” centre set up by the company for this purpose. After converting into ready to use condition as per the designs given by the end customers, the products are sent to the construction sites.

Management Standard System

TSTH’s subsidiaries namely, SISC, SCSC and NTS have adopted international standards. SISC and SCSC are certified to ISO 9001 : 2008 and NTS is certified to ISO 9001 : 2000 (International standard in Quality Management System). In addition, the Company realizes the importance of the environment control and therefore SCSC is certified to ISO

14001 : 2004 (International standard for the environmental control) and NTS is certified to ISO/IEC 17025 : 2005 (General requirements for the competence of testing and calibration laboratories). The Company is well aware of the importance of the safety in the workplace for its employees. SISC and SCSC are certified to TIS 18001 : 2542 & OHSAS18001 : 2007 (International standard of Occupational Health and Safety Management Systems).

Additionally, TSTH’s Marketing and Sales Department has also received ISO 9001 : 9008 certificate with ongoing surveillance survey and internal control.

Procurement

Procurement department of Tata Steel (Thailand) is engaged in the purchase of Metallic Scrap, Steel Billets, Raw Materials, Goods for maintenance, Repair and Operations, Services and Inbound Logistics. The Procurement Team consists of around 50 professionals, located at the Bangkok Head Office and at three plant sites in Saraburi (SISCO), Rayong (SCSC) and Chonburi (NTS).

The local procurement strategy is aligned to the procurement strategy of the Tata Steel Group and derives synergy in the market place by leveraging the Group procurement model. In addition, Tata Steel Thailand is focused on continuously improving its Procurement processes by implementing dedicated Procurement strategies per spend-category, increasing strategic sourcing contract coverage and enhancing supplier relationship management for select strategic vendors and categories. Automation of repetitive order items is an integral part of these change processes, aimed at reducing costs and time, which in turns allows for better engagement on strategic sourcing. A conscious drive has been undertaken since last two years to train the managers at Thailand on these processes, tools and techniques. This has been implemented by placing a senior resource from European Procurement operations at Thailand on “secondment”. In addition, Tata Steel Group recognizes the critical role of scrap procurement in profitability of SE Asian operations. Accordingly, the lead buyer for scrap for Tata Steel Group, is placed in Thailand who provides guidance and strategic buying approach to the respective scrap buyers of companies based at Singapore, Thailand and Europe.

TSTH has adopted Tata Code of Conduct (TCOC) and therefore drives strict compliance to the TCOC clauses across the procurement function. Some of the principles have been embedded as a “standard” across the Group procurement and these are,

- Ensure a single face to the market.
- Maximize value and innovation through our supplier & end user relationships.
- Seek contract relationship that represents fair value for all stakeholders.

NATURE OF BUSINESS

- Align and integrate our objectives with those of our end users in the development of sourcing strategy.
- To support deployment and use of common tools and standards across procurement.
- To facilitate compliance across the business entities.
- Maintain highest level of ethical standards, transparency in dealing and compliance to the Code of Conduct.

Procurement Division in Tata Steel (Thailand) is organized as per the spend in major 5 functions, focusing on different spend categories described as under :

1. Metallic

Represents over 80% of the total spend of TSTH. Sub categories include domestic scrap, imported scrap and billets, in various grades. Basic strategy is to maximize domestic scrap sourcing, and source imported scrap in close co-operation with the global Tata Steel Procurement network. The domestic scrap supply market is segmented in various vendor segments and the Metallic procurement team has developed tailored commercial strategies for these segments, thereby supporting the overall Metallic procurement strategy to drive optimum Value-In-Use at each of the three plants.

2. Maintenance Repairs and Operational Goods

This department is predominantly working on sourcing (technical) MRO Goods, including Graphite Electrodes, Bearings, Rolls, Fuel and Fluid Systems, Water Treatment System, Natural Gases, Filter, Belt-Chain and etc. These categories typically require close co-operation between (plant) engineers and the procurement team.

3. Raw Materials, Inbound Logistics and Cooperate Services

TSTH's Raw Materials Procurement team is handling the procurement of Ferro Alloys, Refractory and other additives used in the Electric Arc Furnace. Most of these items are sourced in close cooperation with Hubs in India, Singapore, UK and the Netherlands. Key strategy is to find the right source of supply with optimum value and price combination suitable for TSTH operations.

Inbound Logistics and related services are structured to handle import cargoes. This team works in close co-operation with the Tata Steel Group Shipping & Logistics team. Key goal is to manage inbound logistics in such a way that all cargoes reach the end users on time, with optimal costs, in the safest way. Therefore, harmonization with company policies is a key goal, with the ultimate goal of eliminating any harm to people.

4. Plant Procurement

Many service and supply activities pertain to the day to day operations of the plants. Therefore, TSTH has assigned a department to serve the internal end users with smooth and flexible procurement processes. The department has staff stationed at the plant sites, that allows close collaboration, and ensures highest service levels to meet and exceed the customer's expectations.

5. Procurement Development and Support

TSTH procurement has been operating under the Procurement Operating Model (POM) which has a developed framework to guide the processes designed at the TATA Steel Group level.



Market Situation and Competition

Domestic Market

1. Rebars

The product is distributed through a network of dealers in Bangkok & surrounding provinces including in up country regions of Thailand. In terms of direct sales by the company sales staff, the product is sold directly to the contractors and project owners in mainland Bangkok. Last year, the Company was able to increase its sales volume through dealers in upcountry provinces by 77% over the previous year, thereby strengthening the position of TATA TISCON as the largest selling brand in Thailand with total market share at 29% (increase from 25%). This approach of selling in upcountry regions is unique and different from the approach adopted by most competitors who focus on sales in Bangkok metropolitan and its satellite areas. The sales volumes in these areas are less volatile and product commands a higher premium than the next best brand. In its endeavor to improve the product mix, the company achieved a 13% higher sales in new products in FY13 over FY12. Last year also saw the development of the new seismic resistant rebar, TATA TISCON S Super Ductile for the upcountry market of Chiang Mai. The product, first time in Thailand, was launched to provide the customers with a new option to enhance safety of the building structures in higher seismic zones. The product has been well received and efforts are underway to increase the reach further to other high seismic zones.

2. Wire Rods

LCWR, the low carbon wire rods category is supplied to the producers of finished goods like nails, fences, mesh etc. The special wire rods like HCWR, FY11 and CHQ are supplied to the wire drawers who make finished goods such as PC wire, PC strand, welding rods, electrodes fasteners, tire bead wire and wire springs. These products are sold directly to the customer accounts by sales staff of the company.

3. Small Sections

The existing distribution channel for this type of product is through the dealers who in turn re-distribute this to the construction contractors and fabricators. Most of the dealers are common to the rebar network.

4. Special Bar Quality

The company sells directly to the manufacturers who, in turn, serve automotive and general engineering sector and bright bar makers.

5. Cut and Bend

This product is a special service provided to the contractors where in a custom shaped steel is supplied directly to the project site based on the bar cut list schedule obtained from the customers.

It can reduce loss from cutting and bending at the project site while efficiency and productivity can be improved with less labour expenses resulting in saving of time.

Further, the Company has a plan in place to develop and introduce new products regularly, especially the high-value special wire products in automotive sector such as rod ER70S-6 wire for using as CO2 welding wire; SWRH77B wire for producing motorcycle's shock absorber; and 10B21 10B22 wire for producing nuts and screws in automotive and construction sectors.

Export Market

The company exports Rebars and Wire Rods to the neighboring countries such as Laos, Myanmar, Cambodia, Vietnam, Indonesia and the Philippines through an existing, market specific distribution network, located in the foreign country. The Company also exports rebar products to India in consultation with Tata Steel India's distribution network for TATA TISCON rebars.

Industry Outlook and Competition

Competition - Domestic Market

The Company's competitors can be divided into two groups namely, the manufacturers with Electric Arc Furnace (EAF) and Non-EAF manufacturers or re-rollers. Those who have EAF, procure the feedstock "scrap" from domestic and international sources as it is used as a raw material to produce semi-finished goods i.e. billets, which in turn are used to produce finished products i.e. rebars, wire rods, small sections and special bars. Non EAF manufacturers or Re-rollers, on the other hand, purchase billets to produce the finished goods.

In terms of overall production capacity of the long steel industry, it is estimated that the supply has far outstripped the local demand since there are many rebar producers in the market which results in severe competition in the rebar category. As for the domestic wire rod producers, while there are 3 to 4 local producers, the main competition is from imported wire rods from China, Japan, South Korea. Since 2011, there has been a significant surge of wire imports from the People's Republic of China. These products come in the category that allows importers to save 5% customs duty and these products fetch a 9% tax rebate from the Govt of China for exporting alloy steel wire rods. This has caused domestic customers of wire rods to shift to imports causing partial to full closure of wire rod units in Thailand. The problem is also faced by other SE Asian countries and respective Govts have taken necessary steps to curb such imports. Government of Thailand has also been apprised of the problem and support is expected in this year.

International Market

The company is engaged in exports to ASEAN countries like Laos, Myanmar, Cambodia, Vietnam, Indonesia and Philippines, including ex-

COMPETITION AND INDUSTRY OUTLOOK

ports of rebars products to India, in order to increase its net revenues. A good distribution network set up has helped the company to achieve good prices for its brand TATA TISCON in neighbouring countries. Since we maintain a consistent presence, we get repeat business from our loyal customers in ASEAN. The competition is mainly from local domestic mills and China.

Industry Outlook :

2012 was a challenging year for the global steel industry with apparent steel use increasing at the slowest rate since 2009. This was mainly due to the Eurozone crisis which persisted throughout the year 2012 and whose impact was felt in the poor volume offtake and price volatility in early part of the year. Global steelmakers continued to witness supply growth outpacing demand, with capacity utilization rates remaining consistently below 80%. Subdued steel prices and a slowdown in demand growth from China continued to weigh on the global steel sector in 2012. Apparent steel use in China, the largest steel producer and consumer, is expected to grow by 3.5% in 2013 following a 1.9% increase in 2012. However, underlying demand in the EU is not expected to improve much in 2013 despite moderate restocking seen in the beginning of the year.

Steel demand in the SE region recovered rapidly in 2012 and registered a robust 7.6% growth over 2011. This was led by Thailand, Indonesia and Malaysia and the region is expected to show a similar growth in 2013 over 2012. However, Capacity utilization remains the major concern for steel producers in the region exacerbated by unabated low priced imports from China. SE Asian countries have approached their respective Governments to support the local producers by imposing AD investigations against such imports.

Thailand's economy experienced a strong recovery in 2012 post floods of late 2011 to register a growth of 6.4% over last year. This was reflected in the steel demand growth of 12% with total steel consumption touching 16.6 million tons in 2012 driven by construction and automotive sectors. However, imports have seen a higher growth thereby putting pressure on capacity utilization of local steel makers. This is depicted in the table below :

Total Long Product Steel consumption during 2010 - 2012

	Production (Mill T)	Growth	Imports (Mill T)	Growth	Exports (Mill T)	Growth	Apparent Consumption (Mill T)	Growth
2012	3.76	3.0 %	2.48	26.4 %	0.89	3.0 %	5.35	12.0 %
2011	3.65	- 0.7 %	1.96	14.4 %	0.86	13.0 %	4.76	3.0 %
2010	3.66	1.6 %	1.71	51.3 %	0.76	28.0 %	4.62	11.5%

Source: Iron and Steel Institute of Thailand

Steel Industry outlook for the year 2013 - 2014

Continuing on its growth path, GDP of Thailand is expected to grow by 5-5.5% in Cy 2013. Much of this surge will be due to the growth in infrastructure projects and automotive sector making Thailand among top 10 auto producers in the world. The low inflation rate and stable interest rate regime has caused a steady flow of FDI into Thailand. Exports continue to be the forex earners for Thailand with only caveat being strengthening of Baht. Consequently, domestic steel consumption is expected to cross

17 million Tons in 2013, an increase of around 6% over 2012. In terms of long products, the growth of domestic consumption is expected to cross 5.7 million tons showing a growth of around 6% over last year. The increased imports from China remain the biggest concern since these imports cause pressure on volume and price for the domestic producers.

SIGNIFICANT DEVELOPMENTS

2002	<ul style="list-style-type: none"> The Company established as a Public Company Limited named "Millennium Steel Public Company Limited" (MS). Successfully merged the Company business among NTS, SISC and SCSC, last two of which were subsidiaries of Cementhai Holding Company Limited (CHC). The Stock Exchange of Thailand (SET) approved the Company securities as listing securities and started trading under the sector of "REHABCO" (Rehabilitation Plan). 	12 July
2004	<ul style="list-style-type: none"> The SET authorized the Company securities to resume trading at the sector of "CONMAT" (Construction and Furnishing Material). 	15 May
2005	<ul style="list-style-type: none"> CHC agreed to sell all MS shares pursuant to the Blinding Offer of Tata Steel. 	15 December
2006	<ul style="list-style-type: none"> Tata Steel Groups 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". 	24 February 4 April
2007	<ul style="list-style-type: none"> The Company paid the annual dividend payment for the year 2006 to all preferred shareholders and ordinary shareholders at the rate of Baht 0.03 per share (38% of its net profit). 	15 May
2008	<ul style="list-style-type: none"> The Company paid the annual dividend payment for the year 2007-2008 to all preferred shareholders and ordinary shareholders at the rate of Baht 0.076 per share (20% of its net profit). 	20 August
2009	<ul style="list-style-type: none"> The Mini Blast Furnace (MBF) which is steel production project using iron ore as raw material was completed. This project is considered the first of its kind in Thailand and 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. 	4 January
2012	<ul style="list-style-type: none"> The Company enters the Special Bar Quality steel market, only producer of this product in Thailand. The Company launches seismic resistant rebar for earth quake prone areas, first time in Thailand. 	

At Tata Steel (Thailand), Risk management framework is an integral part of the Strategic Business planning process to enable organizational sustainability. Company has adopted a Risk Governance structure, which promotes a forward looking approach to risk management. This approach enables the Company to counter and mitigate various risks and simultaneously allows it to pursue underlying opportunities for the business benefit.

Being an enterprise in the steel arena, quite expectedly, the company encounters several risks and concerns in its business operations. 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 organisational capabilities. All attributes along with key learning in various functions is collated, undergoes a series of deliberation during risk committee meetings, validated through appropriate adequacy checks, and a mitigation strategy is evolved. The prioritization process along with functional implementation of specific assignments, ensures effectiveness of the overall objective. We give below an assessment of management approach in various types of risks.

1. Market Risk

Like any other country, the Thai steel industry is vulnerable to the cyclical swings in the market demand and price volatility that stems from input raw materials as well as finished goods. Since, long products are predominantly consumed by the construction segment, GDP growth has a direct impact on the demand volatility. Further, Thailand promotes free trade regime and as such supply situation is severely influenced by imports leading to increased volatility in the finished goods prices.

The company has taken concrete steps to mitigate the adverse effect of the market risk by focusing on having a branded play in one of the main product lines. Further, the company has steadily developed new products to increase its presence in the automotive segment. This segment enables company to hedge against the over dependence in construction as well as allows mix enrichment with a comparatively higher revenue. A focused approach to increasing the specialty products in the total mix is directed at mitigating the market risk.

On strategic front, new product development process has a robust mechanism to capture the specific customer requirement and proactively design such products to meet the customer specific needs. Development of such products is supported by the technical expertise that the company has from the resources at the local and group level. Since scrap generated in Thailand can serve only 60% of the demand in the country.

2. Risk of raw material supply

Being raw material dependent, like any other steel company, TSTH does have to address the risk arising from volatility in quantity and prices of input materials. Post MBF moth ball, the risk exposure of TSTH is limited to scrap. A mitigation approach of the company has been to strengthen its network of domestic vendors, its approach in the supply space to bring reliability in domestic collections. Apart from this, the company has also enhanced domestic scrap collection through yard management with key partners. Imports also provide a hedge to the risk since a timely contracting can help address both quantity and quality risk. TSTH has made significant strides in last one year in this area and has taken assistance of the resources at the Tata Steel Group level.

3. Risks associated with MBF

Mini blast furnace project at NTS was commissioned to attain an enriched mix. However, the continued high prices of coke and iron ore compelled the company to mothball the furnace in August 2011. By ensuring a proper maintenance, the company has addressed the potential risk of problems in restart. All relationships with partner suppliers have been managed well in this period of mothball.

4. Health, safety and Environment risks

Like any other steel making operation in any other country, the steel making operation has an inherent safety and workplace environment risk. While, steel operations per se do not involve hazardous materials, the operations are at high temperature and heavy loads are involved. Since, the steel plant has manning of contractor and own employees, it is essential to have a comprehensive safety management program. Accordingly, the company has implemented Safety Excellence Management program across all its three plants. In particular, the new Fatality Risk Control Program (FRCP) has helped in identifying the commonly accepted unsafe practices and effective countermeasures have been put in place accordingly. The positive isolation implementation is the fool proof mechanism to eliminate possibility of any unsafe incidence due to the awareness gap. The "zero tolerance" approach has enabled rigorous implementation of contractor management safety initiatives to strengthen safe working practices in all outsourced activities. The safety excellence has also been extended to corporate offices wherein regular safety drills and training is carried out to bring in safety awareness and engagement.

The Company and its subsidiaries accord high priority to utilize resources effectively and efficiently with appropriate environmental management regulation to minimize adverse impact to the community. Industrial Estate Authority of Thailand (IEAT) and Department of Primary Industries and Mines, Ministry of Industry

has recognized efforts of NTS and SCSC on environment front. The main raw material used across all three locations is ferrous scrap and is fully recyclable. Company has adopted TPM framework and under loss structure reporting, employees identify the areas of wastage and implement project to minimize the energy consumption. Company conducts yearly energy audit by experts from Tata Steel Group. This enables appropriate warning system for any related risk.

5. Human resource risks

Operating out of industrial zone and in the low unemployment region of Bangkok, the company faces an obvious risk of attrition particularly in operating grade and supervisory grade employees. To an extent, the risk is self mitigating in nature due to high churn experienced by almost all industries. However, the company provides career growth opportunities as well as extensive personnel development programs on functional and managerial needs to improve the competency level of employees thereby inducing loyalty. Last year, a new initiative "LOT" (Leaders of tomorrow) was introduced to give a fast track career growth opportunity to employees for their development. In addition, Knowledge management system and IT related systems are used to retain the tacit and expressed knowledge thereby mitigating the risk associated with loss of critical resources.

6. Risk of Foreign exchange volatility

The volatility in foreign exchange leads to potential business profitability risk in view of the increased 'buy base' from international markets. Albeit small when compared with the total business revenues of the company, the Forex volatility is being addressed through a Hedging mechanism in line with a structured hedging strategy, monitored by the Regional Treasury Committee, with a formal reporting mechanism to the Board.

7. Risks associated with natural calamity

Due to its location in 4 different geographies, the company's inherent risk to natural calamity is relatively moderate. During last year floods, the steel SARABURI plant stayed protected though had to be closed due to flooding of employee areas. The other two plants are in East of Thailand and as such relatively safe. However, the company is aware of the risk associated with operating in industrial area and has accordingly taken extensive insurance coverage related to natural calamity and all industrial risks. The company does emergency handling procedures at all its facilities, and a 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.



SHAREHOLDING STRUCTURES AND MANAGEMENT

Shareholders

Major shareholders of the Company on the book closing date on June 3, 2013 for the right to attend the Twelfth Ordinary General Meeting of Shareholders are detailed below:

	Name	Amount of shares			Percentage of total shares
		Ordinary	Preferred	Total	
1.	TATA STEEL GLOBAL HOLDINGS PTE. LTD.	5,718,472,083	-	5,718,472,083	67.90
2.	MR. VEERAPHAN THEEPSUWAN	410,613,300	-	410,613,300	4.88
3.	BANGKOK BANK PLC.	43,277,571	252,773,225	296,050,796	3.52
4.	MR. VIROJ UNGPAIBOON	179,000,001	-	179,000,001	2.13
5.	Dr. KANOKAEW WEERAWAN	86,609,500	-	86,609,500	1.03
6.	THAI NVDR CO., LTD.	80,272,157	-	80,272,157	0.95
7.	PERSHING LLC	73,424,985	-	73,424,985	0.87
8.	SOCIAL SECURITY OFFICE (2CASES)	57,439,900	-	57,439,900	0.68
9.	KASIKORN BANK PCL.	52,302,017	-	52,302,017	0.62
	TOTAL	6,701,411,514	252,773,225	6,954,184,739	82.58
10.	OTHER SHAREHOLDERS (total number of 7,438)	1,467,356,109	-	1,467,356,109	17.42
	GRAND TOTAL	8,168,767,623	252,773,225	8,421,540,848	100.00

- Remarks :
- A subsidiary that is instituted by SET, for issue a trading instrument called "Non-Voting Depository Receipt (NVDR)". The main purpose of NVDRs is to stimulate trading activities in the Thai stock market. Investors are able to receive all financial benefits as those who invest directly in a company's ordinary shares without the restriction of foreign limited. However there is no any restriction of foreign limited on TSTH shares.
 - As at June 3, 2013 , TSTH has 7,263 of Non-Strategic Shareholders (Free Float), is equivalent to 2,039,386,548 of ordinary shares, calculated from the total paid up ordinary shares of 8,168,767,623 or 24.97% .

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 effect 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

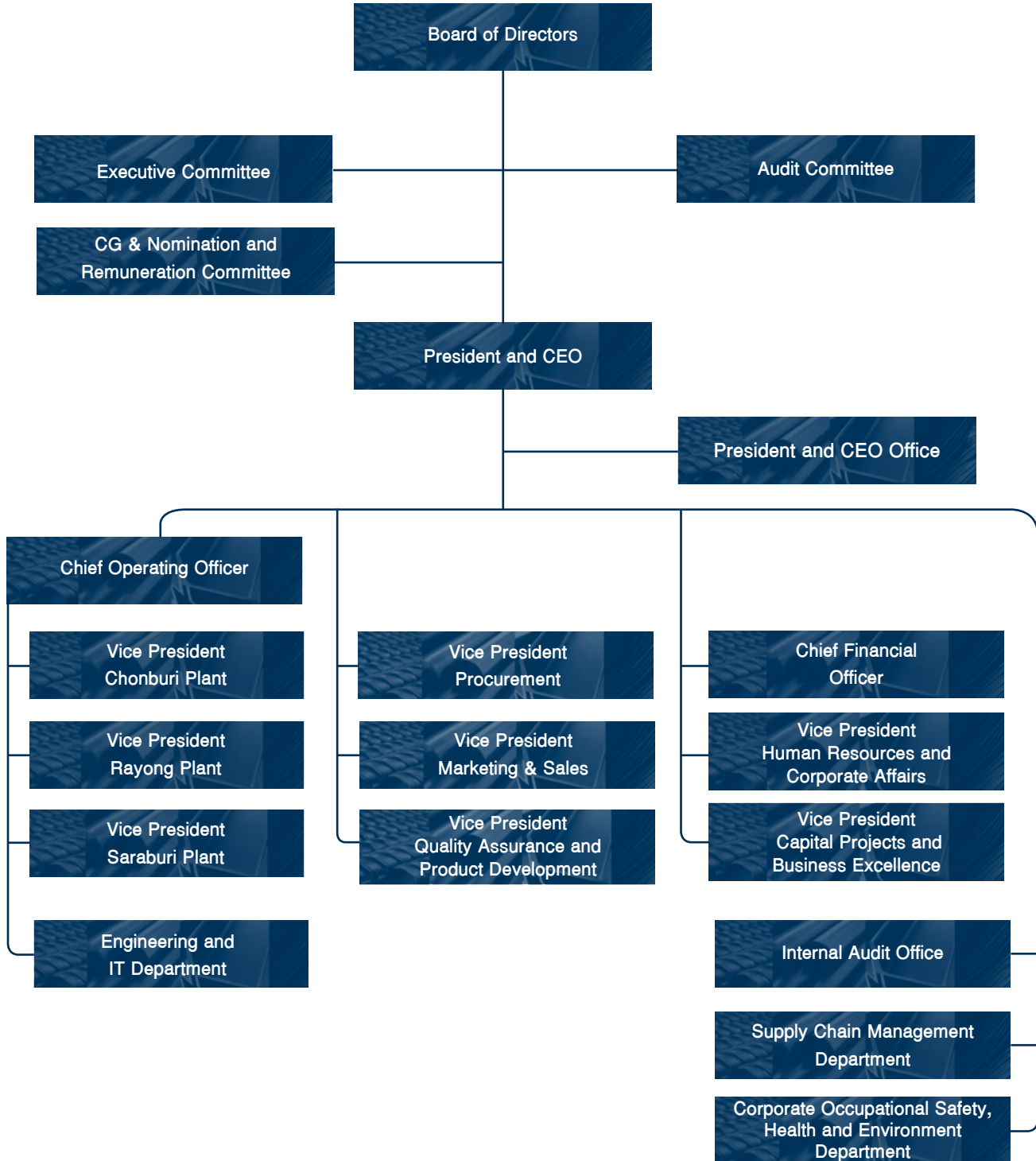
consistent with the concept of maximizing long-term benefit for the shareholders but it shall also be subject to the approval from the Board of Directors and/or the Shareholders' meeting.

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 generate 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.

SHAREHOLDING STRUCTURES AND MANAGEMENT

Organization of the Company

As on 31 March 2013, the Company's management structure consists of the Board of Directors and Committees namely, the Audit Committee, Executive Committee, Corporate Governance, Nomination and Remuneration Committee and Management.



SHAREHOLDING STRUCTURES AND MANAGEMENT

The Structure of the Board of Directors

The Company's Article of Association specifies that The Board of Directors consists of not less than five and not more than 14 Directors. Currently, there are eight Directors with three Independent Directors.

The Board of Directors as on 31 March 2013

	Name		Positions
1.	Mr. Hemant	Madhusudan Nerurkar	Chairman
2.	Mr. Maris	Samaram	Independent Director
3.	Asst. Prof. Rawewan	Peyayopanakul	Independent Director
4.	Mr. Hatasakdi	Na Pombejra*	Independent Director
5.	Mr. Koushik	Chatterjee	Vice Chairman
6.	Mr. Taratorn	Premsoontorn	Director
7.	Mr. Peter	John Hogg	Director
8.	Mr. Peeyush	Gupta	Director, President and CEO

Authorized Directors and Binding Signatory Procedures

Mr. Koushik Chatterjee, Chairman of the Executive Committee and Mr. Peeyush Gupta, the President & CEO jointly sign to bind the Company with the Company's seal affixed, or Mr. Koushik Chatterjee, Chairman of the Executive Committee or Mr. Peeyush Gupta, the President & CEO jointly sign with either Mr. Hemant Madhusudan Nerurkar or Mr. Taratorn Premsoontorn together with the Company's seal affixed.

Scope of authority

The Board of Directors has the duty and authority to manage the Company in compliant 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.

1. Any loans exceeding Baht 50 million and not in the Group's annual budget.
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 NTS.
3. Any investments exceeding Baht 50 million and not in the Group's annual budget.
4. Sales, transfers, rent out or permissions related to any properties or assets with the book value exceeding Baht 50 millions and not in the group's annual budget.
5. Approvals or amendments of the Group's annual budget.
6. Any transactions with connected parties not regarding as normal business operation.
7. Changing of the accounting policy, approval of the annual consolidated financial statements, annual individual financial statements and quarterly group financial statements.

8. Changes related to the Group's business operation or termination of any business operation.

The Board of Directors may appoint any person(s) to manage the Company's operation under supervision of the Board of Directors or may authorize such persons with the authority the Board of Directors deem appropriate for a certain period of time. The Board of Directors may revoke, alter or amend such authorization. The Board of Directors may delegate to the Executive Committee (Executive Directors) or the President & CEO the authority to perform various functions. Approvals of any business operation must comply with the authority limit specified by the Board of Directors. Such delegation of authority shall not be in a way allow the Executive Committee (Executive Directors) or the President & CEO to be able to approve transactions that they or other persons may dispute, have interest in or have conflict of interest with the Company and its subsidiaries, in accordance with the Company's Articles of Association and SEC's announcement. Exclusion is made to approval of transactions in compliant with the Board of Directors' pre-approved policies and criteria in the normal course of business operation such as procurement of raw materials and connected transactions with related companies.

