



TATA STEEL (THAILAND)

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED

ANNUAL REPORT 2019-2020

CUSTOMER
Promise



We are committed to

PRODUCT QUALITY

Deliver a product with quality standards
meeting customer expectation every time

PRODUCT AVAILABILITY

Make product available in the shortest
possible time as per customers requirement

END TO END SERVICE

Support customers
with end to end service

OUR VISION

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

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

OUR VALUES



Safety

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

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REPORT OF THE
CORPORATE SOCIAL
RESPONSIBILITY
AND SUSTAINABILITY
COMMITTEE

QUALITY

Best in Class,
Reliable and High
Standard Products



SERVICES

By Qualified
Professionals





AVAILABILITY
Complete range,
available throughout
the country



CONSOLIDATED FINANCIAL HIGHLIGHTS

Unit : Million Baht

Financial Statements	FY20	FY19	FY18	FY17	FY16
Statement of Income					
Revenue from sales and related services	20,125	22,222	22,246	19,701	16,733
Gross Profit	746	603	1,572	1,956	948
EBITDA	749	473	1,292	1,718	903
Profit (loss) before income tax expense	111	(148)	585	441	223
*Profit (loss) for the year	48	(188)	455	214	154
Statement of Financial Position					
Total Assets	10,864	12,150	12,673	12,937	12,897
Total Liabilities	1,805	3,115	3,446	4,172	4,343
Total Shareholders' Equity	9,059	9,035	9,227	8,765	8,554
Issued and Fully Paid of Share Capital	8,422	8,422	8,422	8,422	8,422

Note

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

FY20 Provision for employee benefit for change in labour law in relation to severance pay 68 MB.

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

FY17 a) Impairment of MBF Asset 528 MB in line with TAS No.36 (Revised 2015).
b) Provision / write-off of obsolete fixed assets / old raw material inventory 90 MB.
c) Write off the income tax refund of previous years 100 MB.

Financial Ratios	FY20	FY19	FY18	FY17	FY16
Liquidity Ratio					
1. Current Ratio	2.72	1.73	1.78	1.40	1.07
Efficiency Ratio					
2. Fixed Asset Turnover Ratio	6.63	6.87	6.38	4.60	3.34
3. Total Asset Turnover Ratio	1.76	1.80	1.74	1.53	1.27
4. Accounts Receivable Turnover Ratio	31.53	23.81	20.49	24.83	25.82
5. Average Collection Period (Days)	11.58	15.33	17.81	14.70	14.14
6. Inventory Turnover Ratio	6.80	6.49	6.27	6.56	5.72
Debt Management Ratio					
7. Debt to Assets Ratio (%)	16.61	25.64	27.19	32.25	33.67
8. Debt to Equity Ratio	0.20	0.34	0.37	0.48	0.51
9. EBITDA Coverage Ratio	14.33	5.95	15.57	16.99	6.78
Profitability Ratio					
10. Earnings (Loss) per Share (Baht)	0.01	(0.02)	0.05	0.03	0.02
11. Return on Total Revenues (%)	0.24	(0.84)	2.04	1.09	0.91
12. Return on Assets (%)	0.42	(1.52)	3.55	1.66	1.16
13. Return on Equity (%)	0.53	(2.06)	5.05	2.47	1.82

1. Current Ratio : Current Assets / Current Liabilities

2. Fixed Asset Turnover Ratio : Total Revenues / Net Fixed Assets (average) [Total Revenues : Revenue from sales and related services + Other income] (Net Fixed Assets : Property, plant and equipment + Intangible)

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

4. Accounts Receivable Turnover Ratio : Turnover / Trade Receivable (average) [Turnover : Revenue from sales and related services]

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

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

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

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

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

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

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

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

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

SALES VOLUME

(Thousand Tons)

**REVENUE FROM SALES AND RELATED SERVICES**

(Million Baht)

**EBITDA**

(Million Baht)

***PROFIT (LOSS) FOR THE YEAR**

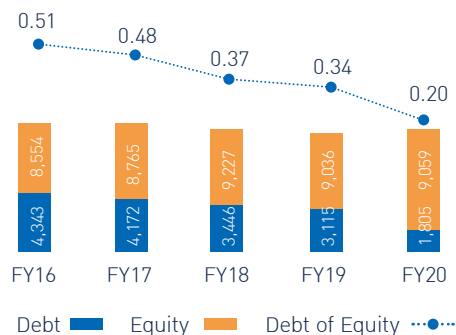
(Million Baht)



* Profit (loss) attributable to owners of the parent
 FY20 Provision for employee benefit for change in labour law in relation to severance pay 68 MB.
 FY18 Provision for impairment of non-current asset classified as held-for-sale 61 MB.
 FY17 a) Impairment of MBF Assets 528 MB.
 b) Provision/write-off of obsolete fixed assets/old raw material inventory 90 MB.
 c) Write off the income tax refund of previous years 100 MB.

DEBT TO EQUITY

(Times)

**RETURN ON INVESTED CAPITAL**

[%]



GENERAL INFORMATION

Company's Name

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

Registration No.

0107545000136

Business Type

Manufacturer and distributor of long steel products

Securities Trading Symbol

TSTH

ISIN Number

Local TH0692010000
Foreign TH0692010018
NVDR TH0692010R12

Established

July 12, 2002

Listing Date

November 29, 2002

Trading Date

December 18, 2002

Head Office

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

Website

<http://www.tatasteelthailand.com>

Ordinary Shares

8,421,540,848 shares

Paid Up Capital

8,421,540,848 Baht

Par Value

1.00 Baht per share

Registrar

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

Auditors

Ms. Varaporn Vorathitikul (Certified Public Accountant No. 4474)
PricewaterhouseCoopers ABAS Ltd. ("PwC")
15th Floor, Bangkok City Tower, 179/74-80
South Sathorn Road, Sathorn, Bangkok 10120, Thailand
Telephone : +66 2844 1000

Filing a Complaint on Ethics

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

Ethics Counselor

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

Whistle Blower Helpline

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

Investor Relations

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

Corporate Communications and Activity

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



N.T.S. Steel Group Public Company Limited

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



The Siam Construction Steel Company Limited

Registration No.	0105532094348
Established	October 4, 1989
Business Type	Manufacturer of rebars
Steel Capacity (Billet)	550,000 Tons/year (EAF on scrap)
Rolling Capacity	500,000 Tons/year
Factory	No. 1 I-7 Road, Map Ta Phut Industrial Estate, Amphur Muang, Rayong 21150 Tel. : +66 3868 3968 Fax. : +66 3868 3969
Ordinary Share	17,500,000 Shares
Paid Up Capital	1,750,000,000.00 Baht
Par Value	100 Baht per share
Held by TSTH	99.99 %



The Siam Iron and Steel (2001) Company Limited

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

Corporate Office

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

Dear Shareholders

It is a privilege to write to you as the Chairman of the board of Tata Steel Thailand plc and I am happy to present to you the report for the financial year 2019-20.

Global growth in 2019 recorded its weakest pace since the global financial crisis a decade ago, reflecting many cross border issues and country-specific factors. As per International Monetary Fund, world economic growth stood at 2.9% in 2019. US grew by 2.3% while China posted 30 year low growth of 6.1% during the year. With the economic environment becoming more uncertain, firms turned cautious on long-range spending.

As per World Steel Association, Global crude steel production increased by 3.4% year on year to reach 1870 million tons in 2019. Crude steel production contracted in all regions during the year except in Asia and Middle East. China produced 996 million ton, an increase of 8.3% over 2018. They were followed by India and Japan which produced 111 and 99 million tons respectively. China's share in global crude steel production reached a record high of 53.3%. With strong infrastructure and housing market, domestic consumption of steel in China continued to rise. In turn, steel exports from China reduced by 7.3% year on year to 64 million tons in 2019.

Slowdown in the local economy & trade frictions between the two major economies adversely impacted the growth of steel industry in South East Asia. The year also saw new integrated steel making capacities getting on-stream in Vietnam and Malaysia. With weak demand in the domestic markets, these companies resorted to aggressive exports within ASEAN. All this resulted in steady decline in the steel prices for most part of 2019 and dampened the buying sentiments in the market. One bright spot emerged in the area of graphite electrodes. As I had shared in previous years, the price of graphite electrode had sky rocketed during 2017-2018 adversely impacting the conversion cost of steel making through electric arc furnace (EAF) route. With the addition of new capacities during the year notably in China, the availability of this important consumable has gone up. As a result, the price of graphite electrodes dropped significantly during the year thereby restoring the competitive advantage of steel making through EAF route.

Thailand economy

Thailand GDP grew by 2.4% in 2019 as against 4.1% growth witnessed in 2018. The economy was adversely impacted by a combination of external factors like global slowdown & China-US trade war and internal factors namely delay in government formation in the country and low farm income. Public investments got delayed due to postponement of the annual budget. Private investment and manufacturing production index declined for most part of the year due to depressed business sentiments. Tourism was one of the few bright spots that witnessed a revenue growth of 3.1% year on year.



Tough market conditions impacted steel consuming sectors and the overall demand of steel in the country. As per Iron & Steel Institute of Thailand, total finished steel consumption in the country declined by 4.5% year on year to reach 18.47 million tons in 2019. The impact was felt higher in Long products due to high dependence on public and private investments. Long products finished steel consumption stood at 6.97 million tons, a decline of 7.3% over 2018.

Company performance highlights

Over the years, the company has undertaken many initiatives to strengthen its position in the market. Hence even in these turbulent times when steel consumption dropped in the country, Tata Steel Thailand sales volume was 4% higher than the previous financial year. Sale of Value added products like Seismic rebars, high tensile and Cut & bend Rebars increased during the year. More than 40% of Tata Tiscon sales were made to the retail channel. High quality medium and high carbon wire rods were regularly exported within ASEAN region. The company developed special rebars during the year to be used in high speed rail connecting Bangkok to Lao border. All these facilitate to make Thailand self-reliant and conserve precious foreign exchange.

All manufacturing locations worked in a cohesive manner to optimise the supply chain cost and resulted in significantly high percentage of On Time in Full Delivery performance to the Customers. I am particularly pleased to share with you that there was ZERO lost time injury to any workmen during the year. Reduction achieved in CO₂ emissions will go a long way to enhance quality of environment in the country. To stay ahead of competition, the company invested in Condoor, first of its kind technology in the ASEAN that will improve steel plant efficiency. Continuous focus on improvement has resulted in reduction in specific energy consumption, drop in buying price of materials and improvement in steel plant indices. All these resulted in reducing the variable cost of manufacturing.

Tata Steel Thailand has been working to enhance its digital capability within available means. Many processes are now digitized that has greatly enhanced agility in the system and will steer the organisation towards a paperless one in near future. In line with the Group mission, the company continues to be a responsible corporate citizen with care for the community. Almost 100% of the employees participated in at least one corporate social responsibility program organized by the company. The company has aligned its activities related corporate social responsibility towards communities near the manufacturing sites while continuing to support eligible 'Grow Smart with Tata Steel' libraries around the country.

All this was not possible without sustained efforts and hard work by all the employees. The company received recognition at various forums notable being Thailand Sustainability Investment Award from Stock Exchange of Thailand, CSR-DPIM continuous awards to NTS & SISCO, Green Mining awards from Ministry of Industry to NTS and SCSC and Outstanding Safety Occupational Health and Working Environment award to SISCO from Ministry of Labour. Tata Steel Thailand also received the renewal certificate from the Private Sector Collective Action Coalition against Corruption (CAC) for another 3 years.

FY 2020-21 outlook

The world is witnessing an unprecedented situation since the start of 2020 due to Covid-19 pandemic. What started in one part of China in Jan'20 has spread to the entire world within 2-3 months. As per International Monetary fund, the impact of the pandemic on the world economy is worse than seen during Great Depression of 1928-30. Millions of people around the world are affected along with very high number of fatalities. Most countries have imposed lockdowns of varied degree to control the spread within the local communities. This has resulted in partial or full stoppage of many industries and have rendered many unemployed.

Fortunately the spread of Covid-19 has been less severe in Thailand as compared to other countries in the region. The government took early action and entire population supported the control measures with full resolve. As a result, the adverse impact on Construction industry and businesses supporting the same is less as compared to other countries in South East Asia. However, with tourism and hospitality sector significantly affected by the restrictions coupled with low export opportunities, Thailand GDP is expected to see a significant decline in 2020. Covid-19 will continue to pose a long term risk to the society and businesses till suitable vaccine is found to cure the same or the virus loses its intensity as the society develops immunity.

In these circumstances, employee safety and well-being is paramount. The company is taking necessary precautions including temperature measurement, maintaining social distancing norms and keeping good hygiene at workplace. A significant proportion of office staff has been working from home. Regular communication and business continuity plans are shared with Customers and vendor partners. Full impact of the pandemic is still not known. However, let me assure you that the company is necessary actions to maintain business continuity, keep very close control on the liquidity and seize any opportunity to keep the revenue stream flowing. The entire board is fully engaged in the process and takes regular update from the management.

Finally, I would like to take this opportunity to thank you as the shareholders of the Company for your support and motivation to the Company during the year. I would also like to thank the lenders, suppliers, customers and various government institutions with whom we have been working. The management and entire workforce have displayed an exemplary sense of responsibility, discipline and devotion to the company for which I am grateful. I look forward to your continued support in the future.

Yours Sincerely,



Peeyush Gupta

Chairman of the Board of Directors

THE BOARDS OF DIRECTORS



MR. PEEYUSH GUPTA

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



MR. ALAN KAM

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



MR. RAJIV MANGAL

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



MR. TARATORN PREMSOONTORN

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

**MR. HATASAKDI NA POMBEJRA**

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

**MR. ASHISH ANUPAM**

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

**MS. ANUTTARA PANPOTHONG**

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

**MR. RANGANATH RAGHUPATHY RAO**

- Director
- Member of the Executive Committee

MR. PEEYUSH GUPTA

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

Age : 51

Date of Appointment : October 23, 2011

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2020 – Present : Chairman

NatSteel Holdings Pte Ltd.

2020 – Present : Director

NatSteel Holdings Pte Ltd.

2020 – Present : Director

Mjunction Services Ltd.

2019 – Present : Chairman

Indian Steel & Wire Products Limited

2015 – Present : Director

Indian Steel & Wire Products Limited

2014 – Present : Director

Tata Steel Processing & Distribution

2013 – Present : Vice President Marketing and Sales

Tata Steel Limited

2012 – 2020 : Director

TM International Logistics Limited

2012 – 2013 : President and CEO

Tata Steel (Thailand) Public
Company Limited

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

MR. ALAN KAM

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

Age : 63

Date of Appointment : July 8, 2017

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2017 – Present : Director

Thanakorn Vegetable Oil Products Co. Ltd.

2016 – Present : Chairman of the Board of Directors

Ticketmelon Company Limited

2015 – Present : Director

Cal-Comp Holdings (Brazil) S.A.

2013 – Present : Trustee Director and Chairman of the

Investment Committee

Nambawan Super Limited, Port Moresby,
Papua New Guinea

2013 – Present : Director, Independent Director and

Chairman of the Audit Committee

Mega LifeSciences Public Co., Ltd.*

2000 – Present : Independent Director and

Chairman of the Audit Committee

Cal-Comp Electronics (Thailand)

Public Co., Ltd.*

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

MR. HATASAKDI NA POMBEJRA

Independent Director

Member of the Audit Committee

Chairman of the Corporate Social Responsibility and Sustainability Committee

Age : 63

Date of Appointment : March 28, 2013

No. of Shareholding : 0

Relative : None

Education/Training program

- Master of Law in International Legal Study (Business) New York University, School of Law, USA
- Master of Comparative Law University of Miami, School of Law, USA
- Bachelor of Laws (Honors) Thammasat University
- Corporate Secretary Program (CSP 4/2003)
- Director Certification Program (DCP 33/2003)
- Audit Committee Program (ACP 13/2006)
- Monitoring the IA function (MIA 7/2007)
- Monitoring Quality of Financial Report (MFR 6/2008)
- Monitoring the system of Internal Control and Risk Management (MIR 2/2008)
- Role of the Compensation Committee Program (RCC 6/2008)
- Role of Chairman Program (RCP 20/2008)
- Director Certification Program Refresher Course
- Successful Formulation and Execution Strategy (SFE 1/2008)
- Monitoring Fraud Risk Management (MFM 1/2009)
- Chartered Director class (CDC 7/2013)
- Successful Formulation & Execution Strategy (SFE 18/2013)
- How to measure the success of Corporate strategy (HMS 2/2013)
- Strategic Board Master Class (SBM 6/2019)

Working Experiences

2014 - Present : Independent Director and
Member of the Audit Committee
Board of Trade of Thailand

2014 - Present : Independent Director and
Member of the Audit Committee
Thai Chamber of Commerce

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

MS. ANUTTARA PANPOTHONG

Independent Director

Member of the Audit Committee

Member of the Corporate Governance, Nomination and Remuneration Committee

Age : 48

Date of Appointment : March 20, 2018

No. of Shareholding : 0

Relative : None

Education/Training program

- MBA, Finance and Investment, George Washington University, Washington DC, USA
- BBA, Finance and Banking - First Class Honors, Thammasat University
- Director Certificate Program Class (DCP : 265/2018)
- Strategic Board Master Program (SBM : 6/2019)

Working Experiences

2019 - Present : Group HR and Talents
Siam City Cement Public Company Limited*

2019 - Present : Director
Siam City Cement (Lanka) Limited

2018 - Present : Director
Siam City Concrete Company Limited

2017 - Present : Senior Vice President (People and Organizational Performance)
Siam City Cement Public Company Limited

2017 - Present : Secretary of Nomination and Remuneration Committee
Siam City Cement Public

2017 - 2019 : Director
Conwood Company Limited

2015 - 2017 : Authorized Director
Unilever Thai Holding Co., Ltd.

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

MR. TARATORN PREMSOONTORN

Director

Member of the Corporate Governance,
Nomination and Remuneration Committee

Age : 57

Date of Appointment : July 29, 2002

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

1996 - Present : Senior Vice President
Bangkok Bank Public Company Limited

2001 - 2014 : Director
Sriracha Harbour Public Company Limited

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

MR. RANGANATH RAGHUPATHY RAO

Director

Member of the Executive Committee

Age : 60

Date of Appointment : April 29, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Science
- Chartered Accountant, Institute of Chartered of Accountants of India
- Certified CEO Coach

Working Experiences

2020 - Present : Independent Director
TRL Krosaki Ltd

2019 - Present : Advisor to the MD
Air Asia India Pvt Ltd

2018 - Present : Chairman
Kalimati Global Shared Services Ltd.

2018 - Present : Director
Bamnipal Steel Ltd.

2018 - Present : Director
Tata Steel Special Economic Zone Ltd.

2015 - Present : Director
Tata Steel Utilities and Infrastructure Services Ltd.

2018 - 2019 : Director
TRF

2016 - 2019 : Director
Industrial Energy Limited

2014 - 2019 : Director
Tata Steel Holdings Pte Ltd.

2014 - 2019 : Director
T S Global Procurement Company Pte Ltd.

2014 - 2019 : Director
T S Global Mineral Holdings Pte Ltd.

2014 - 2019 : Director
ProCo Issuer Pte Ltd.

2013 - 2019 : Director
TSIL Energy Limited

2013 - 2019 : Director
Tata Sponge Iron Ltd.

2013 - 2019 : Vice President Finance
Tata Steel Ltd. (India & SE Asia)

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

MR. ASHISH ANUPAM

Director

Member of the Executive Committee

Member of the Corporate Social Responsibility and Sustainability Committee

Age : 51

Date of Appointment : January 30, 2018

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

- 2019 - Present** : Managing Director
Tata Steel Long Products Limited
- 2019 - Present** : Director
Indian Steel & Wire Product Limited
- 2019 - Present** : Director
TSIL Energy Limited
- 2018 - Present** : Director
Bhushan Steel (Australia) Pty Ltd
- 2015 - Present** : Chairman
The Siam Industrial Wire Co., Ltd.
- 2015 - Present** : Director
TSN Wires Co., Ltd.
- 2015 - Present** : Director
Tata Steel International (Singapore) Holdings Pte Ltd
- 2015 - Present** : Director
NatSteel Holdings Pte. Limited

May - November

- 2019** : Director
Tata Steel Global Holdings Pte Limited

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

MR. RAJIV MANGAL

Director

Member of the Executive Committee

Member of the Corporate Social Responsibility and Sustainability Committee

President and CEO

Age : 52

Date of Appointment : December 1, 2013

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

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

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



1. MR. RAJIV MANGAL

President and Chief Executive Officer

2. MR. WANLERT KANWIWAT

Chief Operating Officer

3. MR. JAYANTA CHAKRABORTY

Vice President - Finance and
Chief Financial Officer

4. MR. SIROROTE MATEMANOSAK

Vice President - Human Resources
and Corporate Affairs

5. MR. PAITON CHUESOOK

Vice President - Procurement

6. MR. CHAICHALERM BUNYANUWAT

Vice President - Marketing and Sales

7. MR. AMIT KHANNA

Vice President - Capital Projects
and Business Excellence

8. MR. PORNCHEI TANGWORRAKULCHAI

Vice President - Chonburi Plant

9. MR. SAKCHAI LOYFAKHAJOHN

Vice President - Rayong Plant

10. MR. RUNGROTH LERT-A-ROM

Vice President - Saraburi Plant

MR. RAJIV MANGAL

President and CEO

Age : 52

Date of Appointment : December 1, 2013

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2018 - Present : Director
NatSteel Holdings Pte. Ltd.