The Audit Committee

	Name		Positions
1.	Mr. Maris	Samaram	Chairman of Audit Committee
2.	Asst. Prof. Rawewan	Peyayopanakul	Member of Audit Committee
3.	Mr. Hatasakdi	Na Pombejra	Member of Audit Committee

Scope of Authority

(Amended and added the scope of authority as per resolution of the Board of Directors' meeting No. 3 (2/2008 - 2009 on July 21, 2008)

- Supervise and review to ensure that the Company has a financial reporting system that complies with the accounting standard 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 compliancy 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 auditing evaluation of the Company's various operations, in accordance with generally accepted principles and standards.
- Disclosure of the Company's information in case of connected transaction or transaction that may induce conflict of interest for accuracy and completeness in compliant with the Securities Exchange's regulations. This is to ensure that those transactions are reasonable and to the best interest of the Company.
- Review and provide recommendations on Internal Audit Office's performance and coordinate with the auditors.
- Prepare report on business supervision of the Audit Committee and published in the Company's annual report. Such report must be signed off by Chairman of the Audit Committee and must 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 compliancy with the Securities and Exchange laws, Securities exchange regulations and other laws related to Company's business.
 - Opinion on appropriateness of the auditor.
 - 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 by the Board of Directors.
- Consider, select, nominate and propose remuneration for Company's auditor. Attend meeting with the auditor, in the absence of the Management, at least once a year.
- Appoint, revoke, transfer or terminate the Director of the Internal Audit Office (if any) or employ or change the employment of other Internal Audit Offices.
- Consider budget and manpower of the Internal Audit Office (if any) or employment budget of other Internal Audit Offices.
- Other functions as specified by laws or as delegated to by the Board of Directors.

The Executive Committee

	Name		Positions
1.	Mr. Koushik	Chatterjee	Chairman of Executive Committee
2.	Mr. Peter	John Hogg	Member of Executive Committee
3.	Mr. Peeyush	Gupta	Member, President and CEO

SHAREHOLDING STRUCTURES AND MANAGEMENT

Scope of Authority

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 on the Company's operation to ensure its efficiency and appropriateness with the business situation for the benefit of the Company's operation to

accomplish the objectives according to the policies and business plan prescribed by the Board of Directors.

4. Other functions as occasionally designated by the Board of Directors.

The Executive Committee may authorize any Executives with the authority to perform a specific function or functions deemed appropriate by the Executive Committee.

The Corporate Governance, Nomination and Remuneration Committee

(Previously separated as the Corporate Governance, Nomination Committee and Remuneration Committee)

	Name	Positions
1.	Mr. Koushik Chatterjee	Chairman of Corporate Governance, Nomination and Remuneration Committee
2.	Mr. Maris Samaram	Member of Corporate Governance, Nomination and Remuneration Committee
3.	Asst. Prof. Rawewan Peyayopanakul	Member of Corporate Governance, Nomination and Remuneration Committee
4.	Mr. Taratorn Premsoontorn	Member of Corporate Governance, Nomination and Remuneration Committee

Scope of Authority

Corporate Governance and Nomination

1. To examine, review, and propose to the Board of Directors guidelines for corporate governance of the Company.
2. To advise the Board of Directors and the management in line with the Company's established corporate governance principles.
3. 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.
4. To nominate prospective Presidents to the Board of Directors for approval.
5. 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.
6. Other duties assigned by the Board of Directors.

Remuneration Committee

1. 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.
2. To review and recommend remuneration (including Salary increase and Bonus) for the President, Sr. Management (COO and VPs) of the Company and propose to the Board of Directors for approval.
3. 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.
4. 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.
5. To review and recommend salary increase and bonus for the President of the Company and propose to the Board of Directors for approval.
6. To approve salary increase and bonus for the Sr Management (COO and VPs) of the Company and its subsidiaries based on the proposal given by the President.
7. Other duties assigned by the Board of Directors.

SHAREHOLDING STRUCTURES AND MANAGEMENT

The Management as on June 1, 2013

	Name		Positions
1.	Mr. Peeyush	Gupta	President and CEO
2.	Mr. Thana	Ruangsilasingha	Chief Operating Officer
3.	Mr. Amit	Ghosh	Chief Financial Officer
4.	Mr. Sirorote	Matemanosak	Vice President - Human Resources & Corporate Affairs
5.	Mr. Paitoon	Chuesook	Vice President - Procurement
6.	Mr. Biswajit	Ghosh	Vice President - Quality Assurance and Product Development
7.	Mr. Songsak	Piyawannarat	Vice President - Marketing & Sales
8.	Mr. Arun	Kumar Chowdhary	Vice President - Chonburi Plant
9.	Mr. Wanlert	Kanwiwat	Vice President - Rayong Plant
10.	Mr. Chaichalerm	Bunyanuwat	Vice President - Saraburi Plant
11.	Mr. Chandra	Mohan Verma	Vice President - Capital Projects and Business Excellence

Scope of Authority

- 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 (Executive Directors) and the Board of Directors.
- Scrutinize information and facts on issues related to business operation before presenting to the Executive Committee (Executive Directors) 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 occasionally designated by the Board of Directors.

HUMAN RESOURCES AND DEVELOPMENTS

The Company focuses on recruitment and selection of capable staff according to the qualifications specified for each Job Description, outlining knowledge, skills and other attributes for every responsible position to achieve the desired performance. In addition, the Company also stresses on the performance in compliance with core business values and corporate culture, including readiness for changes and adaptation to respond to new environment and new challenges.

The Company gives priority to continuous human resource development at all levels and takes responsibility for professional development and career growth of its staff by focusing on four areas, as follows:

- (1) Core foundation knowledge required for staff in all functions, i.e., safety, business ethics, Tata Values, Corporate Culture, Total Quality Management (TQM), Total Productive Maintenance (TPM);
- (2) Functional Development;
- (3) Business Development, and
- (4) Leadership Development.

Each year the Company will prepare the Individual Development Plan for each staff, covering multiple approaches for development for instance, classroom training, on the job training and self-learning. The focus is also on the development approach that can create meaningful experience for staff, including Job Rotation, Special Assignment, assigning to participate in constituted Task Force or Committee, Best Practice Sharing and Site Visit (both domestic and overseas). Any staff can request for a scholarship to continue the higher education such as a master degree in engineering and/ or business administration in local and overseas educational institutions.

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 clearly defined. During 2012-13, the Company initiated a new project called as "the Leaders of Tomorrow" with an objective to select highly capable employees who have proven performance and loyalty to the company and can take forward the company in future. A fast track advancement is extended to such chosen leaders and a long-term development plan for this group of employees has been prepared for their development. It is proposed to provide these selected people with mentors from senior management staff to guide them to become good leaders in the future.

The Company stresses on fair and appropriate remuneration to the employees, taking into account Internal Equity, External Equity and Individual Equity. Different human resources management tools and processes have been applied as deemed appropriate and under close review by their supervisors and the Human Resources Committee. The Company also gives priority to quality of life and well-being of staff and their families by providing various benefits and welfare funds for

staff, families, staff' parents, covering for instance, holidays and paid leaves, health care both in-and-out patients, dental care, annual health check, provident fund, staff uniform, travelling allowances for business trips, emergency loan and etc. There are many religious and customary events organized for staff and their families to encourage participation through the year, for instance, making candles and candles procession during Buddhist Lent, Songkran festival and other sporting and entertaining activities. Birthday activities are also arranged for the staff. Others major activities that are carried out include Children's day, Valentine's day, Chinese New Year day, Father's day, Mother's day, Tata Group founders' day and others. Each year the Company conducts the Employee Engagement and Satisfaction Survey and the results are used for developing improvement plans and increasing the employee engagement and satisfaction.

The Company focuses on building good relationship between staff and the Company by promoting communications by providing an update on business performance to all staff regularly for their acknowledgment. The President and CEO along with key senior management personnel provides the briefing in a meeting with staff. During 2012-13, 3 such meetings were held at each of the three plants as well as at Bangkok. Open question and answer session is also held on this occasion to encourage free flow of communication between management and employees. Since last year, the company has also organized quarterly meet with the media and analysts to report on the company performance. Communication with people is also done regularly through notification, announcements, internal circulation of newsletters and magazines, intranet postings, etc.

Number of Employees

The number of employees of the Company and its subsidiaries as at 31 March 2013 were 1,272 persons.

(Person)

TSTH	NTS	SISC	SCSC	TOTAL
273	428	278	293	1,272

During the past 3 years, the Company has never received any significant labor disputes.

Total Remuneration Offered to Employees

Remunerations that the Company and its subsidiaries offered to the employees in 2012 - 2013 were salary, variable bonus and provident fund which totaled to 500.82 millions Baht.

However, the Company has no policy to offer employees with the Employee Stock Option Program (ESOP) or Employee Joint Investment Program (EJIP) but has managed employees' remuneration in other forms based on their performance assessment, roles and responsibilities and potential.

The Board of Directors remains committed to effectiveness of the internal control and audit systems of the Company. Enterprise Risk Management Approach is also adopted as a tool for managing risks and internal controls. The Board of Directors has established the Audit Committee with three independent directors. The Audit Committee is the topmost steering and supervisory body concerning the business risk management, Internal Audit and External Audit activities within the organization. Their responsibilities respect to the supervision the financial reporting process of the Company and its subsidiaries in accordance with Generally Accepted and Accounting Principles and prevailing regulations, including requirements of the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"). Its responsibilities also involve reviewing the Company performance in compliance with the Good Corporate Governance Principles, evaluating the risk management, maintaining suitable, effective, and well-recognized internal control and audit systems, selecting and nominating external auditors, and any other tasks as designated by the Board of Directors. Besides, the Audit Committee is entrusted to modify the control measures in response to changing circumstances, environment, and business risks.

The Company is aware of the importance of a solid and structured Corporate Governance. Therefore, the Company has established the Internal Audit Department ("IAD") to fulfill an independent review and consulting function providing Management and the Audit Committee assurance on the adequacy and effectiveness of the Organization's internal controls and assisting in the continuous improvement of the system of internal controls.

The annual audit plan has been prepared on a risk oriented basis and approved by the Audit Committee. The audit plan encompasses the assessment of effective controls within the operation, financial reporting, and compliance with the Company's policies and procedures and prevailing laws and regulations. Significant aspects comprehended in the internal audits entailed improvements in efficiency and controls in the areas of scrap operation, procurement and payables process, sales and distribution, credit control and collection, human resource management, inventory management, accounts and finance and SAP post implementation, etc. The execution of audits is implemented in accordance with the approved audit plan. Key concerns and Management action plans are summarized and reported on a quarterly basis directly to the Audit Committee, who will further deliberate the report and express opinions to the Board of Directors. On May 7, 2013, a meeting of the Board of Directors of the Company, which was attended by members of the Audit Committee, the Board of Directors, after considering of the recommendation of the Audit Committee, has come up with the opinion for the internal control system in the year 2012-2013 of the Company in each area

Organization and Environment

The Company has an organizational structure and environment that promote operational efficiency and an adequate control system. In addition, there is an appropriate segregation of duties among functions. This organizational format has also been shown to be suitable to the business plan, including the recruitment of quality personnel and the continual development program in corresponding to changes in business operations. The Company has established the Standard of Operating as a guideline for ensuring the operational efficiency. The Company also established the clear annual business goals for 2012 - 2013 and long term plan, incorporating different factors such as economic conditions, market conditions and competition strategies.

Risk Management

The company and its subsidiaries follow a framework for Risk Management that identifies and proactively addresses risks at the enterprise level and assists in prevention of erosion in shareholder value. In light of the prevailing economic scenario, the focus areas of the Risk management include the following:

- Safety initiatives to ensure 'Safe Operating procedures' with emphasis on Human Safety of employees and contractors.
- Observing highest standards of corporate governance in strict compliance with TCOC for all its stakeholders. 'Whistle Blower Policy', Ethics Controller to address 'silent' grievances, and appropriate mechanisms to check fraud & malfeasance are in place.
- The IAD provides Management assurance that adequate controls are in place to manage and/or mitigate risk deemed for future analysis. Risk factors are delivered from communication with the stakeholders' concerns and expectations. Audit Risk Assessment is based on materiality, control environment changes as well as audit experiences. It is an audit tool to prioritize audit focus and audit planning.
- Cash flow forecasting on a continuous basis to ensure cash adequacy for business continuity.

Accordingly, the Board is of the opinion that the risk management practices are at acceptable levels.

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.

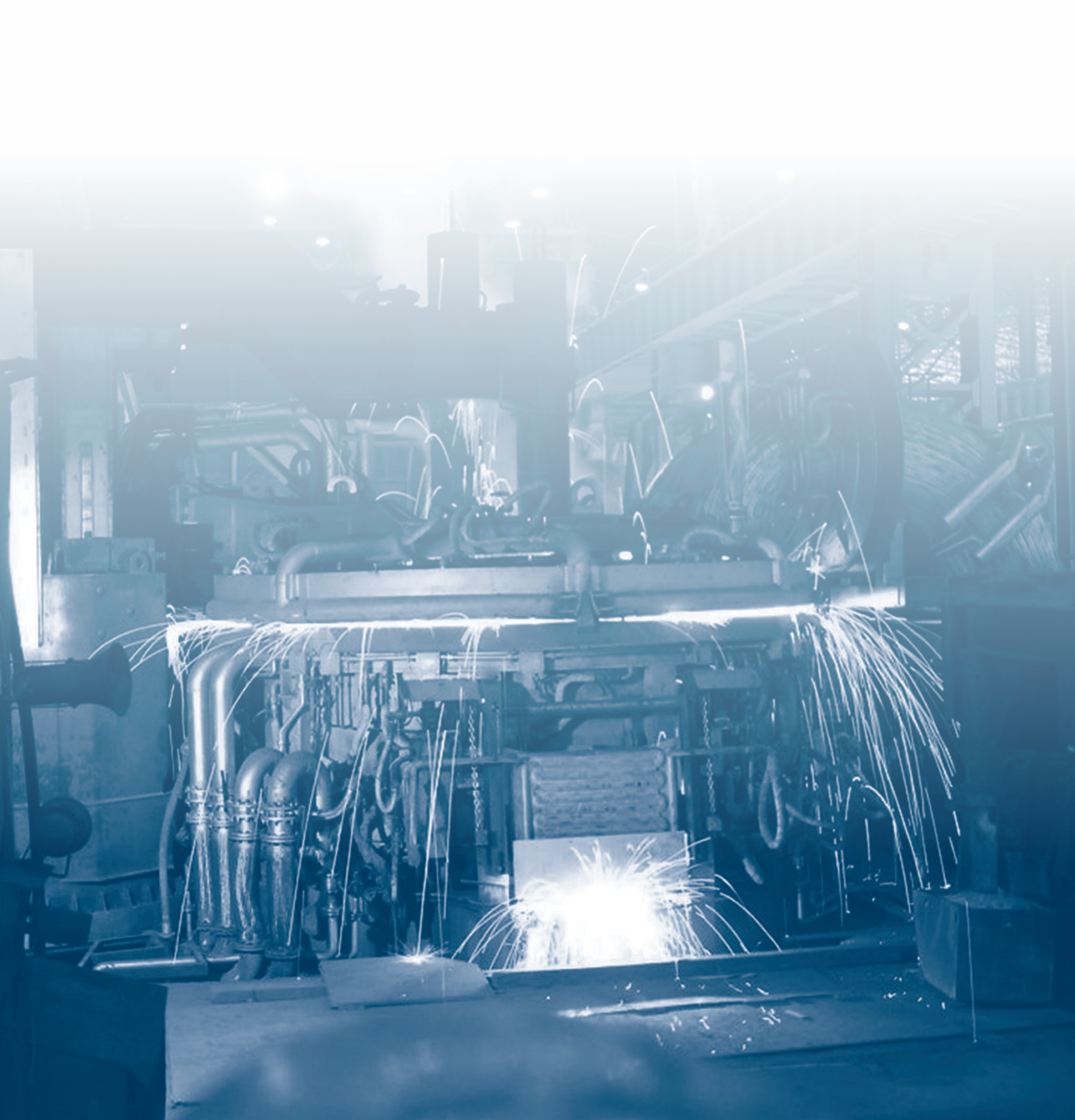
INTERNAL CONTROL

Information Technology and Communication System

Information that are complete, accurate, relevant and important are submitted to the Board of Directors to facilitate their decision making process. Minutes of all Board meetings are thoroughly taken. Important and accounting documents are kept according to legal requirements and a storage system is available for such use. The Company also maintains a system of communication channels that are updated, on-time and easy to understand.

Monitoring System

Management meeting is held on a monthly basis to monitor the operating performance of the Company and comparison to the plan. It will be quarterly proposed to the Board of Directors meeting along with the Audit Committee meeting. Causes are analyzed and corrections and improvements made on a continuous basis



The Company is determined to encourage and support the principles of good corporate governance along with its business operation because it realizes that good corporate governance would drive management system towards efficiency, transparency and accountability. This would enhance the confidence of the shareholders, investors, stakeholders and all relevant parties, which leads to a sustainable growth and increases value for the shareholders in the long term. Apart from conducting business with highest standards of conduct (both organisational and personal) according to "Tata Code of Conduct : TCOC", the company has followed the five categories of the principles of good corporate governance for listed companies issued by SET. This has been documented in the Company's "Good Corporate Governance Policy" since 2005. The principles were adapted for appropriate use in relation to Company's situation and have been reviewed and improved to make it up-to-date and aligned with the ever changing business environment. The Company has been always been rated as "very good" in the Corporate Governance evaluation.

For 2012-2013, the company has implemented the principles of good corporate governance for listed companies as described below:

Category I : Shareholders' Rights

The Company respects and realizes the importance of shareholders' right, as well as encourages all groups of shareholders and institutional investors to attend shareholders' meeting to consider and decide on important matters such as election of Directors and setting remuneration, profit allocation and dividend payment, appointment of auditor and setting fees, amendment of the Memorandum of Association and Articles of Association, increasing/decreasing of the registered capital and approval of significant transactions affecting Company's business operation.

In addition, the Company will not violate or deprive the rights of shareholders as owners of the investment who finance the Company's operation. The Company has encouraged shareholders to fully exercise their right in preserving the Company's interest and to understand their basic rights such as right to become registered shareholders, purchase/sales or transfer of shares, rights to nominate directors, profit/dividend participation, equal access share buy back, receiving of information or report, changes to equity structure, changes to executive authority, liquidations of company's major assets etc. including any other rights according to the law.

Apart from encouraging exercising these basic rights, the Company has made it convenient for shareholders to attend shareholders' meeting by implementing mechanism of good meeting arrangement. The Company would provide information about the date, time, venue, meeting agenda, attending procedures, voting procedures and information on matters to be decided well in advance and would not in any way limit the opportunity to receive information or attend the meeting.

The Company also assigns the Corporate Secretary Office to treat and facilitate exercise of shareholders' rights. Shareholders can contact the Corporate Secretary Office via telephone at 66(2)-937-1000 ext. 2430-2432.

The Company arranges shareholders' meeting called as Annual General Meeting within four months after the end of Company's financial year (i.e. within July every year). Other than the said meeting, an extraordinary general meeting may be called as decided by the Board of Directors.

The annual general meeting for 2012 was held on July 31, 2012 at 09.00 AM at the Four Seasons Hotel, Bangkok. The Company used the Record Date method where shareholding at May 31, 2012 was eligible for attending the meeting and compiled a list according to Section 225 of the Securities and Securities Exchange Act and closed the book for transfer suspension on June 1, 2012. There was no extraordinary general meeting called during FY 2013.

The Company assigns the Thailand Securities Depository Co., Ltd. ("TSD"), the Company's securities registrar, to send the invitation letter, together with relevant documents in both Thai and English to the shareholders 21 days in advance of the meeting. The accompanying documents are

1. Invitation letter for the Annual General Meeting in with details of the date, time, venue, agenda of the meeting whether for acknowledgement, approval or for consideration, together with the objectives, rationale and recommendations of the Board of Directors for each proposed issue. The information is considered sufficient for decision making.
2. Proxy forms as specified by the Ministry of Commerce, both simple Form A and the complicated Form B where shareholders can designate their voting decision whether it is "Agree", "Disagree" or "Abstained". Shareholders may vote for the election of individual Director during the related agenda.
3. Information of the Independent Directors assigned by the Company as proxy for shareholders such as names, ages, addresses and relative interest in the matters proposed.
4. Annual report with information in both Thai and English in CD Rom format (and in printed format to be sent to the interested shareholders).
5. Clarification on the credentials supporting for the rights to attend the meeting.
6. Company's Articles of Association in part related to shareholders' meeting.
7. Map of the meeting venue.

Moreover, the Company will also

1. Advertise the meeting invitation announcement in Thai newspaper for 3 consecutive days at least 3 days in advance of the meeting date.

2. Publish information of such shareholders' meeting on Company's website in advance of the meeting so that shareholders may gain access to the information conveniently and promptly and have sufficient time to study the information before receiving printed materials from Company.
3. Allow all shareholders to submit their inquiries in advance by submission of written inquiries to the Board of Directors or Independent Directors through Corporate Secretary, during 3 months prior/after the end of Company's financial year, for review of by each Director or Independent Director. Inquiries related to the Company will then be answered in the Annual General Meeting.

The Company will inform shareholders of such schedule through SET news network (www.set.or.th). For 2012 Annual General Meeting of shareholders, no shareholder had submitted advance inquiries to the Company.

Category II : Equitable Treatment of Shareholders

The Company realizes its duty to look after the interest of every shareholder, whether it is a major shareholder, institutional investor, foreign shareholder including minority shareholders by equitable treatments described as under :

Shareholders' meeting

The Company provides non-complicated procedures and avoids unnecessary costs while being able to facilitate shareholders for the convenience of attending the meeting such as:

1. arrange a meeting venue that is conveniently accessible,
2. prepare explanation about credentials to verify attending right,
3. prepare sufficient competent officers and equipments to handle credential verification and registration,
4. allow unavailable shareholders to grant proxy to a person as he/she wishes or assign a proxy to a nominated Independent Director with no complicated method,
5. prepare duty stamps to be affixed in the shareholders' proxy forms,
6. computerize registration to facilitate convenience and promptness, and
7. allow advance registration for two hours before the meeting starts.

Further, shareholders can register to attend the meeting even after the meeting has started. They will have the right to vote on the matter being considered or not yet placed for the resolution. The Board of Directors regard it as the duty and responsibility to attend the meeting. For Fy 2013 Annual General Meeting of shareholders, the Chairman of the Board of Directors and Chairman of the Committees viz., the Chairman of the Corporate Governance and Nomination Committee, the Chairman of the Remuneration Committee and all directors attended the meeting. Mr Kriang Kiatfuengfoo, Independent Director and Chairman of the Audit Committee sought an excuse from the

annual general meeting in view of his ill health. Further, all Management team Executives, auditors including legal advisors had attended the meeting to explain and answer inquiries.

In Fy 2013, 503 shareholders attended the meeting in person and via proxy accounting for 6,733,608,807 shares or 79.96% of the paid up shares of 8,421,540,848.

Before the meeting : The Corporate Secretary informs the shareholders on 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 would be allotted for consideration of each agenda before voting. Shareholders would be allowed to vote for election of individual Director(s) and are encouraged to provide comments, recommendations and ask questions freely.

The Company uses voting ballots for convenience of shareholders and arranges for auditors from the Audit Company to supervise vote counting for transparency according to law and Company's principles (Inspector). Vote counting would be done by the computer. Currently, the Company's stocks comprises of common shares and preferred shares whereby the same type of shareholder would have one vote per one share. Results of the vote for each agenda would be announced after resolving of each agenda item by slide projection. Moreover, the meeting would be recorded on a video media.

After the meeting : The Company announces the meeting resolution (agreement, disagreement or abstention) through SET news network (www.set.or.th) immediately after the meeting and prepares the meeting minutes within period as specified by law. The minutes records details such as

1. names and positions of the attended Directors, Executives including related persons,
2. voting procedures and vote counting,
3. questions and answers, comments and recommendations,
4. meeting resolutions and voting result on each agenda, classified as agreement, disagreement and abstention.

Use of insider information

Besides the specified usage of insider information in the Company's "Code of Ethics", there are policies and measures to prohibit the use of insider information for the benefit of Directors and Executives by educating them about the responsibility to report on the proportion

of Company's shareholding and the change of such proportion as specified by the announcement of the SEC and Capital Market Supervisory Board (CMSB), guidelines of the SET, including penalty for violation. In case there was a change in the proportion of Company's shareholding, the Corporate Secretary will summarize, compile and propose to the Board of Directors Meeting for acknowledgement, the details of which are also disclosed in the Annual Report.

Moreover, the Company has implemented an internal control measure to supervise the use of insider information to comply with good corporate governance principles, and define a policy on prohibiting the use of insider information for personal gain (Abusive self-dealing) such as trading with insider information (Insider trading) of Directors, Executive and employees working in the unit with access to information of the Company and its subsidiaries (including spouse and underage children of such persons).

- Prohibit the above persons to trade Company's securities within 2 weeks prior to the disclosure of Company's quarterly financial statements and annual financial statements and within 24 hours after the disclosure of such financial statements to the SET (Blackout period).
- In case of other non-disclosed significant information which may have an effect on the price of Company's securities, the Board of Directors has prohibited trading of Company's securities until expiration of 24 hours after such information has been released to the public.

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



As on March 31, 2013, report on the securities holding of Directors and Management can be summarized as following;

Name		Ordinary Shares (No. of Shares)					
		Tata Steel (Thailand) Plc.			Affiliated Companies		
		Directors/ Management	Spouse or Minor Child	Increase (decrease) in fiscal year (April 1,12 - March 31,13)	Directors/ Management	Spouse or Minor Child	Increase (decrease) in fiscal year (April 1,12 - March 31,13)
Board of Directors							
1	Mr. H. M. Nerurkar	-	-	-	789 ^(a)	56 ^(a)	108 ^(a)
2	Mr. Maris Samaram	-	-	-	-	-	-
3	Asst. Prof. Rawewan Peyayopanukul	22,000	-	-	-	-	-
4	Mr. Hatasakdi Na Pombejra	-	-	-	-	-	-
5	Mr. Koushik Chatterjee	-	-	-	2,320 ^(b)	-	-
6	Mr. Peter John Hogg	-	-	-	-	-	-
7	Mr. Taratorn Premsoontorn	-	-	-	-	-	-
8	Mr. Peeyush Gupta	-	-	-	-	-	-
Management							
9	Mr. Thana Ruangsilasingha	50,000	-	-	-	-	-
10	Mr. Amit Ghosh	-	-	-	-	-	-
11	Mr. Sirrote Matemanosak	-	220,000 ^(c)	-	-	-	-
12	Mr. Paitoon Chuesook	-	-	-	-	-	-
13	Mr. Biswajit Ghosh	-	-	-	-	-	-
14	Mr. Songsak Piyawannarat	-	-	-	-	-	-
15	Mr. Arun Kumar Chowdhary	-	-	-	-	-	-
16	Mr. Wanlert Kanwiwat	-	-	-	-	-	-
17	Mr. Chaichalerm Bunyanuwat	-	-	-	-	-	-
18	Mr. Chandra Mohan Verma	-	-	-	-	-	-

- Remarks:
1. Tata Steel (Thailand) Plc. has 8,168,767,623 Ordinary shares, 252,773,225 Preferred .The total Registered and Paid-up Capital are 11,025,579,573 Baht and 8,421,540,848 Baht, respectively.
 2. As per the Public Limited Companies Act, "Affiliated Company" means a public company limited related to one or many of private company (ies) or public company (ies) limited with the following characteristics:
 - A company has the power to control the election and removal of directors who have power to manage the whole or majority of the other company.
 - One company holds the shares in the other company more than 50% of the issued shares.
 3. "Management" means directors, managers in the management level next below the President.
 4. (a) Tata Steel Limited.
(b) Comprised of 1,320 shares of Tata Steel Limited of Rs.10 each and 1,000 shares of The Tinplate Company of India Limited of Rs.10 each.
(c) Spouse

Report on stakeholders

The Company has specified that its Directors, Executives and related persons must declare their own interest in the form defined by the Board of Directors. When there is any appointment to be the Directors or Executives or changes in the report, the Corporate Secretary has been assigned to compile and present to Chairman of the Audit Committee and Chairman of the Board of Directors for acknowledgement of 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 has a clearly defined principle and procedure of the connected transactions and to be in strict compliance with the regulation of the Securities and Exchanges Commission, Capital Market Supervisory Board and the Stock Exchange of Thailand regard with regard to conflict in connected transactions. The Directors and Executives having interests and/or connection on a matter will not attend the meeting and vote on such matter to make fair decisions.

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 has 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

The Company realizes that encouraging a good relationship and co-operation between Company and all stakeholders would be a factor to build wealth, stability and company sustainability. It has prescribed the rights of all stakeholders in relation to its business operation, both defined by law or mutual agreement, to be responsible to the internal and external stakeholders, with strict fairness under the "Tata Code of Conduct : TCOC" consisted of 25 clauses. The Company's "Code of Ethics" has clearly defined the business ethics with all stakeholders and specified measures and channels for stakeholders to communicate/inform on un-ethical conducts, lead follow-up procedures including measures to protect the informant under the "Policy and Regulation regarding Whistle Blower" (Whistle Blower).

Stakeholders can suggest/ report/ appeal on the above Code of Ethics in person/ letter/ E-mail/ telephone/ fax by contact via :

Mr. Sirorote Metamanosak (Ethic Counselor)
Tata Steel (Thailand) Public Company Limited
Rasa Tower 2, 20/F, 555 Phaholyothin Road,
Chatuchak, Bangkok 10900

Tel. : 66 (2) 937-1000 ext. 1810 Fax : 66 (2) 937-1223

E-mail address : sirorotem@tatasteeltailand.com

There has been no incident of the appeal against Company's "Code of Ethics" or deprivation of rights during the previous year.

Guidelines and responsibility to each group of stakeholders are :

Shareholders

The Company is committed to create value for all shareholders with fairness by operating business efficiently and treat shareholders with respect and as per the applicable laws and regulations. The Company would inform shareholders of correct and complete information, including disclosing such information in accordance with relevant rules and agreement. The details appear on Category I: Shareholders' Rights and Category II: Equitable Treatment of Shareholders.

Employees

The Company regards employees as valuable asset. Therefore, emphasis is placed on training and development for employees at all levels and scope of works to strengthen the significant basis of the organization. Safety, occupational health and working environment have been also emphasized for all employees. Besides, the Company ensures that employees receive fair and appropriate remuneration and welfare to Commensurate with their skills and qualifications and in line with the market. The company also provides a provident fund for them. The details appear in section of "Human Resources and Development".

Customers

The Company has commitment to provide good products and service to customers in line with the stated requirements. This starts from collecting requirements from the customers to delivery of goods. Company has an endeavor to constantly work towards improving the customer satisfaction and takes an annual feedback from its customers to find areas of improvements in product quality, delivery, service, complaint handling and product development. The three plants comply to the relevant quality and environmental standards thereby ensuring the delivery of intended quality. The Company has a closed loop complaint handling system that allows expeditious resolution of complaints to the satisfaction of the distressed customer. The complaint handling system handles both product and service type complaints. The system provides easy access to the customers to raise the claim on the company should there be a deficiency in product or service. The Company has also followed a policy of "sales return" in case of deficient or non-standard products.

Partners:

The Company sets 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. Its subsidiaries are also strictly compliance to the same TATA Code of Conduct. The code covers jointly operations between the Company and its partners, for instance, regular trainings on safety have been extended to transport contractors who work at the plants.

Creditors

The Company strictly complies with the conditions and requirements of both Trade Creditors and Lender and pays its debt on specified time, as well as following the affirmatives give to the creditors throughout the liable periods and provide information with accuracy, transparency, equity and fairness.

Community and society

The Company states clearly in its policy on carrying out its business by being a good corporate citizenship with duty and responsibility to the surrounding communities and society. The Company does not regard its implementation according to the specified policy as an option, but it determines to incorporate them into its business plan.

The Company is committed to promote and improve the well-being of people in surrounding communities as well as in other areas of the country such as helping people in remote areas, disadvantage groups, and victims of natural disasters, including giving high priority to environmental conservation activities both at community level and broader level in the society. From that commitment, the Company has defined its activities for community and society into four categories:

1. supporting activities in surrounding community activities,
2. developing children and youth in remote areas,
3. supporting non-profit organizations, and
4. environmental conservation.

Details of activities carried out by the Company in the year 2012 - 2013, appear in the section on "Corporate Social and Environmental Responsibility" on "Social Responsibility Activities".

Environment

The consistent focus is on environmental conservation in order to preserve the environment by strictly conforming to laws, regulations, and various standards in every production process and steps of work. In particular, efficient resources management (covering energy conservation, water resources management, air pollution management, greenhouse effect management, noise pollution management, and waste management), re-use of resources in strict compliance with the environmental laws and regulations.

Tata Group is committed to focus and is a leader on "Climate Change" on global warming issues. All subsidiaries of Tata Group are conducting studies to have a deeper understanding and to be able

to address issues promptly and completely. More green technology is being opted for implementation. Therefore, the Company and subsidiaries set long-term goals to monitor and address carbon dioxide and other greenhouse effect gas emission not to exceed the allowed level. The said goals bring about new environmental friendly process guidelines and research for new innovation in different areas. The "Green" concept is also being applied in each step of the Company's core business operations.

Detailed information on corporate environmental responsibility carried out by the Company during 2012-2013 appears in the section on "Corporate Environmental Responsibility."

Category IV : Disclosure and Transparency

The Company emphasize and realize the responsibility to disclose Company's financial and non-financial information for transparency, accountability and beneficial for the investment decisions of shareholders, investors, analysts and other stakeholders. Such information disclosed must be correct, inclusive, thorough and create no misunderstanding. That information should be up-to-date and timely as specified by the Securities Exchange Commission ("SEC"), the Securities Exchange of Thailand and relevant agencies. The Management is assigned to supervise the communication and provide important information disclosure both the periodic reports such as financial statements, annual statement (Form 56-1), annual report (Form 56-2) and Non-Periodic reports such as asset acquisition/disposition, connected transaction, participation/cancellation of joint venture, increase/decrease of capital, issuance of new shares and buy back of shares.

The Company has set up the Corporate Secretary Office to act as a center for Company's information disclosure both in normal and urgent situation. Samples of the information are

1. Financial and non-financial information with completeness, correctness and comparativeness, both in Thai and English : SET news network (www.set.or.th).
2. Analytical clarification of the financial status and operating results in every quarter : SET news network/ TSTH website (www.tatasteel-thailand.com)/ Newspapers.
3. Latest shareholding structure is disclosed with transparency by detailing the major shareholders and proportion of minority shareholders, including beneficial owner and no cross holding between the Company's group. The information of Directors and Executives' shareholding, not over one percent of stocks issued, is also included : Annual Report/ TSTH website.
4. Information in the annual report is disclosed completely and clearly to aid in the decision making by shareholders's using analysis of financial status and operating performance, analysis on industry overview and competition, business risks, bio-data of Directors and Executives, remuneration of Directors and top Executives and

- information on Directors' meeting attendances : TSTH website
5. Financial statements in accordance with generally accepted accounting principles and audited by an independent auditor who is qualified and accepted by SEC. The Company had no record on submitted delayed quarterly and annually financial statement to SET and SEC : SET news network/ TSTH website
 6. Information on connected transactions (if any)

In addition to the disclose of information as specified by the Securities Exchange Commission ("SEC"), the Securities Exchange of Thailand and relevant agencies, the Company has assigned the President as its 'speaker' to communicate Company's information to the public. It has assigned the Corporate Secretary to manage the function of Investor Relation by communicating and coordinating with shareholders, institutional shareholders, general shareholders, analysts and related agencies and providing convenient access to Company's information such as meeting materials, operating performance materials and other reports through Company's website (www.tatasteelthailand.com). This is to strengthen investors' understanding and confidence towards the Company.

Further, the Company has a policy on press briefing quarterly to disseminate its operational results to the public through media, for instance, newspapers and various magazines. The President & CEO, Chief Operating Officer, Chief Financial Officer, Vice President - Human Resources and Vice President - Marketing & Sales are assigned to provide interviews on behalf of the Company. During 2012 - 2013, after having submitted the operational performance to the SET, the Company has arranged a media meet after every quarter to convey the developments in the steel industry as well as an update on the company performance and plans to be known to the public. The company has also organized Analyst meets wherein analysts from banks, investment companies and institutions and press attend the session. These meets are typically attended by 10-20 persons who provide extensive coverage to Tata Steel (Thailand) and the steel industry in the reports.

Category V : Responsibilities of the Board of Directors

The Company specifies the role of Directors so that they can perform the function with "responsibility, cautiousness, integrity and accountability" with an objective to provide equitable treatment to all shareholders and create mutual confidence between shareholders and the Company. The Company has defined a clear structure of Directors and has appointed various Committees with specific expertise to allow effective supervision by the Directors and to provide guidance and direction in matters of important decisions while ensuring full compliance to the country's laws and regulation. Management system in accordance with the principles of good corporate governance has been implemented to ensure honest, reasonable and independent supervision and operation under legal framework and business ethics for effectiveness and efficient working of the Board functions to maximize benefits to all stake holders.

Structure of the Board

The Company takes into account check and balance principle to achieve transparency and accountability. The Board of Directors composes of qualified persons with appropriate knowledge, ability and experiences in steel industry and other businesses, leadership with broad perspective, ability to commit time and efforts for functioning as Directors who can express freely and beneficial to the Company's business operation.

Currently, the Board of Directors consists of appropriate eight members, three of whom are Independent Directors as specified in the Company and SEC's regulation together with five non-executive Directors and Directors representing major shareholders. The Company has defined that the Chairman, as the policy leader, and the President, as the leader of the business operation, should not be the same person to clearly segregate the roles and induce equilibrium in operation.

For the greater corporate governance, the Board of Directors also appoint three other committees which are the Audit Committee, the Executive Committee (Management Committee), the Corporate Governance, Nomination and Remuneration Committee to screen specific matters and present to the Board for consideration or acknowledgement.

Besides, the Board of Directors also appoints the Corporate Secretary on behalf of the Company or the Board of Directors to provide and keep the following documents:

1. a register of directors
2. a notice calling a director meeting and minutes of the meeting of the board of directors
3. a notice a calling a shareholder meeting and minutes of the meeting of the shareholders
4. annual report of the Company.

Moreover, the Corporate Secretary also keeps a report of interest filed by directors and executives and performs any other acts as specified by the SEC.

Selection of the Board of Directors and Committees

The Corporate Governance, Nomination and Remuneration Committee is responsible for selection of Directors and Independent Directors before proposing to the Board of Directors and/or the shareholders' meeting for election or appointment. The selection would be in line with the guidelines and principles which had been approved by the Board of Directors as follows :

1. Possess the qualifications with no prohibited characteristics as specified in the Company's Articles of Association, the Public Company Limited Act and the Securities Exchange regulations.

2. Persons with capabilities, experiences and diversity of skills, knowledgeable, competent, leadership, varied perspectives, ethical, record of transparency and ability to express opinions independently.
3. Persons who can devote sufficient time to attend Board 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 potentiality evaluation.

For the nomination of Independent Directors, besides all of the above guidelines and principles, there are extraordinary qualifications which appear on "Independent Director" heading. In case the election of Company's Director is proposed to the shareholders' meeting for consideration, it would be proceeded according to the guidelines and procedures specified in the Company's Article 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.

Independent Director

True independent reflects good management that helps create confidence for investors. Therefore, the Company has set a definition of "Independent Director" that is stricter than the one specified by the SEC, which is being reviewed and revised regularly, so that independent directors can perform independently for the benefit of the Company. The details of which are as follows:

(Amended on January 16, 2009 according to the SEC regulation No. tor. jor. 4/2552
Dated February 20, 2009, also amended in March 28, 2013)

- Holding not over 1% 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.
- No participation in the management nor being an employee, staff, salaried advisor, 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.
- No kinship, marriage or legally registered as the father, mother, spouse brother/sister and child, including child's spouse, with the

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.

- 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.
 - 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 12 months period.
 - 2) Transactions of renting or renting out of immovable properties.
 - 3) Transactions related to assets or services such as acquisition or disposition of assets, rights or providing or receiving services.
 - 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. Which value more than 3% of the net physical asset or more than Baht 20 millions, whichever 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 taken.
- Not being an auditor of the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not being a 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.
- 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.
- Not being a Director appointed as representative of the Company's Director, major shareholders or shareholders related to major shareholders.
- Having characteristics that would make independent expression of opinion about Company's operation difficult and constrained.

- Capable of taking care of every shareholder's interest equally.
- Capable of managing conflict of interest.
- Be able to attend the Board of Directors' meeting to make decision on matters independently.
- Possess the qualifications with no prohibited characteristics specified by the Company's Article of Association and regulations of the Public Company Limited Act and the SEC.
- Independent and Non-Executive Directors who have completed the age of 70 years may continue as Directors at the discretion of the Board but in no case beyond the age of 75 years.
- The retirement age for Independent Directors would be 75 years.

The Audit Committee

The Audit Committee was appointed by the Board since the year 2002, and now consisted of three Independent Directors. All committee members are knowledgeable and have a business understanding with experience in accounting or finance or legal affairs of the company. More than one Director has adequate knowledge and experience to review the credibility of the financial statements and review the operation to be in compliant with the policy and Company's regulations, along with the laws, regulations and guidelines of the supervisory agencies to develop financial and accounting system to be in line with international standards. The review ensures that the Company has the internal control system, internal audit system and risk management system which are concise, appropriate, up-to-date and efficient.

The Company has supported, supervised and authorized the Audit Committee to function efficiently and express its opinion independently. To enhance the efficiency to monitor the Company's operation, since the year 2009, the Company had established the internal audit office which is under the supervision of the Audit Committee. When needed, the Audit Committee may seek an external independent advisory at the Company's expense.

The Executive Committee (Management Committee)

The Executive Committee was appointed by the Board since the year 2002, and consists of three 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 Corporate Governance and Nomination Committee and the Remuneration Committee were appointed by the Board since the year 2004. However, the Board of Directors has resolved that both Committees be merged into one Committee with effect from 31 January 2013, to create more effectiveness and to facilitate its functions. The said Committee now consists of four Directors, including two 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. It also has the duty to consider selection process and recruit appropriate person for nomination as Director or President & CEO in replacement of the retiring Director or in other cases. It has the duty 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.

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. Directors have to jointly agree on the retiring sequence and the director who vacates his office may be re-elected with no limit on terms.

The term of Directors of the 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. This has been modified since March 28, 2013.

Serving on other Company Boards by Directors and President and CEO

The Company is reviewing the policy on maximum number of other listed companies allowed for each director to serve as the member of the board. While, there is no such policy in place yet, half of the current Board of Directors are Thai while the rest are non-Thai. The non-Thai directors do not have their domicile in Thailand, therefore they do not sit on other listed company boards in Thailand. According to the data captured during the last five years, no Thai director has served more than three other listed company boards. Each of the directors is capable to perform their duties and dedicate appropriate time and efforts for the company.

Since the President and CEO is an inside director, just like other employees, he has to dedicate his full efforts to the company according to the terms of the employment contract. President and CEO who also serves as a director on the company does not serve as a director in other listed company in Thailand. He can be a director on the board of the subsidiaries or non listed companies in Thailand. In any case, the association on other companies outside Thailand has to be declared in the resume printed in the annual report.

Remuneration of Directors and Executives

The Company has clearly and reasonably set a policy and guidelines on remuneration of Director and Executives so that competent Directors and Executives can be retained while not be over paid. The Corporate Governance, Nomination and Remuneration Committee would propose 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. However, the Company has no policy to pay the remuneration to the Executive who takes the position of the Director of the Subsidiaries.

For remuneration of the President and Executives of the Company and its subsidiaries, the Board of Directors, by acknowledgement of the

Corporate Governance, Nomination and Remuneration Committee, would consider on the duties, responsibilities, individual performance and Company's operating result in both short and long terms. The agreed baseline remuneration can 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 financial remuneration for the Directors. These are fixed remuneration that is paid every quarter and a meeting allowance, which would be paid only to the attending Directors after each meeting. In case of the retiring or incoming Directors, they would be paid by calculating only for the days in office during that quarter.

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

		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	0	15,750
	Member	0	10,500
Corporate Governance & Nomination and Remuneration Committee	Chairman	150,000	15,750
	Member	75,000	10,500

Details of the Directors Remuneration in 2012 - 2013

	Names	Remuneration (Baht)				
		Board of Directors	Audit Committee	Executive Committee	Corporate Governance, Nomination and Remuneration Committee ⁽¹⁾	Total ⁽²⁾
1.	Mr. Hemant Madhusudan Nerurkar Chairman	798,000.00	-	-	-	798,000.00
2.	Mr. Maris Samaram Independent Director, Chairman of Audit Committee and Corporate Governance & Nomination Committee	577,500.00	157,500.00	-	105,500.00	840,000.00
3.	Asst. Prof. Rawewan Peyayopanakul Independent Director, Audit Committee and Corporate Governance & Nomination Committee	514,500.00	157,500.00	-	162,750.00	834,750.00
4.	Mr. Hatasakdi Na Pombejra Independent Director, Audit Committee	26,250.00	1,283.00	-	-	27,533.00 ⁽³⁾
5.	Mr. Koushik Chatterjee Director, Chairman of Executive Committee, Chairman of Corporate Governance & Nomination and Remuneration Committee	630,000.00	-	-	258,250.00	888,000.00
6.	Mr. Taratorn Premsoontorn Director and Corporate Governance & Nomination and Remuneration Committee	577,500.00	-	-	105,000.00	682,500.00
7.	Mr. Peter John Hogg Director and Executive Director	556,500.00	-	-	-	556,500.00
8.	Mr. Peeyush Gupta President and CEO and Executive Committee	577,500.00	-	-	-	577,500.00
	Total	4,257,750.00	316,283.00	-	630,750.00	5,204,783.00

Remarks

(1) Has been included the two committees before combining into one committee.

(2) Excluding the remuneration of Bht.517,125 paid to Mr. Kriang Kiatfuengfoo, an Independent Director who has resigned on December 31, 2012.

(3) Pro-rata calculation from March 28, 2013 to March 31, 2013.

Total remuneration of the Executives

Total remuneration in terms of salary and bonus for 2012-2013 (1 April 2012 – 31 March 2013) for 13 executives were Baht 36.25 million.

Total remuneration of the Board of Directors of core business subsidiaries

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

Total remuneration of executives of core business subsidiaries

Total remuneration in terms of salary and bonus for 2012-2013 (1 April 2012 – 31 March 2013) for three executives was included in the remuneration of the Company's executives.

Other forms of remuneration

The Company has contributed to the provident fund of employees for executives of the Company and its subsidiaries approximately 10% of total payroll or equal to the contribution in 2012-2013 (1 April 2012 – 31 March 2013) for 13 executives totaling Baht 3.11 million.

Moreover, the Company has provided company maintained cars to Company's Executives and Senior Management of the company.

Currently, the Company has no policy to offer Executives with the Employee Stock Option Program (ESOP) or Employee Joint Investment Program (EJIP), but has managed compensation for executives in other forms based on performance, Company's operating results, duties, responsibilities and potential of each Executive.

Roles, Duties and Responsibilities of the Board of Directors

Leadership and Vision

The Board of Directors provide guidance and direction to the management of the company to define the Company's vision, mission, policies, long-term strategy, business plan and annual budget, which is proposed for the approval by the management in the respective Board Meetings. To consider those matters, directors fully discuss and share their opinions with the management. Further, the Board of Directors has the responsibility to review operating plans, targets, and to allocate adequate budget, especially budget for organization, product research and development, competitive capability development. Every quarter, the Directors will review the Company's performance and annually carry out Board of Directors performance evaluation, including that for the senior management, review, improve and develop risk management system, internal control and internal audit to respond to the changing environment, and to oversee and develop Company's corporate governance to international standards. They should dedicate themselves and their time without taking improper advantages for themselves or other persons, and

should not act in such a way that could provoke conflict of interest or compete with the Company or its subsidiaries' operation. The ultimate objective is to operate business with stability for the balanced and sustainable benefits of all stakeholders in line with the vision, mission and goals of the company.

Business Ethics

The Company takes pride in maintaining highest standards for business operation with professionalism, integrity, morality and ethical behavior. This is implemented using "Tata Code of Conduct" (TCOC), which has been prepared in the form of a written document and is published in Thai version as the "Ethics Handbook". This is distributed to the Board of Directors, Executives, employees and external stakeholders who conduct business with the Company including government agencies and private sectors. Besides, the Management of the company oversees, communicate and encourage employees at all levels to strictly and constantly adhere to the principles of integrity, transparency and fairness. Whenever there is a breach or possibility of a breach of Company's Code of Conduct, supervisors must be notified immediately. Ethics Counselor has been appointed since 2008 and people are encouraged to report any grievance or mal practice without any fear and obligation.

The Tata Code of Conduct consists of 25 clauses, covering matters of national interest, financial reporting and records, competition, equal opportunity employer, gifts and donation, relationship with government agencies, political non-alignment, health, safety and environment, quality of products and services, corporate citizenship, cooperation of Tata Companies, public representation of the company and the group, third-party representation, use of the Tata brand, group policies, shareholders, ethical conduct, regulatory compliance, concurrent employment, conflict of interest, securities transactions and confidential information, protecting company assets, citizenship, integrity of data furnished, reporting concerns.

Further, the Company has announced "Policy and procedures on petitioning of Code of Conduct violation" (Whistle blower) to safeguard employees and external stakeholders who choose to report on the violation or possible violation of the Code of Conduct directly to the Chairman of the Audit Committee or the ethical advisor or to other company's specific units safely and practically.

Handling of Conflict of Interest

The Company places importance on the handling of Conflict of Interest issues with cautiousness. Directors, Executives and employees will work with honesty, reasonableness, independence and transparency in the overall interest of the Company and Shareholders by following the guidelines of SEC, SET, Company's Article 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 use such information for their 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 issue for employees at all levels.

Risk Management

The Company has implemented appropriate risk management system by adopted an international standard to be applied for the benefit of the Company's business. It has appointed the Risk Management Committee consisting of the Management from each major department of the Company and its subsidiaries to define and revise the administrative policy and strategy, the organization-wise implementation, including risk factors, risk probability and impact to the Company's goal. The Company has also assigned the Audit Committee to evaluate the efficiency of risk management system and report to the Board of Directors regularly. This is the warning mechanism to help protect or minimize the possible losses to Company's operation.

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 system and 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, improper exercise of power and to prohibit illegitimate activities. Since 2009, the Company has also set up its own internal audit office. This office has the responsibility to supervise the internal audit work of the Company and its subsidiaries which 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.

Meeting of the Board of Directors

The Company has scheduled meeting dates and significant agenda for the meeting of the Board of Directors and Committees, including the monitoring of operation. Additional meetings may be arranged for urgent matters. During 2012-2013, five Board of Directors' meetings were held with over 75% of the directors attending at each meeting. Before each meeting, invitation letter, agenda and accompanying papers are sent for advance study. Chairman of the Board of Directors who chairs the meeting would conduct the meeting according to the agenda, taking care of the shareholders and every group stakeholders, and allowing independent expression of opinion,

allocating sufficient time for thorough discussion and expression in each agenda. The resolution of each agenda would be decided by majority voting, in case of a tie, the Chairman of the meeting would cast a deciding vote. Director who has an interest in the discussing matter would not attend the meeting and/or would abstain. The minutes would be clearly recorded after the end of the meeting.

The Management would also attend each meeting of the Board of Directors to report on essential information and to acknowledge the policies and decisions of the Board of Directors for the benefit of efficient and prompt actions. Exception is made to some meeting agenda specifically reserved for only the Board of Directors or non-Executive Directors to allow independence of expression. In each quarter, independent directors will also confer meeting separately among themselves as per their convenience.

Corporate Secretary

To ensure that Company's operation is in compliant with the rules, regulations and good corporate governance principles, the Board of Directors has appointed the Corporate Secretary to act as the Secretary to the Board of Directors and other Committees. The Secretary to the Board has following duties:

1. providing recommendations on complying with the laws to Directors and Management,
2. coordinating to comply with the Board's resolutions,
3. attending every meeting of the Board of Directors, Committees and Shareholders and preparing such minutes of those meetings, and
4. implementing any other tasks according to the SEC's regulations.

Training and development Programs for Directors and Executives

The Company looks after the interests of Directors and Executives' by supporting them with an appropriate training related to the Company operation by nominating them to relevant programs launched by the institutions such as the Securities and Exchange Commission, the Securities Exchange of Thailand, Thai Institute of Directors Association ("IOD") and public and private academic institutions. These exposures help them to perform their duties effectively and develop themselves to cope with the changing situations. In this regard, all Thai Directors have attended trainings and seminars related to the Directors' duty by IOD.

Summary of number of meetings and attendances of Directors for the year 2012 - 2013

	Attendances of Directors (% of the entire Board members)				
	Board of Directors	Audit Committee	Executive Committee	Corporate Governance & Nomination and Remuneration Committee	Annual General Meeting
For the year 2012 - 2013	-	-	-	-	6/8 (75%)
1	6/8 (75%)	2/3 (67%)	-	4/4 (100%)	-
2	6/8 (75%)	2/3 (67%)	-	4/4 (100%)	-
3	8/8 (100%)	3/3 (100%)	-	4/4 (100%)	-
4	7/7 (100%)	2/2 (100%)	-	-	-
5	8/8 (100%)	-	-	-	-

Details of Directors Attendance

In 2012 - 2013 (April 2012 - March 2013), Directors attended the meetings as follows:

	Names	Attendance					Total ⁽²⁾
		Board of Directors	Audit Committee	Executive Committee	Corporate Governance, Nomination and Remuneration Committee ⁽¹⁾	Annual General Shareholder-Meeting	
1.	Mr. Hemant Madhusudan Nerurkar Chairman	4/5	-	-	-	1/1	5/6
2.	Mr. Maris Samaram Independent Director, Chairman of Audit Committee and Corporate Governance, Nomination Committee	5/5	4/4	-	4/4	1/1	14/14
3.	Asst. Prof. Rawewan Peyayopanukul Independent Director, Audit Committee and Corporate Governance, Nomination Committee	5/5	4/4	-	5/5	1/1	15/15
4.	Mr. Hatasakdi Na Pombejra ⁽¹⁾ Independent Director, Audit Committee	1/1	0/0	-	-	-	1/1
5.	Mr. Koushik Chatterjee Director, Chairman of Executive Committee, Chairman of Corporate Governance, Nomination and Remuneration Committee	5/5	-	-	5/5	1/1	11/11
6.	Mr. Taratorn Premsoontorn Director and Corporate Governance, Nomination and Remuneration Committee	5/5	-	-	4/4	1/1	10/10
7.	Mr. Peter John Hogg Director and Executive Director	4/5	-	-	-	0/1	5/6
8.	Mr. Peeyush Gupta President & CEO and Executive Committee	5/5	-	-	-	1/1	6/6

Remarks: (1) Has been appointed as Independent Director and Audit Committee since March 28, 2013.

(2) Did not show the attendance of Mr. Kriang Kiatfuengfo, an Independent Director who has resigned on December 31, 2012.