2010 - 2013 : Executive-in Charge, Tubes SBU
Tata Steel Limited

2005 - 2010 : Chief, Wire Division
Chief of Marketing & Sales
Chief Technical Services
Tata Steel Limited

MR. WANLERT KANWIWAT

Chief Operating Officer

Age : 54

Date of Appointment : April 1, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2012 - Present : Director
N.T.S Steel Group Plc.

2012 - Present : Director
The Siam Construction Steel Company Limited

2012 - Present : Director
The Siam Iron and Steel (2001) Company Limited

2011 - 2012 : Plant Manager - Rayong
The Siam Construction Steel Company Limited

MR. JAYANTA CHAKRABORTY

Vice President - Finance and Chief Financial Officer

Age : 54

Date of Appointment : September 15, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2020 - Present : Director
N.T.S. Steel Group Public Company Limited

2018 - Present : Director
Chairman of the Audit Committee
NatSteel Holdings Pte. Ltd.

2016 - Present : Director
The Siam Construction Steel Company Limited

2016 - Present : Director
The Siam Iron and Steel (2001) Company Limited

2013 - 2016 : Chief Financial Controller (Business Analysis and Group Reporting)
Tata Steel Limited

2013 - 2016 : Director
TM International Logistics Limited
TS Alloys Limited
Tata Steel Processing & Distribution Limited International Shipping & Logistics FZE

2006 - 2013 : Chief (Corporate Accounts and Financial Reporting)
Tata Steel Limited

MR. SIROROTE MATEMANOSAK

Vice President - Human Resources & Corporate Affairs

Age : 57

Date of Appointment : January 1, 2010

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

Relative : None

Education/Training program

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

Working Experiences

2012 - Present : Director
N.T.S. Steel Group Public Company Limited

2012 - Present : Director
The Siam Construction Steel Company Limited

2012 - Present : Director
The Siam Iron and Steel (2001) Company Limited

MR. PAITON CHUESOOK

Vice President - Procurement

Age : 57

Date of Appointment : April 1, 2012

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2012 - 2013 : Director and Vice President - Saraburi Plant
The Siam Iron and Steel (2001) Company Limited

2011 - 2012 : Plant Manager - Saraburi
The Siam Iron and Steel (2001) Company Limited

2010 - 2011 : Senior
Department Manager - Rolling Mill
The Siam Iron and Steel (2001) Company Limited

2001 - 2010 : Department Manager - Steel Plant
N.T.S Steel Group Public Company Limited

MR. CHAICHALERM BUNYANUWAT

Vice President - Marketing and Sales

Age : 51

Date of Appointment : July 31, 2012

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2012 - 2016 : Director and Vice President - Saraburi Plant
The Siam Iron and Steel (2001) Company Limited

2012 - 2012 : Plant Manager, Saraburi
The Siam Iron and Steel (2001) Company Limited

2010 - 2012 : Senior Department Manager - Steel Plant and
Maintenance
N.T.S Steel Group Public Company Limited

MR. AMIT KHANNA

Vice President - Capital Projects and Business Excellence

Age : 53

Date of Appointment : April 1, 2015

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2014 - 2015 : Head Improvement Initiatives
Tata Steel Limited, India

2010 - 2014 : Head Integrated Electrical
Maintenance - Power House &
Industrial Gases Department
Tata Steel Limited, India

2008 - 2010 : Head TQM - Knowledge Management,
Management
Information Group & Business Assessment
Tata Steel Limited, India

MR. PORNCCHAI TANGWORRAKULCHAI

Vice President – Chonburi Plant

Age : 50

Date of Appointment : April 1, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Electrical), Chiang Mai University

Working Experiences

2020 - Present : Director

N.T.S Steel Group Public Company Limited

2016 - 2019 : Director and Vice President - Rayong Plant
The Siam Construction Company Limited

2008 - 2016 : Senior Department Manager – Rolling Mill
N.T.S Steel Group Public Company Limited

2006 - 2008 : Department Manager – Rolling Mill
N.T.S Steel Group Public Company Limited

2005 - 2006 : Department Manager – Rolling Mill
The Siam Iron and Steel (2001) Company Limited

MR. SAKCHAI LOYFAKHAJOHN

Vice President – Rayong Plant

Age : 49

Date of Appointment : May 1, 2020

No. of Shareholding : 0

Relative : None

Education/Training program

- Bachelor of Engineering (Mechanical),
Khon Kaen University

Working Experiences

2020 – Present : Director

The Siam Construction Company Limited

-
- 2017 – 2019 :** Senior Department Manager – Steel Plant,
The Siam Construction Steel Company Limited
- 2014 – 2017 :** Senior Department Manager – Rolling Mill
The Siam Construction Steel Company Limited
- 2013 – 2014 :** Department Manager – Rolling Mill
The Siam Construction Steel Company Limited
- 2012 – 2013 :** Department Manager, VP – Rayong Office,
The Siam Construction Steel Company Limited
- 2010 – 2012 :** Department Manager – Maintenance,
The Siam Construction Steel Company Limited

MR. RUNGROTH LERT-A-ROM

Vice President – Saraburi Plant

Age : 48

Date of Appointment : June 1, 2016

No. of Shareholding : 0

Relative : None

Education/Training program

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

Working Experiences

2016 – Present : Director

The Siam Iron and Steel (2001) Company
Limited

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

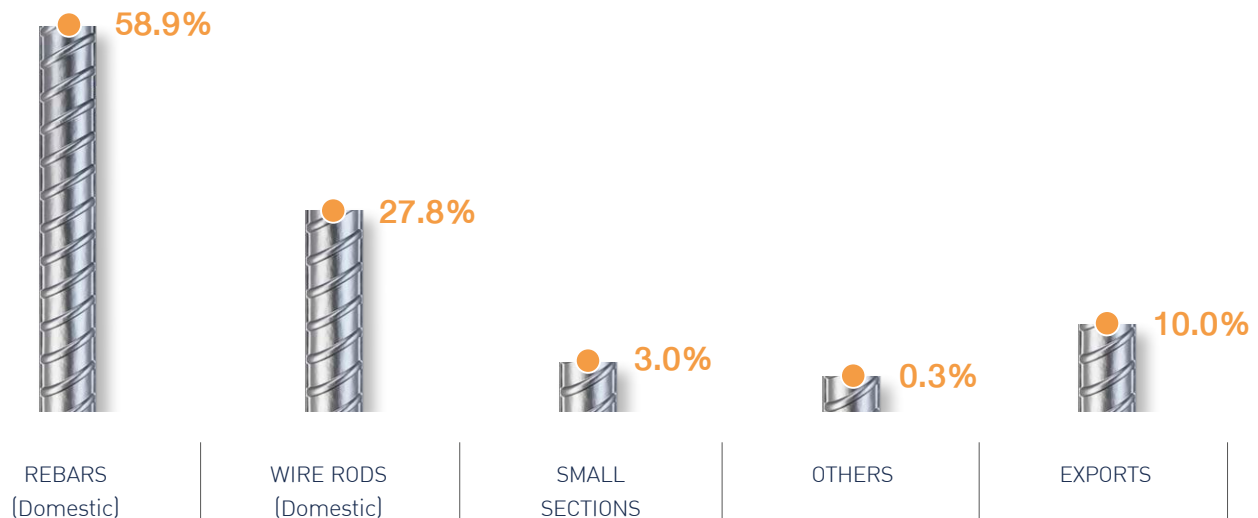
NATURE OF BUSINESS

Structure of Revenues

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

Line of Products	FY20			FY19			FY18		
	Thousand Tons	Million Baht	%	Thousand Tons	Million Baht	%	Thousand Tons	Million Baht	%
Domestic Market									
Rebars	729	11,864	58.9	641	12,064	54.3	682	12,174	54.7
Wire Rods	317	5,605	27.8	332	6,801	30.6	360	6,977	31.4
Small Sections	32	601	3.0	41	827	3.7	59	1,094	4.9
Others	4	52	0.3	4	61	0.3	3	52	0.2
Total Revenues from Domestic Sales	1,082	18,122	90.0	1,018	19,753	88.9	1,104	20,297	91.2
Export Market									
Rebars	97	1,608	8.0	123	2,200	9.9	101	1,729	7.8
Wire Rods	22	395	2.0	13	269	1.2	12	220	1.0
Total Revenues from Exports	119	2,003	10.0	136	2,469	11.1	113	1,949	8.8
Total Revenues	1,201	20,125	100.0	1,154	22,222	100.0	1,217	22,246	100.0

Revenue From Sales Break Down 2019-2020



Business Description of the Company

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

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

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

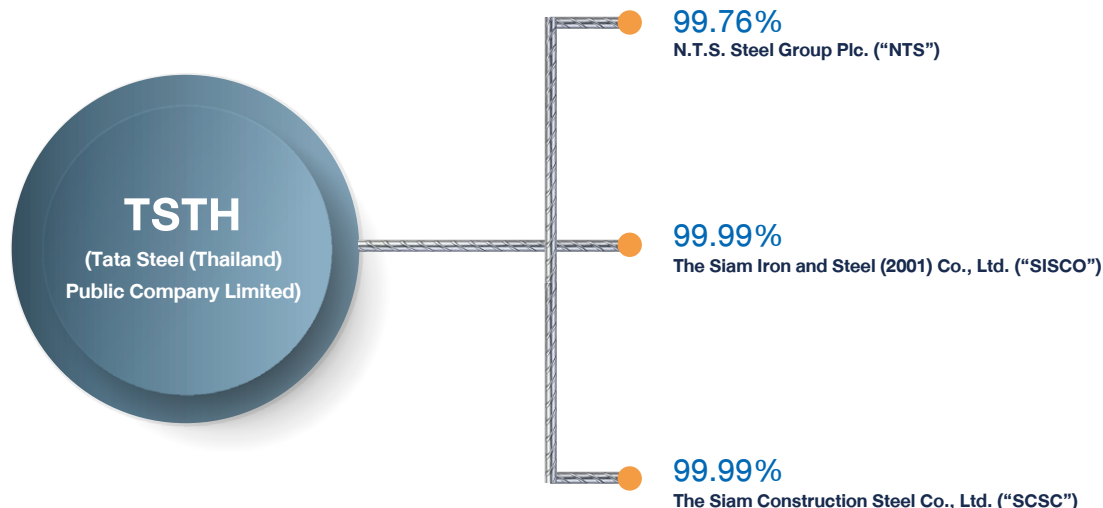
TSTH operates its business as a holding company with shareholding in its three subsidiaries namely NTS, SISCO and SCSC. The three subsidiaries produce Reinforcement bars (Rebars) including ready to use cut & bend products, Wire Rods, Small Sections and Special Bar Quality steel in state of the art facilities and led by an experienced and knowledgeable management team.

Policy on division of operation between companies within the group

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

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

Shareholding Structure



NATURE OF PRODUCT

1. Reinforcing Bars (Rebars)

- Round Bar in the size range of 6-25 mm. diameters is manufactured in accordance with Thai Industrial Standard (TIS) No. 20-2559, grade SR24.
- Deformed Bar in the size range of 10-40 mm. diameters is manufactured in accordance with Thai Industrial Standard (TIS) No. 24-2559, grades SD40 and SD50.

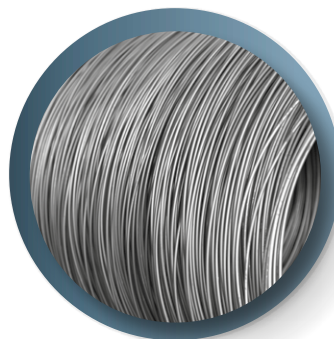


These Rebars are marketed under 'TATA TISCON' trademark. Major usage is in the construction sector in concrete reinforcement such as beams, columns, concrete road, bridges, stadiums, dams, houses and buildings, etc.

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

The Thai-Chinese high speed train project in Thailand proposes to use GB rebar, GB being a Chinese standard that control some properties like carbon equivalent, fatigue test, etc. The Company has developed this rebar product that conforms to the rebar standard for the Thai-Chinese high speed train project. Consequently, it can reduce the import of steel product, reduce construction cost and shorten the construction lead time.

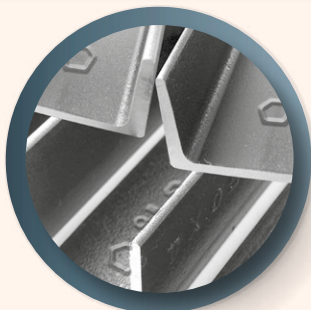
The Company is developing next generation of high strength Rebars equivalent to SD 60.



2. Wire Rod

Major types of products in this category are:

- **Low Carbon Wire Rod:** These are produced in the size range 5.5-17 mm diameter, conforming to SWRM 6-22 grade and in accordance with Thai Industrial Standards (TIS) No. 348-2540. Major applications of wires made from Low Carbon wire rods include binding wire, nail, wire mesh, galvanized wire, barbed wire, numeral wire and chain, etc.
- **Carbon Wire Rod for Cold Heading Quality:** These conform to SWRCH 6A-22A grade and are produced in the size range of 5.5-17 mm. in diameter. The wire rods are manufactured in accordance with Thai Industrial Standards (TIS) No. 2243-2548 and end application of wires includes nut, bolt and screw, etc.
- **Wire Rod for Welding Electrode Quality:** These comply with SWRY11 grade, are produced in size range of 5.5-17 mm. diameter and in accordance with Thai Industrial Standards (TIS) No. 2244-2548. Wires from these wire rods are used for producing stick welding electrodes.
- **High Carbon Wire Rod:** These are produced in the size range of 5.5-17 mm diameter, conforming to SWRH 27-82 grade and manufactured in accordance with Thai Industrial Standards (TIS) No. 349-2548. These wire rods serve as raw material for manufacturing pre-stressed concrete wire, strand wire, compression spring, binding spring, torsion spring, tire cord, bead wire and sling, etc.



3. Small Section Structural Steel

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

4. Carbon Steel Round Bar

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



5. Cut and Bend

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

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

The Company is developing next generation of ready to use product, Footing for usage during construction of both shallow foundations and deep foundations.

Production capacity of Tata Steel (Thailand) Public Company Limited



With the total finished goods production of 1.21 Million Tons, the capacity utilization for the financial year ending in March 31, 2020 stood at 71%.

Management Standard System

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

In addition, the Company realizes the importance of the environment control. All the three subsidiaries of Tata Steel (Thailand) have received ISO 14001:2015 certificate for the environmental control and also The Siam Iron and Steel (2001) Co., Ltd. received certificate of Carbon Footprint for Organization (CFO) from Thailand Greenhouse Gas Management Organization (TGO).



The Company accords highest priority to safety and well-being of workmen at the workplace. All the three subsidiaries of Tata Steel (Thailand) have received certificate of International standard of Occupational Health and Safety Management Systems TIS 18001-2554 and ISO 45001: 2018 / BS OHSAS 18001:2007.

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



Procurement

Procurement Division of Tata Steel (Thailand) regularly communicates policies related to Ethics, Corporate Governance and Safety Standards to all concerned in the supply chain and to relevant business partners. The Procurement Division works toward long term sustainability and aims to expand its supply chain network continuously.

The Company sources raw materials and other products both from domestic market and through import by emphasizing on Value in Use (VIU). The proportion of domestic and import supply was approximately 74% and 26% for 2019-2020. The share of domestic buying is higher due to shorter lead time, lower transportation costs, lower currency risk related to fluctuation in currency exchange rate and helps in job creation and driving the economic growth in the country.

In 2019-20, many infrastructure projects have been released by the government. New products are being developed, such as non-thermal deformed bars in the process of production (Non TMT), deformed bars in accordance with China's high-speed rail standards (GB Grade Rebar) and wire rods in accordance with customer demand. Procurement Division supports higher demand of respective grade of these products. Procurement Division also emphasizes on digital procurement of products and services, to minimize the impact on environment.

Metallic Sourcing

The company continues to work on developing alternate low cost steel scrap, expanding the scrap purchasing yards, especially southern part of Thailand can be potential region to boost up scrap volume. The yard expansion is expected to increase domestic volume and replace imported scrap thereby saving on foreign exchange outflow as well as optimize the cost.

Occasionally, the company purchases semi-finished products (billet) from open market provided the source is reliable and it helps in optimization of cost. During 2019, substantial volumes of Iranian billets were imported into Thailand at a price lower than from other sources. Despite it created a competitive disadvantage, the Company maintained its policy of not trading with a source under international trade sanctions. New billet sources from Malaysia and Vietnam are developed. The shorter distance from within SEA region gives a competitive cost advantage to the Company.

Raw Materials sourcing

Raw Materials team handles the procurement of graphite electrode, ferro alloys, refractory and other additives used in the electric arc furnace. Due to dynamic market situation, collaboration within the procurement teams among SEA as well as Tata Steel China Desk happens regularly to remain updated on the markets and take advantage therefrom. Although there have been improvements in the prices of graphite electrode, ferro alloys, additives etc, the unprecedented situation in China and consequent impact on global trade & logistics China have been effected the raw material supply adversely during the last quarter of the financial year 2019-2020. However, the Company's continuous strategy of sourcing directly from the manufacturers and expand the vendor base by seek new vendors have helped the Company to mitigate the impact to a large extent.

Risk Factors

Metallic and Raw Material Price Fluctuations

Scrap is a commodity and there is high demand of domestic scrap from new induction furnaces in the country. A surge in demand without increase in supplies may adversely impact the price. Fluctuation of steel scrap and iron ore prices in international market may also change the price quickly. This has a significant impact on the overall cost of the Company.

Sole Source Manufacturer/ Supplier/ Single Country Risk

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

Secondly, in case it is single supplier, effort is made to have long term relationship so that joint development is undertaken to manage the cost effectively. Procurement team regularly reviews the items under single source.

Procurement Division collaborated with end user and vendor developing to use domestic additive thereby replaced imported material from China. The success of local vendor development helps in reduction of inventory as well as in transportation cost. The Company continues to seek suppliers from different countries to minimize the single country risk.

Environmental Impacts

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

Industry Situation

Domestic Market

1. Reinforcing Bars

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

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

2. Wire Rod

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

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

3. Small Sections

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

4. Special Bar Quality

The Company directly distributes to the manufacturers of bright bar.

5. Cut and Bend

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

The Company has organized a separate project management team to coordinate with project owners about production plan and delivery to match with each project site's requirements. Moreover, company has initiated "CAB web ordering" and "Bar-Cut-List

service" to help customers to improve their planning process and reduce work load.

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

Export Market

The Company regularly exports Rebars and Wire Rods to countries such as Laos, Cambodia, Myanmar, Malaysia, Philippine and Indonesia including new market such as Bangladesh. In addition, the Company exports Rebars to India which is supported by the dealer network of Tata Steel India. Total exports during the year were around 10 % of the total sales.

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

Distribution Proportion

Distribution Channel	Numbers represent (%)				
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Direct Sales	43	45	46	39	34
Regional Agent	22	21	18	18	18
Agent in Bangkok Metropolitan Region	35	34	36	43	48
Domestic Total	100	100	100	100	100



Business Environment

According to the Iron and Steel Institute of Thailand, the country's demand for steel in 2019 was 18.47 million tons, declined by 4.5% from the previous year. Import volume was 12.22 million tons, at 66% of the demand for steel in Thailand, rose by 1.4% year-on-year.

Demand for long product in Thailand was 6.97 million tons, decreased by 7.3 % year-on-year. Import volume was 2.9 million tons, 41% of the demand for long product in Thailand, went down by 2.1% year-on-year.

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

Year	Production Quantity (Million Tons)	Growth (%)	Import (Million Tons)	Growth (%)	Export (Million Tons)	Growth (%)	Usage Requirement (Million Tons)	Growth (%)	Import (% of Usage Requirement)
2019	7.63	-15.5	12.22	1.4	1.38	-21.1	18.47	-4.5	66.2
2018	9.03	3.1	12.05	6.54	1.75	12.9	19.33	1.3	62.4
2017	9.32	-2.4	11.33	-10.2	1.55	20	19.10	-8.5	59.3
2016	9.54	46.8	12.61	10.3	1.29	8.1	20.86	24.6	60.5
2015	6.50	-3.7	11.44	-3.94	1.20	-11.4	16.74	-3.2	68.3
2014	6.75	-5.2	11.90	-2.9	1.35	-3.1	17.35	-3.7	68.8
2013	7.12	1.4	12.25	8.5	1.40	0.3	17.97	6.3	68.2
2012	7.02	1.2	11.29	23.6	1.40	9.7	16.91	14.3	66.8

Competitive scenario

Domestic Market

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

1. The manufacturer with Electric Arc Furnace (EAF) using domestic and imported scrap as raw material. They manufacture semi-finished product called billet to produce finished steel products such as Rebar, Wire Rod, Structural steel and Special steel. This method can remove the impurities up to almost 100 percent, resulting in consistent quality products. Rebars made through EAF route are marked accordingly to educate the consumer.
2. The manufacturers with Induction Furnace (IF) using domestic scrap as raw material for the production of semi-finished products called billet. This method requires high quality scrap steel and strict production control in the absence of secondary refining. The product quality and consistency is not as good as that produced from EAF route of steel making as there may be some impurities in the product. This billet is used to produce products such as Rebar and Sections. Rebars made through IF route are marked accordingly to educate the consumer.
3. Re-rollers using domestic and imported billet. These producers do not have or run steel making operations. Finished products from these manufacturers include Rebar, Wire Rod, Sections and Special products.
4. Importers of finished products such as Rebar, Wire Rod, Sections and Special products as an user as well as a distributor.

Considering the current capacity of domestic Rebar, Wire Rod and Section, totaling over 15 million tons, compared to the domestic demand for long product in 2019 at 7.0 million tons, the remaining capacity is considered sufficient to accommodate future demand and there should not be any need to import.

In 2019, Thai economy had signs of slowdown, the steel industry experienced high competition from existing domestic producers who have invested in the machinery and engaged external experts to improve their production capability to produce high quality grades and special grades to supply in the market, and also from the increase of materials available from the new manufacturers through low cost Induction Furnace route continually.

Global economic slowdown has affected the steel producers in each country who tried to use competitive pricing strategy to attract customers in export market. Import of wire rods from Vietnam and Malaysia have gone up on account of new capacities that got added in these countries in last 1-2 years. Wire rods from Vietnam and Malaysia with import prices cheaper than local products, resulted in the users tending to import more. At the same time, Chinese domestic prices remained strong, resulting in lower exports from China. The Company continues to closely monitor the imports of Wire Rod into Thailand.

The market share in the past 5 years is below:

Year	FY16	FY17	FY18	FY19	FY20
Total market share	19%	18%	19%	18%	21%

Customer Satisfaction

The Company has determined to conduct the customer satisfaction survey once in two years for every customer group. The survey covers 6 areas; product quality, product availability, sales team, transportation, finance and marketing activity. Based on third-party assessment, the latest survey which was conducted in the year 2017-2018 has shown the customer satisfaction score improved from the previous year at 81 to 84 points where product quality got the highest satisfaction score when compared to competitors.

Export Market

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



Trend of Industry in 2020

International Monetary Fund (IMF) forecasts global economy to get impacted with severe economic damage from the COVID-19 pandemic that could be even worse than the 2009 economic crisis. World economic growth is projected at -3.0%, declined from previous year (2.9%) resulting from lockdown measures at each country to contain the rapidly spreading virus. Meanwhile, China's economy is expected to revive but slowly down to 1.2%, decreased from last year (6.1%), from the COVID-19 outbreak. However, China expects that its economy will swiftly return to its potential growth rate and there will be significant improvement in the coming quarters. To recover economy rapidly, China's government accelerates to invest in infrastructure by resuming construction activities. In addition, Chinese government has issued a special bond of around RMB 1.3 trillion to inject into infrastructure projects in March'20.

According to forecasts of the Bank of Thailand (BOT) the Thai economy is expected to grow in the range of -5.3%, from 2.4% in the previous year. The majority of negative factors are the COVID-19 pandemic impacts to extreme contraction of tourism revenue, decreasing of export due to trade partner economic slowdown, domestic spending decrease from avoiding travelling and spending in community. Besides, drought, delay in government budget disbursal and political uncertainty will affect negatively to Thai economy in this year. However, government is expected to take necessary measure to recover the expansion of tourism sector in the second half of the year, help producers through exports measure to return to expansion and accelerates investment in government infrastructure projects both in special economic zone development and transportation. Moreover, government will issue relief measures from impact of the COVID-19 outbreak to stimulate economy and consumption in the country.

World Steel Association estimates world steel demand will increase by 1.7% from previous year as expected demand tends to grow from every region around the world despite an uncertain global economic environment, driven by developing and emerging economies.

China's demand for steel growth is expected to decrease to 1.0% from sluggish economy. The tightening of trade relations between China and USA may lead to steel demand slowdown. In Thailand, Iron and Steel Institute of Thailand expects the steel demand in the country to increase by 0.7% to 18.6-19 million tons in 2020. The main factors are construction sector expansion, investment in government infrastructure projects, especially transportation. However, the domestic steel industry remains very competitive in the market from induction furnaces and import from overseas; especially Vietnam and Malaysia.



Risks and mitigation measures

Steel is considered to be a cyclical business. Certain other external factors like sensitivity to economic cycles, long lead time for project execution, domestic and international competition also adds to the volatility. The aforementioned uncertainties warrant robust process and framework to minimize the threats and capture opportunities to create sustainable value for the organization. TSTH has implemented an Enterprise Risk Management (ERM) process to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision-making. In its journey towards risk intelligence, a robust governance structure has been developed across the organisation. The Board of Directors has appointed an Audit Committee comprising of Independent Directors to supervise and review the Risk Management systems. The Audit Committee reviews the Enterprise Risk Management of the Company in its quarterly meetings. The committee takes note of corporate risks relating to operations, climate change risk, reputational risk, product stewardship as covered in the risk register, the risk mitigation plans and also provides recommendations for further improvement in the risk management process. At the Senior Management level, an Executive Committee has been constituted to drive the ERM process at Company level.

The Company follows a robust five step Enterprise Risk Management ('ERM') process to address the risks associated with its business. The ERM process framework has evolved and is aligned with Tata Steel (TSL) Group which is based on international standards with inputs drawn from the best practices of leading companies across industries.

The Company confronts several risks in areas of commercial, operations, safety, human resources etc. Accordingly, a risk portfolio matrix has been developed consisting of all known business risks, followed up with a detailed analysis of business environment, market condition and risk mitigation plans with process owners – "Bottom up risks". Also, the Senior Management deploys the top of mind of concerns to respective units to know the management's focus which is called "Top down risks". Both types of the risk are identified and classified into A, B & C category based on likelihood of its occurrence and its impact to business.

The Risk Register is regularly reviewed by senior executives of various functional units in order to avoid any undue deviations or adverse events by designing and implementing suitable mitigation plans proactively. Regular and extensive reviews at business units lead to robust implementation of mitigation plans which ultimately create value for the business. The movement of risk is understood through the Enterprise Risk Heat Map.

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

Mitigation Strategies

Macroeconomic and steel market risks

Construction steel demand adversely affected due to delay in execution of Government projects

The Company has expanded in the Super ductile rebar market, the non TMT rebar market, the GB rebar market, the ready-use product market like dowel, stirrup and Cut & Bend markets. All of these are high value added products and has recorded sales growth when compared with previous year. Company has developed and expanded also in the special wire rods product market with products for tire cord. In addition, Company has increased Rebar sales thru' the Modern trade channel which has been recording continuous growth every year. Besides, focused actions to create Tata Tiscon brand through online social media, dealer partnership program and other marketing activities have helped to build relationship with the customers and end users.

The Company also intensified its efforts in export markets to expand its market reach, especially to the ASEAN countries, India and Bangladesh; as additional measure to mitigate the volatility in domestic steel demand. This effort has enabled to increase the customer base. In last year, domestic wire rod market has been quite volatile. Accordingly, the company has focused to increase export of wire rods and also build Tata Tiscon brand to be popular in the ASEAN region.

Raw material supply risks

High competition in domestic sourcing market from local steel producers

Thailand data shows increasing imports of semi-finished products from neighbouring countries and Middle East as an alternative source of steel production. In this regard, TSTH has developed production process to produce from the alternative source in order to narrow the risk from cost of material. Also, the Company has thoroughly considered risk from source of semi-finished products by avoiding import from any country under any trade sanction.

In terms of domestic raw material sourcing, TSTH has developed a sourcing strategy with key partner vendors for raw material sourcing with reliability and at optimum cost. Inventory management was implemented effectively in syndication between Procurement, Operation and Corporate Strategy.

Safety, Health and Environment Risks

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

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

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

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

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

Human resource risks

Risks of manpower management, retaining and building engagement of employees in the organization including the development of human resources to have the potential to be ready for various changes in the future.

Although the attrition rate of the Company has been maintained at a good level, the Company has prepared various initiatives to reduce such risks. The Company has exercised manpower planning with tight control on new recruitment, manpower allocation and management of existing human resources to maximize efficiency. There is a bench strength model to create manpower pipeline for engineers, marketing and sales, procurement, IT, etc. In terms of employee engagement, there are various channels to listen to employees' voices and opinion to ensure seamless communication to avoid risk of employees' dissatisfaction. Company regularly arranges variety of employees' relations activities. Stay interview with new employees is also initiated as another tool to listen to employees' opinion from different angles. Also, Welfare and benefits are continuously improved to be competitive, based on market survey and benchmarked with other leading companies



The Company provides career growth opportunities and promotes the internal recruitment program which opens for career opportunity as well as extensive development programs on functional, business acumen, managerial and leadership by focusing on sharing knowledge and experience from internal instructors in order to transfer knowledge, expertise to stay within the organization in the long run.

Financial risks

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



The company has focused on daily cash and rolling cash forecast in syndication between finance division with marketing & sales division and procurement division to help in maintaining adequate cash flow and keeping the finance cost under control. The fluctuation in foreign exchange rates is being addressed through an appropriate foreign exchange hedging mechanism in line with structured hedging policies, monitored by the regional treasury committee, with a formal reporting mechanism to the Board. The Company has also appropriate insurance policies to cover its assets and business.

Risks Associated with Natural Calamity

Disruption of production and supply due to natural calamity both flood and draught

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

Emerging risks

Trend to use a substitute product or use less rebar in construction technology

The Company has a focused strategy to increase its downstream portfolio like dowel, stirrup and cut & bend products. The Company also keep promoting the benefit of use of these products to the architects, contractors and other end users.

SIGNIFICANT DEVELOPMENTS

Significant corporate developments and awards received by the Company over the years are as follows:

2002

- The Company was established as a Public Company Limited named "Millennium Steel Public Company Limited" (MS).
- Acquired the businesses of NTS., SISCO and SCSC, last two of which were subsidiaries of Cementhai Holding Company Limited (CHC).
- Company listed on SET under the sector of "REHABCO" (Rehabilitation Plan).

2006

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

2011

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

2007

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

2012

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

2004

The SET reclassified the Company securities in the sector of "CONMAT" (Construction and Furnishing Material).

2008

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

2005

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

2009

The Mini Blast Furnace (MBF) steel production project using iron ore as raw material was completed. This was considered first of its kind project in Southeast Asia.

2017

- The Company received "Thailand ICT Excellence Award 2017" for "Core Process Improvement Project".
- The Company received "Thailand Sustainability Investment Award" and "Sustainability Report Award 2017" from SET.
- NTS was awarded Prime Minister's Industry Award - Safety Management.
- NTS and SCSC received "National Safety award" from the Ministry of Labour.
- NTS and SISCO received "Carbon Footprint for Organization" from Thailand Greenhouse Gas Management Organization.
- NTS received "CSR DPIM" from Department of Primary Industries and Mines
- SCSC received 'Green Star Award' from IEAT
- SCSC received "Green Mining Award" from Department of Primary Industries and Mines (DPIM)
- SCSC received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) and SISCO won Corporate Social Responsibility (Continuous level)
- SCSC received "Kaizen Gold Award".

2018

- The Company arranged "Tata Steel Mini Marathon 2018 Run for War Veterans".
- Tata Business Excellence Model (TBEM) score improved from 'Good Performance' in 2016 to 'Emerging Industry Leader'.
- The Company received "Thailand Sustainability Investment Award 2018" and "SET Sustainability Award 2018 in Outstanding Category" from SET.
- NTS received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW), SCSC and SISCO received "Corporate Social Responsibility - Department of Industrial Works Award" (CSR-DIW) - Continuous level.
- SCSC and SISCO received "Carbon Footprint for Organization (CFO)" from Thailand Greenhouse Gas Management Organization.
- NTS and SCSC received "Green Mining Award" from Department of Primary Industries and Mines, Ministry of Industry (DPIM).
- SISCO received "3R Waste Management Award" from Department of Industrial Works, Ministry of Industry.
- NTS received "The Prime Minister's Industry Award 2018 on Quality Management".
- SISCO and SCSC received Happy Workplace Award 2018 from Thai Health Promotion.
- NTS and SCSC received "National Occupational Safety and Health Award (National Level)" from Department of Labour Protection and Welfare, Ministry of Labour.

2013

- The Company was recognized by the SET for Outstanding CSR Award and CSR Recognition award.
- NTS was awarded Prime Minister's Industry Award - Quality Management.

2014

- The Company was recognized by the SET for CSRI Recognition Award.
- NTS was awarded Prime Minister's Industry Award - Safety Management.

2015

- The Company listed on Thailand Sustainability Investment 2015 for its outstanding performances in Environment, Social and Governance aspects with potential of giving long-term profit to the investors by the SET.
- The Company was among the first 30 companies in Thailand that joined The Children Sustainability Forum to make a commitment in protecting Children Rights.
- SCSC received 'Green Mining Award 2015' from Department of Primary Industries and Mines (DPIM).

2016

- SCSC won the Prime Minister's Industry Awards 2016 - Safety Management.
- SCSC received Gold award at ICQCC 2016 (International Convention on Quality Control Circle 2016) held in Thailand.
- SISCO won Corporate Social Responsibility -Department of Industrial Works Award (CSR-DIW).
- SCSC received Green Star Award 2016.

2019

- Certification for Private sector's collective action Coalition Against Corruption (CAC) renewed for TSTH.
- TSTH received Thailand Sustainability Investment Award (THSI) for 2018 - 2019 from SET.
- TSTH received Sustainability Disclosure Award for the year 2019 from Thai Listed Companies Association, The Securities and Exchange Commission and Thaipat Institute.
- NTS received Corporate Social Responsibility - Department of Primary Industries and Mines (CSR-DPIM Continuous) Award for 2 consecutive years and SISCO received for the first year in the category of Metallurgy plant from Department of Primary Industries and Mines, Ministry of Industry.
- SISCO, SCSC and NTS received Corporate Social Responsibility - Department of Industrial Works (CSR-DIW Continuous) Award 2019 from Department of Industrial works, Ministry of Industry.
- SCSC received the Thailand Labour Management Excellence Award 2019 for the role model of Occupational Health and Environment Management from the Department of Labor Protection and Welfare, Ministry of Labor.
- SISCO received the certificates of Carbon Footprint for Organization for the year 2017, 2018 and 2019 respectively, from Thailand Greenhouse Gas Management Organization (Public Organization).
- TSTH received the Certificate of Global Warming Reduction Party as a company that has cooperated with the Royal Forest Department, Thailand Greenhouse Gas Management Organization and Ban Hin Dat Forest Community Committee.
- NTS and SCSC received the Green Mining Award for the second consecutive year in 2019 from Department of Primary Industries and Mines, Ministry of Industry.

SHAREHOLDERS

Top ten major shareholders from 5,808 Shareholders on the book closing date on May 18, 2020 for the Annual General Meeting of Shareholders No. 19 are detailed below;

Name	Ordinary Shares	%
1. T S Global Holding PTE Limited ^(a)	5,718,472,083	67.90
2. Mr. Veeraphan Theepsuwan ^(b)	460,207,500	5.46
3. Bangkok Bank Public Company Limited	296,050,796	3.52
4. Mr. Viroj Ungpaiboon	273,002,901	3.24
5. Mr. Theerachai Keeratitechakorn	135,780,500	1.61
6. Pershing LLC	99,614,908	1.18
7. East Fourteen Limited ^(c)	96,705,800	1.15
8. Thai NVDR Company Limited ^(d)	73,062,335	0.87
9. Mr. Ampon virojvechapand	62,150,000	0.74
10. Mr. Natti Suramethakul	42,875,000	0.51
TOTAL	7,257,921,823	86.18
11. Other Shareholders (5,791 persons)	1,163,619,025	13.82
GRAND TOTAL	8,421,540,848	100.00

Remarks :

- (a) Operates its business as an investment company, a wholly owned subsidiary of Tata Steel Limited. The company was incorporated in 2008 and is based in Singapore. Tata Steel Global Holding Pte. Ltd. holds more than 50% shares of the Company. It may, therefore, be possible for the majority shareholder to control almost all the resolutions in the Shareholders Meeting such as; voting in agenda of appointment of directors or any others voted agenda.
- (b) Included the amount of 64,352,500 shares in account named "The Estate of Mr. Veeraphan Theepsuwan"
- (c) East Fourteen Limited comprises;
 - 1. EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD
 - 2. EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT
 - 3. EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES
 - 4. EAST FOURTEEN LIMITED-JOHN HANCOCK FUNDS
 - 5. EAST FOURTEEN LTD-WORLD EX US CORE EQUITY PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP
 - 6. EAST FOURTEEN LTD-WORLD EX U.S. TARGETED VALUE PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.
 - 7. EAST FOURTEEN LIMITED-DFA EMERG MKTS SOCIAL CORE PORT
 - 8. EAST FOURTEEN LIMITED-DFA-TA WORLD EX US CORE EQ DFAIDG
- (d) THAI NVDR COMPANY LIMITED is a subsidiary owned by the Stock Exchange of Thailand. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares excepted the voting right of shareholders meeting. Further information regarding THAI NVDR COMPANY LIMITED can be found on www.set.or.th

As of May 18, 2020, TSTH has 5,555 of Non-Strategic Shareholders (Free-Float), is equivalent to 2,702,844,541 of ordinary shares, calculated from the total paid up ordinary shares of 8,421,540,848 or 32.09 %

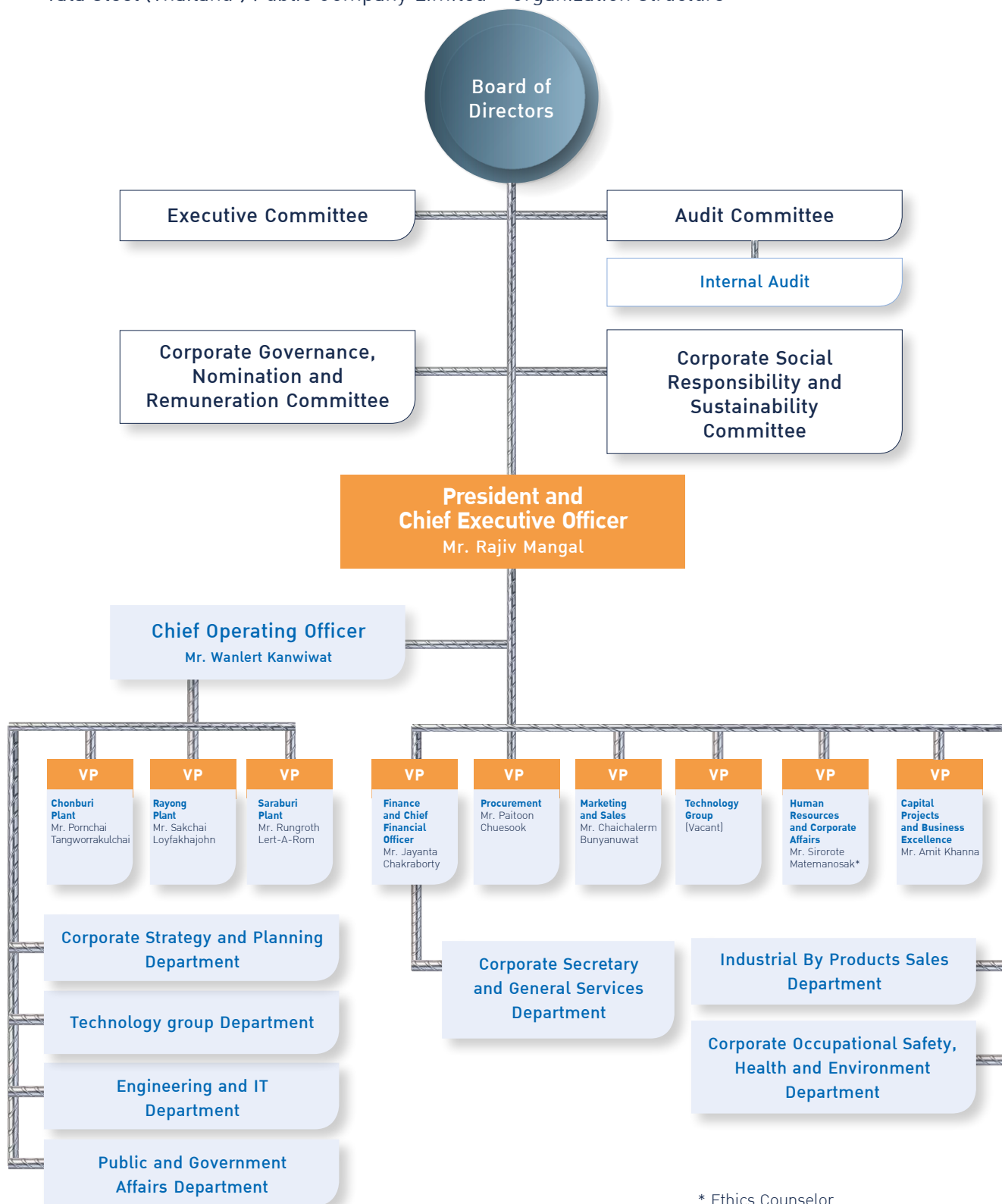
Dividend payment policies of the Company and its subsidiaries

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

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

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

Tata Steel (Thailand) Public Company Limited – Organization Structure



* Ethics Counselor

Board of Directors

The Company's Article of Association specifies that the Board of Directors will consist of not less than five and not more than 14 Directors. Currently, there are eight Directors including three Independent Directors, equal to one-thirds of the total number of Directors.