Characteristics of connected transactions

For the 12-month period ending March 31, 2013, March 31, 2012 and March 31, 2011, the Company entered into connected transactions with related companies as summarized below:

Type of Connected transactions	Unit: (in Thousand Baht)		
	Mar 31, 2013	Mar 31, 2012	Mar 31, 2011
Sales	2,084,418	2,527,483	3,557,767
Other income	8,096	6,630	16,680
Purchases	1,302,411	2,013,754	4,528,519
Other expense	27,525	11,191	35,168
Trade accounts receivable	101,125	56,684	238,352
Receivables and loan to borrowers	3,107	73,243	73,930
Other non-current assets *	71,220	-	-
Trade accounts payable	493,716	732,495	1,352,915
Payables and loan from lenders	15,648	7,248	19,896
Short-term loans	-	270,596	-
Long-term loans **	270,596	-	270,596
Guarantees of the Company and its subsidiaries	See details on Notes to Financial Statements No.8 : Property, Plant and Equipment		

* Reclassification : Accounts receivable (Tata Sons. Ltd.) 71,220 (in Thousand Baht) from Other receivable - related parties to Other non-current assets.

** Reclassification : From Short-term loans to Long-term loans. See details on Notes to Financial Statements. No. 22 : Related party Transactions and Balances.

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, with prices and interest rates applicable to ordinary person. 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. This is based on the appraised value reported by independent appraisers.

Necessity and Appropriateness of Connected transaction

The said connected transaction has been transacted in the normal course of business and is a generally accepted trading term. 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, and promissory notes enhanced flexibility in operation.

Measures/Procedures of approving connected transaction

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 - Plant 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 and 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 transaction

Future connected transactions between the Company and its subsidiaries or related companies will be conducted in the ordinary course of business on 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 and the Stock Exchange of Thailand.



Financial Performance

Revenues

April 2012 – March 2013

Revenue from sales of the products made by the Company's subsidiaries was Baht 25,014.52 million. The distribution of the revenue across product lines was 51%, 37% and 6% through domestic sales of rebars, wire rods and small sections including others, respectively. The balance 6% was generated through international sales.

Other income of the Company and its subsidiaries amounted to Baht 237.67 million, representing 0.94 % of total revenues. It comprised mainly of compensation from insurance company of Baht 101.46 million, Baht 65.79 million gain from negotiated settlements of trade creditors arising from restructuring, gain on exchange rate of Baht 42.04 million, interest income of Baht 14.55 million and other income of Baht 13.83 million.

April 2011 – March 2012

Revenue from sales of the products made by the Company's subsidiaries was Baht 26,223.03 million. The distribution of the revenue across product lines was 48%, 40% and 5% through domestic sales of rebars, wire rods and small sections including others, respectively. The balance 7% was generated through international sales.

Other income of the Company and its subsidiaries amounted to Baht 120.05 million, representing 0.45% of total revenues. It comprised mainly of gain on store sales of Baht 39 million, penalty of Liquidated damages for non-fulfilment of the performance guarantee (MBF Project) of Baht 35.00 million, exchange rate of Baht 23.73 million, interest income of Baht 8.34 million and other income of Baht 13.98 million.

April 2010 – March 2011

Revenue from sales of the products made by the Company's subsidiaries was Baht 26,761.72 million. The distribution of the revenue across product lines was 46%, 39% and 3% through domestic sales of rebars, wire rods and small section including others, respectively. The balance 12% was generated through international sales.

Other income of the Company and its subsidiaries amounted to Baht 57.92 million, representing 0.22% of total revenues. It comprised mainly of gain from store sales of Baht 23.37 million, dividend income of Baht 18.21 million, interest income of Baht 8.17 million, delay penalty income of Baht 2.67 million, previous year income of Baht 2.30 million and other income of Baht 3.20 million.

Analysis on changes in revenue structure

The net sales of the company for the year ended (April 2012-March 2013) was Baht 25,014.52 million from sales volume of 1,175,000 tons (Year/April 2011-March 2012: Baht 26,223 million from sales volume of

1,139,000 tons), thereby showing an increase of 3% over the previous year. However, the total net sales in MB decreased by 5% due to the reduction in global steel prices in 2012 as compared to 2011. Higher imports of wire rods from China at lower prices also caused adverse impact on the revenue of the company as the sales prices of wire rods had to be adjusted downwards to retain share with the customers.

The net sales of the company for the year ended (April 2011-March 2012) was Baht 26,223 million from sales volume of 1,139,000 tons (Year/April 2010-March 2011: Baht 26,761 million from sales volume of 1,289,000 tons) thereby showing a decrease of 2% and 12%, respectively. While the sale volume decrease of 12% is attributed to the lower volume in Q3 FY12 due to floods, company could get comparatively higher prices and improved its product mix in FY12 to restrict the sales revenue shortfall to just 2% over last year.

The net sales of the company for the year ended (April 2010-March 2011) was Baht 26,762 million from sales volume of 1,289,000 tons (Year/April 2009-March 2010: Baht 22,422 million from sales volume of 1,198,000 tons) thereby showing an increase of 19% and 8%, respectively. The higher sales were due to improved sales of special wire rods, higher offtake by International markets and consistent volume support by local customers of wire rods. Further, the average prices were higher by 11% this year as compared to the previous year.

Cost of goods sold and Gross profit margin

April 2012 – March 2013

Cost of goods sold of the Company and its subsidiaries was Baht 24,724.56 million, equivalent to 98.84% of the total revenue from sales. Gross profit margin was 1.16% of the total revenue from sales.

April 2011 – March 2012

Cost of goods sold of the Company and its subsidiaries was Baht 26,629.03 million, equivalent to 101.55% of the total revenue from sales. Gross profit margin was (1.55%) of total revenue from sales. The low gross margin was due to one-time extraordinary expense of Baht (408) Million.

April 2010 – March 2011

Cost of goods sold of the Company and its subsidiaries was Baht 26,858.63 million, equivalent to 100.36% of the total revenue from sales. Gross profit margin was (0.36%) of the total revenue from sales.

Analysis on changes in Cost of goods sold and Gross profit margin

For the period of April 2012 – March 2013, gross profit of the Company and its subsidiaries reported a margin of 1.16% owing to improved average cost of goods sold by Baht 2,400 per ton over last year. While the sales realization showed a decrease by Baht 1,700 per ton, a

higher reduction in the cost of goods sold arising out of “operations excellence” helped improve the gross profit margin by Baht 700 per ton over last year.

For the period of April 2011 – March 2012, gross profit of the Company and its subsidiaries reported a margin of (1.55%). While, the sales realization was higher by Baht 2,300 than last year, the cost increase in metallics led to a higher cost of goods sold. The cost also includes one time expense of Baht 408 Million pertaining to the mothball of Mini Blast Furnace thereby leading to a total cost increase of Baht 2,600 per ton and therefore showing a gross profit margin drop by Baht 300 per ton over last year.

For the period of April 2010 – March 2011, gross profit of the Company and its subsidiaries reported a margin of (0.36%). While, the year saw higher prices causing improved sales realization by baht 2000 per ton over last year, the higher cost of metallic led to a higher cost of Baht 2,700 per ton thereby causing decrease in the gross profit margin by Baht 700 per ton over last year.

Net Profit (Loss)

April 2012 – March 2013

Net loss of the Company and its subsidiaries was Baht (4,545.47) million. This includes one-time impairment charge of Baht (3,600) million and reversal of Deferred Tax Asset of Baht (286) million. Without these one-time charges, the Net profit (loss) for the year would be Baht (659.47) million as compared to Baht (893.59) million of last year.

April 2011 – March 2012

Net loss of the Company and its subsidiaries was Baht (1,580.59) million. This includes one time MBF mothball of Baht (415) million charge and reversal of Deferred Tax Asset of Baht (272) million. Without this one time charge, the Net profit (loss) for the year would be Baht (893.59) million as compared to Baht (976.00) million of last year.

April 2010 – March 2011

Net loss of the Company and its subsidiaries was Baht (976.00) million.

Analysis on changes in the net profit (loss)

For the Period April 2012 – March 2013, net loss of the Company and subsidiaries was Baht (4,545.47) million. The increase is of Baht (2,964.88) million when compared with a loss of Baht (1,580.59) million in the previous year. The difference is mainly due to the one-time impairment charge of Baht (3,600) million coming from the impairment testing exercise, carried out in line with the TAS 36 requirements. Accordingly, the Company has impaired plant & equipment at its subsidiary, NTS Steel Group PCL and has also carried out the deferred tax asset write-back of Baht (286) million on account of the probability to taxable profit that cannot be utilised.

For the Period April 2011 – March 2012, net loss of the Company and subsidiaries was Baht (1,580.59) million. This represents an increase of Baht (604.59) million when compared with a net loss of Baht (976.00) million in the previous year. The difference was mainly due to the one-time expenditure of Baht (415) million arising out of the moth ball of MBF and Deferred Tax Assets write-back of Baht (272) million on account of reduction in corporate tax rate.

For the Period April 2010 – March 2011, net loss of the Company and subsidiaries was Baht (976.00) million. This is an increase of Baht (921.60) million when compared with a net loss of Baht (54.40) million in the previous year. The difference was mainly due to the increase in cost of goods sold by Baht 2,700 per ton while selling prices improved by only Baht 2,000 per ton leading to drop in gross profit.

Financial status

Assets

Composition of assets

As on March 31, 2013, the Company and its subsidiaries had total assets of Baht 18,101.05 million. It was composed of current assets, property, plant and equipment (net) and other assets of Baht 8,116.98 million, Baht 6,015.07 million and Baht 3,968.99 million, respectively. Other assets included goodwill of Baht 3,456.01 million, deferred tax assets of Baht 231.73 million, Income tax refundable of Baht 197.61 million, and others.

Asset Quality

As on March 31, 2013, the Company and its subsidiaries had trade accounts receivables net of allowance for doubtful accounts of Baht 896.18 million. 88.72% of these receivables were from unrelated parties and 11.28 % were from related parties. With respect to the quality of the Company's trade accounts receivables, it was regarded as “good” indicating that 99% of trade accounts receivables were less than three months of age.

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, 2013, the Company and its subsidiaries set aside a provision for doubtful accounts amounting to Baht 24.15 million, equivalent to 2.69% of total trade accounts receivables, all of which were against the NTS' trade accounts receivable accumulated prior to the merger in 2006.

In addition, as on March 31, 2013, the Company had set an allowance for diminution in value of the inventory, for obsolescence and slow-moving items of Baht 81.57 million. The provision was in conjunction with Thai Accounting Standard No. 2 “Inventories.” The Company and its subsidiaries will review this on an annual basis.

Liquidity

As on March 31, 2013, the Company and its subsidiaries had a net increase in cash and cash equivalents of Baht 1,664.03 million as compared to the previous year. The change was due to an increase in net cash from operating activities amounting to Baht 1,175.36 million. This comprised of operating profit before changes in operating assets and liabilities of Baht 641.56 million and a decrease in changes in operating assets and liabilities of Baht 533.80 million largely due to the decrease in the inventory. With respect to investing activities, a net cash flow of Baht 199.43 million was used up for additional investment in fixed assets. Net cash of Baht 688.11 million was paid for financing activities towards short-term loan draw down of Baht 1,501.51 million, long-term loan repayment of Baht 750.00 million and payments made to creditors of NTS restructuring amounting to Baht 63.40 million.

As on March 31, 2012, the Company and its subsidiaries had a net decrease in cash and cash equivalents of Baht 340.27 million from the previous year. The change was due to decrease in net cash from operating activities amounting to Baht 481.00 million. This comprised of operating profit before changes in operating assets and liabilities of Baht 257.98 million, and an increase in changes in operating assets and liabilities of Baht 738.97 million largely due to the addition in inventory and decreasing in trade accounts payable, decreasing in other assets. With respect to investing activities, a net cash flow of Baht 139.94 million was due to the additional investment in fixed assets. Net cash of Baht 280.67 million was paid for financing activities towards short-term loan draw down of Baht 830.67 million and long-term loan repayment of Baht 550.00 million.

As on March 31, 2011, the Company and its subsidiaries had a net decrease in cash and cash equivalents of Baht 1,281.74 million from the previous year. The change was due to decrease in net cash from operating activities amounting to Baht 667.32 million. This comprised of operating profit before changes in operating assets and liabilities of Baht 326.60 million, and an increase in changes in operating assets and liabilities of Baht 993.92 million largely due to the addition in inventory and trade accounts receivable, decrease in other assets. With respect to investing activities, a net cash flow of Baht 123.21 million was an additional investment in fixed assets. Net cash of Baht 491.21 million was paid for financing activities towards long-term loan draw down of Baht 421.39 million and long-term loan repayment of Baht 900.00 million.

Sources of Capital Funds

Appropriateness of capital structure

As on March 31, 2013, the Company and its subsidiaries' had a debt to equity ratio of 1.02 times while it was 0.70 times in 2012.

Shareholders' equity

As on March 31, 2013, the Company and its subsidiaries had shareholders' equity of Baht 8,971.75 million consisting of the paid-up capital from ordinary shares and preferred shares totaling Baht 11,810.36 million. The retained earnings (deficit) was Baht (3,155.83) million and the legal reserve was Baht 327.22 million.

Liabilities

As on March 31, 2013, the Company and its subsidiaries had liabilities amounting to Baht 9,129.30 million consisting of current liabilities of Baht 6,045.04 million and Baht 3,084.26 million for non-current liabilities, representing 66% and 44% of total liabilities, respectively. Current liabilities included short-term borrowing from financial institutions of Baht 2,332.18 million, long-term loan from financial institutions Baht 1,650.00 million, trade and other payables of Baht 1,907.52 million and other current liabilities of Baht 155.34 million. Non-current liabilities included long-term loan from financial institutions of Baht 2,675.00 million, long-term borrowing from a related party of Baht 270.60 million and other liabilities of Baht 138.66 million.

Borrowings from financial institutions :

1. Short-term borrowing

As on March 31, 2013 and 2012, the Group has borrowing from financial institutions of Baht 1,433 million and Baht 831 million, respectively, bearing the interest rate at BIBOR+2% per annum. The Group entered into an agreement to obtain short-term credit facilities of Baht 900 million, for scrap purchase financing. As on July 24, 2012, the Group increased such credit limit totaling Baht 1,500 million.

As on March 31, 2013, the Group has borrowing from other financial institutions of Baht 899 million, bearing the interest rate at BIBOR+2% per annum. The Group entered into an agreement to obtain short-term credit facilities of Baht 968 million, for utilities financing.

As on March 31, 2013 and 2012, the Group has agreements with 8 local financial institutions to obtain credit facilities of Baht 6,375 million and Baht 6,290 million, respectively, for working capital.

2. Long-term borrowings

The long term borrowings comprising of 2 loan agreements, the 1st dated November 29, 2006 for Baht 5,000 million with interest rate at MLR-1.25% p.a., and the 2nd dated November 9, 2007 for Baht 3,500 million with interest rate at MLR-2.00% p.a. and their amendments thereto. The loans are secured by the property, plant and equipment of all subsidiaries as mentioned in Note 8. The loans contain restrictions on financial ratios and shareholders' structure which is in accordance with requirements in loan agreement from financial institutions.

The Group has approached the Lenders for rescheduling of installments to match with the projected debt servicing capability based on the current business scenario. This is under active consideration by the Lenders and negotiations are nearing conclusion. Pending finalisation of such amendments to the agreements, the Group has maintained installment payments in line with previous terms.

In addition, as on March 31, 2013, the Company has a debt service coverage ratio lower than the required ratio specified in the loan agreement. Such financial ratio will be assessed by the financial institutions after the Company submits the annual audited financial statements. Currently, the Company is in a process of requesting the lenders for a waiver of the non-compliance and the Company's management believes that such a waiver will be granted within the first quarter of the next fiscal year.

Major factors potentially affecting its operation and financial status in the future

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

As of March 31, 2013, the Company had contingent liabilities as follows:

1. Its subsidiaries had Letter of Credit (L/C) amounting to Baht 345 million opened but were not under the liabilities' condition.
2. Letters of guarantee issued by the commercial banks to the Revenue Department mounting Baht 355 million.

3. Its subsidiaries had obligations under the purchase and installation agreement of machineries totaling of Baht 0.9 million
4. The Company and its subsidiaries had obligations under lease agreements (including service fees) amounting to Baht 100 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. 25 : Financial Instruments.

Auditor remuneration

Audit fee

For the period April 2012 - March 2013, the Company and its subsidiaries paid audit fee of Baht 4,080,000.

Non-audit fee

For the period of April 2012 - March 2013, the Company and its subsidiaries paid a fee such as audit procedures of the consolidated reporting packages (Indian GAAP), travelling, per diem, lodging etc of Baht 1,842,615 to its auditor, the audit firm affiliated with the auditor, individuals or business entities related to the auditor and its affiliated audit firm.



ภก. 20-2543



TESTING
NO.0042



ภก. 24-2548



**TATA
TISCON**



Dear Shareholders:

The Audit Committee comprises of three independent directors who are neither officers nor the employees of the Company. In 2012 - 2013, each committee member has performed the duty according to the charter approved by the Board. The Committee has carried out its supervisory tasks pursuant to the regulations concerning the Audit Committee responsibilities and in compliance with the good corporate governance principles recommended by the Stock Exchange of Thailand.

For the year 2012 - 2013, the Committee held four meetings. Before the deliberation on various matters as per the set agenda of each meeting, senior management personnel were invited to attend the meeting to participate in the discussions and report on the issues related to business performance, risk management, internal control, internal audit and general management matters which may have an effect on the Company's operation. These are explained below :

1. Supervision and review of the quarterly and annual financial statements for the year 2012 - 2013

Audit committee would like to inform you that in the meeting of the Audit committee in May 2013 to finalize the accounts, there was a major discussion on the impairment of the investment of TSTH in its subsidiary. The annual financial statements for FY 2013 and quarterly financial performance for Q4 FY 2013 reflect the effects of the impairment of the company's investment in the subsidiary, N.T.S. Steel Group Public Company Limited. The accounting was made in accordance with the requirements of TAS 36 (revised 2009), "Impairment of Assets".

In Addition the Audit Committee supervised and reviewed the financial statements to ensure that they were prepared and presented accurately, completely, timely and that adequate information was disclosed in conformance with the accounting standards prescribed in the Accounting Act B.E. 2543 as well as in the notification of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. Auditors and management were requested to provide relevant information and respond to the queries on reasons for variations in the financial performance. The Committee received satisfactory clarifications from the management, internal auditor, and the statutory auditor, and it has thereby endorsed the financial statements as certified by the statutory auditor for further deliberation by the Board of Directors.

2. Supervision of risk management

The Audit Committee supervised and reviewed risk management practices of the Company and its subsidiaries as well as performed an assessment of risk management processes in conformity with the Stock Exchange of Thailand and international standards. The Committee has also reviewed risk management guidelines of the Company and constantly monitored risk management assessments on a quarterly basis taken help of internal auditors and statutory auditors. The Audit Committee believes that the risks in the company are at an acceptable level.

3. Review of good corporate governance compliance

The Audit Committee reviewed compliance to good corporate governance principles, disclosed information, and supervised transactions pertaining to related parties pursuant to the notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as well as applicable laws and government regulations. There were no events reported of significant non-compliance with good corporate governance practices.

4. Supervision of internal control

The Audit Committee regularly reviewed the internal control system of the Company. The Audit Plan is reviewed and approved by the Committee on a yearly basis. The high impact observations, recommendations and Management's action plan were reported by the internal auditors. A report is presented on the implementation of the agreed actions for regular monitoring by the Audit committee.

5. Supervision of internal audit

The Audit Committee supervised, reviewed and evaluated on a quarterly basis the performance of the Internal Audit Office based on the approved plan. Most audit observations entailed improvements in efficiency and controls in the areas of procurement, payables, sales, inventory management, compliance processes, finance and IT related issues. The Committee further supervised the implementation of the recommendations made by the Internal Auditors.

6. Consideration for the appointment of auditors

The Audit Committee considered that in 2012-2013, the Company's auditor has satisfactorily performed its duties to the Company in accordance with the accounting standards set by the Stock Exchange of Thailand. The Committee, therefore, has resolved to propose to the Board of Directors to present to the shareholders for approval at the shareholders' meeting on the re-appointment of Ms. Thanawan Anuratbodee or Ms. Nachalee Boonyakarnkul or Mr. Manoon Manusook or Mr. Choopong Surachutikarn of Deloitte Touche Tomatsu Jaiyos Audit Company Limited as the auditor of the Company and its subsidiaries for the fiscal year of 2013-2014, commencing on April 1, 2013 and ending on March 31, 2014.

In conclusion, the Audit Committee believes that the Company upholds good corporate governance policies by monitoring and evaluating results of agreed operational plans, rendering the internal control system of the Company to be sufficiently efficient without any material deficiencies. As for related transactions which might entail conflict of interest, the actual transactions arose from the normal course of business and conducted for optimal benefits according to the Company's policy. These transactions were duly conducted in conformity with prescriptions, laws, and regulations of concerned agencies. In addition, the financial statements for the year ending March 31, 2013 were properly prepared and relevant information was disclosed adequately pursuant to the accounting standards as set by Federation of Accounting Profession.

Bangkok, May 3, 2013

On Behalf of the Audit Committee



Maris Samaram

Chairman of the Audit Committee

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

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 2012 - 2013, 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 has appointed an Audit Committee comprising independent directors to supervise and review the 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 or unusual operations. The views of the Audit Committee are reported in the Report of the Audit Committee for 2012 - 2013 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 flows accurately.

Bangkok, May 7, 2013



Hemant Madhusudan Nerurkar
Chairman



Peeyush Gupta
President and CEO

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

We have audited the consolidated financial statements of Tata Steel (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of Tata Steel (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at March 31, 2013, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Tata Steel (Thailand) Public Company Limited and its subsidiaries and of Tata Steel (Thailand) Public Company Limited as at March 31, 2013 and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other Matter

The consolidated financial statements and the separate financial statements for the year ended March 31, 2012, were audited by another auditor of the same firm, whose report thereon dated May 4, 2012 expressed an unmodified opinion on those statements with an emphasis of matter paragraph regarding the adoption of the new and revised Thai Financial Reporting Standards.

BANGKOK, May 7, 2013



Thanawan Anuratbodee

Certified Public Accountant (Thailand)

Registration No. 3440

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

STATEMENT OF FINANCIAL POSITION

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2013

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	2,134,752,439	470,717,186	2,041,432,386	371,189,583
Trade and other receivables					
Trade accounts receivable - related parties	22	101,124,667	56,683,549	-	-
Trade accounts receivable - other companies	5	795,063,546	750,390,679	-	-
Other receivables - related parties	22	3,106,655	73,243,585	34,295,654	132,305,457
Other receivables - other companies		18,341,999	19,641,758	5,357,398	7,601,882
Short-term loans to related parties	22	-	-	336,386,352	4,086,366,311
Current portion of long-term loans					
to a related party	22	-	-	1,650,000,000	780,000,000
Inventories	6	4,969,586,281	6,942,634,050	-	-
Value added tax refundable		50,521,140	104,830,367	-	-
Other current assets		44,486,665	66,871,865	4,571,251	28,187,827
Total Current Assets		8,116,983,392	8,485,013,039	4,072,043,041	5,405,651,060
NON-CURRENT ASSETS					
Available-for-sale investments		1,300,000	1,600,000	-	-
Investments in subsidiaries	7	-	-	12,013,047,275	10,302,359,091
Other long term investments	2	1,241	1,241	-	-
Long-term loans to a related party	22	-	-	2,675,000,000	5,620,000,000
Property, plant and equipment	8	5,879,713,446	9,487,154,549	10,883,249	22,654,816
Computer software	9	135,356,076	158,892,030	132,637,968	156,035,062
Goodwill	10	3,456,014,092	4,116,337,558	-	-
Deferred tax assets	11	231,728,596	521,963,492	8,535,271	7,446,608
Other non-current assets	12	279,947,679	188,938,485	125,281,602	15,416,526
Total Non-current Assets		9,984,061,130	14,474,887,355	14,965,385,365	16,123,912,103
TOTAL ASSETS		18,101,044,522	22,959,900,394	19,037,428,406	21,529,563,163

Notes to the financial statements form an integral part of these statements

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2013

Unit : Baht

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
Notes					
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term borrowings from financial institutions	13.1	2,332,180,682	830,667,166	-	-
Trade and other payables					
Trade accounts payable - related parties	22	493,716,176	732,494,718	-	-
Trade accounts payable - other companies		877,289,647	1,704,243,592	-	-
Other payables - related parties	22	15,647,623	7,247,936	5,808,476	881,322
Advance received from customers		30,285,452	74,950,950	-	-
Accrued expenses		490,570,483	243,325,177	37,145,712	27,982,165
Current portion of long-term liabilities					
Trade accounts payable of subsidiary					
arising from restructuring	14	57,712,398	186,903,192	-	-
Long-term borrowings	13.2	1,650,000,000	750,000,000	1,650,000,000	750,000,000
Long-term borrowing from a related party	22	-	270,596,275	-	270,596,275
Short-term borrowing from a related party	22	-	-	1,835,293,826	203,427,440
Income tax payable		33,253,445	-	-	-
Other current liabilities		64,380,575	179,579,816	14,427,110	14,211,158
Total Current Liabilities		6,045,036,481	4,980,008,822	3,542,675,124	1,267,098,360
NON-CURRENT LIABILITIES					
Long-term borrowings	13.2	2,675,000,000	4,325,000,000	2,675,000,000	4,325,000,000
Long-term borrowing from a related party	22	270,596,275	-	270,596,275	-
Employee benefit obligations	16	138,663,089	127,529,834	42,676,353	37,233,040
Total Non-current Liabilities		3,084,259,364	4,452,529,834	2,988,272,628	4,362,233,040
TOTAL LIABILITIES		9,129,295,845	9,432,538,656	6,530,947,752	5,629,331,400

Notes to the financial statements form an integral part of these statements

STATEMENT OF FINANCIAL POSITION

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT MARCH 31, 2013

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
Share capital	17				
Authorised share capital					
Preference shares					
252,773,225 preference shares of					
Baht 1 each		252,773,225	252,773,225	252,773,225	252,773,225
Ordinary shares					
10,772,806,348 ordinary shares of					
Baht 1 each		10,772,806,348	10,772,806,348	10,772,806,348	10,772,806,348
Issued and paid-up share capital					
Preference shares					
252,773,225 preference shares of					
Baht 1 each, fully paid		252,773,225	252,773,225	252,773,225	252,773,225
Ordinary shares					
8,168,767,623 ordinary shares of					
Baht 1 each, fully paid		8,168,767,623	8,168,767,623	8,168,767,623	8,168,767,623
Share premium					
Preference shares		127,849,137	127,849,137	127,849,137	127,849,137
Ordinary shares		3,130,775,629	3,130,775,629	3,130,775,629	3,130,775,629
Expired warrants		130,201,936	-	130,201,936	-
Warrants		-	130,201,936	-	130,201,936
Retained earnings (deficit)					
Appropriated					
Legal reserve	17	327,219,749	327,219,749	327,219,749	327,219,749
Unappropriated (deficit)		(3,155,831,398)	1,389,639,343	368,893,355	3,762,644,464
Other component of equity					
Unrealised gain on remeasuring					
available-for-sale investments		1,296,880	1,594,560	-	-
TOTAL ATTRIBUTIONS TO OWNERS OF THE PARENT COMPANY		8,983,052,781	13,528,821,202	12,506,480,654	15,900,231,763
Non-controlling interests		(11,304,104)	(1,459,464)	-	-
TOTAL SHAREHOLDERS' EQUITY		8,971,748,677	13,527,361,738	12,506,480,654	15,900,231,763
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		18,101,044,522	22,959,900,394	19,037,428,406	21,529,563,163