The Board of Directors as on 31 March 2020

Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Peeyush Gupta	Chairman	6	6 ^[a]
2. Mr. Alan Kam	Independent Director	6	5
3. Mr. Hatasakdi Na Pombejra	Independent Director	6	6
4. Ms. Anuttara Panpothong	Independent Director	6	6
5. Mr. Taratorn Premsoontorn	Director	6	6
6. Mr. Ranganath Raghupathy Rao	Director	6	5 ^[a]
7. Mr. Ashish Anupam	Director	6	5 ^[b]
8. Mr. Rajiv Mangal	Director	6	6

Remarks : [a] Attended one meeting through electronics media
[b] Attended two meetings through electronics media

Authorized Directors and Binding Signatory Procedures

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

Scope of authority of the Board of Directors

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

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

Audit Committee

Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Alan Kam ^[a]	Chairman	4	4
2. Mr. Hatasakdi Na Pombejra ^[a]	Member	4	3
3. Ms. Anuttara Panpothong ^[a]	Member	4	4

Remarks : [a] Independent Director

Scope of authority of the Audit Committee

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

Corporate Governance, Nomination and Remuneration Committee

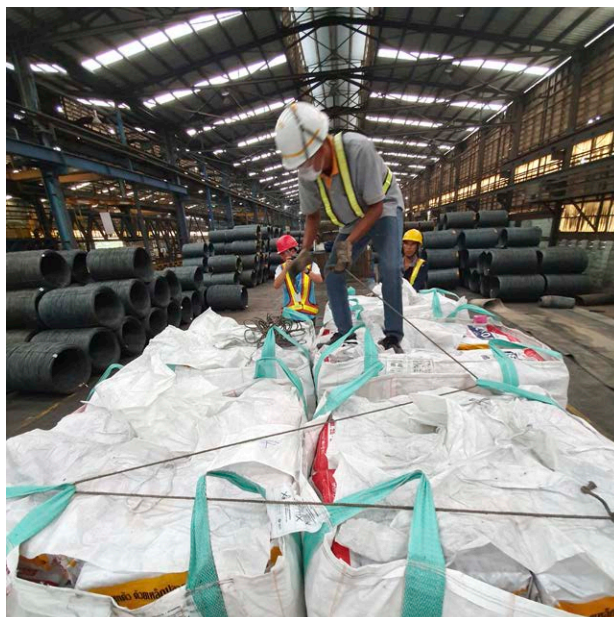
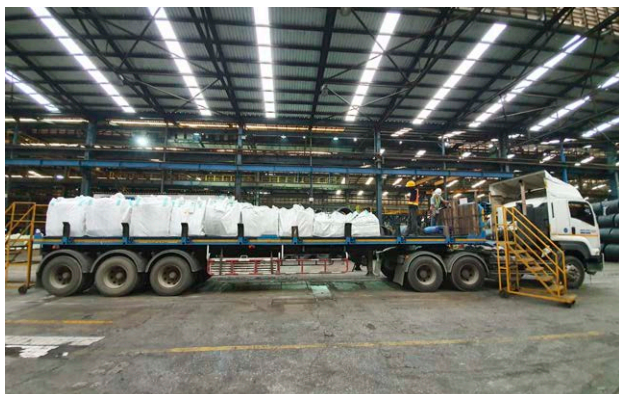
Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Peeyush Gupta	Chairman	4	4 ^(b)
2. Mr. Alan Kam ^(a)	Member	4	4
3. Mr. Taratorn Premsoontorn	Member	4	4
4. Ms. Anuttara Panpothong ^(a)	Member	4	4

Remarks : (a) Independent Director

(b) Attended one meeting through electronics media

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

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



Executive Committee

The Executive Committee comprises of four Directors chaired by Mr. Peeyush Gupta, and members are Mr. Ranganath Raghupathy Rao, Mr. Ashish Anupam, and Mr. Rajiv Mangal. In 2019-2020, each committee member performed their duties according to the charter as set by the Board. The committee carried out its supervisory tasks that are managed in pursuance to their scope of authority.

During 2019-2020, while no formal meeting of Executive Committee was scheduled, the Committee continued to guide the management on selected matters through electronic media including e-mails, video conference and circular resolutions.

Scope of authority of the Executive Committee

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



Corporate Social Responsibility and Sustainability Committee

Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Hatasakdi Na Pombejra ^[a]	Chairman	2	2
2. Mr. Ashish Anupam	Member	2	2 ^[b]
3. Mr. Rajiv Mangal	Member	2	2

Remarks : [a] Independent Director
[b] Attended two meetings through electronics media.

Scope of authority of the Corporate Social Responsibility and Sustainability Committee

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

- Formulate the CSR Policy and recommend the same to the Board.
- Recommend the activities and expenditure to be incurred by the Company under the CSR Policy and monitor the same.
- Review and monitor the CSR activities to ensure that it is in compliance with the CSR Policy.
- Discuss with the management, its perspective on social trends and public issues, and concerns which they believe may affect the Company's business activities or performance, and make recommendations to the Board regarding how the Company should respond to these trends, issues and concerns to more effectively achieve its business and CSR goals.
- Review management's position on key stakeholder expectations involving Corporate Social Responsibility and provide perspectives for the Board's consideration.
- Review on a continuing basis, the partnerships and relationships, both current and proposed that support the Company's sustainable growth. Review the Company's annual Sustainability Report prior to its issuance.
- Review benchmarking of the policies, systems and monitoring processes against global best practices in CSR.
- Review and recommend to the Board the annual budget for CSR.
- Review reports by management on CSR initiatives.
- Review on a continuous basis, the Company's communication strategies relating to Corporate Social Responsibility and sustainable growth.
- Review whether the Company's disclosure requirements on CSR are in compliance with the requirement of the Stock Exchange of Thailand.
- Review and assess the remit and reports of any audit processes to gain assurance over the CSR activities.
- Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen.
- Oversee activities impacting the quality of life of various stakeholders.
- Monitor the CSR policy and expenditure of the subsidiary companies.
- Assist management in formulation, implementation and review of policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital. Oversee Company's Occupational Safety, Health and Environment (OSHE) Plans and compliance.
- Provide formal feedback to the Board on the matters discussed by the Committee.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

Annual General Shareholders' Meeting for year 2019

	Name	Position	Number of Meeting
1.	Mr. Peeyush Gupta ^(a)	Chairman	1
2.	Mr. Alan Kam ^(b)	Independent Director	Could not attend
3.	Mr. Hatasakdi Na Pombejra ^(c)	Independent Director	1
4.	Ms. Anuttara Panpothong	Independent Director	1
5.	Mr. Taratorn Premsoontorn	Director	1
6.	Mr. Ranganath Raghupathy Rao	Director	1
7.	Mr. Ashish Anupam	Director	1
8.	Mr. Rajiv Mangal	Director	1

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

The Management as on 31 March 2020

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

Scope of authority of the President & CEO

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

Company Secretary

The Company has appointed a Company Secretary since 2003. The Company Secretary has to carry out the duty with responsibility, precaution and faithfulness. Presently, Ms. Arisara Na Ranong is the Company Secretary. She has knowledge and experience to carry out the functions of Company Secretary as well as completed the courses related to Company Secretary matter i.e. Company Secretary Program, Fundamental Practice for Corporate Secretary.

Company Secretary has the following duties and responsibilities:

1. Organize and facilitate board and board committee meetings
2. Organize and facilitate the annual general meeting of shareholders, and record and publish the related minutes.
3. File documents and related records as required under various regulations issued by the Securities and Exchange Commission, The Stock Exchange of Thailand and Ministry of Commerce.
4. Monitor and ensure that the Board and the Company is in compliance with all related laws and regulations.
5. Handle corporate governance issues and provide advice on these to the Board.
6. Assist shareholders, directors and members of management with any board-related matters.
7. Follow up on all resolutions passed and instructions given by the Board and shareholders' meetings.

Remuneration of the Board of Directors and Executives

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

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

The Board of Directors, by acknowledgement of the Corporate Governance, Nomination and Remuneration Committee, considers the duties, responsibilities, individual performance and Company's operating result in both short and long terms while deciding on the remuneration for the President & CEO and Executives of the Company and its subsidiaries. The agreed baseline remuneration is decided to create motivation in company's administration and implementation to achieve objectives and sustainable growth.

Total Remuneration of the Board of Directors

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

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

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

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

The remuneration rate has remained unchanged since 2012.

Details of the Directors Remuneration in 2019 – 2020

No.	Name	Remuneration (Baht)					Total
		Board of Directors	Audit Committee	Executive Committee	Corporate Governance, Nomination and Remuneration Committee	Corporate Social Responsibility and Sustainability Committee	
1. Mr. Peeyush Gupta ^(a)	Chairman of The Board of Directors The Executive Committee The Corporate Governance, Nomination and Remuneration Committee	-	-	-	-	-	-
2. Mr. Alan Kam	Independent Director Chairman of the Audit Committee Member of Corporate Governance, Nomination and Remuneration Committee	577,500	231,000	-	117,000	-	925,500
3. Mr. Hatasakdi Na Pombejra	Independent Director Member of Audit Committee Chairman of the Corporate Social Responsibility and Sustainability Committee	598,500	147,000	-	-	181,500	927,000
4. Ms. Anuttara Panpothong	Independent Director Member of Audit Committee Member of Corporate Governance, Nomination and Remuneration Committee	598,500	157,500	-	117,000	-	873,000
5. Mr. Taratorn Premsoontorn	Director Member of Corporate Governance, Nomination and Remuneration Committee	598,500	-	-	117,000	-	715,500
6. Mr. Ranganath Raghupathy Rao ^(b)	Director Member of Executive Committee	139,125	-	-	-	-	139,125
7. Mr. Ashish Anupam ^(a)	Director Member of Executive Committee Member of Corporate Social Responsibility and Sustainability Committee	-	-	-	-	-	-
8. Mr. Rajiv Mangal ^(a)	Director Member of Executive Committee Member of Corporate Social Responsibility and Sustainability Committee	-	-	-	-	-	-
Total		2,512,125	535,500	-	351,000	181,500	3,580,125

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

(b) Received Director's remuneration since 1 January 2020.

Remuneration Policy for Senior Management Executives

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

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

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

Based on the approval from the board of directors, remuneration in terms of Promotion Adjustment (if any), Annual Salary Increase and Variable Bonus for Chief Operating Officer (COO) or Vice President (VP) are considered and approved by President and CEO as per the Delegation of Authority.

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

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

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

Total remuneration of the Senior Management Executives of the Company

Total remuneration in the form of salary, bonus and other incentives for the financial year 2019-2020 (1 April 2019 - 31 March 2020) for the 11 Senior Management Executives was Baht 50.64 million (financial year 2018-2019: Baht 49.49 million).

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

Other remuneration in the form of up-country allowance/ housing allowance and driver allowance for the financial year 2019-2020 was Baht 6.43 million (financial year 2018-2019: Baht 6.98 million).

The Company has provided Company cars to Company's Senior Management Executives and has contributed to the Provident Fund for all Senior Management Executives of the Company at the rate of 10% of total payroll. The contribution in financial year 2019-2020 on this account was Baht 3.73 million (financial year 2018-2019: Baht 3.63 million).

Total remuneration of Directors of core business subsidiaries

The Senior Management Executives of the Company who are assigned to be Directors of the core business subsidiaries, are not paid any additional remuneration in the form of salary or bonus for being the Directors. The Company does not pay any remuneration to the Directors of its subsidiaries.

Other forms of remuneration paid to Directors of core business subsidiaries

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

Total remuneration of Senior Management Executives of core business subsidiaries

Total remuneration in the form of salary and bonus for financial year 2019-2020 is included in the remuneration of the above-mentioned Senior Management Executives of the Company.

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

The total remuneration for financial year 2019 – 2020 is included in the remuneration of the Senior Management Executives of the Company as mentioned above.

Currently, the Company has the policy to offer the Long Term Incentive Plan (LTIP) which is applicable to President and CEO position in order to create deferred cash based incentive scheme for achieving long term sustainable and profitable growth of the organization.

Employees

The total number of employees of the Company and its subsidiaries as at 31 March 2020 was 1,151. For the financial year 2019 – 2020, the Company has paid remuneration to its employees totaling to Baht 268.92 million. The remuneration includes salary, overtime, variable bonus, upcountry allowance/ metro allowance and as benefit-in-kind such as social security and provident fund contributions.

In addition, the three subsidiaries have also paid in the same way to their employees an amount of Baht 707.50 million.

Number of the employees and remuneration

2019 – 2020 (as of March 31, 2020)	Tata Steel (Thailand) Plc. ^(*)	N.T.S Steel Group Plc.	The Siam Construction Steel Co., Ltd.	The Siam Iron and Steel (2001) Co., Ltd.	Total
Management Employee (person)	45 (46)	11 (12)	9 (9)	11 (11)	76 (78)
Supervisory Employee (person)	130 (132)	73 (77)	61 (64)	71 (74)	335 (347)
Operational Employee (person)	29 (31)	269 (275)	243 (254)	199 (202)	740 (762)
Total (person)	204 (209)	353 (364)	313 (327)	281 (287)	1,151 (1,187)
Employee's Remuneration (MB)	268.92 (250.92)	281.00 (247.20)	229.57 (206.10)	196.93 (174.13)	976.42 (878.35)

*Includes 167 (169) employees in Headquarters
Previous year (2018 – 2019) data are shown in bracket.

In financial year 2019 – 2020, the number of employees was reduced by 36 persons to improve manpower productivity. The Company has no lay-off policy but the new recruitment and replacement for resigned employees are carefully considered for necessary positions only.

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



Human Resources Management and Development Policy

The Company strives to align Human Resources Management with its corporate vision to keeping employees happy as well as to set the goal of creating a high performance organization in which employees are the most important asset driving the organization to its goal. It thus always prioritizes on strategic workforce planning and working agility, strengths in employee's capabilities, and labour relation management to enable corporation among employees for smooth operations and timely respond to the changing business scenarios.

In 2019 – 2020, the Company implemented major Human Resources Management strategies as follows:

Workforce management and working agility for increasing manpower productivity

The Company has the policy to manage manpower at an appropriate level by practicing tight control on new recruitment for necessary jobs only. The company encourages internal candidates to be given first preference to get promoted or rotated in case any vacancy arises. Employees are given new job assignments or job rearrangements to have opportunity to learn multi functions which is considered as part of the goal to increase manpower productivity of the employees, thereby reducing non-value jobs such as redundant work, repetition. This includes staff planning to suit the workload, resulting in reduced labor costs per unit.

The Company focuses on recruitment and selection of capable staff who are intelligent and ethical. The recruitment of new employees both internally and externally focuses on merit system to ensure that most appropriate person is selected through an interview committee based on technical and behavioral competencies and also fit with the organization culture. In addition, the company gives importance to merit and fairness of thinking and cultural diversity which can be witnessed by a recruitment policy opening to both experienced and new graduated candidates, expatriate and local, and women employees.

New employees joining the company receive warm welcome by top executives with wrist-binding ceremony, get better understanding of group's operation and of individual companies through knowledgeable lectures, plant visits and on the job training. The company arranges buddy to take care and assist new employees in the first 2 years of working. This helps a new employee to fasten adjustment to the organization. The design of challenging duty, responsibility and job specification are for the employees to know scope of work for each position including key performance indicator and expectation plus necessary qualification for that position in order to deliver most

efficient performance. In addition, the Company also stresses on the performance in compliance with core business values and corporate culture, including readiness for change to respond to rapidly changing business environment and related challenges.

Quality and competence of the employees are the keys to business success

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

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

The company strives for multiple approaches for development, not limited to classroom training only but includes on the job training and self-learning. The intention is to have a development approach that creates meaningful experience for the employees, including Job Rotation, Special Assignment, be a member in cross functional task force, Best Practice Sharing, Shop Floor Knowledge Transformation - SKT, Site Visit both domestic and overseas, etc. The program "One Dept. One Share" initiated last year is carried out continuously which is about sharing experience and expertise with fellow colleagues. Not only the employees who participate gain knowledge, the internal instructor or trainer also refreshes technical knowledge while preparing for the class and improves his/her communication skills and public speaking. Also in the year 2019 – 2020, the Company encourages all employees of the group to be aware of the environment through the appointment of a committee "Say No to Plastic" by organizing various activities for employees as well as shops in the canteen together to refrain from using plastic to protect the environment. There are various public relations media to provide knowledge to employees, such as knowledge about garbage types and garbage separation.

In addition, E-Learning programs on topics such as product knowledge, human resources regulation, etc. are initiated this year as another learning channel that can be accessed anywhere any time. This year, the company not only organized basic training and development programs but also designed tailor-made training program to accelerate the speed of change and align with the Company's business direction such as programs

on Customer Centricity. In the year 2019 – 2020, the Company organized training sessions for all employees with an average time of 4.3 hours per person.

In order to keep constant growth and stability of the organization, the company is always aware of the continuity of workforce through succession planning. The Company has succession plan for key positions and Senior Management Executives of the Company to ensure that the Company has knowledgeable employees and appropriate ability to work in the key positions continuously. The Corporate Governance, Nomination and Remuneration Committee considers the succession plan and propose to the Board of Directors for approval. The processes are as follows:

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

Compensation Management and Building Employee Engagement

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

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

The company has instituted employee welfare and other compensation programs apart from salary, bonus, and provident fund contributions for the management and all employees which are extended beyond law requirements. The Company seeks to listen and understand employees through various channels such as Welfare Committee, Employee Committee, and suggestion box and has a review process in place to consider improving welfare and benefits from time to time. The company also pay attention to employee and family care for better living and quality of life by providing welfare and various assistant fund to employee, family, and parents such as holiday and leave, medical support plus dental care, medical check-up, provident fund, employee uniform, per diem for working up country, emergency loan etc. In addition, in response to the needs of individual employees, the company has adopted on Flexible Benefit policy for employees to choose based on terms and conditions determined by the company. Moreover, employee choices for provident fund are available for employees to encourage appropriate employees' financial planning and preparation for retirement.

The Company has focused on promoting good relationship between employees and company by encouraging various communications related to company performance to all employee levels on a regular basis. There is a quarterly President and CEO and top management meeting with the employees of 3 factories and head office discussing and answering various questions together with an increase of communication through different media such as suggestion box directly to President & CEO, order, an-nouncement, internal journal, intranet, and stay interview session, etc.

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

The company truly believes that proper communication and constant information exchange among employees and company will create smooth relations, cooperation and engagement from employees, thus driving the organization towards goal achievement. In the year 2019 – 2020, the company has attrition rate of 4.4% which is the lowest in the past 5 years.

Corporate Governance Policy

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

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

Furthermore since the year 2019-2020, the Board of Directors has considered the implementation of Corporate Governance Code (CG Code) of the Securities and Exchange Commission to be appropriately deployed in the context of the company business. The Company has reported CG Code compliance and other practices related to good corporate governance, details as appeared on the Page 55-70.

Committees

Structure of the Board and Committees

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

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

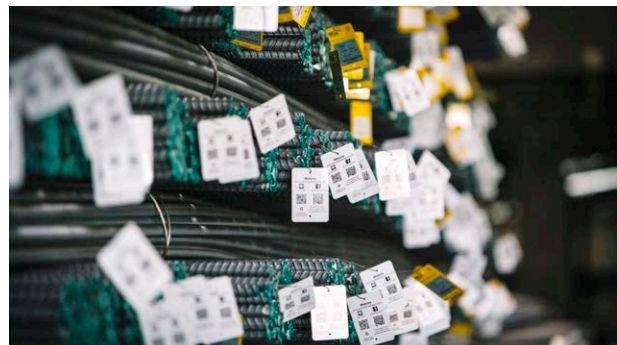
List of members of each Committee and scope of authority appear under "Management Structure".

Selection of the Directors and Executives

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

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

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



Composition of the Board of Directors

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

Qualifications of Director

1. Possess the qualifications with no prohibited characteristics as specified in the Company's Articles of Association, the Public Company Limited Act and the Stock Exchange regulations.
2. Persons with capabilities, experiences and diversity of skills, knowledgeable, competent, leadership, varied perspectives, ethical, transparent and ability to express opinions independently.
3. Persons who can devote sufficient time to attend Board and Committee meetings to monitor Company's operation. Holding of Board positions in other companies should be limited to an appropriate numbers.
4. Persons who are not Directors, Executives, shareholders or partners with substantial shareholding of the similar or competitive business operations or business operations that may provoke conflict of interest with the Company.
5. For Director who is also the President, selection consideration would also base on past performance and result of appropriate evaluation.

Qualifications of Independent Director

1. Holding not over 0.5% of the total voting shares of the Company, parent company, subsidiary company, associate company or juristic person who may have conflicts with, including shares held by related persons.
2. No participation in the management nor being a staff, employee, salaried advisor, company secretary, person with controlling power, parent company, subsidiary, associate or juristic person who may have conflict with, and not having interest in such activities for the previous 24 months prior to appointment.
3. No kinship, marriage or legally registered as the father, mother, spouse brother/sisters and child, including child's spouse, with any executive, major shareholder, person with controlling power or person who will be nominated as executive or person with controlling power of the Company or subsidiaries.
4. No business relationship with the Company, parent company, subsidiary, associate or juristic person who may have conflict with, in a way that may limit the exercise of independent judgement. This includes not being, or not having been a major shareholder, non-independent Director or Executive of an entity which have business relationship with the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not having direct or indirect interest in the following activities for the previous 24 months as follow :

- 4.1 Transactions in the course of normal business operation such as merchandise sales, raw materials purchase or providing services value more than 3% of the Company tangible assets or within the period of 12 months.
 - 4.2 Transactions of renting or renting out of immovable properties.
 - 4.3 Transactions related to assets or services such as acquisition or disposition of assets, rights or providing or receiving services.
 - 4.4 Transactions related to granting or receiving financial assistance such as granting or receiving loans, guarantees or providing asset as collateral, including other similar practices which result in the obligation for debt repayment to other parties with value more than 3% of the net physical asset or more than Baht 20 million, whichever is the least within the period of 12 months. In case of transactions of granting or receiving financial assistance, debt obligation incurred during the period of one year prior to the date of business relationship of the same person should be accumulated.
5. Not being an auditor of the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and not being major shareholder, non-Independent Director, Executive or managing partner of the auditing office whose auditor works in the Company, parent company, subsidiary, associate or juristic person who may have conflict with, and should have no interest in such characteristics for the previous 24 months.
 6. Not being a professional service provider, including being a legal advisor or financial advisor who receives service fee of more than Baht two millions from the Company, parent company, subsidiary, associate or juristic person who may have conflict with. In case the professional service provider is the juristic person, it should include being a major shareholder, non-Independent Director, Executive or managing partner of such professional service provider and not having interest in such characteristics for the previous 24 months.
 7. Not being a Director appointed as representative of the Company's Director, major shareholders or shareholders related to major shareholders.
 8. Not having characteristics that would make independent expression of opinion about Company's operation impossible.
 9. Capable of taking care of every shareholder's interest equally.
 10. Capable of managing conflict of interest.
 11. Be able to attend the Board of Directors' meeting to make decision on matters independently.
 12. Possess the qualifications with no prohibited characteristics specified by the Company's Articles of Association and regulations of the Public Company Limited Act and the SEC.
 13. The age not younger than 21 years.