Notes to the financial statements form an integral part of these statements

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
Revenue from sales		25,014,522,377	26,223,033,348	-	-
Cost of sales		(24,724,565,404)	(26,629,035,423)	-	-
Gross profit (loss)		289,956,973	(406,002,075)	-	-
Other income					
Interest income		14,545,719	8,344,066	368,390,933	423,508,684
Gain on exchange rate - net		42,041,818	23,731,173	-	-
Others	19	181,078,200	87,976,431	318,523,278	1,099,461,529
Profit (loss) before expenses		527,622,710	(285,950,405)	686,914,211	1,522,970,213
Selling expenses		(203,450,641)	(210,068,087)	(10,749,109)	(14,345,677)
Administrative expenses		(567,969,811)	(548,692,172)	(385,257,368)	(387,737,941)
Directors' remuneration		(5,542,125)	(7,057,255)	(5,542,125)	(7,057,255)
Loss on exchange rate - net		-	-	(87,869)	(174,322)
Impairment loss on investment in a subsidiary	7	-	-	(3,380,000,000)	-
Impairment loss on plant and equipment	8	(2,939,707,552)	-	-	-
Impairment loss on goodwill	10	(660,323,466)	-	-	-
Finance costs		(370,115,461)	(297,982,496)	(298,329,510)	(291,002,512)
Total expenses		(4,747,109,056)	(1,063,800,010)	(4,079,965,981)	(700,317,707)
PROFIT (LOSS) BEFORE INCOME TAX					
EXPENSE		(4,219,486,346)	(1,349,750,415)	(3,393,051,770)	822,652,506
Income tax expense	11	(335,826,715)	(235,836,786)	(699,339)	(17,130,954)
PROFIT (LOSS) FOR THE YEAR		(4,555,313,061)	(1,585,587,201)	(3,393,751,109)	805,521,552
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealised loss on remeasuring					
available-for-sale investments		(300,000)	(900,000)	-	-
TOTAL OTHER COMPREHENSIVE					
LOSS FOR THE YEAR - NET OF TAX		(300,000)	(900,000)	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(4,555,613,061)	(1,586,487,201)	(3,393,751,109)	805,521,552

Notes to the financial statements form an integral part of these statements

STATEMENT OF COMPREHENSIVE INCOME

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Notes	2013	2012	2013	2012
PROFIT (LOSS) ATTRIBUTABLE TO :					
Owners of the parent		(4,545,470,741)	(1,580,594,599)	(3,393,751,109)	805,521,552
Non-controlling interests		(9,842,320)	(4,992,602)	-	-
		(4,555,313,061)	(1,585,587,201)	(3,393,751,109)	805,521,552
TOTAL COMPREHENSIVE INCOME (LOSS)					
ATTRIBUTABLE TO :					
Owners of the parent		(4,545,768,421)	(1,581,491,539)	(3,393,751,109)	805,521,552
Non-controlling interests		(9,844,640)	(4,995,662)	-	-
		(4,555,613,061)	(1,586,487,201)	(3,393,751,109)	805,521,552
EARNINGS (LOSS) PER SHARE					
Basic earnings (loss) per share	21	(0.56)	(0.19)	(0.42)	0.10
Diluted earnings (loss) per share	21	(0.54)	(0.19)	(0.42)	0.10

Notes to the financial statements form an integral part of these statements

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

	Issued and paid-up share capital		Share premium			Warrants	Retained earnings (deficit)		Other components of equity	Total attributions to the owners of the parent company	Non-controlling interest	Total shareholders' equity
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Expired warrants		Appropriated Legal reserve	Unappropriated (deficit)				
Notes									Other comprehensive income (loss) Unrealised gain (loss) on remeasuring available-for-sale investments			
Balance as at April 1, 2011	252,773,225	8,168,767,623	127,849,137	3,130,775,629	-	130,201,936	286,943,671	3,010,510,020	2,491,500	15,110,312,741	3,536,198	15,113,848,939
Total comprehensive loss for the year	-	-	-	-	-	-	-	(1,580,594,599)	(896,940)	(1,581,491,539)	(4,995,662)	(1,586,487,201)
Appropriated for legal reserve	17	-	-	-	-	-	40,276,078	(40,276,078)	-	-	-	-
Balance as of March 31, 2012	252,773,225	8,168,767,623	127,849,137	3,130,775,629	-	130,201,936	327,219,749	1,389,639,343	1,594,560	13,528,821,202	(1,459,464)	13,527,361,738
Balance as at April 1, 2012	252,773,225	8,168,767,623	127,849,137	3,130,775,629	-	130,201,936	327,219,749	1,389,639,343	1,594,560	13,528,821,202	(1,459,464)	13,527,361,738
Expired warrants	-	-	-	-	130,201,936	(130,201,936)	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-	(4,545,470,741)	(297,680)	(4,545,768,421)	(9,844,640)	(4,555,613,061)
Balance as of March 31, 2013	252,773,225	8,168,767,623	127,849,137	3,130,775,629	130,201,936	-	327,219,749	(3,155,831,398)	1,296,880	8,983,052,781	(11,304,104)	8,971,748,677

Notes to the financial statements form an integral part of these statements

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

	Issued and paid-up share capital		Share premium			Warrants	Retained earnings		Total shareholders' equity
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Expired warrants		Appropriated Legal reserve	Unappropriated	
Notes									
Balance as at April 1, 2011	252,773,225	8,168,767,623	127,849,137	3,130,775,629	-	130,201,936	286,943,671	2,997,398,990	15,094,710,211
Total comprehensive income for the year	-	-	-	-	-	-	-	805,521,552	805,521,552
Appropriated for legal reserve	-	-	-	-	-	-	40,276,078	(40,276,078)	-
Balance as at March 31, 2012	252,773,225	8,168,767,623	127,849,137	3,130,775,629	-	130,201,936	327,219,749	3,762,644,464	15,900,231,763
Balance as at April 1, 2012	252,773,225	8,168,767,623	127,849,137	3,130,775,629	-	130,201,936	327,219,749	3,762,644,464	15,900,231,763
Expired warrants	-	-	-	-	130,201,936	(130,201,936)	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	-	-	(3,393,751,109)	(3,393,751,109)
Balance as at March 31, 2013	252,773,225	8,168,767,623	127,849,137	3,130,775,629	130,201,936	-	327,219,749	368,893,355	12,506,480,654

Notes to the financial statements form an integral part of these statements

STATEMENT OF CASH FLOWS

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax		(4,219,486,346)	(1,349,750,415)	(3,393,051,770)	822,652,506
Adjustments :					
Dividend received from a subsidiary		-	-	-	(787,499,730)
Unrealised gain on foreign exchange rate		(3,488,980)	(20,093,791)	-	-
Allowance for inventory obsolescence (reversal)		(7,448,205)	18,515,125	-	-
Allowance for diminution in value of inventory		-	217,858,976	-	-
Depreciation and amortisation		915,675,085	1,034,058,836	37,152,563	36,406,472
Amortisation of rolling mill roll		40,637,740	36,946,754	-	-
Employee benefit obligation expense		24,991,952	30,867,622	9,125,730	31,853,177
Interest income		(14,545,719)	(8,344,066)	(368,390,933)	(423,508,684)
Interest expense		370,115,461	297,982,496	298,329,510	291,002,512
Gain from debt restructuring		(65,785,886)	-	-	-
(Gain) loss on sale of property, plant and equipment					
and computer software		689,978	(92,776)	-	-
Loss from writing off of property, plant and equipment					
and computer software		171,554	27,230	2,491	2
Impairment loss on investment in a subsidiary	7	-	-	3,380,000,000	-
Impairment loss on plant and equipment	8	2,939,707,552	-	-	-
Impairment loss on goodwill	10	660,323,466	-	-	-
		641,557,652	257,975,991	(36,832,409)	(29,093,745)
(Increase) decrease in trade accounts receivable					
- related parties		(44,441,118)	277,351,261	-	-
(Increase) decrease in trade accounts receivables					
- other companies		(44,673,649)	181,668,878	-	-
(Increase) decrease in other receivables					
- related parties		70,136,930	9,031,245	96,558,810	(9,514,473)

Notes to the financial statements form an integral part of these statements

STATEMENT OF CASH FLOWS

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(Increase) decrease in other receivables					
- others companies		1,299,759	300,380	2,244,484	(1,408,468)
(Increase) decrease in inventories		1,939,858,234	(298,159,788)	-	-
(Increase) decrease in other current assets,					
value added tax refundable					
and other non-current assets		(15,287,599)	87,534,702	(71,220,966)	(9,835,230)
Decrease in trade accounts payable					
- related parties		(238,778,542)	(620,420,922)	-	-
Increase (decrease) in trade accounts payable					
- other companies		(811,574,638)	228,123,732	-	-
Increase (decrease) in other payables - related parties		8,399,687	(12,648,648)	7,366,728	(8,781,690)
Increase (decrease) in advance received from customers		(44,665,498)	15,650,670	-	-
Increase (decrease) in accrued expenses,					
other current liabilities and other non-current liabilities		122,398,867	(158,013,404)	336,327	14,245,680
Cash received (paid) from operating activities		1,584,230,085	(31,605,903)	(1,547,026)	(44,387,926)
Cash paid for employee benefit obligations		(13,858,697)	(40,800,096)	(3,682,417)	(28,265,076)
Cash paid for interest		(365,900,491)	(297,967,571)	(292,030,830)	(291,691,705)
Cash paid for income tax		(29,113,258)	(110,624,030)	(18,318,574)	(21,475,599)
Net cash provided by (used in) operating activities		1,175,357,639	(480,997,600)	(315,578,847)	(385,820,306)

Notes to the financial statements form an integral part of these statements

STATEMENT OF CASH FLOWS

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED MARCH 31, 2013

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from a subsidiary		-	-	-	787,499,730
Interest received		12,293,435	11,249,874	371,344,964	425,785,342
Cash paid for investments in a subsidiary		-	-	(5,090,688,184)	-
Proceeds from sales of property, plant and equipment		626,341	585,250	-	-
Cash paid for purchases of property,					
plant and equipment		(211,830,059)	(147,482,015)	(1,483,233)	(3,903,663)
Cash paid for purchases of computer software		(520,711)	(4,295,677)	(198,242)	(4,263,247)
Decrease in short-term loan to related parties		-	-	3,749,979,959	3,361,333
Cash received from long-term loan to a related party		-	-	2,075,000,000	-
Net cash provided by (used in) investing activities		(199,430,994)	(139,942,568)	1,103,955,264	1,208,479,495
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in short-term borrowings					
from financial institutions		1,501,513,516	830,667,166	-	-
Increase (decrease) in short-term borrowing					
from related parties		-	-	1,631,866,386	(602,788,801)
Repayment of trade accounts payable					
of subsidiary arising from restructuring		(63,404,908)	-	-	-
Repayment of long-term borrowings		(750,000,000)	(550,000,000)	(750,000,000)	(550,000,000)
Net cash provided by (used in) financing activities		688,108,608	280,667,166	881,866,386	(1,152,788,801)
Net increase (decrease) in cash and cash equivalents		1,664,035,253	(340,273,002)	1,670,242,803	(330,129,612)
Beginning balance of cash and cash equivalents		470,717,186	810,990,188	371,189,583	701,319,195
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	4.1	2,134,752,439	470,717,186	2,041,432,386	371,189,583

Notes to the financial statements form an integral part of these statements

NOTES TO THE FINANCIAL STATEMENTS

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013

1. GENERAL INFORMATION

Tata Steel (Thailand) Public Company Limited ("the Company") is incorporated in Thailand and has its registered office at Rasa Tower 2, 20/F, 555 Phaholyothin Road, Chatuchak, Bangkok with the objective to invest in other companies and the Company has listed on the Stock Exchange of Thailand since November 2002. The major shareholder (hold 67.90%) is Tata Steel Global Holding Pte. Ltd. which is a part of Tata Steel Limited, a listed company incorporated under the law of India and is one of the largest integrated steel manufacturers in India with a strong global customer's base.

The Company's three subsidiaries which were incorporated in Thailand, manufacture, render a manufacturing service and distribute rebars, wire rods and small section products. Sales of the subsidiaries are mainly local sales contributing 94% and 90% of the total sales for the years ended March 31, 2013 and 2012, respectively.

Details of the Company's subsidiaries are as follows :

	Type of business	Shareholding (%)	
		As at March 31, 2013	As at March 31, 2012
The Siam Iron and Steel (2001) Company Limited	Manufacture steel bars, wire rods and small section products	99.99	99.99
The Siam Construction Steel Company Limited	Manufacture steel bars	99.99	99.99
N.T.S. Steel Group Public Company Limited	Manufacture, render a manufacturing service, distribution and trading of steel bars and wire rods and small section products	99.76	99.66

The Company has extensive transactions and relationships with the major shareholder and related companies. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations.

As at March 31, 2013 and 2012, N.T.S. Steel Group Public Company Limited's ("N.T.S.") total current liabilities are in excess of total current assets by Baht 844 million and Baht 2,855 million, respectively. However, the amount of current liabilities included the short-term borrowing from the parent company of Baht 1,650 million and Baht 4,082 million, respectively. The parent company will 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.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Company and its subsidiaries maintain its accounting records in Thai Baht and prepare their statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

The consolidated and the separate financial statements are prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 regarding "The Brief Particulars in the Financial Statements B.E. 2554", which

NOTES TO THE FINANCIAL STATEMENTS

is effective for financial periods beginning on or after January 1, 2011 onwards and in accordance with the Regulation of the Stock Exchange of Thailand dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544, and in accordance with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Accounting Standards Interpretation ("TSI"), Thai Financial Reporting Interpretations ("TFRI") and Guideline on Accounting as follows:

1. The following TAS, TFRS, TSI and Guideline on Accounting which are effective on January 1, 2013:

Thai Accounting Standards (TAS)

TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

Thai Financial Reporting Standards (TFRS)

TFRS 8	Operating Segments
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Thai Accounting Standards Interpretation (TSI)

TSI 10	Government Assistance - No Specific Relation to Operating Activities
TSI 21	Income Taxes - Recovery of Revalued Non - Depreciable Assets
TSI 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Guideline on Accounting

Guideline on Accounting regarding Transferring and Accepting Transfer of Financial Assets

2. The following TSI and TFRI which are effective on January 1, 2014:

Thai Accounting Standards Interpretation (TSI)

TSI 29	Disclosure - Service Concession Arrangements
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Thai Financial Reporting Interpretations (TFRI)

TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

The Company's management will adopt the above relevant TAS, TFRS, TSI, TFRI and Guideline on Accounting in the preparation of the Company's and its subsidiaries' financial statements when they become effective, except TAS 20, TSI 10, TSI 21, TSI 25, TSI 29, TFRI 12, TFRI 13 and Guideline on Accounting regarding Transferring and Accepting Transfer of Financial Assets which are not applicable to the Company's and its subsidiaries' business activities. The management is currently assessing the full impact on the Company's and its subsidiaries' financial statements in the period of initial application. However, the Company has elected to early adopt TAS 12 "Income Taxes".

The consolidated financial statements for the years ended March 31, 2013 and 2012 did not include investment in Siam Steel Mill Services Company Limited on an equity method because the Company has no significant influence on Siam Steel Mill Services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of its share capital. The Company and the subsidiary recorded such investment as other long-term investment at cost of Baht 1,241.

2.2 Basis of consolidation

The consolidated financial statements consist of the financial statements of the Company and of its subsidiaries (together referred to as the "Group").

Significant intra-group transactions between the Company and its subsidiaries are eliminated on consolidation.

Subsidiaries

Subsidiaries are those companies controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of that company so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Business combinations

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies. Significant accounting policies are as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and all types of deposits at financial institutions, including fixed deposit of not more than 3 months and excludes deposit at financial institutions used as collateral, if any.

3.2 Trade and other receivables

Trade accounts receivable are stated at their invoice values less allowance for doubtful accounts. The determination of the allowance for doubtful accounts requires the use of various assumptions and judgments by the management, which includes the estimated collection losses on receivables, based on the Group's collection experience together with a review of the statement of financial position of the debtors and the aging report. The management reviews these estimates and assumptions on a regular basis.

The Group derecognises trade receivables after sales of the trade receivables only when it transfers substantially risks and rewards of ownership of the trade receivables to the buyer.

3.3 Inventories

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

Cost is calculated using the following method:

Finished goods and goods in process	- at weighted average cost method
Merchandise, raw materials, spare parts, supplies and others	- at moving average cost method

The cost of inventories comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in process, cost includes an appropriate share of overheads based on normal production capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.4 Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are stated at cost net of allowance for impairment losses, if any.

Available-for-sales investments

Investments in marketable equity other than those investments held for trading, are classified as being available-for-sales investments and are stated at fair value, with any resultant gain or loss being recognised directly in equity.

The fair values of marketable securities are determined as the last quoted bid price at the statement of financial position date.

Other long-term investment

Investments in equity which are not marketable investments are stated at cost net of allowance for impairment, if any.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in the statement of comprehensive income.

3.5 Property, plant and equipment

Land is stated at cost less allowance for impairment, if any.

Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment, if any.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives are as following:

Land improvements, building and structure	5 - 30	Years
Machinery and equipment	5 - 25	Years
Vehicles	5 - 10	Years
Furniture, fixture and office equipment	3 - 25	Years

No depreciation is provided on freehold land or assets under construction.

3.6 Computer software

Computer software is stated at cost less accumulated amortisation and allowance for impairment, if any.

Amortisation

Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of computer software of 5 years and 10 years.

3.7 Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of the identifiable net assets acquired.

Amortisation

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

The Group recognises goodwill at cost less allowance for impairment loss. The Group will carry out a test for impairment of goodwill at least once a year or when there are factors indicating that an investment might be impaired. To test for impairment, the Group allocates goodwill from business combinations to each cash-generating unit (or group of cash-generating units) that is expected to benefit from the synergies of the combination. The Group evaluates the recoverable amount of each cash-generating unit (or group of cash-generating units) and if it is lower than the carrying amount of the unit, the Group recognises impairment losses in the statement of comprehensive income. Allowance for impairment loss of goodwill will not be reversed.

3.8 Impairment

The carrying amount of the Group's assets are reviewed at each year end to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For good will, the recoverable amount is estimated each year at the same time.

The Group recognises impairment loss when the recoverable amount of an asset is lower than its carrying amount, which is the higher of the asset's fair value less cost to sell and its value in use. The Group determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. The calculation reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Group recognises an impairment loss in the statement of comprehensive income.

Reversal of an impairment loss

The Group reverses impairment loss of asset, if any, other than goodwill, which had been recognised in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased which the recoverable amount must be estimated.

3.9 Employee benefits

Provident funds

Obligations for contributions to provident fund are recognised as an expense in the statement of comprehensive income as incurred.

Employee benefit obligations

The Group's obligations in respect of employee benefit obligations for employees who are entitled to receive it upon retirement under the Thai Labor Protection Act; are calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits are discounted to determine their present value. The calculation is performed by using the projected unit credit method.

3.10 Long-term lease

Operating lease

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as an operating lease. Rentals applicable to such operating leases are charged to the statement of comprehensive income.

Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Group is accounted for as a finance lease. The Group capitalised the asset at the lower of estimated present value of the underlying lease payments or at the fair value of the asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognised by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognised as expenses in the statement of comprehensive income.

3.11 Revenue

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of goods are transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Sales are recognised upon delivery of goods to customer for domestic sales and to a common carrier for export sales, and deducting discounts, purchase volume discount and goods returned.

Interest income

Interest income is recognised as it accrues on a time basis by reference to the principal outstanding at the contract rate.

3.12 Finance costs

Interest expense and expenses are recognised in the period in which they are incurred, except to the extent that finance costs are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.13 Income tax

Income tax income (expense) is based on the taxable profit multiplied by the tax rate that has been enacted at the statement of financial position date and adjusted by the effect of deferred income tax accounting.

Deferred tax assets and liabilities result from temporary differences between the carrying amounts of assets or liabilities in the statement of financial position and their tax bases. The Group recognises deferred tax liabilities for all taxable temporary differences and recognises deferred tax assets for deductible temporary differences and tax losses carried forward. The Group recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each statement of financial position date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax expenses (income) are charged or credited in the statement of comprehensive income, except when the temporary differences relate to items charged directly to equity where the related deferred tax is charged or credited to such item in equity.

3.14 Earnings (loss) per share

The calculations of basic earnings (loss) per share for the year were based on the profit (loss) for the year divided by the weighted average number of ordinary shares held by shareholders outstanding during the year. The calculations of diluted earnings (loss) per share for the year were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.15 Foreign currency transactions

Transactions denominated in foreign currencies are converted into Baht at rates of exchange prevailing at the transaction dates. All balances of assets and liabilities in foreign currencies outstanding at the end of the year, except forward foreign exchange contracts, are converted into Baht at the reference exchange rates established by the Bank of Thailand on that date. Gains or losses on foreign exchange are recognised as an income or expenses in the statement of comprehensive income.

The Group has adopted a policy to cover foreign exchange exposure by entering into forward exchange contracts with banks for a certain

NOTES TO THE FINANCIAL STATEMENTS

portion of its assets and liabilities in foreign currencies. The Group recognises gain or loss from the adjustment in the value of such forward exchange contracts incurred from the difference between the forward contract rate and marked-to-market rate for the remaining period of forward exchange contracts at the statement of financial position date as income or expense in the statement of comprehensive income.

3.16 Financial instruments

The Group entered into forward foreign exchange contracts in asset and liability management activities to control exposure to fluctuations in foreign exchange rates. Further details of financial instruments are disclosed in Notes 25 and 26.

Gains and losses on forward foreign exchange contracts designated as hedges of existing assets and liabilities are recognised as income or expense in the statements of comprehensive income.

Amounts to be paid and received are offset in the statement of financial position and included in assets or liabilities category in the statement of financial position. The Group has no policy to speculate in or engage in the trading of any derivative financial instruments.

3.17 Accounting estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Group's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying accounting estimates are as follows:

Impairment

An impairment loss is recognised if the carrying value of an asset exceeds the recoverable amount which is a higher of net selling price and value in use.

Value in use is computed from the present value of future cash flow projections expected from perpetual use of the asset, under current business conditions using reasonable market estimates.

Recognition of deferred tax asset

A deferred tax asset is recognised to the extent that it is probable that it will be utilised in the future. Such an assessment is based upon the probability that the Company will generate taxable income sufficient to fully utilise the deferred tax assets.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at March 31, 2013 and 2012 consist of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	1	1	-	-
Bank deposits in current accounts	25,484	37,554	417	709
Bank deposits in savings accounts	853,900	433,120	785,648	370,438
Time deposits with maturity not more than 3 months	1,255,367	42	1,255,367	42
Total	2,134,752	470,717	2,041,432	371,189

NOTES TO THE FINANCIAL STATEMENTS

4.2 Non-cash transactions in the consolidated and separate financial statements for the years ended March 31, 2013 and 2012 are as follows:

- The recording of investment in available-for-sale investments at fair value and recognising unrealised loss on such investments of Baht 0.3 million and Baht 0.9 million, respectively.
- Non cash item from purchases and increase of property, plant and equipment and computer software for the years ended March 31, 2013 and 2012 are as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Payables for property, plant and equipment				
and computer software brought forward	33,757	38,571	320	4,563
Add Purchase during the years	205,893	155,842	1,986	7,126
Less Cash payment during the years	(212,351)	(151,778)	(1,681)	(8,167)
Less Cash payment for finance lease agreements	-	(59)	-	(2)
Less Reversal of accrued expenses for property, plant and equipment and computer software	-	(8,819)	-	(3,200)
Payable for property, plant and equipment and computer software carried forward	27,299	33,757	625	320

- In December 2012, the Company's warrants were expired which resulted to an increase of share premium as follows:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Warrants brought forward	130,202	130,202	130,202	130,202
Less Expired warrants	(130,202)	-	(130,202)	-
Warrants carried forward	-	130,202	-	130,202

- During 2013, N.T.S. has written off trade accounts receivable of Baht 673 million. The allowance for doubtful accounts has been fully provided for those trade accounts receivable.

NOTES TO THE FINANCIAL STATEMENTS

5. TRADE ACCOUNTS RECEIVABLE - OTHER COMPANIES

Trade accounts receivable - others companies as at March 31, 2013 and 2012 consist of:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Within credit terms	784,940	745,464	-	-
Overdue: Less than 3 months	10,124	4,927	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	24,145	696,692	-	-
Total	819,209	1,447,083	-	-
<u>Less</u> Allowance for doubtful accounts	(24,145)	(696,692)	-	-
Trade accounts receivable - others companies	795,064	750,391	-	-

In 2008, the Group has entered into a "Receivable Purchase Agreement" 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 March 31, 2013 and 2012, the Group had sold trade receivables to the aforementioned financial institution amounting to Baht 9,461 million and Baht 7,732 million, respectively.

6. INVENTORIES

Inventories as at March 31, 2013 and 2012 consist of:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Finished goods	1,568,918	1,872,750	-	-
Work in process	682,003	953,832	-	-
Raw materials	1,146,995	2,030,566	-	-
Spare parts	824,732	860,605	-	-
Supplies and others	587,864	633,872	-	-
Raw materials in transit	240,648	889,712	-	-
Total	5,051,160	7,241,337	-	-
<u>Less</u> Allowance for diminution in value of inventory, for obsolescence and slow-moving items	(81,574)	(298,703)	-	-
Inventories	4,969,586	6,942,634	-	-

The amounts of inventories recognised as an expense (revenue) in the consolidated financial statements for the years ended March 31, 2013 and 2012 included the reversal of allowance for inventories obsolescence and slow-moving inventories of Baht (7) million and included the loss on diminution in valuation of inventories, allowance for inventories obsolescence and slow-moving inventories of Baht 236 million, respectively.

The amounts of inventories recognised as an expense in the consolidated financial statements for the years ended March 31, 2013 and 2012 were Baht 24,725 million and Baht 26,630 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at March 31, 2013 and 2012 consist of:

Unit : Thousand Baht

	Separate financial statements							
	Ownership interest (%)		Paid-up capital		Investments at cost		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012
Investment in equity								
The Siam Iron and Steel (2001) Company Limited	99.99	99.99	120,000	120,000	2,554,386	2,554,386	-	-
The Siam Construction Steel Company Limited	99.99	99.99	1,750,000	1,750,000	3,656,874	3,656,874	-	787,500
N.T.S. Steel Group Public Company Limited	99.76	99.66	4,627,965	3,253,399	9,181,787	4,033,824	-	-
			6,497,965	5,123,399	15,393,047	10,245,084	-	787,500
<u>Less</u> Allowance for impairment			-	-	(3,380,000)	-	-	-
			6,497,965	5,123,399	12,013,047	10,245,084	-	787,500
Investment in warrant of subsidiary								
N.T.S. Steel Group Public Company Limited			-	-	-	57,275	-	-
			-	-	-	57,275	-	-
Total			6,497,965	5,123,399	12,013,047	10,302,359	-	787,500

As at March 31, 2013, in consistent with Thai Accounting Standard No. 36 (Revised 2009 "Impairment of Assets", the Group has made an assessment of impairment loss to investment in N.T.S., and recorded impairment loss of investment in a subsidiary amounting to Baht 3,380 million in the separate statement of comprehensive income for the year ended March 31, 2013 based on the forecasted cash flow covering a period of 5 years and using a constant growth rate in forecasting future cash flows and using the discount rate at 9.00%.