Retirement Age

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

Guideline and Voting Procedures

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

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

Selection of Directors and Executives

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

Corporate Governance of Subsidiaries

As a Holding Company, the Board emphasizes on corporate governance of the Company in order to strongly protect the Company's interests as well as sustainability development. Since 2018, the Company has established a compliance unit under Department Manager - Legal Services and Regulatory Affairs to oversee that the operations complies appropriately with both legal and government regulations. The guidelines for corporate governance of the subsidiaries are as follows:

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

Use of Insider Information

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

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

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

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

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

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

The report of direct and indirect securities holding of directors and managements including any changes during the year 2019-2020 are as follows;

Report on Securities Holding of Directors and Executives

[As at March 31, 2020]

		Ordinary Shares (No. of Shares)					
No.	Name	Tata Steel (Thailand) Plc.			Affiliated Companies		
		Reporter	Spouse or Minor child	Increase (decrease) in fiscal year in April 1, 2019 - March 31, 2020	Reporter	Spouse or Minor child	Increase (decrease) in fiscal year in April 1, 2019 - March 31, 2020
Board of Directors							
1	Mr. Peeyush Gupta	-	-	-	-	-	-
2	Mr. Alan Kam	-	-	-	-	-	-
3	Mr. Hatasakdi Na Pombejra	-	-	-	-	-	-
4	Ms. Anuttara Panpothong	-	-	-	-	-	-
5	Mr. Taratorn Premsoontorn	-	-	-	-	-	-
6	Mr. Ranganath Raghupathy Rao	-	-	-	124 ^(a)	124 ^(b)	-
7	Mr. Ashish Anupam	-	-	-	228 ^(a)	-	-
8	Mr. Rajiv Mangal	-	-	-	-	-	-
Executives							
9	Mr. Wanlert Kanwiwat	-	-	-	-	-	-
10	Mr. Jayanta Chakraborty	-	-	-	-	-	-
11	Mr. Sirorote Matemanosak	-	220,000 ^(b)	-	-	-	-
12	Mr. Paitoon Chuesook	-	-	-	-	-	-
13	Mr. Chaichaleem Bunyanuwat	-	-	-	-	-	-
14	Mr. Amit Khanna	-	-	-	-	489 ^(b)	-
15	Mr. Arun Kumar Chowdhary	-	-	-	-	-	-
16	Mr. Pornchai Tangworrakulchai	-	-	-	-	-	-
17	Mr. Rungroth Lert-a-rom	-	-	-	-	-	-

Remarks: 1. Tata Steel (Thailand) Plc. has 8,421,540,848 Ordinary shares. The total Registered and Paid-up Capital are 8,421,540,848 Baht.

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 or the first 4 persons in the management level next below the manager, all persons who hold positions equivalent to the fourth person in the management, and including persons who hold positions in management level in the lines of Accounting or Finance at the level of department manager up or equivalent, according to the notification of SEC "Kor-Jor 17/2551"

4. (a) Tata Steel Limited share with Face value of Rs.10/- each

(b) Spouse

Auditor's Fee

The shareholders, in the annual general meeting of shareholders held on 26th July 2019, had approved the appointment of PricewaterhouseCoopers ABAS Ltd. as the Company's auditors for the financial year 2019-2020 (April 2019 - March 2020). The engagement team are independent of the Group and have complied with relevant ethical requirements regarding independence in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants and IESBA's Code of Ethics for Professional Accountants

Audit Fee

For the financial year 2019-2020, the Company and its subsidiaries paid audit and quarterly review fee of Baht 3,151,235.

Non-audit Fee

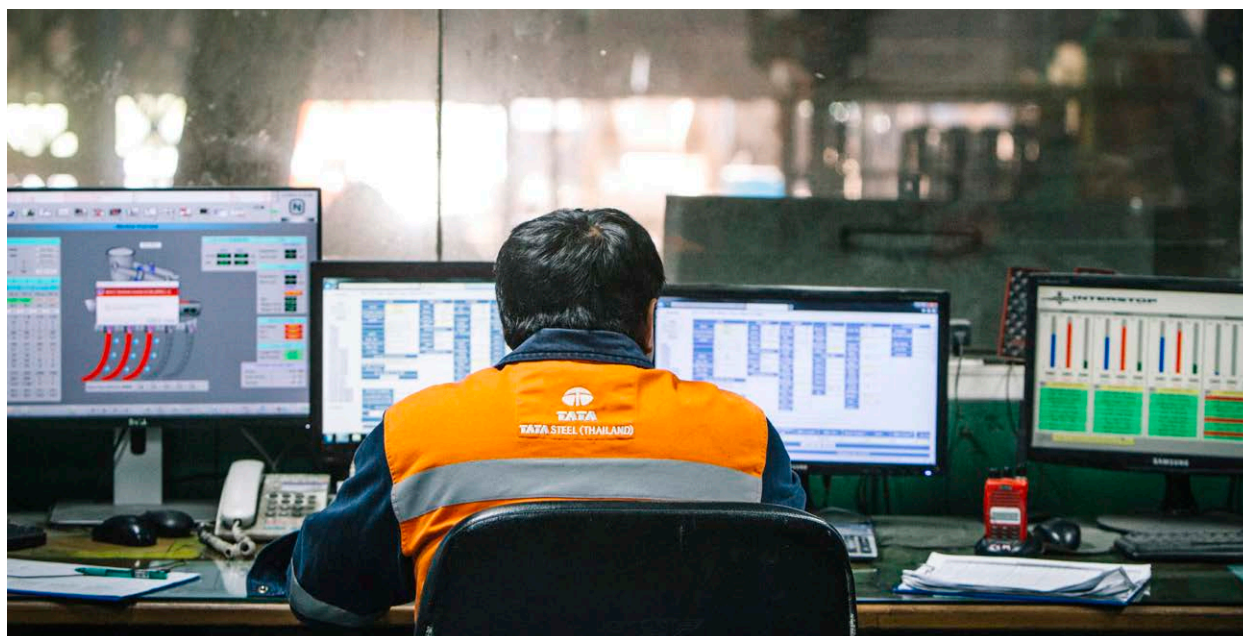
For the financial year 2019-2020, the Company and its subsidiaries paid a fee such as for audit procedures of the consolidated reporting packages under the Group Accounting Policies of Baht 898,000 and travelling, per diem, lodging etc. of Baht 505,397 to its auditor, the audit firm affiliated with the auditor, individuals or business entities related to the auditor and its affiliated audit firm.

Compliance with Good Corporate Governance Principles in Other Matters

The Company follows the principles of good corporate governance for listed companies issued by SET. The Company also follows the OECD (Organisation for Economic Co-operation and Development) Principles of Corporate Governance. It comprises of 5 relevant principles and practices; (1) shareholders' right, (2) equitable treatment of shareholders, (3) role of stakeholders, (4) disclosure and transparency and (5) responsibilities of the Board of Directors. The Company incorporated this in its "Good Corporate Governance Policy" to improve the practices standard. The principles were adapted for appropriate use in relation to Company's circumstances and have been reviewed and improved to make it up-to-date and correspond to the ever changing situation.

In the year 2019, the Company maintained rating in the Corporate Governance evaluation from Thai Institute of Directors (IOD) in "Excellence" reflecting the continuous improvement on corporate governance.

The implementation of Company's corporate governance report according to 5 principles of OECD during the year 2019-2020 is as follows:



Category I

Shareholders' Rights

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

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



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

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

The Company Secretary office facilitates and protects the rights of the shareholders. Shareholders can contact the Company secretary office on phone number 02 937 1000 Ext 3111, 3156 and 3210.

Category II

Equitable Treatment of Shareholders

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

Shareholders' meeting

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

The 2019 Annual General Meeting was conducted at 09:00 pm on the 26 of July 2019 at the Siam Kempinski Hotel, Bangkok. Those who had were shareholders on the record date, 18 of June 2019, were eligible to attend the meeting.

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

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

1. Notice of Shareholders' meeting with clear details regarding the date, time, location and meeting agenda(s) for information/approval/consideration. The purpose and reasoning for each agenda, and the Board of Directors' opinion on each agenda item. This constitutes sufficient information for the decision of shareholders.
2. Proxy letter for the shareholders' meeting in the format as specified by the Ministry of Commerce both in the A format which is the easy and simple format to follow, or the B format that fully dictates each action as "Approved", "Disapproved", or "Abstained" for each agenda item. This proxy letter also allows the shareholders to vote for each director for appointment to the board.
3. Information about the Independent Directors that the Company has designated as proxies. These information include their name, age, address and their vested interest, if any, in the proposed agenda of the meeting.
4. The Company's Annual Report and Sustainability Report in both Thai and English in the form of a QR Code, as well as in paper form for the shareholders who notified the Company in advance of their desire to receive them in paper format.



5. Explanation about the documents that are required to be presented to attend the meeting.
6. Articles of Association in connection with the Annual General Meeting.
7. The map of the location where the Annual General Meeting will take place.

In addition to this, the Company also:

1. Advertised the details of the Annual General Meeting through a Thai newspaper for 3 consecutive days and 3 days prior to the meeting.
2. Notified via the Stock Exchange of Thailand's website (SETLink) that the shareholders' meeting information will be available via the Company website one month in advance so that the shareholders are able to stay informed about the meeting in a convenient and speedy manner. In addition to this, the shareholders will be able to study the necessary information in order to study most of the documents before providing by the Company.
3. Distributed information via the Stock Exchange of Thailand's website (SETLink) to inform shareholders that they are able to submit questions regarding the meeting agenda in advance.
4. The shareholders are able to submit questions to the board of directors or individual independent directors through the Company's Secretariat Office for proposing to the Board of Directors to consider during 15 June - 15 July 2020

Furthermore, at the registration point at the venue of the Annual General Meeting, the Company organized activities to build an effective relationship between the Company and the shareholders. Examples of these include recreation activities, a booth to report on CSR projects and policies and a booth to recommend and provide information on the Company's products.

Before the Meeting

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

During the Meeting

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

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

After the Meeting

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

1. Names and positions of the attended Directors, Executives including related persons
2. Announcement of voting procedures and vote counting
3. Questions and answers, comments and recommendations
4. Meeting resolutions and voting result on each agenda, classified as Approve, Disapprove, Abstain and Voided Ballot.

There were 585 shareholders who attended the Annual General Meeting of the shareholders on 26 July 2019 in person and through proxy. This represents 6,231,427,852 shares or 73.99% of the 8,421,540,848 issued shares. The Chairman as the representative of the board, the Chairman of individual committees namely the Corporate Governance, Nomination and Remuneration Committee, the Corporate Social Responsibility and Sustainability Committee and all members of the Board of Directors attended the meeting.

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

Use of insider information

Details of the Company's policy and measures to prohibit the use of insider information for the benefit of Directors and Executives are under "Use of Insider Information" on Page 53.

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



Report on stakeholders

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



Connected Transactions

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

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

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

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

Category III

Role of Stakeholders

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

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

Shareholders

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

Employees

The company recognizes that employees are the backbone for achieving the organizational goals. Accordingly, emphasis is placed in providing equal opportunities for all employees

without discrimination against any social status, nationality, caste, religion, family, marital status, gender, sexual orientation, age, nationality and ethnicity. The remuneration and welfare of the employees, the quality of life of the employees and their families are enhanced and comparable to other leading companies. Provident Fund is applied as an instrument to motivate employees and to maintain long-term employee retention by providing a consistent savings as a guarantee for the life after retirement.

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



Customers

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

Partners

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

Competitors

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

Creditors

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

Community and Society

The Company is committed to operate with carrying out business by being a good corporate citizenship. The corporate social responsibility is set as framework for operation to all levels of employees to perform to be conscious of the social responsibility throughout the process (CSR in Process), together with carry out business under the responsibility of community and society (CSR after Process). The Company also supports for community development and quality of life through activities in various forms.

The Company focuses on environmental protection, rigorously and continuously throughout, in order to maintain good environment forever with the implementation and strict compliance in all production processes and all work procedures including compliance with strict environmental laws and regulations. TSTH Group has committed to make a significant leadership role in “Climate Change” as a result of global warming. “Back to Nature (green)” is used in all stages of the business of the organization. The Company responses rapidly and effectively to the environment and community by fully cooperating with the government and relevant external agencies.

Government authorities

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

Media & Reporters

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

Code of Ethics

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

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

Chairman of the Audit Committee

Mr. Alan Kam

E-mail address: alank@libertasth.com

Ethics Counselor

Mr. Sirorote Matemanosak

Tata Steel (Thailand) Public Company Limited
Rasa Tower 2, 20th Floor,
555 Phaholyothin Road, Chatuchak, Bangkok 10900
Tel. : +66 2937 1000 ext. 1810 Fax : +66 2937 1224
E-mail address: sirorotem@tatasteelthailand.com

Workplace Safety

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

The Company is driven by the following Safety Principles:

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

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

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

Content	Unit	FY20	FY19	FY18
Number of Incidents				
Lost time injuries frequency rate	Case/Million man-hour	0.00	1.28	0.17
Health Index	Index	10.9	11.3	10.84



Category IV

Disclosure and Transparency

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

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

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

1. Financial and non-financial information with complete, accurate, and unbiased details both in Thai and English languages complying with the SET's news system (www.set.or.th)/ the Company's website (www.tatasteelthailand.com).
2. Management Discussion and Analysis of financial status and overall performance of each quarter the SET's news system (www.set.or.th)/ the Company's website (www.tatasteelthailand.com), newspaper.
3. The up-to-date shareholding structure with complete details of the proportion of major and minor shareholders. The structure can unveil the information of the Beneficial Owner as well as the shareholding information of the Board of Directors and executives. None of all Directors have shareholding of the Company (annual report/the Company's website (www.tatasteelthailand.com)).
4. The information in the annual report are disclosed clearly and completely for the benefits of shareholders' decision making, for instance, Management Discussion and Analysis on financial status and operating performance, industry

overview and competition, business risk, profile of the Board of Directors and executives, remuneration of the Board of Directors and senior executives, and the Board of Directors' meeting attendance etc., the Company's website (www.tatasteelthailand.com).

5. Financial statements in accordance with generally accepted accounting principles audited by an independent auditor, qualified and approved by the Securities and Exchange Commission (SEC). In the past the Company did not delay the submission of quarterly and annually financial statements to the Stock Exchange of Thailand (SET) and the SEC the SET's news system (www.set.or.th)/ the Company's website (www.tatasteelthailand.com).
6. The information on related party transactions (if any).

In addition to the disclosure of information specified by the Securities Exchange Commission (SEC), the Securities Exchange of Thailand (SET), and relevant authorities, the Company has assigned its President & CEO as "Speaker" to communicate on the Company's information to the public, while assigning the Corporate Secretary to manage the overall function of Investor Relation by being responsible for communicating and coordinating with external practice i.e. shareholders, institutional shareholders, investors, analysts, and other related agencies. The Company provides convenient channels for accessing the Company's information such as disseminating company information in both Thai and English via the Company's website www.tatasteelthailand.com in relation to business operations, financial statements, press releases, shareholding structure, organization structure, business group structure, information of the Board and Managements, Investor Relations, regulations and corporate governance including downloadable information such as annual report, notice of the shareholders' meeting and minutes of the shareholders' meeting, etc. This policy has been developed to strengthen investors' understanding and confidence towards the Company.

Furthermore, after quarterly and annual financial performance is disclosed to SET, the Company conducts quarterly Press conference to disseminate its operational performances and movement of steel business to the public via the Company's website www.tatasteelthailand.com.

Category V

Responsibilities of the Board of Directors

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

Structure of the Board

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

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

Duties, Roles, and Responsibilities of the Board of Directors

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

The Board of Directors is responsible for defining the Company's visions, missions, management strategies, long-term plans, and annual budgets by delegating the Management to propose the aforementioned matters to the Board of Directors, which would be discussed fully and mutually based on cautiousness, honesty, and accountability aiming for greater business efficiency.

During the financial year 2019-2020, the Board of Directors has reviewed and approved the Company's vision, mission, policies, long term plan strategies, annual budget including the Company's operations, risk management and budget allocation plans, while evaluating the overall performance of the Company and its committees on a quarterly basis. The Directors have also reviewed the strategies, objectives and annual budgets. The Board of Directors monitors the implementation of the Company strategy through the performance of the Company on quarterly basis. Furthermore, the Company has developed effective monitoring and supervision measures for senior executives to review, improve, and develop the Company's risk management, internal control, and audit systems in line with diversified circumstances, while being able to oversee and develop corporate governance principles to align with internationally accepted standards.

Authority of the Board of Directors

1. Approve annual business plan, annual investment plan, mid-term or long-term plan
2. Approve short/long term loan from banks/financial institutions, placing collateral as loan guarantee, signing on approved loan agreement or cancellation of loan term
3. Approve open/close bank accounts
4. Approve to use/change to accounting principle, or update/change to schedule of depreciation rate
5. Approve financial statements and allocation of accumulated profit
6. Approve purchase, sell, exchange, mortgage, sale with right of redemption, lease, rent, or let of land and buildings which the book value is not be over than Baht million 50.
7. Approve selling tangible and other assets (excluding land and building)

8. Approve HR concerning matter in organizational structure, HR planning, nomination and recruitment of senior executive and budgeting for annual raises and bonus
9. Approve joint-venture, stock investment
10. Approve matters submitted to AGM
11. Board may not approve or decide on the following issues unless acknowledged by the majority of the attending Directors in the meeting of the Company/ or Subsidiaries:
 - 11.1 Any loan exceeding Baht 50 million and not in the Group's annual budget.
 - 11.2 Granting loans, collaterals, indemnifications, guarantees, letters of support or commitments to any persons and not in the Group's annual budget unless allowed in the contracts of the financial restructuring agreement or business rehabilitation plan of NTS.
 - 11.3 Any investments exceeding Baht 50 million and not in the Group's annual budget.
 - 11.4 Sales, transfers, rent out or permissions related to any properties or assets with the book value exceeding Baht 50 million and not in the group's annual budget.
 - 11.5 Approvals or amendments of the Group's annual budget.
 - 11.6 Any transactions with connected parties not regarding as normal business operation.
 - 11.7 Any Changing of the accounting policy, approval of the annual consolidated financial statements, annual separate financial statements and quarterly group financial statements.
 - 11.8 Any changes related to the Group's business operation or termination of any business operation.

Duties of Chairman of the Board of Directors

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

With different responsibilities between the Chairman as a policy leader and the President and CEO as a leader of corporate management, the Company has determined to separate the roles and responsibilities between the Chairman and the President and CEO clearly. As a consequence, the Chairman would remain independent of the Management and be involved in no business benefit or relationship that may possibly hinder his independent discretion.

Significant roles and responsibilities of the Chairman are as follows:

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



The Audit Committee

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

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

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

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

The Executive Committee

The Executive Committee was appointed by the Board in the year 2002. It consists of four Directors with the responsibility to supervise the Company's operation as assigned by the Board of Directors which includes refinement of policies and strategies along with sharing of best practices to correspond with the economic situation, consider and provide guidance on the business plan and annual budget allocation proposed by the management to the Board of Directors. It also has the duty to supervise, provide oversight and monitor the Company's operations to ensure its efficiency and appropriateness with the business situation to accomplish the objectives according to the policies and annual business plan as prescribed by the Board of Directors.



The Corporate Governance, Nomination and Remuneration Committee

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

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

Corporate Social Responsibility and Sustainability Committee

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

The Corporate Social Responsibility and Sustainability Committee includes three members of the Board of Directors, and one of them being an independent director. The Chairman should be a Non-Executive Director. The Committee will assist the Board to formulate, monitor and review CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities. The Committee will also guide the Management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capitals.

Terms of the Board of Directors and Committees

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

Serving on other Company Boards by Directors and President and CEO

The Company has a clear policy on maximum number of other listed companies allowed for each director to serve as the member of their boards. The Directors shall not serve more than 5 listed companies as the member of the boards. The President and CEO shall not serve in other listed companies except as a Director on the Board of other Tata Group Companies.

Currently the Board of Directors consists of 4 Thai directors and 4 foreign directors, of which 5 directors are residents in Thailand. None of the Thai directors are on the Boards of more than 2 listed companies in Thailand and none of the foreign directors are on the Board of any other listed company in Thailand. Each of the directors are capable to perform his/her duties and dedicate appropriate time and efforts for the company.

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

Meeting of the Board of Directors

The Company schedules at least 5 (five) board meetings each year, where all members of the Board of Directors are informed in advance. Pre-circulated significant agendas are determined for each meeting, both for the Board of Directors and the Committees. The Company is also required to make a follow-up action on each implementation and its outcomes, while being prepared to call any ad-hoc meeting in case of specific requirement. For each meeting, the invitation letter as well as agenda and supportive documents are delivered to all the members of the Board of Directors at least 7 (seven) days prior to the actual meeting date.

For each meeting, in addition to the quorum required by law, there shall be at least half of the total number of the Board of Directors attending the meeting. The Company has also set a minimum quorum policy for the Board of Directors' voting, requiring at least two-thirds of the total number of the Board Directors to be in line with good corporate governance principles. Meanwhile, the Chairman presiding over the meeting would provide the Board of Directors with an opportunity to express their opinions freely and independently, with sufficient time allocated for discussion in the meeting. Each agenda would be discussed based on the fairness and benefits of all shareholders and stakeholders. For the resolution of each agenda, the majority vote would be adopted, where 1 (one) member of the Board of Directors would be eligible to cast 1 (one) vote. In case of equal votes, the Chairman of the meeting would be required to cast his final vote. However, any member of the Board of Directors having an interest in a discussing agenda would not be allowed to attend the meeting.

After the meeting, all agendas are recorded clearly in a written form, with significant details including the list of members of the Board of Directors attending the meeting, members of the Board of Directors not participating in the meeting, participants in the meeting, and feedbacks and comments on different agendas. The draft of minutes is circulated to all members through e-mail and is proposed for approval in the next meetings. Directors can add comments for completion and correctness before it is put up for the signature of the Chairman.



During 2019-2020, the Company has held 6 (six) board meetings all of which were attended by 5 Directors and 3 Directors attended 5 meetings. The attendance of directors was 93.75% for the whole year meetings (including attendance of meetings through electronics media). The management team is present for the meetings on a regular basis, as part of the strategy to provide further information for those who directly encounter problems, where the Board of Directors' policies and decisions can be acknowledged immediately to stimulate greater operational effectiveness. However, in some cases, only the Board of Directors or non-executive directors would be required to attend certain meetings to ensure genuine independence in making decisions and expressing opinions. Additionally, non-executive directors hold further discussion outside the meeting requirements on a quarterly basis.

The summary of the total number of meetings and attendance of the Board of Directors during 2019-2020 is detailed in the section on "Management Structure".

Performance Evaluation of the Directors

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

During 2019-2020, the Board of Directors considered and revised the performance evaluation forms to be more suitable for the current context of the Company i.e. 1) Self-assessment form of the entire Board 2) Self-assessment form of committees which consists of 3 committees; 2.1) the Audit Committee 2.2) the Corporate Governance, Nomination and Remuneration Committee and 2.3) the Corporate Social Responsibility and Sustainability Committee 3) Individual Assessment form of the Board and committees. The assessment criteria are as follows;

Assessment criteria		Board	Committees	Individual
1	Structure and Characteristics of the Board	/	/	/
2	Roles and Responsibilities of the Board	/	/	/
3	Board Meetings	/	/	/
4	Relationship with Management	/	X	X
5	Self-development of Directors and Management's development	/	X	X

The details of the performance evaluation process of the Board, committees and individual directors, are as follow;

1. The Corporate Governance, Nomination and Remuneration Committee considers and reviews the performance evaluation for completion, correction and proposes to the Board of Directors for approval to use the assessment forms.
2. The Company Secretary circulates the assessment forms, duly approved by the Board of Directors, to all directors and compiles the result and comments of the performance evaluation.
3. The Company Secretary concludes the result of the evaluation and proposes to the Board of Directors through the Corporate Governance, Nomination and Remuneration Committee scrutinized for further development.

The level of performance evaluation of the Board and committees can be divided into 6 groups which are;

Score	Rating
90-100	Excellent
80-89	Very good
70-79	Good
60-69	Satisfactory
50-59	Pass
< 50	N/A

The performance evaluation for the financial year 2019 - 2020 of the Board of Directors and committees both for the entire Board, the Committee and for individual directors, is rated "Excellent". The Directors shared their comments completely and independently in the performance evaluation form.

Performance Evaluation of the President and CEO

The Committee reviews the President and CEO's performance on a yearly basis. The Board of Directors consider and grant an approval for a performance result in accordance with principles of the Corporate Governance, Nomination and Remuneration Committee. The evaluation is based on the President's performances in various aspects, for instance, leadership, policy and strategy determination, financial management, relationship with the Board of Directors and other stakeholders, product and service knowledge, and performances compared to other business companies in the same industry. During 2019-2020, the overall evaluation result is in line with the standards and requirements set by the Company.

Business Ethics

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

TCoC has been translated into Thai language with exactly the same format as original copy for easy understanding. A copy of the same has been distributed to the Board of Directors, Management Committee, Company's Executives, and every employees. The distribution of this document has also been extended to external stakeholders both in the public and private sectors that conduct business with Tata Steel (Thailand). In addition to this, the Company's management has organized an appropriate level of oversight and communication to encourage employees at all levels to uphold these Code of Conduct in day to day business activities in strict manner. This refers to the transparency, honesty, and fairness. All employees of the Company were required to attend ethics seminars and were tested accordingly. Furthermore, employees were required to sign a pledge to abide by the strict guidelines set out in the Code of Conduct.

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

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

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

Anti-Bribery and Anti-Corruption

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

In 2014, the Company signed Thailand's private sector's declaration of intent for a Collective Action Coalition (CAC) in resisting and discouraging corruption in all of its forms, and in 2015 the CAC directors have approved the Company as "a company that has been evaluated to have full procedures and clear standards that prevents corruption within the organization up to the level that is required by the CAC". The Company also received the certification renewal on October 18, 2019 and joined the CAC Change Agent program by persuading SME partners to join the CAC SME certification program.

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

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

Internal Control and Internal Audit

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

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

Additional details appear in “Internal Control and Risk Management”.

Handling of Conflict of Interest

The Company places high importance on the handling of Conflict of Interest issues with caution. Directors, Executives and employees are expected to work with honesty, independence and in a transparent manner in the overall interest of the Company and Shareholders by following the guidelines of SEC, SET, Company’s 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 uses such information for personal advantage. If any of the Directors has a stake or interest in the matter discussing, he/she will not attend such meeting or will abstain his/her vote.

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

Training and development Programs for Directors and Executives

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

The Company encourage the Board of Directors to attend further training programs and seminars which enhances their understanding on directors’ roles from the reputed institutions including the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), the Thai Institute of Directors (IOD), and nationally renowned universities, aiming to maximize knowledge and ability to perform work effectively and keep pace with changing business situations. All Thai directors, President and CEO and Vice President – Finance and CFO have attended various training programs organized by IOD.

Details of the training program from IOD attended by the two directors, Mr. Hatasakdi Na Pombejra and Ms. Anuttara Panpothong during 2019 – 2020 appear in the section “Information of the Directors”



The Board of Directors of the Company is responsible for the financial statements of Tata Steel (Thailand) Public Company Limited and its subsidiaries, including financial information disclosed in the annual report for the year 2019-2020, which have been prepared in accordance with generally accepted accounting principles prevailing in Thailand, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The policies pursued are appropriate and applied consistently with regard to reasonableness and careful preparation. Important information is also adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

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

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

The Board of Directors of the Company has considered the recommendations of the Audit Committee, evaluated its opinion on the internal control systems of the Company and its subsidiaries and found the internal control systems to be

adequate. The internal control system in use at the Company has adopted the internal control framework as advocated by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The summary of TSTH's internal control system, in-line with the COSO principles is detailed below.

Control Environment

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

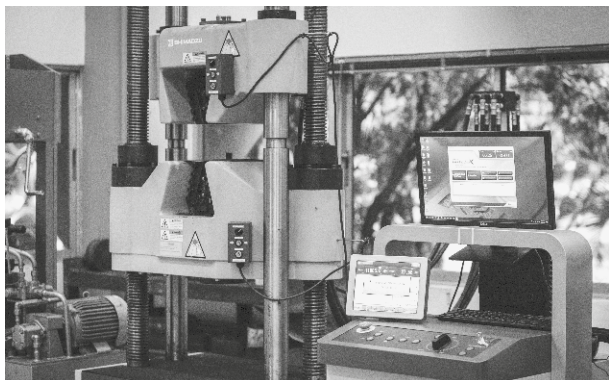


Enterprise Risk Management

The Company has a process to identify and consider the implications of business risk factors which are continuously updated with changes in economic scenario, financial outlook, relevant industry environment and internal resources. Risks are prioritized based on the likelihood of occurrence and severity impact on the achievement of business objectives. The Company monitors the Risk Velocity dimension also. Risk Assessment Matrix is cascaded throughout the Company. Head of Departments accordingly formulate the comprehensive action plan to mitigate the risks. The review and monitoring is performed regularly through the corporate level meeting of Management Team. Enterprise Risk Management is an integral part of the reports presented in the Board Meetings.

Operational Control of Management

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



Information and Communication

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

Whistle Blower

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



Monitoring

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

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

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

Characteristics of connected transactions

For the 12-month period ended March 31, 2020, March 31, 2019 and March 31, 2018, the Company entered into connected transactions with related companies as summarized below:

Type of Connected transactions

Unit : Thousand Baht

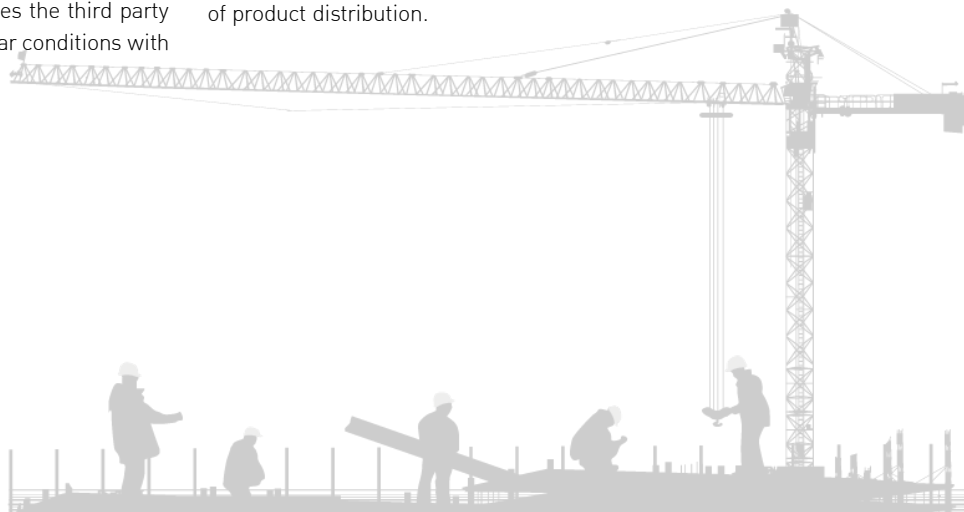
	FY20	FY19	FY18
Sales	1,501,005	2,451,627	1,625,518
Other income	-	-	15,073
Purchases	1,178,050	1,251,305	730,406
Purchases of assets	-	3,370	562
Other expense	1,074	1,935	5,870
Trade receivables	226,196	58,385	464,272
Other receivables	44	328	199
Trade payables	2,347	2,285	2,943
Other payables	2,267	3,849	32,536

Pricing Condition and Policy

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

Necessity and Appropriateness of Connected transactions

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



Measures/Procedures of approving connected transactions

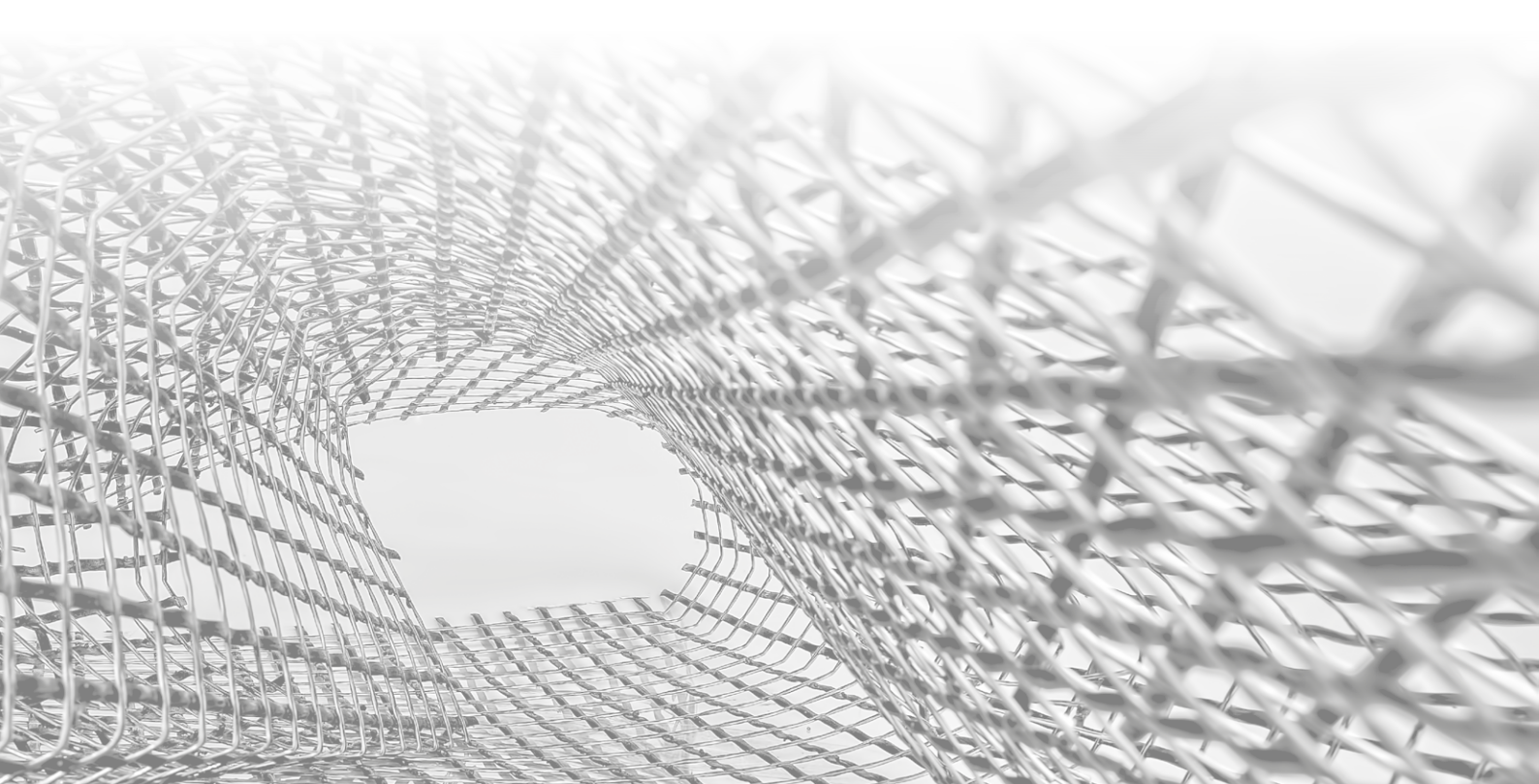
In approval of connected transactions, each subsidiary, as clearly set forth in the Authority Table of the Company, must seek approval from either its Vice President or the subsidiaries' Board of directors or President or Executive Committee or the Company's Board of directors, depending on the amount of budget involved under the Company's internal control system which has properly been set up. The delegation of authority 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 strictly follows the rules and 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 do not attend the meeting or vote on such matter for the sake of fairness.

The implementation also included the compliance with the regulation, in case there 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. The connected transactions are established on the basis of necessity, reasonableness, and the optimal benefit of the company.

Policy or future trend of connected transactions

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



Financial Performance

During Financial Year 2019-2020 (FY20), the deliveries were at 1.201 million Tons as against 1.154 million Tons of previous year. Higher deliveries as compared to the previous year were primarily due to better domestic rebars volume, partly offset by lower special wire rods and export sales. The revenue from sales and related services was lower than previous year from lower

selling price in line with reduction in metallic price. EBITDA for the year was at Baht 749 million and Profit before taxes for the year at Baht 111 million as compared to the EBITDA of Baht 473 million and Loss before taxes Baht 148 million in the previous year.

The analysis of major items of the financial statement is as follows:

1) Revenue from sales and related services and other income

Unit: Million Baht

	FY20	FY19	Change %
Revenue from sales and related services	20,125	22,222	(9%)
Gain on exchange rate - net	2	2	-
Dividend income from other long-term investment	14	-	100%
Interest income	4	3	33%
Compensation from insurance company	69	41	68%
Written-off payables from restructuring	-	6	(100%)
Others	20	30	(33%)
Revenue from sales and related services and other income	20,234	22,304	(9%)

2) Cost of sales and related services

Unit: Million Baht

	FY20	FY19	Change %
Cost of sales and related services	19,379	21,620	(10%)

Cost of sales and related services lower by 10% due to lower metallic cost and lower conversion cost from lower graphite electrode price and lower power cost from lower on peak operations.

3) Selling and Administrative expenses

Unit: Million Baht

	FY20	FY19	Change %
Selling and Administrative expenses	692	753	(8%)

The selling and administrative expenses was lower than last year attributable to absence of provision for doubtful debts, lower depreciation mainly due to certain SAP software was fully depreciated, partly offset by higher bank guarantee fee reimbursed to the customers and higher provision for Brand Equity & Brand Promotion fee in line with higher PBT.

4) Finance Costs

Unit: Million Baht

	FY20	FY19	Change %
Finance Costs	52	79	[34%]

The reduction in Finance cost over previous year was due to lower usance LC charges relating to imported billet and lower utilization of utilities and scrap financing from lower on peak operations.

5) Profit (loss) before income tax expense

Unit: Million Baht

	FY20	FY19	Change %
Profit (loss) before income tax expense	111	[148]	175%

PBT for the year of FY20 was higher over FY19 attributable to the lower cost of sales and related services on account of lower metallic and conversion cost, higher sales volume mainly from domestic rebars, lower administrative expense, partly offset by lower selling price due to weak market sentiments, and one-off expense for provision for change in labour law in relation to severance pay.

6) Income tax expense

Unit: Million Baht

	FY20	FY19	Change %
Income tax expense	63	41	54%

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

7) Cash and cash equivalents

Unit: Million Baht

	FY20	FY19	Change %
Cash and cash equivalents	577	927	[38%]

As on March 31, 2020, the Company and its subsidiaries had a net decrease in cash and cash equivalents of Baht 350 million as compared to the previous year. The change was mainly on account of increase in net cash from operating activities amounting to Baht 1,138 million. This comprised of operating profit before changes in operating assets and liabilities of Baht 746 million and decrease in changes in operating assets and liabilities of Baht 392 million which is largely due to the decrease in the inventories. With respect to investing activities, there was a net cash flow of Baht 226 million related to investments in fixed assets. Net cash outflow of Baht 1,262 million from financing activities was towards short-term loan repayment of Baht 1,258 million and towards lease liabilities of Baht 4 million.

8) Trade and other receivables, net

Unit: Million Baht

	FY20	FY19	Change %
Trade and other receivables, net	650	676	[4%]

The trade and other receivables was almost at par as compared to previous year.

As on March 31, 2020, trade receivable from related parties was 35% as compared to 9% in the previous year reflecting export sales to India made during March' 20. The receivable against the export sales to India has been fully collected subsequently.

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, 2020, the Company and its subsidiaries set aside a cumulative provision for doubtful accounts amounting to Baht 93 million, equivalent to 12.89% of total trade accounts receivables. As on March 31, 2019, the cumulative provision for doubtful accounts amounted to Baht 93 million, equivalent to 12.62% of total trade accounts receivables.

9) Inventories, net

Unit: Million Baht

	FY20	FY19	Change %
Inventories	2,515	3,188	[21%]

The reduction in inventories over previous year was mainly from billet.

10) Property, plant & equipment and Intangible assets

Unit: Million Baht

	FY20	FY19	Change %
Property, plant & equipment and Intangible assets	2,922	3,180	[8%]

Reduction in property, plant & equipment and intangible assets is on account of normal depreciation and amortization for the year, partly offset by additional investment of Baht 199 million in fixed assets during the year.

11) Other non-current assets

Unit: Million Baht

	FY20	FY19	Change %
Other non-current assets	113	100	13%

Increase in other non-current assets reflects the refundable corporate income tax paid during FY20.

12) Short-term borrowings from financial institutions

Unit: Million Baht

	FY20	FY19	Change %
Short-term borrowings from financial institutions	462	1,720	[73%]

Reduction in short-term borrowings from banks mainly reflects lower utilization of scrap, utilities, and other raw material financing.

As at 31 March 2020, short-term borrowings from financial institutions bear interest rates at 3.97% per annum and BIBOR+2.1% per annum for other working capital arrangement (2019 : interest rate at 2.67% - 3.95% per annum and BIBOR+2% - BIBOR+2.1% per annum) and due from 1 April 2020 to 18 June 2020 (2019 : from 1 April 2019 to 11 July 2019).

13) Employee benefit obligations

Unit: Million Baht

	FY20	FY19	Change %
Employee benefit obligations	341	217	57%

Increase in employee benefit obligations mainly on account of change in labour law in relation to severance pay of Baht 68 million and remeasurements of post-employment benefit obligations of Baht 26 million.

Sources of Capital Funds

Appropriateness of capital structure

As on March 31, 2020, the Company and its subsidiaries' had a debt to equity ratio of 0.20 times improved from 0.34 times in 2019.