The impairment loss is recognised as expenses included in the statements of comprehensive income for the year ended March 31, 2013 as follows:

Unit : Million Baht

	Consolidated financial statement	Separate financial statement
Impairment loss on investment in a subsidiary	-	3,380
Impairment loss on goodwill	660	-
Impairment loss on plant and equipment	2,720	-
	3,380	3,380
Impairment loss on obsolete equipment	220	-
Total	3,600	3,380

NOTES TO THE FINANCIAL STATEMENTS

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at March 31, 2013 and 2012 consist of:

2013

Unit : Thousand Baht

	Consolidated financial statements					
	Balance as at March 31, 2012	Addition	Disposal	Transfer	Reclassification	Balance as at March 31, 2013
Cost						
Land	714,611	-	-	-	-	714,611
Land improvement, building and structure	4,395,321	53,029	(6,589)	7,415	-	4,449,176
Machinery and equipment	14,640,032	59,281	(20,730)	73,838	20,000	14,772,421
Vehicles	3,468	-	-	-	-	3,468
Furniture, fixtures and office equipment	175,937	5,283	(8,673)	4,434	-	176,981
Total cost	19,929,369	117,593	(35,992)	85,687	20,000	20,116,657
Accumulated depreciation						
Land improvement, building and structure	(2,285,422)	(147,739)	6,589	-	-	(2,426,572)
Machinery and equipment	(8,143,305)	(720,481)	20,450	-	-	(8,843,336)
Vehicles	(3,250)	(128)	-	-	-	(3,378)
Furniture, fixtures and office equipment	(114,174)	(23,243)	7,477	-	-	(129,940)
Total accumulated depreciation	(10,546,151)	(891,591)	34,516	-	-	(11,403,226)
	9,383,218					8,713,431
<u>Less</u> Allowance for impairment on plant and equipment	-	(2,939,708)	-	-	-	(2,939,708)
	9,383,218					5,773,723
Construction in progress and machinery and equipment under installation	103,937	87,740	-	(85,687)	-	105,990
Property, plant and equipment	9,487,155					5,879,713

NOTES TO THE FINANCIAL STATEMENTS

2012

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at March 31, 2011	Addition	Disposal	Transfer	Balance as at March 31, 2012
Cost					
Land	714,611	-	-	-	714,611
Land improvement, building and structure	4,383,069	10,868	(619)	2,003	4,395,321
Machinery and equipment	14,577,319	29,924	(7,976)	40,765	14,640,032
Vehicles	3,468	-	-	-	3,468
Furniture, fixtures and office equipment	155,629	10,698	(426)	10,036	175,937
Total cost	19,834,096	51,490	(9,021)	52,804	19,929,369
Accumulated depreciation					
Land improvement, building and structure	(2,111,596)	(173,860)	34	-	(2,285,422)
Machinery and equipment	(7,328,829)	(815,696)	1,220	-	(8,143,305)
Vehicles	(3,043)	(207)	-	-	(3,250)
Furniture, fixtures and office equipment	(93,934)	(20,612)	372	-	(114,174)
Total accumulated depreciation	(9,537,402)	(1,010,375)	1,626	-	(10,546,151)
Construction in progress and machinery and equipment under installation	56,685	100,056	-	(52,804)	103,937
Property, plant and equipment	10,353,379				9,487,155
Depreciation for the years					
2013					891,591
2012					1,010,375

2013

Unit : Thousand Baht

	Separate financial statements				
	Balance as at March 31, 2012	Addition	Disposal	Transfer	Balance as at March 31, 2013
Furniture, fixtures and office equipment	69,909	1,788	(11)	-	71,686
<u>Less</u> Accumulated depreciation	(47,254)	(13,557)	8	-	(60,803)
Property, plant and equipment	22,655				10,883

NOTES TO THE FINANCIAL STATEMENTS

2012

Unit : Thousand Baht

	Separate financial statements				
	Balance as at March 31, 2011	Addition	Disposal	Transfer	Balance as at March 31, 2012
Furniture, fixtures and office equipment	65,475	2,862	(33)	1,605	69,909
<u>Less</u> Accumulated depreciation	(34,093)	(13,194)	33	-	(47,254)
Equipment under installation	1,605	-	-	(1,605)	-
Property, plant and equipment	32,987				22,655
Depreciation for the years					
2013					13,557
2012					13,194

Costs of fully depreciated plant and equipment that are still in use as at March 31, 2013 and 2012 are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Costs of fully depreciated plant and equipment	5,189,725	4,169,054	18,937	1,753

As at March 31, 2013 and 2012, there is office equipment under finance lease agreements of the Group included in the property, plant and equipment as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cost of asset under finance lease agreements	44,128	44,128	43,582	43,582
<u>Less</u> Accumulated depreciation	(43,332)	(34,581)	(42,828)	(34,173)
Asset under finance lease agreements	796	9,547	754	9,409

Property, plant and equipment of The Siam Iron and Steel (2001) Co., Ltd., The Siam Construction Steel Co., Ltd. and N.T.S. Steel Group Plc. which have book value of Baht 3,255 million as at March 31, 2013 (Baht 6,735 million as at March 31, 2012) are used as collateral for the borrowings comprising long-term borrowings from two financial institutions (see Note 13.2).

On May 5, 2012, there was an explosion of a chemical container in a company located adjacent to the plant of The Siam Construction Steel Company Limited ("SCSC"). SCSC has restored its damaged assets and has received final claim settlement of Baht 87.7 million after adjustment of salvage and contracted deductibles. SCSC has recorded claims received as other income in the statement of comprehensive income for the year ended March 31, 2013 of Baht 87.7 million.

NOTES TO THE FINANCIAL STATEMENTS

Resulting from an impairment testing exercise, consistent with Thai Accounting Standard No. 36 (Revised 2009) "Impairment of Assets" (see Note 7), the Group decided to impair the plant and equipment at a subsidiary, N.T.S., and the losses included in the statement of comprehensive income under loss on impairment of plant and equipment. The impairment does not impact the Group's ability to produce finished goods, nor its ability to service existing and future market is in anyway diminished.

Depreciation and other expenses of the Mini Blast Furnace (MBF) totally of Baht 262 million and Baht 191 million which incurred during the mothball period of Mini Blast Furnace (MBF) for the years ended March 31, 2013 and 2012, respectively, included in cost of sales.

9. COMPUTER SOFTWARE

Computer software as at March 31, 2013 and 2012 consist of:

2013 Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at March 31, 2012	Addition	Disposal	Transfer	Balance as at March 31, 2013
Computer software	245,288	276	(414)	284	245,434
<u>Less</u> Accumulated amortisation	(86,396)	(24,084)	402	-	(110,078)
Computer software under installation	-	284	-	(284)	-
Computer software	158,892				135,356

2012 Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at March 31, 2011	Addition	Disposal	Transfer	Balance as at March 31, 2012
Computer software	248,889	791	(7,897)	3,505	245,288
<u>Less</u> Accumulated amortisation	(64,116)	(23,684)	1,404	-	(86,396)
Computer software under installation	-	3,505	-	(3,505)	-
Computer software	184,773				158,892
Amortisation for the years					
2013					24,084
2012					23,684

NOTES TO THE FINANCIAL STATEMENTS

2013

Unit : Thousand Baht

	Separate financial statements				
	Balance as at March 31, 2012	Addition	Disposal	Transfer	Balance as at March 31, 2013
Computer software	235,825	198	-	-	236,023
<u>Less</u> Accumulated amortisation	(79,790)	(23,595)	-	-	(103,385)
Computer software	156,035				132,638

2012

Unit : Thousand Baht

	Separate financial statements				
	Balance as at March 31, 2011	Addition	Disposal	Transfer	Balance as at March 31, 2012
Computer software	239,458	759	(7,897)	3,505	235,825
<u>Less</u> Accumulated amortisation	(57,982)	(23,212)	1,404	-	(79,790)
Computer software under installation	-	3,505	-	(3,505)	-
Computer software	181,476				156,035
Amortisation for the years					
2013					23,595
2012					23,212

Costs of fully amortised computer software that is still in use as at March 31, 2013 and 2012 are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Costs of fully amortised computer software	4,446	4,813	-	-

10. GOODWILL

Goodwill as at March 31, 2013 and 2012 is as follows:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2013	2012
Cost	5,607,769	5,607,769
<u>Less</u> Accumulated amortization (Up to March 31, 2008)	(1,491,432)	(1,491,432)
Goodwill	4,116,337	4,116,337
<u>Less</u> Impairment loss of goodwill	(660,323)	-
Net	3,456,014	4,116,337

NOTES TO THE FINANCIAL STATEMENTS

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 November 29, 2002 by Tata Steel (Thailand) Public Company Limited.

Since April 1, 2008, the Group has ceased amortisation of goodwill and has changed to test of impairment of goodwill instead resulting in no amortisation expense being incurred on such goodwill in the consolidated financial statements for the years ended March 31, 2013 and 2012.

As at March 31, 2013, the Group performed a test of impairment of goodwill and recorded impairment loss totally of Baht 3,380 million consisting of impairment loss on goodwill of Baht 660 million and impairment loss on plant and equipment of Baht 2,720 million on the consolidated financial statements for the year ended March 31, 2013 because the recoverable amount of the cash-generating unit was lower than the carrying amount of the unit which is the investment in N.T.S. that is impaired by Baht 3,380 million (see Note 7).

11. INCOME TAX EXPENSE AND DEFERRED TAX ASSETS

Income tax expense consist of :

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current tax				
Current year	238,032	291,180	(1,788)	(14,484)
Deferred tax				
Movements in temporary differences	(3,991)	246,404	1,089	937
Write-downs (reversals of previous write-downs)				
of deferred tax assets	(286,243)	(195,967)	-	-
Effect of unused tax loss in the current year	(283,625)	(305,664)	-	-
Effect of tax rate reduction	-	(271,790)	-	(3,584)
Income tax expense as included in statements				
of comprehensive income	(335,827)	(235,837)	(699)	(17,131)

The difference between the tax rate of 20% and of 30% for the years ended March 31, 2013 and 2012, respectively, and the Group's effective income tax rate compared to income before income tax are reconciled as follows:

	Unit : Thousand Baht	
	Consolidated financial statements	
	2013	2012
Loss before income taxes	(4,219,486)	(1,349,750)
Profit from inter-companies transactions	753	10,070
Loss before income taxes including profit from inter-companies transactions	(4,218,733)	(1,339,680)
Tax at 23%	(970,481)	-
Tax at 30%	-	(404,925)

NOTES TO THE FINANCIAL STATEMENTS

Unit : Thousand Baht

	Consolidated financial statements	
	2013	2012
Effect of non-deductible expenses (income) for tax purpose:		
- Temporary differences	(4,001)	(4,190)
- Temporary differences not accounted for deferred tax assets	850,632	-
- Permanent differences	(114,182)	117,935
Income tax per tax return form	(238,032)	(291,180)
Movements in temporary differences	3,991	(246,404)
Write-downs (reversals of previous write-downs) of deferred tax assets	286,243	195,967
Effect of unused tax loss in the current year	283,625	305,664
Effect of tax rate reduction	-	271,790
Income tax expense	335,827	235,837
	Tax rate %	Tax rate %
Effective Tax Rate	0	0

Unit : Thousand Baht

	Separate financial statements	
	2013	2012
Income (loss) before income taxes	(3,393,052)	822,653
Tax at 23%	(780,402)	-
Tax at 30%	-	246,796
Effect of non-deductible expenses (income) for tax purpose:		
- Temporary differences	1,132	1,076
- Temporary differences not accounted for deferred tax assets	777,400	-
- Permanent differences	3,658	(233,388)
Income tax per tax return form	1,788	14,484
Movements in temporary differences	(1,089)	(937)
Effect of tax rate reduction	-	3,584
Income tax expense	699	17,131
	Tax rate %	Tax rate %
Effective Tax Rate	0	1.76

NOTES TO THE FINANCIAL STATEMENTS

Temporary differences not accounted for deferred tax assets as at March 31, 2013 amounting to Baht 777 million resulted from the impairment loss of investment in N.T.S. because it is uncertain about the probability that the Company can utilise the deferred tax assets arising from such temporary differences.

Permanent differences as at March 31, 2012 amounting to Baht 233 million resulted from the dividend received from the SCSC and others. As at March 31, 2013 and 2012, deferred tax assets which resulted from the temporary differences between the carrying amount of an asset and liability in the statements of financial position and its tax base are as follows:

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at March 31, 2012	Additions	Utilised/ Reversal	Effects of Tax rate reduction	Balance as at March 31, 2013
Deferred tax assets resulted from					
Employee benefit obligations	25,566	1,623	(407)	-	26,782
Allowance for diminution in value of inventory, obsolescence and slow-moving items	5,392	262	(1,479)	-	4,175
Accumulated tax loss carried forward	490,118	-	(290,384)	-	199,734
Profit on inventory from inter-company sales	90	150	-	-	240
Allowance for doubtful accounts	797	-	-	-	797
Total deferred tax assets	521,963	2,035	(292,270)	-	231,728

Unit : Thousand Baht

	Consolidated financial statements				
	Balance as at March 31, 2011	Additions	Utilised/ Reversal	Effects of Tax rate reduction	Balance as at March 31, 2012
Deferred tax assets resulted from					
Employee benefit obligations	41,239	1,189	(2,630)	(14,232)	25,566
Allowance for diminution in value of inventory, obsolescence and slow-moving items	18,624	1,288	(8,214)	(6,306)	5,392
Accumulated tax loss carried forward	662,105	268,908	(195,967)	(244,928)	490,118
Profit on inventory from inter-company sales	(1,924)	2,367	-	(353)	90
Allowance for doubtful accounts	1,675	-	(320)	(558)	797
Others	21,597	-	(16,184)	(5,413)	-
Total deferred tax assets	743,316	273,752	(223,315)	(271,790)	521,963

NOTES TO THE FINANCIAL STATEMENTS

Unit : Thousand Baht

	Separate financial statements				
	Balance as at March 31, 2012	Additions	Utilised/ Reversal	Effects of Tax rate reduction	Balance as at March 31, 2013
Deferred tax assets resulted from					
Employee benefit obligations	7,446	1,089	-	-	8,535

Unit : Thousand Baht

	Separate financial statements				
	Balance as at March 31, 2011	Additions	Utilised/ Reversal	Effects of Tax rate reduction	Balance as at March 31, 2012
Deferred tax assets resulted from					
Employee benefit obligations	10,093	1,189	(252)	(3,584)	7,446

As at March 31, 2013 and 2012, the Group has deferred tax assets related to tax loss carried forward of N.T.S. Steel Group Plc. amounting to Baht 200 million and Baht 486 million, respectively. The Group has prepared the business plan including initiatives to improve operation and financial result. Accordingly, the Group deemed such deferred tax assets has a future benefit and recognised in the financial statements.

As at March 31, 2013 and 2012, the Company had unused tax losses of Baht 4,127 million and Baht 1,463 million, respectively, which was not recognized as deferred tax assets. Such tax losses will gradually expire from May 2013 to May 2022.

Income tax reduction

The reduction of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period 2012 and from 23% to 20% of net taxable profit for the accounting period 2013, onwards has been adopted for computation of income tax and measured deferred tax assets wherever applicable, in consistent with the guideline set by the Federation of Accounting Professions.

12. OTHER NON - CURRENT ASSETS

Other non - current assets as at March 31, 2013 and 2012 consist of:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Income tax refundable	197,611	154,747	49,302	6,992
Other long-term receivable - Tata Sons Ltd.	71,220	-	71,220	-
Others	11,117	34,191	4,760	8,425
Total	279,948	188,938	125,282	15,417

NOTES TO THE FINANCIAL STATEMENTS

In December 2009, a subsidiary had a dispute regarding the interpretation of tax computation and the propriety of tax loss carry forward for promoted sector and its utilisation, amounting to a tax element inclusive of surcharge of Baht 103 million. In order to avoid the surcharge, the subsidiary decided to pay such additional tax. Subsequently, on September 13, 2010, the subsidiary submitted the filing of a revised return for tax refund and will follow-up with an appeal to the Board of Tax Appeal based on the legal advice, seeking a clarification on the process for adjustment of carry forward losses with BOI schemes. On May 26, 2011, the subsidiary issued a letter requesting a refund from the Revenue Department where the Revenue Department has acknowledged and is determining such request. As at March 31, 2013, the case is still pending.

13. BORROWINGS FROM FINANCIAL INSTITUTIONS

13.1 Short-term borrowing

Short-term borrowing from local financial institutions as at March 31, 2013 and 2012 consist of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term borrowings from financial institution	2,332,181	830,667	-	-
Total	2,332,181	830,667	-	-

As at March 31, 2013 and 2012, the Group has borrowing from a financial institution in the amount of Baht 1,433 million and Baht 831 million, respectively, bearing the interest rate at BIBOR+2% per annum. The Group entered into an agreement to obtain short-term credit facilities of Baht 900 million, for scrap purchasing among the Company's related parties. As at July 24, 2012, the Group increased such credit limit totaling of Baht 1,500 million.

As at March 31, 2013, the Group has borrowing from another financial institution in the amount of Baht 899 million, bearing the interest rate at BIBOR+2% per annum. The Group entered into an agreement to obtain short-term credit facilities of Baht 968 million, for utilities financing.

As at March 31, 2013 and 2012, the Group has agreements with 8 local financial institutions to obtain credit facilities of Baht 6,375 million and Baht 6,290 million, respectively, for working capital. The interest rates of these credit facilities are as follows:

Credit Line	Interest rate
1) Bank Overdraft	Minimum Overdraft Rate (MOR)
2) Trust receipts (Baht)	Money Market Rate (MMR)
3) Promissory note	Money Market Rate (MMR)

As at March 31, 2013 and 2012, the Group has withdrawn the loans including letters of credit and trust receipts totaling Baht 1,071 million and Baht 2,406 million, respectively.

13.2 Long-term borrowings

The period to maturity of long-term borrowings (denominated in Thai Baht) as at March 31, 2013 and 2012 are as follows:

NOTES TO THE FINANCIAL STATEMENTS

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Within one year	1,650,000	750,000	1,650,000	750,000
After one year but not exceeding five years	2,675,000	4,325,000	2,675,000	4,325,000
Total	4,325,000	5,075,000	4,325,000	5,075,000

The long term borrowings comprising of 2 loan agreements, the 1st dated November 29, 2006 for Baht 5,000 million with interest rate at MLR-1.25% p.a., and the 2nd dated November 9, 2007 for Baht 3,500 million with interest rate at MLR-2.00% p.a. and their amendments thereto. The loans are secured by the property, plant and equipment of all subsidiaries as mentioned in Note 8. The loans contain restrictions on financial ratios and shareholders' structure which is in accordance with requirements in loan agreement from financial institutions.

The Group has approached the Lenders for installment rescheduling to match with projected debt servicing capability based on current business scenario, which is under active consideration of the Lenders and negotiations are nearing conclusion. Pending finalisation of such amendments to the agreements, the Group has maintained installment payments in line with existing terms.

In addition, as at March 31, 2013, the Company has a debt service coverage ratio lower than the required ratio specified in the loan agreement. Such financial ratio will be assessed by the financial institutions after the Company submits the annual audited financial statements. Currently, the Company is in a process of requesting the lenders for a waiver of the non-compliance and the Company's management believe that such waiver will be granted within the first quarter of the next fiscal year.

14. TRADE ACCOUNTS PAYABLE OF SUBSIDIARY ARISING FROM RESTRUCTURING

As at March 31, 2012, the aforementioned trade accounts payable represent trade payable of N.T.S. Steel Group Plc. under the Reorganisation Plan which was approved by the creditors' meeting on July 8, 2002 and the Central Bankruptcy Court on July 19, 2002. The creditors in these groups will receive repayment in full of their principal claims within 10 years. Condition in the Plan stated the Company is able to select the repayment term commencing from the fifth year to the tenth year commencing from November 29, 2002. This debt is guaranteed by The Siam Iron and Steel (2001) Co., Ltd. and The Siam Construction Steel Co., Ltd. without guarantee fees.

As at March 31, 2013 and 2012, the above payable is due within one year. Therefore, it is classified as current liabilities.

During 2013, N.T.S. has made a payment of such trade accounts payable of subsidiary arising from restructuring of Baht 63.4 million and has been granted a hair-cut which recorded as other income in the statement of comprehensive income for the year ended March 31, 2013 of Baht 65.8 million (see Note 19).

15. PROVIDENT FUND

The defined contribution plan comprise provident fund for its employees of the Group. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2% to 10% of their basic salaries and by the Group at rate from 3% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

For the years ended March 31, 2013 and 2012, the contribution of the Group recognised as expenses included in the consolidated financial statements amounting to Baht 37.98 million and Baht 37.84 million, respectively and in the separate financial statements amount to Baht 12.20 million and Baht 11.15 million, respectively.

NOTES TO THE FINANCIAL STATEMENTS

16. EMPLOYEE BENEFIT OBLIGATIONS

As at March 31, 2013 and 2012, the Group recorded a provision for employee benefit obligations totaling Baht 139 million and Baht 128 million, respectively. The estimated liability was calculated based on the projected unit credit method by a qualified independent actuary. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Discount rate (%)	3.68	3.68	3.68	3.68
Average expected rate of salary increase (%)	5.00	5.00	5.00	5.00
Voluntarily resignation Rate (%)	0 - 10.00	0 - 10.00	0 - 8.00	0 - 8.00
Retirement age (year)	55 - 60	55 - 60	55 - 60	55 - 60

The benefit cost recognised in the statement of comprehensive income for the years ended March 31, 2013 and 2012, are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service cost	20,354	38,400	7,756	21,219
Interest cost	4,638	5,306	1,370	1,299
Net actuarial losses (gains) recognised during the year	-	(12,838)	-	9,335
Total	24,992	30,868	9,126	31,853

The provision for employee benefit obligations as at March 31, 2013 and 2012, and a reconciliation with amounts recognised in the statement of comprehensive income are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Present value of unfunded obligations	138,663	127,530	42,676	37,233

NOTES TO THE FINANCIAL STATEMENTS

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Beginning of provision for employee benefit obligations	127,530	137,462	37,233	33,645
Current service cost	20,354	38,400	7,755	21,219
Interest cost	4,638	5,306	1,370	1,299
Actuarial losses (gains) recognized during the year	-	(12,838)	-	9,335
Severance paid during the years	(13,859)	(40,800)	(3,682)	(28,265)
Ending of provision for employee benefit obligations	138,663	127,530	42,676	37,233

17. SHARE CAPITAL, LEGAL RESERVE AND WARRANTS

Preference Shares

Rights attaching to the preference shares are as follows:

- Preference shares have preemptive right to receive cash from the Company's liquidation prior to ordinary shares when the total amount of the proceeds from liquidation is not greater than the sum amount of the outstanding number of preference shares at the date of liquidation multiplied by Baht 1.87 and the outstanding number of preference shares at the date of liquidation multiplied by Baht 1.30.
- Preemptive rights of preference shares are effective within 11 years which is due on November 29, 2013 commencing the date of fully paid-up capital to the Company at the first time. At the end of the 11th year, preemptive rights of preference shares are immediately expired and preference shares are converted to ordinary shares.
- Preference shareholders are entitled to the same voting rights as ordinary shareholders.
- Preference shares are convertible to ordinary shares in proportion 1 : 1 at the option of the preference shareholders by requesting to the Company and surrender certificates.

Legal reserve

According to the Public Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the authorised shares capital. The legal reserve is not available for dividend distribution.

According to the Civil and Commercial Code, subsidiary companies must appropriate to a reserve fund at each distribution of dividend at least one-twentieth of the profit arising from the business of that companies until the reserve fund reaches one-tenth part of capital of subsidiary companies. Such reserve is not available for distribution as dividends.

Warrants

There are two types of warrants:

- Warrant 1: 1,083,275,200 units issued at Baht 0.05 per warrant, exercise price Baht 2.10 per ordinary share.
- Warrant 2: 1,520,763,525 units issued at Baht 0.05 per warrant, exercise price Baht 6.114 per ordinary share.

Warrants, which are negotiable, have a 10 years term from the issued date (December 2, 2002). If any warrants have not been exercised within the specified period, such warrants will be cancelled.

On December 3, 2012, the Company's warrants were expired because those warrants have not been exercised within the specific period. There are two types of warrants which including Warrant 1 of 1,083,275,200 units issued at Baht 0.05 per warrant, exercise price

NOTES TO THE FINANCIAL STATEMENTS

Baht 2.10 per ordinary share and Warrant 2 of 1,520,763,525 units issued at Baht 0.05 per warrant, exercise price Baht 6.114 per ordinary share. The Company recorded the expired warrants of Baht 130 million as share premium in the statement of financial position as at March 31, 2013.

18. CAPITAL MANAGEMENT

The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The management sets strategies to support the Group's business operations to be more efficiency including setting dividend and capital management policies to maintain the optimal capital structure and cost of capital and to comply with the Debt Covenant Ratios.

19. OTHER INCOME

Other income for the years ended March 31, 2013 and 2012 consist of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate Financial statements	
	2013	2012	2013	2012
Management fees income	-	-	317,474	309,739
Dividend received from a subsidiary	-	-	-	787,500
Compensation from insurance company	101,465	-	-	-
Gain from debt restructuring (see Note 14)	65,786	-	-	-
Others	13,827	87,976	1,049	2,222
Total	181,078	87,976	318,523	1,099,461

NOTES TO THE FINANCIAL STATEMENTS

20. EXPENSES BY NATURE

Net profit (loss) for the years ended March 31, 2013 and 2012 has been arrived at after charging the following significant expenses:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Change in finished goods and work in process	575,661	(840,719)	-	-
Raw materials and consumables used	17,505,872	20,626,970	-	-
Store and supplies used	873,039	886,333	-	-
Fuel	996,867	1,019,380	-	-
Depreciation, amortization and amortization of rolling mill expenses	959,990	1,074,090	37,153	36,406
Employee benefits expense	768,504	779,740	212,885	216,914
Utilities expenses	2,455,815	2,059,248	871	1,129
Repair and maintenance expenses	612,857	679,220	761	5,315
Contractor	149,917	157,687	-	-
Delivery and selling expenses	192,702	195,722	-	-
Bank charges	67,221	63,763	92	4,388
Premium on forward exchange contract	30,360	21,890	-	-
Rent	47,005	53,103	25,785	31,717
Loss on allowance for obsolesces inventory	(7,448)	(7,656)	-	-
Loss on diminution in value of inventory	-	276,401	-	-
Impairment loss on investment in subsidiaries	-	-	3,380,000	-
Impairment loss on plant and equipment	2,939,708	-	-	-
Impairment loss on goodwill	660,323	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

21. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share for the years ended March 31, 2013 and 2012 are as follows:

Unit : Thousand Baht

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Earnings (loss) per share					
Profit (loss) for the years		(4,555,313)	(1,585,587)	(3,393,751)	805,522
Net loss attributable to non-controlling interest		9,842	4,993	-	-
Net profit (loss) attributable to the parent company		(4,545,471)	(1,580,594)	(3,393,751)	805,522
Weighted average number of ordinary shares	Share	8,168,767,623	8,168,767,623	8,168,767,623	8,168,767,623
Earnings (loss) per share	Baht	(0.56)	(0.19)	(0.42)	0.10
Diluted earnings (loss) per share					
Weighted average number of ordinary shares	Share	8,168,767,623	8,168,767,623	8,168,767,623	8,168,767,623
Effect of convertible preferred shares (Note 17)	Share	252,773,225	252,773,225	252,773,225	252,773,225
Weighted average number of ordinary shares					
outstanding at end of the years (diluted)	Share	8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Diluted earnings (loss) per share	Baht	(0.54)	(0.19)	(0.40)	0.10

22. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

The pricing policies for particular types of transactions are explained further below:

	Pricing Policies
Sales	Market price
Purchases	Market price
Management fees income	Contract rate
Service fee paid	Contract rate
Interest income	Contract rate
Interest expense	Contract rate

NOTES TO THE FINANCIAL STATEMENTS

The major related parties as at March 31, 2013 and 2012 are as follows:

Type	Name	Type of Business	Relationship
Subsidiaries	The Siam Iron and Steel (2001) Co., Ltd.	Manufacture steel bars, 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 Plc.	Manufacture, render a manufacturing service, distributions and trading of steel bars and wire rods and small section products	Common shareholders and management
Other parties	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 Steel International (Hong Kong) Ltd.	Trading	Same group of shareholders
	Tata Steel 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 Steel International (Singapore) Ltd.	Trading	Same group of shareholders
	Corus Staal B.V.	Manufacture steel	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 Ltd.	Training services	Same group of shareholders
	Tata Sons Ltd.	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
	Siam Steel Mill Services Co., Ltd.	Recycling and reprocessing steel scrap	Indirect shareholding by subsidiary
	Tata Steel Global Holdings Pte. Ltd.	Investing	Shareholder
	Tata Steel Limited	Manufacture steel	Parent company
	Tata Steel 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

NOTES TO THE FINANCIAL STATEMENTS

Balances with related parties as at March 31, 2013 and 2012 consist of:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts receivable - related parties				
The Siam Industrial Wire Co., Ltd.	100,787	54,243	-	-
Tata Steel Limited	338	-	-	-
Tata Steel International (Singapore) Ltd.	-	2,441	-	-
Total	101,125	56,684	-	-

As at March 31, 2013 and 2012, trade accounts receivable from related parties aged are as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Within credit terms	85,780	23,954	-	-
Overdue: Less than 3 months	15,345	32,730	-	-
Total	101,125	56,684	-	-
Other receivables - related parties				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	12,818	29,729
The Siam Construction Steel Co., Ltd.	-	-	17,613	26,011
N.T.S. Steel Group Plc.	-	-	1,544	4,143
Siam Steel Mill Services Co., Ltd.	786	821	-	-
Tata Steel Nederland Services B.V.	1,954	1,202	1,954	1,202
Tata Steel UK.	367	-	367	-
Tata Sons Ltd.*	-	71,220	-	71,220
Total	3,107	73,243	34,296	132,305
Short-term loans to related parties				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	336,386	784,426
N.T.S. Steel Group Plc.	-	-	-	3,301,940
Total	-	-	336,386	4,086,366

NOTES TO THE FINANCIAL STATEMENTS

Short-term loans to related parties are non-collateralised loans carrying interest rate as at March 31, 2013 and 2012 at 1 - 5.5% p.a. Movements during the years on short-term loans to related parties are as follows:

Unit : Thousand Baht		
	Consolidated financial statements	Separate financial statements
As at March 31, 2011	-	4,089,727
Decrease	-	(3,361)
As at March 31, 2012	-	4,086,366
Decrease	-	(3,749,980)
As at March 31, 2013	-	336,386

Unit : Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Long-term loans to a related party				
N.T.S. Steel Group Plc.				
(Interest at MLR-1.25% p.a.)	-	-	1,575,000	2,900,000
(Interest at MLR-2.00% p.a.)	-	-	2,750,000	3,500,000
Total	-	-	4,325,000	6,400,000

The long-term loans to a related party is non-collateralised loan according to the loan agreement dated November 30, 2006 and November 9, 2007.