Shareholders' equity

As on March 31, 2020, the Company and its subsidiaries had shareholders' equity of Baht 9,059 million consisting of the paid-up capital from ordinary shares and share premium totaling Baht 11,810 million, retained earnings/ (deficit) Baht (3,109) million, the legal reserve Baht 373 million and non-controlling interests Baht (15) million.

Liabilities

As on March 31, 2020, the Company and its subsidiaries had liabilities amounting to Baht 1,805 million consisting of current liabilities of Baht 1,423 million and Baht 382 million for non-current liabilities, representing 79% and 21% of total liabilities, respectively. Current liabilities included short-term borrowing from financial institutions of Baht 462 million, trade and other payables of Baht 883 million, current portion of finance lease liabilities of Baht 1 million and other current liabilities of Baht 77 million. Non-current liabilities included finance lease liabilities of Baht 40 million, employee benefit obligations of Baht 341 million and provision for decommissioning costs of Baht 1 million.

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

As of March 31, 2020, the Company had contingent liabilities as follows:

1. Its subsidiaries had Letter of Credit (L/C) amounting to Baht 52 million opened but were not under the liabilities' condition.
2. Letters of guarantee issued by the financial institutions to the Revenue Department, Electricity Generating Authority of Thailand, Provincial Electricity Authority, Industrial Estate Authority of Thailand and Bureau of Indian Standards amounting Baht 283 million in the normal courses of business.
3. Its subsidiaries had obligations under the purchase agreement of machinery, equipment and computer software totaling of Baht 24 million
4. The Company and its subsidiaries had obligations under lease agreements (including service fee) amounting to Baht 748 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 of business", and item "Notes to the Consolidated and Separate Financial Statements", No. 30: Financial Instruments.

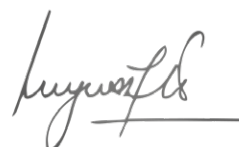
Dear Shareholders,

The Executive Committee comprises of four Directors chaired by Mr. Peeyush Gupta, and members are Mr. Ranganath Raghupathy Rao, Mr. Ashish Anupam, and Mr. Rajiv Mangal. In 2019-2020, each committee member performed their duties according to the charter as set by the Board. The committee carried out its supervisory tasks that are managed in pursuance to their scope of authority.

During 2019-2020, while no formal meeting of Executive Committee was scheduled, the Committee continued to guide the management on selected matters from time to time through electronic media including e-mails, video conference and circular resolutions.

Significant duties performed by the Committee in 2019-2020 were as follow:

1. Refined policies and strategies along with sharing of best practices to correspond with the economic situation.
2. Considered and provided guidance on the business plan and annual budget allocation for the year 2019-2020 proposed by the management to the Board of Directors.
3. Supervised, provided oversight and monitored the Company's operations to ensure its efficiency and appropriateness with the business situation to accomplish the objectives according to the policies and business plan for the year 2019-2020 as prescribed by the Board of Directors.

**Peeyush Gupta****Chairman of Executive Committee**

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

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

During the fiscal year 2019-2020, the Committee held 4 meetings. The attendance of the Audit Committee members are as under:

Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Alan Kam	Chairman	4	4
2. Mr. Hatasakdi Na Pombejra	Member	4	3
3. Ms. Anuttara Panpothong	Member	4	4

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

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

1. The committee reviewed and recommended the quarterly financial statements and the annual financial statements of the Company for the Board's approval, discussed the significant accounting policies, internal controls etc. with the management, internal auditor and external auditors of the Company.

Based on the review and discussions with the external auditors of the Company, the Committee believes that the company's financial statements are correct, complete, presented fairly with adequate information in compliance with generally accepted accounting standards and relevant regulations.

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

4. Each quarter of the year, the Committee deliberated the Management Discussion and Analysis (MD&A) in consultation with the management. The Committee approved the quarterly MD&A reports and reviewed the annual MD&A report before recommending the same to the Board of Directors.

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

5. The Committee reviewed and approved the Annual Internal Audit Plan for the year 2020. The audit findings were reviewed by the committee and recommendations were given to follow up the corrective actions. The Committee reviewed quarterly presentation of Internal Audit which include progress of audit coverage according to the plan, significant findings and follow up status of audit recommendations. The Committee also reported some of the significant audit issues to the Board for their information.

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

6. The Committee assessed the adequacy of internal control systems with the Company's management, external auditors and internal audit and reviewed significant findings on internal controls of all the major subsidiaries of the Company, recommended corrective actions. The Committee works together with the internal auditor and management to streamline the internal control systems and procedures as a continuous process.

7. The Committee reviewed the Enterprise Risk Management of the Company in its quarterly meetings. The risk register covers several corporate risks related to operations, climate change risk, reputational risk, and product stewardship. The committee took note of these risks, risk mitigation plans and also provided recommendations for further improvement in the risk management process.

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

9. The Committee considered, selected, proposed the appointment and remuneration of the auditors by assessing their knowledge, ability, experience and independence of the performance for the fiscal year 2019-2020 and resolved to propose to the Board of Directors to propose to the shareholders' meeting to consider appointment of the auditor for the fiscal year 2020-2021.

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



Alan Kam
Chairman of the Audit Committee

Dear Shareholders,

The Corporate Governance, Nomination and Remuneration Committee comprises of four Directors out of which half are Independent Directors. In 2019-2020, each committee member performed their duties according to the charter as set by the Board. The committee carried out its supervisory tasks in pursuance to the regulations concerning the good corporate governance principles.

For the year 2019-2020, the Corporate Governance, Nomination and Remuneration Committee held a total of four meetings, with attendance record as shown below.

Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Peeyush Gupta	Chairman	4	4 ^[b]
2. Mr. Alan Kam ^[a]	Member	4	4
3. Mr. Taratorn Premsoontorn	Member	4	4
4. Ms. Anuttara Panpothong ^[a]	Member	4	4

Remark : ^[a] Independent Director

^[b] Attended total four meetings out of which one meeting was via Teleconference due to travel restrictions in the backdrop of Covid-19 pandemic

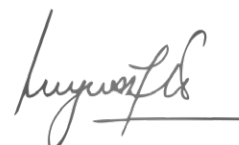
Significant duties performed by the Committee in 2019-2020 were as follows:

CG and Nomination

- Held discussion with the management and proposed the Board to consider the CGR action plan for the year 2020-2021 to improve its score.
- Reviewed and improved the CGR scores of the Company for the year 2019 to maintain in 'excellent' category.
- Revised self-assessment forms of the Board of Directors and Committees' performance including Individual assessment. Such revision is in order to enhance the Company's good corporate governance environment and align with the recent Stock Exchange of Thailand norms.
- Considered the candidature and proposed the Board to consider appointment of Vice President of Plant in replacement of retired executive.
- Proposed the Board to consider appointment of Directors who retire by rotation in Annual Shareholders' Meeting.
- Reviewed succession planning process and pipeline for top management in the company
- Reviewed and recommended to the board budget for training & development of the Directors.

Remuneration

- Proposed the Board for consideration of remuneration to Directors for the year 2019-2020.
- Considered performance assessment for the President and CEO. The disbursement of Annual Salary Increase and Variable Bonus was not decided till the report went to print in view of the Covid-19 situation.
- Considered Annual Salary Increase and Variable Bonus budget for the employees of Company and its subsidiaries.



Peeyush Gupta

Chairman of CG, Nomination and Remuneration Committee

Dear Shareholders,

Tata Steel (Thailand) Public Company Limited and its subsidiaries are committed to conduct business in line with Tata Group philosophy of becoming a sustainable organization with the highest standards of good corporate governance, social and environmental responsibility continuously. The Corporate Social Responsibility and Sustainability Committee performed their duties according to the charter, approved by the Board of Directors by focusing on the supervision and monitoring the performance in three aspects namely, (1) Occupational Safety, Health & Environment, (2) Corporate Social Responsibility and (3) Sustainable Development and regularly report to the Board of Directors' Meeting.

The Corporate Social Responsibility and Sustainability Committee was appointed by the Board of Directors with effective from 24 April 2018. In the financial year 2019 - 2020, the Committee had performed duties for the second year and had 2 meetings, with attendance record as shown below:

Name	Position	Number of Meeting (During financial year 2019-2020)	Attendance
1. Mr. Hatasakdi Na Pombejra ^(a)	Chairman	2	2
2. Mr. Ashish Anupam	Member	2	2 ^(b)
3. Mr. Rajiv Mangal	Member	2	2

Remarks : (a) Independent Director
(b) Attended two meetings through electronics media

The Corporate Social Responsibility and Sustainability Committee would like to report the significant duties in the fiscal year 2019 - 2020 as follows:-

1. Occupational Safety, Health and Environment (OSHE)

The Committee has oversights the performance of occupational safety, health and working environment by focusing on 6 strategic priorities 1) Safety leadership development to be role model for employees 2) Organizational safety competency and capability enhancement 3) Contractor Safety Management (CSM), 4) Road safety, 5) Process Safety Management (PSM), and 6) Occupational health and industrial hygiene. The OSHE management structure has also been strengthened with monthly review by the Apex Safety Council: ASC, chaired by President and CEO and Chief Operating Officer (COO), Vice Presidents as members. There are six other Apex Safety Sub-Committees (ASSC) which are 1) ASSC Standard & Procedure, 2) ASSC Health, Training & Communication, 3) ASSC Contractor Safety Management, 4) ASSC Safety Observation & Incident Investigation, 5) ASSC Road Safety, and 6) ASSC Process Safety Management, to set the policies and deploy for implementation across Tata Steel (Thailand) Group

at Plant Implementation Committee: PIC and the Department Implementation Committee: DIC of each plant and headquarters and also to comply with relevant laws.

The performance of the OSHE according to the Annual Business Plan (ABP) and the safety strategic priorities are as follows:

- Four safety campaigns were deployed: Working at height, Process Safety Management (PSM), Material handling and road safety
- CSM: Improvement of contractor from 3 stars to 4 stars, and recalibrate CSM standards.
- Road safety: Focused on traffic control, alcohol and drug test, GPS for car tracking and road safety observation.

- PSM: Pilot PSM at SCSC plant as per 14 modules from Industrial Estate Authority of Thailand (IEAT), now in the stage of internal audit and next will deploy to SISCO and NTS plants.
- Health: Focus on health index improvement and follow up of abnormal cases through health check, Let's walk program Season 4: the activity that encouraged employees to walk 10,000 steps every day.

In the fiscal year 2019 - 2020, the Company has improved the Loss Time Injury Frequency Rate (LTIFR) to 0 time/million working hours from 1.28 time/million working hours in the previous year. This implies that the employees and contractors of the Company have worked safely without any accidents which would require them to take leave. The number of minor injuries as Restricted Work Case, Medical Treatment Case and First Aid Case (RWC/MTC/FAC) reduced to 16 cases from 27 in the previous year. In addition, SISCO plant received National Safety Excellence Award 2019 from the Labour Protection and Welfare Department, Ministry of Labour.

2. Corporate Social Responsibility (CSR)

The Committee has given the long-term Corporate Social Responsibility mission guidelines for the fiscal years 2019 - 2023 to the management by focusing on improving the quality of life of people in the communities around the workplace and the plants to gain trust and accept the Company as a part of the community including providing opportunities for the communities to participate in various missions to support sustainability in the communities. The actions consisted of:-

1. Continuously strengthening relationships with communities and government agencies e.g. meeting with community representatives and local press, provided lighting in the community's public area, renovate resting pavilion area in the community, provide occupational training on making herbal drink, bought cloth masks during the Covid-19 pandemic situation from the communities and supporting them to sell their products at the plants.
2. Promotion of religion, culture and education: participated

in community events or special occasions such as Buddhist Lent Day Candle Ceremony, Kathin Ceremony, Parpa Samaggi (offering robes and other needs to monk), Songkran festival, organizing Children's day event, supported scholarships to underprivileged children, renovated playground equipment in schools and operated English Camp project.

3. Promoting good health and safety for communities by arranging training for motorcycle safety driving training course, donated blood for Thai Red Cross Society, and painted traffic signs at Ban Moh Train Station, Saraburi province to ensure safety for passengers.
4. Environmental conservation: cooperated with the Royal Forest Department for "Global Warming Reduction Party" project on an area of 20 rai in honor of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua and Her Majesty Queen Sirikit, The Queen mother at Ban Hin Dat forest community, Ban Bueng District, Chonburi Province and initiated "FORest FOR life FOR our beloved KING" project for the 8th year by planting 1,000 mangroves, also built a crab house from wood craps or tree branches floating in the sea in remembrance to His Majesty King Bhumibol Adulyadej and to honor His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua at Mangrove Forest Conservation Learning Center, Mueang district, Chonburi province.
5. Development of prosperity and income for the community together with strengthening the community enterprises to develop their local products according to the Thailand Board of Investment promotion program (CSR-BOI) totaling 3 projects namely, Curry puff product by The Siam Iron and Steel (2001) plant cooperated with Ban Moh community enterprise, Ban Moh district, Saraburi province, Thai sausage and egg noodles project by N.T.S. Steel Group plant cooperated with Noen Kra Bok Community Enterprise, Sriracha district, Chonburi province, and Project of packaged shrimp paste by The Siam Construction Steel plant cooperated with Nong Nam Yen Local Food and Dessert Community Enterprise, Map Ta Phut district, Rayong province. Provided management and business process knowledge to assist in production planning, developing production process, accounting, product and packaging development in order to meet the customer's needs.

3. Sustainability Performances

The Committee supervised and monitored the sustainability performance in compliance to Annual Business Plan (ABP), the Key Performance Indicator (KPI) and targets which were identified by the management as the Company's material issues. The Key highlights of these five material issues are as follow:-

1. Risk management: Set up the risk workshop among key divisions i.e. Operations, Marketing & Sales, Procurement.
2. Customer Satisfaction: Improve quality of wire rods i.e. scratch/edge mark, blistering scale etc. and faster response to the customers.
3. Air Emissions: CO₂ emission was 0.585 close to the target of 0.579 ton/ton of crude steel achieved through consuming less electricity, natural gas and graphite electrode from Automation Level 2 at Reheating Furnace and Condoor Projects. SISCO plant received Carbon Footprint



for Organization (CFO) recognition from the Thailand Greenhouse Gas Management Organization for reduction in Green House Effect. NTS and SCSC plants also received Green Mining Award 2019 for second consecutive years from the Department of Primary Industries and Mines (DPIM), Ministry of Industry in developing and enhancing for environmentally friendly company.

4. Corporate governance and promoting ethical behavior: The Company was evaluated and have received the CG score at 90 (excellent level). In the year 2019 - 2020 TSTH had trained 100% of new employees on Tata Code of Conduct and other related policies, trained 99% of employees on Anti-Bribery and Anti-Corruption Policy and also cooperated with Private Sector Collective Action Coalition Against Corruption Council to arrange CAC-SME Executive Briefing 2019 for 43 vendors.
5. Community Engagement: In fiscal year 2019 - 2020, 98.62% employees attended voluntary activities averaging 11.33 hours per person per year and impacted to 65,034 people in community. NTS and SISCO plants received CSR-DPIM Continuous Award 2019 from Department of Primary Industries and Mines, Ministry of Industry and 3 Plants of TSTH also received CSR - DIW Continuous Award 2019 from Department of Industrial Works, Ministry of Industry.

TSTH has performed strongly and continuously in sustainability development in the Company and received "Thailand Sustainability Investment Award (THSI)" from the Stock Exchange of Thailand (SET) and also "Sustainability Disclosure Award 2019" in "Recognition Level" from Thai Listed Companies Association, Office of the Securities and Exchange Commission (SEC) and Thaipat Institute.



Sustainability development plan for fiscal year 2020-2021: The sustainability issues of TSTH were last evaluated in the year 2017-2018. The Committee had, therefore, assigned the management to survey the significant issues for all stakeholders again in quarter 4 of the year 2019 - 2020 by inquiring about important issues concerning economy, environment and society that impacted to the stakeholders. 65 persons covering shareholders, customers, suppliers, communities & society, competitors, non-profit organization and government agencies (both central and local regulators), press & media, creditors and employees were surveyed in the process. The results from the stakeholders' survey have been analyzed and combined with the issues that are important for the sustainability of the Company, identified through company's self-evaluation. Both assessment results were reviewed by the Committee to keep up with the current situation, challenges and changes for the future. The assessment results were prioritized to levels of Focus, Track and Review. The sustainability issues that are in "Focus" category must establish Key Performance Indicators (KPI), targets, including action plan in fiscal year 2020 - 2021 for ensuring its significance and achievement for both stakeholders and the Company. The five Focus sustainability issues from the evaluation are as follows:

1. Occupational Health & Safety: Focusing on six safety strategic priorities and target Zero LTIF. In terms of health care for employees, the Company focuses on the implementation of the standards of the Ministry of National Health to prevent the spread of COVID-19 pandemic in terms of social distancing, improvements in various areas,

providing sanitary masks and hand washing gel, etc. to employees and contractors, persons who come to contact or do business with the Company in all areas of operations as well as encouraging employees to Work From Home (WFH).

2. Customer Satisfaction: Customer Centricity focus and visit customers regularly in order to develop products and improve product quality & service continuously.
3. Air Emissions: CO₂ emission target at 0.578 ton/ton of crude steel, new projects for reducing electricity, natural gas and graphite electrode consumption.
4. Corporate governance and promoting ethical behavior: Target CG score at 93 (excellent level) and follow to comply with Tata Code of Conduct and also cooperate with Private Sector Collective Action Coalition Against Corruption Council continuously.
5. Community Engagement: 98.62% employee participation in voluntary CSR activities and achieve SET Sustainability awards.

The Corporate Social Responsibility and Sustainability Committee would like to thank all shareholders and stakeholders for their continued support to the Company. We sincerely hope that we will receive valuable support and advice from all of you in continuing our mission further.



Hatasakdi Na Pombejra
Chairman of CSR and Sustainability Committee

Dear Shareholders,

The Board of Directors of the Company is responsible for the financial statements of Tata Steel (Thailand) Public Company Limited and its subsidiaries, including financial information disclosed in the Annual Report for the year 2019-2020, which have been prepared in accordance with generally accepted accounting principles prevailing in Thailand, and financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. The policies pursued are appropriate and applied consistently with regard to reasonableness and careful preparation. Important information are 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 of Independent Directors to supervise and review financial statements as well as to assess the internal control and risk management systems to ensure that accounting records are accurate, complete, and timely to prevent frauds and unusual operations. The views of the Audit Committee are reported in the Report of the Audit Committee for 2019-2020 in the Annual Report presented herein.

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 its subsidiaries present, in all material aspects, the financial positions, results of operations, and cash flow accurately.



Peeyush Gupta
Chairman of the Board of Directors



Rajiv Mangal
President and CEO



CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

ANNUAL REPORT 2019 - 2020

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

My opinion

In my opinion, the consolidated financial statements of Tata Steel (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 March 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 March 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Assessment of impairment of investments in subsidiaries and goodwill</p> <p>Refer to Note to the consolidated financial statements No. 4 for critical accounting estimates and judgements related to assessment of impairment of investments in subsidiaries and goodwill, Note 12 investments in subsidiaries and Note 16 goodwill.</p> <p>As at 31 March 2020, investments in subsidiaries, net, amount of Baht 12,013 million was presented in the separate financial statements and goodwill, net, amount of Baht 3,456 million was presented in the consolidated financial statements.</p> <p>For the year ended 31 March 2020, the management performed an impairment assessment over the investments in subsidiaries and the goodwill balances by:</p> <ol style="list-style-type: none"> 1. Calculating the discounted cash flow using a discounted cash flow model for 5 years, with constant terminal growth rate applied from the 5th year onwards. These cash flows were then discounted to net present value using the weighted average cost of capital; and 2. Comparing the discounted cash flow to their respective book values of each cash generating unit. The Group's management considered each subsidiary representing each cash generating unit. The discounted cash flow of each subsidiary was used to assess for allowance for impairment of investments in subsidiaries and goodwill of each subsidiary. 	<p>I obtained an understanding of and evaluated the key controls over the impairment assessment, and focused on detailed analysis and challenged the assumptions used by management in conducting the impairment assessment which included:</p> <ul style="list-style-type: none"> - I obtained, understood, evaluated and challenged the composition of management's cash flow forecasts and the process by which they were developed, including test the mathematical accuracy of the underlying calculations. - I compared the cash flow forecast to the approved budgets and business plans and other evidence of future intentions. - I compared current year actual results with the figures included in the prior year forecast to consider whether the forecasts included assumptions had been reasonable. - I assessed management's key assumptions, especially gross margin and growth rate by comparing them to historical results and economic and industry outlook. - I tested the parameters used to determine the discount rate applied and re-performed the calculations.