In November 2011, the Company made the supplement to both agreements of long-term loan to related party in order to extend the first repayment to November 30, 2012 and final maturity date is on August 31, 2016 with carrying interest rate of MLR-1.25% and MLR-2.00% p.a.

The period of maturity as at March 31, 2013 and 2012 are as follows:

Unit : Thousand Baht				
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Within one year	-	-	1,650,000	780,000
After one year but not exceeding five years	-	-	2,675,000	5,220,000
After five years	-	-	-	400,000
Total	-	-	4,325,000	6,400,000
Other non-current asset				
Tata Sons Ltd.*	71,220	-	71,220	-

NOTES TO THE FINANCIAL STATEMENTS

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade accounts payable - related parties				
NatSteel Recycling Pte. Ltd.	421,188	677,013	-	-
Tata Steel Asia (Hong Kong) Ltd.	63,065	47,375	-	-
Siam Steel Mill Services Co., Ltd.	9,463	8,107	-	-
Total	493,716	732,495	-	-
Other payables - related parties				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	89	63
The Siam Construction Steel Co., Ltd.	-	-	1,163	475
N.T.S. Steel Group Plc.	-	-	1,482	343
Tata Consultancy Services (Thailand) Ltd.	3,041	-	3,041	-
The Siam Industrial Wire Co., Ltd.	12	2	-	-
NatSteel Holdings Pte. Ltd.	34	-	33	-
Siam Steel Mill Services Co., Ltd.	12,561	7,246	-	-
Total	15,648	7,248	5,808	881
Short-term borrowing from related parties				
The Siam Construction Steel Co., Ltd.				
(Interest at 1.5% p.a.)	-	-	886,720	203,427
N.T.S. Steel Group Plc.				
(Interest at 1.5% p.a.)	-	-	948,574	-
Total	-	-	1,835,294	203,427
Current portion of long-term				
borrowing from a related party**				
Tata Steel Global Holdings Pte. Ltd.	-	270,596	-	270,596
Long-term borrowing from a related party**				
Tata Steel Global Holding Pte. Ltd.	270,596	-	270,596	-

Remark: * The Company had paid for the advance payment for Brand Promotion fee, approximately Baht 71 million.

** By letter dated August 3, 2012, the Company requested for the extension of long-term borrowing repayment from a related party that falls due on November 12, 2012 to August 31, 2016. The Company has obtained a confirmation letter dated August 22, 2012 from such related party. The long-term borrowing from a related party carries no interest.

NOTES TO THE FINANCIAL STATEMENTS

Significant transactions for the years ended March 31, 2013 and 2012 with related parties are summarised as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Revenue				
Sales				
The Siam Industrial Wire Co., Ltd.	1,811,050	2,198,612	-	-
Tata Steel Asia (Hong Kong) Ltd.	249,519	-	-	-
Tata Steel Limited	339	67,828	-	-
Tata Steel International (Hong Kong) Ltd.	18,801	234,915	-	-
Tata Steel International (Singapore) Ltd.	4,709	26,128	-	-
Total	2,084,418	2,527,483	-	-
Interest income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	33,633	35,605
The Siam Construction Steel Co., Ltd.	-	-	1,979	411
N.T.S. Steel Group Plc.	-	-	318,380	379,342
Total	-	-	353,992	415,358
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	135,203	124,411
The Siam Construction Steel Co., Ltd.	-	-	170,271	173,328
N.T.S. Steel Group Plc.	-	-	12,000	12,000
Total	-	-	317,474	309,739
Other income				
The Siam Construction Steel Co., Ltd.	-	-	-	787,500
Siam Steel Mill Services Co., Ltd.	8,096	6,630	-	-
Total	8,096	6,630	-	787,500

NOTES TO THE FINANCIAL STATEMENTS

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Expenses				
Purchases				
The Siam Industrial Wire Co., Ltd.	1,139	3,998	-	-
NatSteel Trade International Pte. Ltd.	-	(38)	-	-
NatSteel Recycling Pte. Ltd.	768,207	1,489,394	-	-
Siam Steel Mill Services Co., Ltd.	156,787	178,487	-	-
Tata Steel UK Ltd.	-	6,393	-	-
Tata NYK Shipping Pte. Ltd.	-	1,287	-	-
Tata Steel Limited	-	181,796	-	-
Tata Steel Asia (Hong Kong) Ltd.	274,161	94,402	-	-
Tata South East Asia Limited	102,117	-	-	-
Tata Steel International (UK) Ltd.	-	55,999	-	-
Tata Steel IJmuiden B.V.	-	64	-	-
Tata Steel Global Procurement Co. Pte. Ltd.	-	1,432	-	-
Mjunction Services Limited	-	540	-	-
Total	1,302,411	2,013,754	-	-
Interest expenses				
The Siam Construction Steel Co., Ltd.	-	-	6,067	8,987
N.T.S Steel Group Plc.	-	-	8,939	-
Total	-	-	15,006	8,987
Other expenses				
NatSteel Recycling Pte. Ltd.	2,079	74	-	-
NatSteel Holdings Pte. Ltd.	180	-	180	-
Siam Steel Mill Services Co., Ltd.	10,995	-	-	-
Tata Steel Limited	20	27	20	12
Tata Consultancy Services (Thailand) Ltd.	13,842	10,379	13,842	10,379
Mjunction Services Limited	409	711	-	38
Total	27,525	11,191	14,042	10,429
Management benefit expenses	46,762	40,434	46,762	40,434

NOTES TO THE FINANCIAL STATEMENTS

23. PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, a subsidiary has been granted privileges by the Board of Investment ("BOI") relating to the following:

Subsidiary	Promoted Business	Exemption from corporate income tax for 8 years from
N.T.S. Steel Group Public Company Limited	Manufacturing of steel wire rods	April 2006 - April 2014
N.T.S. Steel Group Public Company Limited	Manufacturing of steel hot metal, pig iron and steel billet	November 2009 - November 2017

As a promoted company, the subsidiary must comply with certain conditions and restrictions provided for in the promotional certificates.

24. REVENUES REPORTING OF A PROMOTED INDUSTRY

According to the Announcement of the Board of the Investment No. 14/1998 dated December 30, 1998, regarding revenues reporting of a promoted industry, the Company is required to report the revenues from domestic sales and export sales separately and to report separately between the promoted and non-promoted sectors. For the years ended March 31, 2013 and 2012, such information is as follows:

Unit : Million Baht

Consolidated Financial Statement			
for the year ended March 31, 2013			
	Promoted Sector	Non-promoted sector	Total
Revenues			
Revenue from domestic sales	3,957	19,586	23,543
Revenue from export sales	39	1,433	1,472
Total revenue from sales	3,996	21,019	25,015
Other income	-	237	237
Total revenues	3,996	21,256	25,252

Unit : Million Baht

Consolidated Financial Statement			
for the year ended March 31, 2012			
	Promoted Sector	Non-promoted sector	Total
Revenues			
Revenue from domestic sales	6,072	18,334	24,406
Revenue from export sales	57	1,760	1,817
Total revenue from sales	6,129	20,094	26,223
Other income	15	105	120
Total revenues	6,144	20,199	26,343

25. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the possibility that customers may not be able to settle obligations to the Group as per contracts which may cause financial loss. The Group has a policy to protect against this risk by assessing the credit worthiness of customers, defining credit limits, checking credit insurance cover, asking for bank guarantees and/or personal guarantees, credit terms, controlling credit utilisation and reviewing collections. The possible credit loss is the fair value of trade accounts receivable and other receivables presented in the statement of financial position which are the balance net of an allowance for doubtful accounts estimated by management.

Interest Rate Risk and Foreign Exchange Rate

Interest rate risk occurs from the Group maintains its loans and borrowings at floating rate.

Foreign exchange risk occurs from the fluctuating of foreign currency. The Group has no policy to use financial derivatives for speculation or trading.

In addition, in order to manage risk from fluctuation in currency, the Group has entered into forward exchange contracts to hedge its debts as disclosed in Note 26.

Liquidity Risks

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair Value

The Group uses the following methods and assumptions in estimating the fair value of financial instruments:

Cash and cash equivalents, trade and other receivables, trade and other payables, short-term borrowings from financial institutions, current portion of long-term borrowings, current portion of trade accounts payable of subsidiary arising from restructuring due within one year and current portion of long-term borrowing from a related party - the carrying values approximate to their fair values due to the relative short-term maturity of these financial instruments.

Available-for-sale investments - fair value is determined as the last quoted bid price at the statement of financial positions date.

Long-term borrowings - the carry values approximate to their fair values because these financial instruments bear interest at floating market rates.

The fair values as at March 31, 2013 of long-term borrowing from related party with free interest is calculated by discounting the future cash flow at current loan rate. The estimated fair value as at March 31, 2013 is as follows

Unit : Thousand Baht		
	Consolidated financial statement	Separate financial statement
Long-term borrowing from a related party	220,913	220,913

26. FORWARD EXCHANGE CONTRACTS

The Group entered into forward exchange contracts - bought/sold to cover foreign exchange exposure associated with its trade accounts payable denominated in foreign currency of the Group. The Group does not enter into financial instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

The contractual amounts of the Group's forward exchange contracts are as follows:

Consolidated financial statements As at March 31, 2013				
Maturity date	Contract Amount (USD)	Forward exchange rate per contract (Baht per USD)	Value per forward Rate (Thousand Baht)	Fair Value gain (loss) (Thousand Baht)
Forward exchange contracts - bought				
April 30, 2013 - September 6, 2013	17,574,361	29.45 - 31.29	533,560	(15,137)
Forward exchange contracts - sold				
May 31, 2013	2,000,000	29.32	58,630	199

Consolidated financial statements As at March 31, 2012				
Maturity date	Contract Amount (SGD)	Forward exchange rate per contract (Baht per SGD)	Value per forward Rate (Thousand Baht)	Fair Value gain (loss) (Thousand Baht)
Forward exchange contracts - bought				
July 8, 2013 - September 6, 2013	3,880,000	24.06 - 25.06	95,453	(3,217)

Consolidated financial statements As at March 31, 2012				
Maturity date	Contract Amount (USD)	Forward exchange rate per contract (Baht per USD)	Value per forward Rate (Thousand Baht)	Fair Value gain (loss) (Thousand Baht)
Forward exchange contracts - bought				
April 30, 2012 - October 31, 2012	49,453,412	30.47 - 32.05	1,543,016	(1,702)

NOTES TO THE FINANCIAL STATEMENTS

27. COMMITMENTS

As at March 31, 2013 and 2012, the Group had commitments as follows:

- Letters of credit used but not qualified as liabilities as at March 31, 2013 and 2012 amounting to Baht 345 million and Baht 135 million, respectively.
- Letters of guarantee issued by the commercial financial institutions to the Revenue Department, Electricity Authorities and Industrial Estate Authority of Thailand as at March 31, 2013 and 2012 amounting Baht 355 million and Baht 758 million, respectively, in the normal courses of business.
- Commitments on purchase and installation of machinery as at March 31, 2013 and 2012 amounting Baht 0.9 million and Baht 36 million, respectively.
- As at March 31, 2013 and 2012, the Group has operating lease commitment for land, office building, vehicles and office equipment (including service charges) as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Not later than 1 year	27,347	32,413	12,146	18,496
Later 1 year but not later than 5 years	63,791	63,792	15,922	13,054
After five years	9,587	14,860	-	-
Total	100,725	111,065	28,068	31,550

28. SEGMENT INFORMATION

The Company's subsidiaries manufacture and distribute rebars, wire rods and small sections products which are located in Thailand. Sales of the subsidiaries are mainly local sales whereas an export sale is not significant. Therefore, the Group does not disclose this segment information.

29. APPROVAL FOR FINANCIAL STATEMENTS

These financial statements have been approved for issue by an authorized director for issuing on May 7, 2013.

President & CEO Statement

Dear Stakeholders,

Throughout its glorious history of over 100 years, The Tata Group has been widely recognized as an organization committed to good corporate citizenship - long before the term came into use by the corporate world. This philosophy was one of the guiding principles of the Group founder, late Jamsetji Tata (1839-1904), who viewed the creation of wealth not as an end in itself, but as the means by which the group could make positive contribution to the communities in which it operates.

Today, the Tata group operates in multiple geographies and as a good corporate citizen, it recognizes that it has important social, environmental and financial responsibilities. As a responsible corporate citizen of the country, Tata Steel (Thailand) takes pride in balancing economic prosperity with social progress.

Like other countries, Thailand faces many challenges of the new world. Climate change, energy security, management of finite non-renewable resources, restricting the damage to the eco-systems, water management to support vegetation, agriculture and drinking requirements and providing equal opportunity of growth to its citizens, are some of the specific challenges of Thailand. At Tata Steel (Thailand), we understand that we can and must play an important part in addressing these challenges, both through the products we make and the way we manage our operations.

The process begins in right earnest by creating "steel" which itself is a sustainable material because of its unique recyclability through an efficient closed loop system. The three plant sites of Tata Steel (Thailand) operate Electric Arc Furnaces on 100% scrap that restricts the emission of carbon dioxide to the environment. Our endeavor always is to work towards energy efficiency programs and continuously take care of emissions related to dust, noise and other gases. Thailand is on the cusp of industrial development and infrastructure explosion. Steel is an essential building block and this way, we are able to restrict the "price" that the environment has to pay to produce steel.

Addressing the perceived shortcoming of safety in the process of steel making and rolling, the company has taken a resolve to reach highest levels of safety performance. In FY 2013, the company reached its best ever level of Loss time injury rate of 0.47 in five years. The Safety Management system is based on DuPont Safety framework and accords equal focus to employees and its contractors.

Thailand is a tourist friendly country and places high importance to climate change issues. The company takes pride in participating in various activities that address such requirements. Many of these activities are given shape by employees of the company while some others are funded by the company resources. In addition, the company draws up an annual Corporate Social Responsibility calendar to list out events based on the need of the communities around the plant sites as well as in various needy corners of Thailand. For example, Tata Steel (Thailand) adopts primary schools to set up "book corners" that promotes education among young children. A total of 158 schools have been adopted in various provinces of Thailand to bring about education and knowledge to create a sustainable society.

Lastly, Tata Code of conduct has been implemented across all units, functions and has been rolled out to cover key partners and suppliers. At Tata Steel (Thailand), the commitment of creating a sustainable and a responsible enterprise is as important as the resolve to attain highest levels of performance.

President and CEO

Mission for Sustainability of Tata Steel (Thailand)

"We must be responsible and responsive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over."

The above words of late Mr. Jamsetji Tata, the founder of Tata Group guides all companies in the Tata Group to promote good governance along with sound business operation for sustainability of the enterprise. At Tata Steel (Thailand), these words provide us the direction to enable us to create meaningful benefits for the society and community in which we operate in various provinces of Thailand. Accordingly, business strategies formulated by Tata Steel (Thailand) stem from the belief that "the sustainability of the company is possible if we contribute to the sustainable growth and development of the community and society that surround us".



There are three elements that stitch together to drive growth and sustainable development. These elements pertain to social, environmental and economic theme and a right combination of these elements ensures business sustainability for all stakeholders.

Basic Elements of Sustainability

At Tata Steel (Thailand), we believe that sustainable development must consist of economic strategies, environment management system and social support, along with being a good corporate citizen.

For each of the above mentioned components, the Company stresses on building good relationship between all its stakeholders across all its sectors. Alongside, the Company also commits to set relevant policy and initiatives that can create positive impact to the business operations.

At Tata Steel (Thailand), sustainability is a core principle and has been in practice since its inception. Over the years, it has seen modification to address more and more aspects of employees and stakeholders. Sustainability includes running of the business operation in a "green" way, which implies better planning of resources together with improvement of environment. This is directly measured by the emission level of greenhouse gases and keeping track of its activities that have an impact on the climate change. Endeavour is to carry out production, selling and servicing in an environmentally friendly way. Therefore, Sustainability, as per Tata Steel (Thailand), is the belief that the world with good environment and good health is the best legacy that should be handed over to the future generations.

Background Information

Tata Steel (Thailand) Plc., the largest manufacturer and distributor of long steel products in Thailand was formed in 2006 post acquisition of Millennium Steel Plc. While the holding company is based out of Bangkok, it has 3 subsidiaries namely, The Siam Construction Steel Co., Ltd. based at Rayong, The Siam Iron and Steel (2001) Co., Ltd. based at Saraburi and N. T. S. Steel Group Plc. based at Chonburi (Pls write the full name). The company directly employs 1400 people in these four locations and has a contractor workforce of 1100 nos at these locations. The company 67.90% owned by Tata Steel Global Holdings, which in turn is part of the Tata Steel Group. Tata Steel is among the top ten steelmakers of the world with operations in 50 countries and production base in 26 countries.

Vision, Goals and Corporate Culture

Vision

Tata Steel (Thailand) aims to become a value creating enterprise for its shareholders by strengthening presence in specialty and branded products while sustaining market leadership in Long products in Thailand. Customer intimacy, Operations excellence, Highest standards of corporate citizenship, happy and enthused employees will be our areas of focus to realize this vision.

Goals

Goals 2015

- Value Creation:
Increase Return on Invested Capital (ROIC) to 12%
- Safety:
Reduce Lost Time Injury Frequency (LTIF) to 0.4
- Environment:
Maintain Carbon Dioxide (CO₂) emissions to less than 1.0 Ton/ton of liquid steel
- Employer of Choice:
In Top Quartile across all industries

Corporate Culture

"People" FIRST culture is the framework for business practices that will be practiced by the employees of Tata Steel (Thailand). In addition to the Tata Code of Conduct, the FIRST culture is depicted as under:



Stakeholders of Tata Steel (Thailand)

Tata Steel (Thailand) realizes that it has a responsibility towards various stakeholders in the business. Based on their needs and expectations, the Company has formulated programs that seek to respond to each of the stakeholder in order to forge a mutually rewarding and a sustainable relationship.

Response to various Stakeholders' Expectations

Stakeholders	Expectations	Operating Guideline of Tata Steel (Thailand)
Customers	Satisfaction from good quality products and services at reasonable prices.	Committed to provide good quality products and best in class services at international or relevant Thai Standard. This will be at fair prices and with equitable treatment without bias and prejudice.
Employees	Security and career advancement, with satisfactory welfare and benefits. Should have opportunities to develop skills and enhance knowledge. Environment must be safe and healthy leading to good quality of life.	Provide equal opportunities to all employees without discrimination against any social status, nationality, caste, religion, family, marital status, gender, age and ethnicity. Encourage ongoing training and development of employees at all levels. Provide career paths as per employees' capability based on competency, performance and value system.
Community	Take care of the community surrounding the company and the manufacturing units. Special focus on environment by not discharging any hazardous waste, emission of greenhouse gases or pollutant waste. Extend support to welfare and development activities in the area of education, religion, public health, public welfare and income generating activities in the community.	Conduct business operations with integrity, support various activities for welfare of the communities and improving the quality of life of people directly and indirectly associated with the company. Encourage deployment of "green" production processes to create safe environment for people to live in the surrounding communities.
Shareholders	Return on investment. Good corporate citizen with highest standards of conduct, values and transparency.	Focus on operations to have value creating steel business. Conduct business in compliance with Tata Code of Conduct.
Creditors	A robust financial transactional reporting system that ensures safe management of capital including timely and appropriate repayments.	Effective financial management of the business operations with prudence and discipline under the overall guidance of the Group Financial practices. Strict compliance to the applicable local, regional or international laws on various aspects of financial transactions.
Government authorities	Compliance to applicable laws and regulations.	Strict compliance to the applicable laws and regulations. Extend cooperation to government authorities. Maintain cordial and professional relationships as per the Tata Code of Conduct.
Media	Disclosure of relevant information in a clear, unambiguous and timely manner as per the SET guidelines.	Accord high priority to credible disclosure of information in a clear, concise and unambiguous manner. Maintain cordial and professional association with media, press and research community as per the strictures of Tata Code of Conduct.

Management by Good Governance Principle

The Company commits to promote and support good governance with a belief that it is an effective method to improve overall efficiency, transparency and accountability of an enterprise. Along with robust business operations, it is an operating principle that generates confidence in shareholders, investors, and other stakeholders about the stability and sustainability of the enterprise.

5 Core Values of Tata are as follows:

1. Integrity

We must conduct our business fairly, with honesty and transparency. Everything we do must stand the test of public scrutiny.

2. Understanding

We must be caring, show respect, compassion and humanity to our colleagues and customers around the world, and always work for the benefit of all stakeholders relevant to our business operations.

3. Excellence

We must constantly strive to achieve the highest possible national and international standards in our day-to-day work and in the quality of the goods and services we provide.

4. Unity

We must work cohesively with our colleagues across the group and with our customers and partners around the world, building strong relationships based on tolerance, understanding and mutual cooperation.

5. Responsibility

We must continue to be responsible, sensitive to the countries, communities and environments in which we work, always ensuring that we will work for the benefit of the countries, communities, and societies we operate.

“Tata Code of Conduct (TCoC)” to be Practiced by Employees

The Company stipulates running the business operations with highest standards of professionalism, integrity, moral and ethics as described under the Tata Code of Conduct (TCoC). For an easy and unambiguous understanding of the various clauses, the Code has been translated in English and the local country language and published in the form of book titled “TCoC Booklet”. The handbook is distributed to the Board of Directors, Executive Committee members, Management team and all its employees. Appropriate training and mock tests are organized to explain the code in detail on each topic. The distribution of the handbook has also been extended to business partners, suppliers and customers in public and private domain to create an ethical environment. Specifically, the Company’s policy on corruption and bribery is stipulated in the “Tata Code of Conduct” as under :

“A Tata company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remunerations, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business. The company shall cooperate with governmental authorities in efforts to eliminate all forms of bribery, fraud and corruption.

However, a Tata company and its employees may, with full disclosure, accept and offer nominal gifts, provided such gifts are customarily given and/or are of a commemorative nature. Each company shall have a policy to clarify its rules and regulations on gifts and entertainment, to be used for the guidance of its employees.”

And also “A Tata company and its employees shall not, unless mandated under applicable laws, offer or give any company funds or property as donation to any government agency or its representative, directly or through intermediaries, in order to obtain any favourable performance of official duties. A Tata company shall comply with government procurement regulations and shall be transparent in all its dealings with government agencies.”

Since the implementation of the “Tata Code of Conduct” that lays down principles and ethical standards for compliance in different areas of management to have good governance, any actions in violation or suspected to be in violation of the Tata Code of Conduct, whether major or minor, the Company shall take it seriously. The Company also establishes the Whistle Blower Policy and Practices to provide channel to all its employees and stakeholders to be able to report any violation or possible actions of the Code, based on the following whistle blower principle:

“Every employee of a Tata Company shall promptly report to the Management, and / or third-party ethics helpline, when she / he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or act not in Company’s interest, which could affect the business or reputation of his/ her or any other Tata Company. Such reporting shall be made available to suppliers and partners, too.

Any employee can choose to make a protected disclosure under the Whistle Blower Policy of the company, providing for reporting to the chairperson of the audit committee or the board of directors or specified authority. Such a protected disclosure shall be forwarded, when there is a reasonable evidence to conclude that a violation is possible or has taken place, with a covering letter, which shall bear the identity of the Whistle Blower.

The company shall ensure protection to the whistleblower and any attempts to intimidate him / her would be treated as a violation of the Code.” After the distribution of “Tata Code of Conduct” through the book called “TCoC Booklet”, training courses are

conducted during the orientation class on policy and practices for new employees and during other regular training for current employees. In 2012-2013, all employees of subsidiaries of Tata Steel (Thailand) received training and passed tests on the required courses.

Furthermore, the company has followed the principle of good corporate governance for listed companies issued by SET. The principles and best practices on good governance consists of shareholders' rights, equitable treatment of shareholders, responsibility to all stakeholders, disclosure and transparency, as well as responsibilities of the Board of Directors.

Employees' Work Safety

The Company realizes that creating an environment that promotes "safety and occupational health" of its employees is an essential aspect of its very purpose of existence. Also, it is the duty and responsibility of all staff to comply to this belief that is also stated in the Tata Code of Conduct. The words are,

"A Tata company shall strive to provide a safe, healthy, clean and ergonomic working environment for its people. It shall comply with all health, safety and environmental regulations in the jurisdiction in which it operates. A Tata company shall be committed to best practices in the health and safety of employees. It shall prevent the wasteful use of natural resources and be committed to improving the environment, particularly with regard to the emission of greenhouse gases, and shall endeavour to offset the effect of climate change in all spheres of its activities."

A Tata company, in the process of production and sale of its products and services, shall strive for economic, social and environmental sustainability."

The Company aims to prevent and control losses related to safety and occupational health by encouraging the implementation of the "Safety Excellence Journey" according to policies and standards set by Tata Steel (India). Various committees and sub-committees, consisting of senior management team members, will closely monitor and follow up the improvement of safety working conditions and environment. This includes campaigning and promoting activities that raise staff's awareness on safety, i.e., training, motivation, public relation and targeting accident-free for working place safety campaigns, etc. Additionally, the Company has prepared work place safety standards for each step of operation, and provided sufficient and adequate personal protection equipment. A facility for Annual employee medical check-up has been arranged for both work and non-work related illnesses.

The Company expects supervisors at all levels to be a good role model, leader, trainer, coach and motivator for employee workplace safety

compliance. All employees must be aware of their own safety and their colleagues' at all times.

In order to manage the safety and occupational health procedures efficiently, the Company has allowed employees at all levels to participate in safety improvement on working condition and procedures as well as the quality of life improvement by establishing the "Occupational Safety, Health and Working Environment Committee" as required by the relevant laws. The committee is an important mechanism for the management and employees to jointly define policies, set targets, develop action plans and measures on safety, occupational health and working environment in each area appropriately. Besides, the Company has also hired the safety officer to stay in compliance with the law and to efficiently supervise the safety and occupational health measures.

In 2012, the Company had formulated the policy on safety, occupational health and working environment and encouraged all management and employees at all levels, including staff of contractors and stakeholders to implement and comply with the same described as under :

- Setting up occupational health and safety system (OHSAS 18001) according to applicable laws,
- Setting high priority on identifying working risks and vulnerability, including control measures for reduce and prevent injuries, sickness and losses from operation.
- Providing necessary resources and training to employees at all levels and contractor's staff to improve their capability and create awareness on safety, occupational health and working environment.
- Communicating the policy and results from implementation on safety, occupational health and working environment for common understanding throughout the organization, including disseminating information to the public.
- Arranging for assessment and implementation review for continuous improvement in order to achieve the defined objectives and goals.

In addition to the policy formulation, the Company and its subsidiaries have consistently conducted safety and occupational health activities by reviewing safety policies, procedures and relevant safety standards, reviewing and setting up safety committees and sub-committees in various areas. This includes weekly safety inspection, safety week exhibition, activities to reinforce employees' awareness on safety in work place, conducting exercises with emergency response team to address various types of emergencies, such as hazardous chemical spills. The emphasis on training is to develop capsules that cover training on fire fighting, fire drill and evacuation, inspection of fire hose, training on how to audit safety in working areas, campaigns

on safety, cleanliness and tidiness in working place and surrounding areas for better working environment. The Company also conducts training on safety rules and regulations for staff of hired contractors working in the Company and its subsidiaries, including selection and making appointment of subcontractor's representative on Safety Committee based on the key concept that the subcontractor must perform their work safely with good working environment as same as the Company's employees.

After continuous emphasizing on safety activities, the LTIF rate of employees and partners in 2012-2013 is 0.47% i.e. it has improved by 60% from the level of last year and is lowest since 2006. During FY 2013 (past year), Tata Steel (Thailand) has also been recognized for being the "Best Company for Significant Improvement in Safety in South East Asia" - an internal selection prevailing for subsidiaries of Tata Steel Group worldwide.

The Occupational Safety, Health and Working Environment Committee of the Company and its subsidiaries has conducted regular meetings, prepared action plans and followed up on activities such as setting up safety news and information corner, promoting and announcing of the safety culture, disseminating both work and non-work related information by posting on the Company's announcement board and on intranet website, preparing guidelines on safe working procedures, preparing reports on accidents, investigation, analysis and prevention measures. The main objective was to prevent accident within the Company.

Besides this, contractors who have their employees working in the Company were invited to attend meetings of the Occupational Safety, Health and Working Environment Committee to confer, acknowledge and consider measures to facilitate working safe in every operation. This would promote better working environment in the Company.

Regarding hygienic issues during the past year, the Company has encouraged all employees to take care of their own personal hygiene regularly. Activities include organizing campaigns during important festivals or any arising issues of interests, for instance, health care campaign on prevention of influenza virus by providing face masks and disinfectant gel in the offices, campaigns on stop drinking alcohol during Buddhist lent and other festivals, campaigns on better nutrition and personal health care, inviting public health officers to inspect and advise on hygienic issues to shops and restaurants operators and employees of contractors.

CSR IN PROCESS

Corporate social responsibility is very essential concept for overall operations of any organization and it has to take into account impact towards community and society on different aspects

Environmental responsibility also becomes one of the items of prime responsibility. In any activity or production process or usage of natural resources, any organization shall be aware of damage prevention, stop environmental destruction, and prevention of all kinds of pollution. In addition, natural resources shall be used more effectively and will cause least damage to the environment. The more efficient and greener processes and waste treatment systems have also been installed.

Tata Group gives high priority to environmental issues, and formulates the policy on climate change so that its subsidiaries will further implement to reduce impact of the said phenomena as under:

"Tata companies will play a leadership role in climate change by being knowledgeable, responsive and trustworthy, and by adopting environment-friendly technologies, business practices and innovation, while pursuing their own growth aspirations and the enhancement of shareholder value."

Tata companies will measure their carbon footprint and will strive to:

- *Be the benchmark in their segment of industry on the carbon footprint, for their plants and operations.*
- *Engage actively in climate change advocacy and the shaping of regulations in different business sectors.*
- *Incorporate 'green' perspective in all key organizational processes."*

Tata Steel (Thailand) and its subsidiaries, committing to the policy and practices of Tata Group, have given high priority to utilize resources effectively and efficiently with appropriate environmental management to minimize impact to the community. The Company establishes environmental management system in all operating processes to comply with applicable standards and Thai environmental laws, including other operational guidelines, for instance, guideline on environmental management from The Tata Steel Group.

From the said commitment and serious and continuous implementation, the N.T.S. Steel Group Plc. received an award for the best garden in the industrial park from the Industrial Estate Authority of Thailand (IEAT), while The Siam Construction Steel Co., Ltd. received an award for outstanding company in quality, environmental and safety management from the Department of Primary Industries and Mines, Ministry of Industry, and also received Environmental Governance Award or "Green Star" from IEAT.

Apart from the above environmental awards, subsidiaries of Tata Steel (Thailand) also receive the following certifications from the TIS, Ministry of Industrial Standards.

The Siam Iron and Steel (2001) Co., Ltd.

- Received TIS / OHSAS 18001 International certifications for occupational health and safety.
- Improving on environmental guideline and in the process of applying for the accreditation on ISO 14001 standard of the Environmental Management System

The Siam Construction Steel Co., Ltd.

- Received TIS/ISO 14001, international standard for environmental control.
- Received TIS / OHSAS 18001 International certifications for occupational health and safety.

N.T.S. Steel Group Plc.

- Received ISO 14001 Certification for Environmental Control,
- Working on occupational health and safety process improvement in order to apply for TIS / OHSAS 18001 Certification.

With regard to environmental responsibility activities implemented by the Company and its subsidiaries on production or the “CSR-In process”, the pollution control and management can be carried out by setting relevant goals and objectives for implementation, planning and monitoring and evaluation, by focusing on the following areas:

1. Resource management Energy conservation

- Energy Management committee has been organized. The policy on energy has been announced and circulated to all staff for full compliance.
- Incorporated energy management as required by laws into the TPM (Total Productive Maintenance) activities and let all employees participate in searching and amending any deficiency, leakages, reduce left over and avoid unnecessary overuses as well as regularly improving machinery efficiency.
- Appropriately adjust working time of the Dedusting Systems motor to be in accordance with the amount of dust instead of running at full capacity at all times. It is controlled by PLC (Programmable Logical Control) which results in the saving of electricity cost of Baht 1.8 million per year.
- Reduced the usage of electricity at the Electric Arc Furnace (EAF) and Ladle Furnace (LF) by properly adjusted the heating profile in accordance with the production. The power saving at EAF is 4.41 kWh/ton while the power saving at LF is 9.63 kWh/ton.
- Reduced the usage of fuel at the Reheating Furnace (RHF) by planning the production of billet to be in line with the rolling mill production. This would allow fresh billet from production to be transferred directly to the rolling mill for further processing.
- Installation of Recuperator, a heat exchanger from the exhaust, for the reheating furnace before releasing to the atmosphere. Fuel consumption is reduced at about 1.1 Litre/Ton and the saving from

fuel usage and electricity translated to a saving of Baht 4.23 million per year.

- Improvement of Nozzle used with the tundish to receive the flow of liquid steel to the mould without having to warm it first.
- Installation of automatic air conditioning control system for different control rooms to automatically response to requirements.
- Improvement of lighting system inside the plants to utilize natural lighting order to reduce electricity consumption at the rolling mill by installing skylight apertures on the roof.
- Reduce the number of light bulbs in workplace where light intensity is over standard / too bright. Installation of reflecting fixtures to the fluorescent lamps to increase light intensity. Separate lighting control switches for smaller areas and running campaigns for all functions to turn off lights, air conditioners and office equipments during lunch break.

Water Resources Management and Water Treatment

- Wastewater is treated in the Water Treatment Plant using the oxidation pond method. There is no wastewater discharged outside the plant. Treated wastewater will be reused in various production processes and other purposes, i.e., watering trees and lawns within plants, sprinkling on materials piles and roads to prevent dust dissipation. In any case, there must be zero discharge from all plants.

Air Pollution Management

- Installing Canopy Hood for dedusting residual from production process and collecting and treating by Baghouse Filter before releasing to the atmosphere.
- Installing the Continuous Emission Monitoring System (CEMS) to automatically measure and control the emission rate from dedusting plant to the minimum intensity.
- Installing CCTV at the RHF chimney to inspect dust and fume's quality from immediately resolve any issue found.
- Installing net wall to prevent dust diffusion to adjacent plants and community.
- Building footpath along the road shoulder to prevent dust diffusion.
- Enclosing scrap piles with slant filter to prevent dust diffusion.
- Planting trees around scrap piles and plants to create pleasurable atmosphere and to prevent dust diffusion.
- In 2013, starting using natural gas to replace oil to reduce Sulfur Dioxide and soot from production process using oil.

Greenhouse Effect Management

- Monitoring Carbon Dioxide (CO₂) emissions to atmosphere monthly. The Company has set the target to reduce CO₂ emission to less than 1.0 Ton per a ton of liquid steel by 2015. TATA Steel (Thailand) has been able to achieve

the above-mentioned target in 2012 itself since MBF has been mothballed. Working only on EAF, CO₂ emission from production process is less than 0.614 Ton per ton of liquid steel.

- Using natural gas fuel instead of oil at the Reheating Furnace (RHF) to reduce Sulfur Dioxide (SO₂) emission and the use of Low NOx Burner to replace existing burner at the RHF to reduce Nitrogen Oxide (NOx) emission.

Noise Pollution Management

- Set up air-conditioned control room in areas where there is extensive heat and noise such as the furnace area and the rolling mill area in order to avoid staff exposure to any heat and noise outside the control room.
- Put up warning signs in areas having access noises to remind employees to use hearing protection when working in those areas.
- Assigned specific officers to be responsible for continuous inspection and maintenance of all machines and seek measure to control noise from various equipments especially around cutting machines and blast furnace plant.

Waste Management

- Prepared lists of waste materials and properly dispose of waste materials as prescribed by laws for each item.
- Closely inspect and monitor performance of the Company's registered waste disposal contractors.
- Campaigns on garbage sorting to raise awareness among employees and contractors for participation in environmental issues. Sufficient separate colored garbage bins are set up around the plants and offices. Red is designated for hazardous wastes, yellow for general garbage and green for recyclable wastes.

2. Renewable Resources

- Emissions from dedusting plants at ore piles, sinter plant will be filtered for iron ore content and will be re-used as raw materials for natural ore in sinter making. Not only does it lead to cost saving in production process but also environment conservation can be achieved by reduce dust diffusion.
- Residuals from production process having 28-30% of zinc / lead content will be sold for zinc extraction instead of sending off to a safety dump site.
- Slag from steel plant will be recycled for iron sort out and to be re-used as raw materials in production process. The rest of slag will be sold for usage in the market for other purposes.

3. Compliance with Environment Laws and Regulations

- Compliance with Environment Impact Assessment measures: The Company is completely in compliance with all measures and regularly submits relevant reports to responsible

government authorities in timely manner.

- Compliance with the pollution laws: The Company reports the type and quantity of polluted emissions from plants of which are fully complied with relevant laws and regulations. Compliance with laws on hazardous waste treatment and handling waste in plants as prescribed by laws.

In addition, all plants under the management of Tata Steel (Thailand) have organized various activities to promote good environment for the plants and surrounding communities, such as activities during Big Cleaning Day, to promote and support 5S activities. These are basic activities that lead to a process improvement, and other quality systems, including strengthening awareness on natural environment and working environment for tidiness and good working atmosphere. Activities for planting trees around the plant area and surrounding communities include growing flowers in open space in the plant area for pleasure and increasing green space and to reduce global warming.

With participation and cooperation to address environmental issues by all sections that are aware of the priority, in 2012, the Siam Iron and Steel, Co., Ltd. received an award called "EIA Monitoring Awards 2011" from Office of the Policy and Planning, Ministry of Natural Resources and Environment, and the award "environmental good governance" or the "Green & Gold Star Awards 2012" from the Map Ta Phut Industrial Estate Office.

From above-mentioned environment operational guideline, it clearly shows Tata Steel (Thailand)'s commitment to conduct its business operations with serious and continuous environmental conservation guidelines for our communities, society and the world.

Corporate Social Responsibility

Tata Steel (Thailand), the leading manufacturer and seller of long steel products in Thailand, commits to operate its business following the principle of good corporate citizenship. The company is aware and realizes its roles and responsibilities towards the communities, society and the country, including the priority of environment conservation. These are essential mechanisms for driving the sustainable business growth of the Company while maintaining social development and a cordial environment. A quote from the words of late Mr. Jamsetji Nusserwanji Tata, Founder of the Tata Group says:

"In a free enterprise, the community is not just another stakeholder, but is, in fact, the very purpose of its existence."

The above words are the essential guidelines for the Tata Group to follow for carrying out activities for the welfare of the society and creating an environment for sustainable development of the communities. In parallel with the business operations, the corporate responsibility covers all areas pertaining to the improvement of quality

of life, conservation of natural resources, conservation of culture and environment, and encouraging employees' participation in such activities. Accordingly, the company has formulated a guideline that divides the activities pertaining to Corporate Social Responsibility in four areas described as under :

1. Supporting the surrounding community

The Company aims to improve the living standard of the people in the surrounding communities, which enhances their confidence and improves their acceptance in the community. The quality of life of members of the community gets improved as they become more sustainable and self-sufficient. The community therefore has more opportunities to think and implement new avenues by themselves while receiving support and cooperation from the Company. The socially responsible activities could be in terms of developing communities, supporting local culture, providing medical care and safety, supporting vocational training, encouraging the local environment preservation, children and youth development in communities as well as supporting and promoting good relationship between the community and local government units. There are seven areas that the company has chosen to extend support to the surrounding communities :

- 1.1 Activities to promote local culture and customs, for instance, Kathin offering, robes offering to Buddhist monks at temples, casting candles and offering during Buddhist lent and painting community's temple.
- 1.2 Promote health and safety of community members, for instance, organizing mobile clinics, campaigns on preventing influenza, creating awareness on drug abuse and organizing training on safe motorcycle riding.
- 1.3 Community development, for instance, providing construction materials and office equipment to temples, schools and local administration offices, including supporting other activities organized by communities and local administration authorities.
- 1.4 Support victims of natural disasters and underprivileged groups in community, for instance, distributing relief bags to flood victims in communities; improving school ground and its electrical system in flood area, organizing 5 S activities including donating chairs to temples and special support in flood affected areas.
- 1.5 Children and youth development in communities, for instance, by offering scholarships, school supplies, sports gear to schools, building water closets, improving playgrounds and canteens for community schools, organizing Children's Day activities for school children in community, arranging English training and soccer skills training for community children, including improving soccer field, supporting boy scouts' camp, English camp and also basic computer skills for children and youth in the communities.

1.6 Community environmental conservation, for instance, by organizing environmental conservation camps for school children in communities, planting trees around plants and communities, as well as reforestation in community forests and campaigning on National Tree Planting Day.

1.7 Occupational promotion in community, for instance, organizing various occupational skills training for community members, supporting income generating activities in communities by allowing local handicraft products to sell in the Company premises.

2. Supporting Children and Youth Development in Remote Areas

The Company realizes that children and youth are going to be an important asset in the development and stability of the nation in the future. Therefore, they should receive adequate and continuous focus in terms of their development. A library is an important source of knowledge. It is the place where wisdom gets created, opportunity is provided and progress become possible for the children to catch up with the modern technology and practices to help them adapt to any change. At present, children in remote areas are still deprived of support in terms of library access resulting in a lack of opportunity for self-improvement.

Tata Steel (Thailand) Public Limited has initiated a "Grow Smart with Tata Steel" project which aims to encourage learning and self-development for school children in remote areas by promoting reading habits, expanding their knowledge, skills and ability to apply lessons learnt to assist their family and community. These will be beneficial to community and social development in the long run.

The Company has created book corners in school library and supplied them with books and other learning materials, at first starting with schools located in company's plants surrounding communities and later extending to schools in rural areas throughout Thailand. The overall target for books corner to be delivered is 400 schools. The criteria for school selection is as under:

Criteria for school selection:

1. Schools with 70-120 school children (small schools).
2. Teaching from pre-school 1 class - to 6th grade.
3. Having a library separate from the class rooms.
4. Appropriate ratio of school children - teachers (and school administrators) (ratio of 1/30)
5. Vision and management of school administrators.
6. There is a librarian to taking care the library.
7. General condition of the library, tidiness and caring.
8. Library usage record
9. Reading promotion activities organized by the school.
10. School administration as well as relationship with communities and local authorities

11. Good learning achievement (results from O-Net / NT testing)
12. Accessible to schools in all seasons

Criteria for books selection:

1. Books to be selected are from different learning content, focusing on 4-colour picture in seven categories, with numeric and color codes to facilitate usage and handling as follows:
 1. Scientific and Mathematics (Red)
 2. Social Study, Religions and Cultures (Yellow)
 3. Health Education, Physical Education, Arts (Pink)
 4. Thai and English (Green)
 5. Environmental Conservation (Orange)
 6. Values and Ethics (Blue)
 7. Life Skills Education (Purple)

There are about 200 books supplied during the first delivery and after that during every January and September of each year for five consecutive years (total value of Baht 2,500 /each time/school). Each school has to submit a library usage record form to the Company on the seventh of each month for further consideration on books selection for following delivery.

For sustainability, the Company also distributes the "Library Management Guideline" to each school to support them with more effective library management approach. Additional books supply will be delivered to each school every six months. The Company also organizes school visits as appropriate.

During 2012, Tata Steel (Thailand) delivers book corners for 20 schools under the "Grow Smart with Tata Steel project." There are a total of 158 schools nationwide that have received book corners so far.

3. Support to Non-profit Organizations

The Company provides support to non-profit organizations covering royalty initiated projects, university students' voluntary camps, natural disasters relief support and support to socially underprivileged groups and public welfare projects.

3.1 Support to the Royalty Initiated Projects

- Support the Chaipattana Foundation by building Chaipattana Aerator.
- Support the publication of the comic "Follow in the foot steps of our King with Sufficiency Economy" for distribution to libraries all over the country.

3.2 Support students' volunteer camps

- Sponsor the construction round bars to volunteer camps of the Faculty of Engineering, Chulalongkorn University for building reinforced concrete bridges in rural areas to improve local people well-being.

3.3 Natural Disaster Relief

- Distributing relief bags and drinking water for flood victims

- Blankets donation to school children at Ban Sapae Tai in Mae Hongson province.
- Money donation to the Department of Primary Industries and Mines for helping flood victims in the Northern part of Thailand.

3.4 Support for socially underprivileged groups and public welfare projects

- Donation of food and supplies and lunch offered to Home for Orphanage Babies
- Co-host the grand merit making for providing office supplies for vocational training building and shelter for homeless elderly blind people
- Collecting used books from staffs, shareholders, customers and presenting them to the Mirror Foundation for supporting national reading project and sending to schools in remote areas.
- Donation of food and supplies and lunch offered, and organizing recreation activities for elderly people at Bangkokae2 Home for the Aged.
- Organizing volunteer activity on reading audio books for Thailand Foundation of the Blind
- Organizing blood donation events in cooperation with Blood Donation Center, Siriraj Hospital and Thai Red Cross,

4. Environment Conservation

Companies in Tata Steel (Thailand) Group pay attention in using the natural resources efficiently, as well as properly managing the surrounding environment in order not to adversely affect the community and society. This is done by following :

4.1 Management to preserve the environment : Limit the CO₂ emission, reduce the energy use, replace fuel oil with natural gas, treat and reuse the waste water from the production process, use gas discharged from production process to produce the electricity to be used in the plants.

4.2 Save Our Earth Project : The Company initiates "Save Our Earth" project to raise awareness on environmental responsibility of employees. Campaigns are organized to highlight and address the issue of global warming.

- Distributing cloth bags to all employees to reduce plastic bags usage,
- Providing the guideline on reducing global warming to all employees,
- Developing campaign materials for natural resources and environment conservation, covering topics of reducing water usage, electricity usage, gasoline usage, paper and plastic bags usage.

4.3 Working with other organizations in various environmental conservation activities, for instance,

- Cooperating with Fishery Department, Kasetsart University, by providing round bars steel to build home for coral and sea animals at Kho Larn Island,

Pattaya City; including releasing seahorses to the sea under Seahorse conservation project.

- Building permanent and temporary check dams, artificial saline soil, and planting flora orchids and banana at Ang Rue Nai Wildlife Sanctuary, Chonburi province in order to create food and water supply resources for wildlife animals.
- Releasing 10,000 hatched fish to natural bodies of water at Taling Chan District Office
- Fishing out garbages from Khlong Lad Mayom public canal in Taling Chan area
- Working with the Mangrove Conservation Group at Khlong Tamru, Chonburi province, in mangrove reforestation project, and release young crabs into the water, to dedicate merit to H.M. the King of an occasion of his birthday celebration.
- Participating with Ban Chang District, Rayong province, in a project to build 85 check dams to dedicate merit to H.M. the King of an occasion of his 85th Birthday celebration in 2012.

Human Resource Management

Tata Steel (Thailand) realizes that employees are the most valuable resource and are essential to drive the organization to sustainability. The Company therefore commits to recruit capable employees and showing working behaviours that correspond to corporate values and culture; then providing continuous training to its employees at all levels; addressing their career path according to their competency, including promoting quality of life of employees and their families.

Recruitment and Selection of Employees

The Company emphasizes on internal recruitment whenever there is an open-position in order to provide opportunity to the competent staff for their professional career growth. Further, the Company also conducts Career Expectation Survey to collect staff expectation on career paths and their interest, including provinces that they would like to work. Information from the said survey will be beneficial for internal recruitment as well as for addressing individual career path development appropriately.

In cases where internal recruitment is not possible, the Company shall make outside recruitment from different channels in order to identify the most appropriate and qualified candidates. The senior management will participate in the staff recruitment. After employee selection is complete, the Company has the new employee evaluation system in place during their probation period to screen highly capable candidates that demonstrate performance and compliance to the value system and culture of a TATA company to become permanent employees. In select cases, the Company also assigns a mentor to support and guide each new employee to assist in easy adaptation

Additionally, the Company also emphasizes on assigning them with challenging jobs, providing adequate equipment and tools for working, including personal protection equipment to the new employee since the first day, as well as organizing job orientation, visits to the production line, and basic safety courses.

Human Resource Development

The Company has established human resource development system for employees at all levels by focusing on functional development, business development, and leadership development. The Company has developed a human resource development framework to address all aspects of training that an employee may require in his career path with the company. This includes general in-country training, as well as overseas training for managerial levels, which involves participating in training with senior managers of the Tata Group from different regions of the world.

In addition, the Company emphasizes on individual employee development with basic knowledge and understanding on Tata Code of Conduct, Tata Values, People FIRST Culture, Tata Business Excellence Model, Total Productive Maintenance, Safety Management, TSTH Production Processes, TSTH Product Knowledge, and TSTH HR Concept, Rules and Regulations.

Human Resource Development on Each Career Path

Level	Functional Development	Business Development	Leadership Development
Officer/Operator	<ul style="list-style-type: none"> • TRM /IDP 	<ul style="list-style-type: none"> • ABP : Abridge Business Program 	<ul style="list-style-type: none"> • LDP I : Leadership Development Program I
Supervisor	<ul style="list-style-type: none"> • TRM /IDP 	<ul style="list-style-type: none"> • BCP : Business Capability Enhancement Program 	<ul style="list-style-type: none"> • LDP II : Leadership Development Program II
Manager	<ul style="list-style-type: none"> • TRM / IDP • TMA organized 	<ul style="list-style-type: none"> • MDP : Management Development Program • TGeLS : Tata Group Emerging Leader Seminar 	<ul style="list-style-type: none"> • LDP III : Leadership Development Program III • Management Guru
Senior Executive	<ul style="list-style-type: none"> programs TMA organized leadership programs 	<ul style="list-style-type: none"> • TGeLS : Tata Group Executive Leadership Seminarship Seminar 	<ul style="list-style-type: none"> • GLDP : Global Leadership Development Program • Management Guru

For skills and knowledge development during their career, the Company develops employees' training roadmap for further use in a systematic planning framework. Each employee is entitled to attend training courses of at least 5 man days per year. Each one will have their own Individual Development Plan. The said plan will identify different development training approaches, including classroom training, on the job training, external training, self learning, job rotation, special assignment, task force/Committee, best practice sharing, site visit, and TSTH Scholarship to study master degree inside country and abroad.

Employee Compensation

The Company has clear human resource policies and practices that sets the criteria and guideline with respect to the payment of remuneration to the employees. The balance in terms of internal, external and individual equity is achieved as under :

Internal Equity: Employee compensation will follow the Equal Pay for Equal Work principle. The Company develops relevant Job Description, based on Job Analysis and Job Evaluation so that there shall be equity in employees' compensation based on their responsibility rendered.

External Equity: The Company commits to be an organization that is Employer of Choice in the Top Quartile of all industries. The Company, therefore, conducts annual Compensation Survey to compare the employee's compensation rate with other companies. The results from the survey will be used for further improvement to make competitive

compensation. For example, at start of the fiscal year 2013, the Company adjusted its compensation for high performing managers in certain levels commensurate with that paid by other companies in Thailand. This one time Market Correction Adjustment was useful and relevant to retain competent and capable employees.

Individual Equity: The Company shall make employee compensation according to their performance and competency. The Company has developed the Performance Management System, by identifying clear Key Performance Indicators and Target, while showing relationship to all other levels, and be able to correctly assess and evaluate each employee's performance with fairness and correspond to overall performance of each division or of Company as a whole. In addition, the company has launched a program in Fy 13 to assess and select capable employees who can be the Leader of Tomorrow. Employees who pass the assessment will have a long term plan for their development, including their compensation plan and career growth, to prepare them for higher position of senior managers in the future while motivating for continuous performance and competency improvement.

Apart from the Equal Pay for Equal Work principle, the Company also applies the balancing principle by take into account the balance between employee's expectation and the Company's ability to pay in term of bonus payment in corresponding to its annual operational performance. It focuses on driving the balance between employees and stakeholders, such as stockholders, customers, partners etc.

Employees Welfare and Benefits

The Company has the welfare and benefits policy in place to improve the quality of life of its employees and their families, including their parents, having high morale to dedicate their efforts for the Company. The welfare and benefits provided will cover and respond to employees' expectations. The Company collects and considers employees' feedback from different channels such as suggestions from the Company's Welfare Committee which consists of elected employees' representatives. Quarterly meetings between the Management team, employees and HR team are arranged to collect input and suggestions from employees. Additionally, the Company conducts annual Employee Satisfaction and Engagement Survey to survey all aspects of employee satisfaction. Any assessed item with low satisfaction scores will be addressed with correction measures in the annual plan.

The Company's welfare and benefits consists of different types of Leave, health care plan covering employee, their spouse, children and parents, annual check-up, employee's uniform, housing rent support, shuttle bus, group life insurance, emergency loans, per-diem, traveling expenses, and different types of support funds.

Further, the provident fund is established for the employees that starts from the first day of working and an employee is free to choose his/her preference. The contribution rate of the Company is currently at 10% of the employee's salary. Employees who retire from the Company, in any all cases, except committing serious misconduct, will be entitled to receive their full amount of savings and Company's contribution in the provident fund with accrual benefits.

Human Rights Protection

The Company emphasizes on human rights protection by clearly stipulating "no child labour policy" that ensures under 18 years are not hired by the Company or its contractors. The Company shall provide equal opportunities to all qualified employees and new applicants without any bias on nationality, religion, race, marital status and gender. The Company shall consider individual employee performance based on the merit system. At present, at manager and senior manager levels, there are more than 20% female employees.

The Company promotes diversity and equality in the work place. All employees shall be treated with dignity and respect to individual rights, equal rights on information access to and maintain good working environment without any physical, verbal or mental sexual harassment. Employee can report the violation and freely make a complaint to the Ethical Committee through the Whistle Blower channel, which has been notified to all the employees.



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