Key audit matter	How my audit addressed the key audit matter
<p>Based on the annual impairment test, the management identified no allowance for impairment of the investments in subsidiaries and goodwill required for additional recognition during the year. The key assumptions were disclosed in Note 16 to the consolidated financial statements</p> <p>I focused on this area because of materiality and that the assessment of the recognition of loss from impairment in the investments in subsidiaries and goodwill were complex based on judgments and assumptions that were affected by expectation of future market and economic conditions, particularly those related to the cash flows forecasts.</p>	<p>- I involved my valuation expert to independently check the expectations, in particular, discount rates, and comparing the independent expectations to those used by management.</p> <p>Based on my procedures above, I considered management's key assumptions used in assessing of investments in subsidiaries and goodwill for impairment were reasonable based on available evidence.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Varaporn Vorathitikul

Certified Public Accountant (Thailand) No. 4474

Bangkok

22 April 2020

Tata Steel (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7 a)	576,994,729	926,766,543	432,887,326	706,872,404
Trade and other receivables, net	8	650,277,524	675,597,878	30,477,863	30,988,408
Short-term loans to a subsidiary	31 c)	-	-	3,092,083,518	2,441,050,857
Inventories, net	9	2,515,332,808	3,188,349,913	-	-
Other current assets	10	127,583,259	141,090,848	528,522	552,233
Total current assets		3,870,188,320	4,931,805,182	3,555,977,229	3,179,463,902
Non-current assets					
Available-for-sale investments	11	-	1,200,000	-	-
Investments in subsidiaries	12	-	-	12,013,047,275	12,013,047,275
Other long-term investments	13	1,241	1,241	-	-
Property, plant and equipment, net	14	2,891,957,847	3,148,987,100	22,947,175	33,037,974
Idle assets held-for-sale, net	15	460,000,000	460,000,000	-	-
Goodwill, net	16	3,456,014,092	3,456,014,092	-	-
Intangible assets, net	17	29,582,875	30,789,905	12,444,824	17,113,449
Deferred tax assets, net	18	43,286,352	21,903,918	17,971,265	12,358,127
Other non-current assets	19	112,570,221	99,625,770	71,207,473	57,605,876
Total non-current assets		6,993,412,628	7,218,522,026	12,137,618,012	12,133,162,701
Total assets		10,863,600,948	12,150,327,208	15,693,595,241	15,312,626,603

Tata Steel (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	20	461,726,989	1,720,436,027	-	-
Trade and other payables	21	883,134,309	1,109,561,677	68,404,467	62,850,157
Current portion of finance lease liabilities, net	22	1,129,125	1,087,118	-	-
Short-term borrowings from subsidiaries	31 d)	-	-	2,118,355,192	1,839,824,082
Current income tax payable		61,554,463	1,438,474	-	-
Other current liabilities		15,771,636	23,257,989	4,966,401	4,580,646
Total current liabilities		1,423,316,522	2,855,781,285	2,191,726,060	1,907,254,885
Non-current liabilities					
Finance lease liabilities, net	22	39,652,735	40,781,860	-	-
Employee benefit obligations	23	340,671,708	217,159,804	81,800,220	53,628,018
Provision for decommissioning costs	24	1,068,360	1,068,360	1,068,360	1,068,360
Total non-current liabilities		381,392,803	259,010,024	82,868,580	54,696,378
Total liabilities		1,804,709,325	3,114,791,309	2,274,594,640	1,961,951,263

Tata Steel (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 8,421,540,848 shares at par value of Baht 1 each		8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Issued and paid-up share capital					
Ordinary shares, 8,421,540,848 shares paid-up of Baht 1 each		8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Share premium					
Ordinary shares		3,258,624,766	3,258,624,766	3,258,624,766	3,258,624,766
Expired warrants		130,201,936	130,201,936	130,201,936	130,201,936
Retained earnings (deficits)					
Appropriated - legal reserve	25	372,575,416	369,091,777	372,575,416	369,091,777
Unappropriated		(3,108,992,278)	(3,130,723,535)	1,236,057,635	1,171,216,013
Other components of equity		-	1,057,455	-	-
Equity attributable to owners of the parent		9,073,950,688	9,049,793,247	13,419,000,601	13,350,675,340
Non-controlling interests		(15,059,065)	(14,257,348)	-	-
Total equity		9,058,891,623	9,035,535,899	13,419,000,601	13,350,675,340
Total liabilities and equity		10,863,600,948	12,150,327,208	15,693,595,241	15,312,626,603

Tata Steel (Thailand) Public Company Limited
Statement of Comprehensive Income
For the year ended 31 March 2020

		Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
	Notes	Baht	Baht	Baht	Baht
Revenue from sales and related services		20,124,731,346	22,222,365,603	-	-
Revenue from rendering services		-	-	405,736,000	428,210,250
Cost of sales and related services		(19,378,925,298)	(21,619,552,573)	-	-
Cost of rendering services		-	-	(386,356,535)	(404,153,921)
Gross profit		745,806,048	602,813,030	19,379,465	24,056,329
Other income	26	108,809,516	81,922,988	89,875,896	89,928,199
Selling expenses		(185,000,524)	(187,292,807)	-	-
Administrative expenses		(506,798,364)	(565,760,437)	(13,502,826)	(16,949,567)
Finance costs		(52,227,340)	(79,434,429)	(31,356,021)	(32,947,183)
Profit (loss) before income tax expense		110,589,336	(147,751,655)	64,396,514	64,087,778
Income tax income (expense)	28	(63,488,637)	(41,129,257)	5,276,260	335,876
Profit (loss) for the year		47,100,699	(188,880,912)	69,672,774	64,423,654
Other comprehensive income (expense)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations		(26,043,472)	(1,010,552)	(1,684,391)	2,511,523
Income tax relating to items that will not be reclassified subsequently to profit or loss		3,358,497	316,274	336,878	(502,305)
Total items that will not be reclassified subsequently to profit or loss		(22,684,975)	(694,278)	(1,347,513)	2,009,218
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investment		(1,200,000)	(2,300,000)	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss		140,000	460,000	-	-
Total items that will be reclassified subsequently to profit or loss		(1,060,000)	(1,840,000)	-	-
Other comprehensive income (expense) for the year, net of tax		(23,744,975)	(2,534,278)	(1,347,513)	2,009,218
Total comprehensive income (expense) for the year		23,355,724	(191,415,190)	68,325,261	66,432,872

Tata Steel (Thailand) Public Company Limited
Statement of Comprehensive Income
For the year ended 31 March 2020

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Profit (loss) attributable to:					
Owners of the parent		47,877,669	(188,181,129)	69,672,774	64,423,654
Non-controlling interests		(776,970)	(699,783)	-	-
		<u>47,100,699</u>	<u>(188,880,912)</u>	<u>69,672,774</u>	<u>64,423,654</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		24,157,441	(190,712,362)	68,325,261	66,432,872
Non-controlling interests		(801,717)	(702,828)	-	-
		<u>23,355,724</u>	<u>(191,415,190)</u>	<u>68,325,261</u>	<u>66,432,872</u>
Earnings (loss) per share					
Basic earnings (loss) per share (Baht)	29	0.01	(0.02)	0.01	0.01

Tata Steel (Thailand) Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2020

Consolidated financial statements												
Attributable to owners of the parent												
Capital contributed				Retained earnings (Deficits)				Other component of equity				
Note	Issued and paid-up share capital	Premium on ordinary shares	Expired warrants	Appropriated - legal reserve	Unappropriated	comprehensive income - Available-for-sale investments	Total owners of the parent	Non-controlling interests	Total equity	Other		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2018	8,421,540,848	3,258,624,766	130,201,936	365,870,595	(2,938,625,575)	2,893,039	9,240,505,609	(13,554,520)	9,226,951,089			
Changes in transactions with owners for the year												
Legal reserve	-	-	-	3,221,182	(3,221,182)	-	-	-	-			
Total comprehensive income (expense) for the year	-	-	-	-	(188,876,778)	(1,835,584)	(190,712,362)	(702,828)	(191,415,190)			
Closing balance as at 31 March 2019	8,421,540,848	3,258,624,766	130,201,936	369,091,777	(3,130,723,535)	1,057,455	9,049,793,247	(14,257,348)	9,035,535,899			
Opening balance as at 1 April 2019	8,421,540,848	3,258,624,766	130,201,936	369,091,777	(3,130,723,535)	1,057,455	9,049,793,247	(14,257,348)	9,035,535,899			
Changes in transactions with owners for the year												
Legal reserve	-	-	-	3,483,639	(3,483,639)	-	-	-	-			
Total comprehensive income (expense) for the year	-	-	-	-	25,214,896	(1,057,455)	24,157,441	(801,717)	23,355,724			
Closing balance as at 31 March 2020	8,421,540,848	3,258,624,766	130,201,936	372,575,416	(3,108,992,278)	-	9,073,950,688	(15,059,065)	9,058,891,623			

Tata Steel (Thailand) Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2020

Note	Separate financial statements						
	Capital contributed		Retained earnings			Total equity	Baht
	Issued and paid-up share capital	Premium on ordinary shares	Expired warrants	Appropriated - legal reserve	Unappropriated		
	Baht	Baht	Baht	Baht	Baht		
Opening balance as at 1 April 2018	8,421,540,848	3,258,624,766	130,201,936	365,870,595	1,108,004,323	13,284,242,468	
Changes in transactions with owners for the year							
Legal reserve	-	-	-	3,221,182	(3,221,182)	-	
Total comprehensive income for the year	-	-	-	-	66,432,872	66,432,872	
Closing balance as at 31 March 2019	8,421,540,848	3,258,624,766	130,201,936	369,091,777	1,171,216,013	13,350,675,340	
Opening balance as at 1 April 2019	8,421,540,848	3,258,624,766	130,201,936	369,091,777	1,171,216,013	13,350,675,340	
Changes in transactions with owners for the year							
Legal reserve	-	-	-	3,483,639	(3,483,639)	-	
Total comprehensive income for the year	-	-	-	-	68,325,261	68,325,261	
Closing balance as at 31 March 2020	8,421,540,848	3,258,624,766	130,201,936	372,575,416	1,236,057,635	13,419,000,601	

Tata Steel (Thailand) Public Company Limited
Statement of Cash Flows
For the year ended 31 March 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit (loss) before income tax expense		110,589,336	(147,751,655)	64,396,514	64,087,778
Adjustments :					
Depreciation and amortisation charge		492,086,394	518,531,487	13,090,715	24,512,654
Allowance for doubtful accounts		8,241	35,113,911	-	-
Employee benefit obligations		109,821,080	25,355,309	26,855,234	6,515,942
(Gain) loss on foreign exchange rate		(1,126,545)	(77,233)	(41,657)	78,121
Other adjustments from non-cash items	7 b)	1,403,067	(4,945,486)	1,910,489	1,540,355
Interest income	26	(4,261,089)	(2,681,382)	(89,133,187)	(89,216,773)
Dividend income	26	(14,400,000)	-	-	-
Interest expense		52,227,340	79,434,429	31,356,021	32,947,183
		746,347,824	502,979,380	48,434,129	40,465,260
Changes in working capital					
Trade and other receivables		28,189,118	549,013,690	1,019,437	56,915,008
Inventories		636,456,344	254,664,928	-	-
Trade and other payables		(178,667,186)	(313,307,948)	6,338,027	(46,019,552)
Other cash received (paid) from operating activities	7 c)	(5,186,832)	(97,208,088)	89,021	(13,298,070)
Cash flows from operating activities					
Cash generated from operations		1,227,139,268	896,141,962	55,880,614	38,062,646
Adjustment of cash occurred from borrowings	7 d)	(53,653,828)	(74,498,977)	(28,647,619)	(33,508,624)
Income tax paid		(34,940,765)	(101,597,083)	(13,577,027)	(15,650,229)
Net cash generated from (used in) operating activities		1,138,544,675	720,045,902	13,655,968	(11,096,207)

Tata Steel (Thailand) Public Company Limited
Statement of Cash Flows
For the year ended 31 March 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchases of intangible assets	7 e)	(10,658,400)	(16,530,822)	(3,550,627)	(4,734,114)
Purchases of property, plant and equipment	7 e)	(234,835,209)	(241,668,517)	(236,550)	(9,999,388)
Proceeds from disposals of property, plant and equipment		401,395	477,111	23,900	32,300
Proceeds from sales of available for sales investmenst		130,000	-	-	-
Net cash proceeds (payments) from short-term loans to a subsidiary	31 c)	-	-	(651,032,661)	339,589,539
Dividend income	26	14,400,000	-	-	-
Interest income		4,667,992	2,500,716	88,623,782	89,068,635
Net cash generated from (used in) investing activities		(225,894,222)	(255,221,512)	(566,172,156)	413,956,972
Cash flow from financing activities					
Net repayments on short-term borrowings from financial institutions	20	(1,258,709,038)	(53,905,323)	-	-
Net proceeds (repayments) on short-term borrowings from subsidiaries	31 d)	-	-	278,531,110	(74,126,121)
Cash paid for finance lease liabilities		(3,713,229)	(3,741,396)	-	-
Net cash generated from (used in) financing activities		(1,262,422,267)	(57,646,719)	278,531,110	(74,126,121)
Net increase (decrease) in cash and cash equivalents		(349,771,814)	407,177,671	(273,985,078)	328,734,644
Cash and cash equivalents at the beginning of the year		926,766,543	519,588,872	706,872,404	378,137,760
Cash and cash equivalents at the end of the year	7 a)	576,994,729	926,766,543	432,887,326	706,872,404

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

1 General information

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

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

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

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

TSGH, the major shareholder of the Company, informed the Company that it is continuing its engagement with potential investors in continuation of its strategy to find a partner for the Group’s business.

The principal business operation of the Group is manufacturing, rendering manufacturing services, distributing and trading of steel bars, wire rods and small section products.

As at 31 March 2020 and 2019, N.T.S. Steel Group Public Company Limited (“N.T.S.”) which is a subsidiary has total current liabilities exceeding total current assets by Baht 2,439 million and Baht 2,375 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 3,092 million and Baht 2,441 million, respectively. The parent company confirmed to continue its financial support to N.T.S. to enable N.T.S. to continue its operations satisfactorily at least for the next 12 months from the statement of financial position date and the Group’s management has prepared the business plan including initiatives to improve operation and financial results of N.T.S. In addition, the Company manages the liquidity based on a group basis.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 22 April 2020.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in accounting policies available for sale investments as described in Note 2.9 and non-current assets (or disposal groups) held-for-sale as described in Note 2.10.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The consolidated financial statements for the years ended 31 March 2020 and 2019 did not include investment in Siam Steel Mill Services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of share capital on an equity method because the Company has no significant influence to govern the financial and operating policies of and does not have any authorised director to sign on behalf of Siam Steel Mill Services Company Limited. The Group and the subsidiary, therefore, recorded such investment as other long-term investment at cost of Baht 1,241 (Note 13).

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 April 2019 by applying the modified retrospective approach and the comparative figures have not been restated. The Group applies practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The adoption of TFRS 15 mainly affects the Group's accounting treatment on revenue recognition from sales and services:

- revenue from sales is recognised at point in time, when control of the goods transfers to the customer, and
- revenue from services is recognised over time, in a manner that best reflects the Group's performance obligation after control of goods transfers to the customer which are insurance and freight.

The transaction price will need to be allocated to the distinct performance obligations based on the relative standalone selling price of sales and services.

However, the effects of the Group's accounting treatment from adoption of TFRS 15 are immaterial to retained earnings as at 1 April 2019 in the consolidated and separate financial statements.

The following tables show the amounts by each consolidated and separated financial statements line item in the current year from the adoption of the new revenue standard compared to the previous revenue standards.

	Consolidated financial statements		
	Balance as reported Thousand Baht	Impacts from TFRS 15 Thousand Baht	Balance under the previous revenue standards Thousand Baht
Statement of comprehensive income			
For the year ended 31 March 2020			
Revenue from sales and related services	20,124,731	(78,196)	20,046,535
Cost of sales and related services	(19,378,925)	66,483	(19,312,442)
Selling expenses	(185,001)	11,713	(173,288)

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 March 2020 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that are relevant to the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost. Cost also includes direct attributable costs of investment.

b) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

Tata Steel (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 March 2020

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises.

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

2.5 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

2.6 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

2.7 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.8 Inventories

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

Cost is determined by the weighted average method for finished goods and work in process and by the moving average method for merchandise, raw materials, spare parts, supplies and others. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

2.9 Investments

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

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

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.10 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

2.11 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. Capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

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

Land improvement, buildings and structures	5 - 30 years
Machinery and equipment	5 - 25 years
Furniture, fixtures and office equipment	3 - 25 years
Vehicles	5 - 10 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gain or loss - net.

2.12 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being each subsidiary.

2.13 Intangible assets

Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives 3 years to 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

2.14 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.15 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

2.16 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take a substantial period to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as salaries, wages, bonuses, contributions to the social security fund and others, that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund (under the Provident Fund Act B.E. 2530). The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

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

d) Other long-term benefits

The Group gives gold rewards to employees when they have worked for the Group at every 5 years anniversary, for a maximum of 7 times.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

2.22 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sale of goods

The Group manufactures and sells products. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 10 to 90 days, which is consistent with market practice.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Other income

Other revenue are recognised on the following bases:

- dividend income is recognised when the right to receive payment is established.
- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.
- scrap income is recognised when the scrap is actually sold.

2.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

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

- Interest rate risk

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

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

- Credit risk

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

- Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

- Foreign exchange risk

The Group has exposure to foreign currency exchange fluctuations on purchasing of goods and services in the ordinary course of business. Entities in the Group use forward contracts to hedge their exposure to foreign correct risk in connection with measurement currency.

3.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments, foreign currency forward contracts. Such instruments are recognised in the financial statements on inception.

Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Subsequently the Group measures each derivative financial instrument at its fair value. The gains and losses on the derivative instruments and the underlying financial asset or liability are therefore offset for financial reporting purposes, and will be included in other income/expense in statement of comprehensive income.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 30.

3.3 Fair value estimation

The different levels of financial instruments carried at fair value, by valuation method have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

There was no transfer between level 1 and 2 during the year.

There were no change in valuation techniques during the year.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1) Allowance for doubtful accounts

The Group has established the allowance for doubtful to reflect the impairment of trade receivables, related to the provision in loss from unbillable customer. The allowance for doubtful is the effect from the Group's estimation of inflow future cash flow, based up on the experience in pressed the claim, reputation, and default, and market trend.

2) Allowance for decrease in value of inventories

The Group has established the allowance for decrease in value of inventories to reflect the net realise value from inventories. The allowance for decrease in value of inventories is the effect from the Group's analysis of obsolete and slow-moving inventories. The balance of inventories will be written-off once they are obsoleted and unable to sell out.

3) Buildings and equipment and intangible assets

The management is the one who estimates useful life for buildings and equipment and intangible assets of the Group. The management revises depreciation expense whenever the useful life is different from the estimation in the prior period or there is a disposal or retirement.

4) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 16).

5) Current and deferred income taxes

A deferred tax asset is recognised to the extent that it is probable that it will be utilised in the future. Such an assessment is based upon the probability that the Group will generate future taxable income sufficient to fully utilize the deferred tax assets. The Group's management use judgments based upon the likely timing and level of estimate future taxable income to determine the amount of deferred tax assets that can be recognised at the end of each reporting period.

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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6 Segment information

Operating segment information is reported in a manner consistent with the Group's internal reports that are regularly obtained and reviewed by the chief operating decision maker (Board of Directors) for the purpose of the allocation of resources to the segment and assess its performance.

The Group's operations involve the single business segment of the manufacture and distribution of long steel products, which is located in Thailand. Sales of the subsidiaries are mainly local sales whereas an export sales is not significant. As a result, all the revenues from sales of goods, cost of sales, gross margin, profit for the year and assets of segment are in accordance with the presentation of these financial statements.

For the year ended 31 March 2020, revenue from sales and related services has timing of revenue recognition as a point in time amounting to Baht 20,044 million (2019 : Baht 22,105 million) and over time amounting to Baht 81 million (2019 : Baht 117 million).

For the year ended 31 March 2020, the Group has no revenue from customer which contributed equal or over 10.0% of the Group's total revenue (2019 : the Group has revenue from 1 customer which contributed equal or over 10.0% of the Group's total revenue, the revenue from sales to this customer is Baht 2,400 million which are domestic sales).

For the years ended 31 March

Segment revenue

Local

Export

Consolidated financial statements	
2020	2019
Thousand Baht	Thousand Baht
18,288,118	19,753,096
1,836,613	2,469,270
20,124,731	22,222,366

7 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cash on hand	1	1	-	-
Deposits at banks - current accounts	511,214	50,127	419,934	2,312
- savings accounts	65,780	876,639	12,953	704,560
	576,995	926,767	432,887	706,872

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	Consolidated financial statements		Separate financial statements	
	2020 %	2019 %	2020 %	2019 %
<u>Interest rate</u>				
Deposits at banks - current accounts	0.55	-	0.55	-
- savings accounts	0.05 - 0.50	0.05 - 0.87	0.05 - 0.08	0.10 - 0.87

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gain on disposal of plant and equipment	(392)	(439)	(15)	(21)
Loss from write-off of plant and equipment and intangible assets	1,925	1,561	1,925	1,561
Written-off payables from restructuring	-	(6,067)	-	-
Gain on sale available-for-sale investments	(130)	-	-	-
	1,403	(4,945)	1,910	1,540

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
(Increase) decrease in other current assets and other non-current assets	14,247	(76,469)	(1)	1,225
Increase (decrease) in other current liabilities and other non-current liabilities	(7,486)	(8,367)	386	(8,752)
Employee benefit obligations paid	(11,948)	(12,373)	(296)	(5,771)
	(5,187)	(97,209)	89	(13,298)

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Interest paid	(53,654)	(74,499)	(28,648)	(33,509)

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

The recording of investments in available-for-sale securities in the consolidated financial statements at fair value. For the year ended 31 March 2019, the Group recorded unrealised loss on such investments of Baht 2.3 million.

For the year ended 31 March 2020, the Group's management has decided to dispose investments in available-for-sale securities based on market quote and recognised gains on disposal investments in available-for-sale securities of Baht 0.13 million.

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Payables for plant and equipment and intangible assets brought forward	59,133	13,485	3,537	254
<u>Add</u> Purchases during the year	199,222	303,847	266	18,017
<u>Less</u> Payments during the year	(245,494)	(258,199)	(3,787)	(14,734)
Payables for plant and equipment and intangible assets carried forward	12,861	59,133	16	3,537
Purchase plant and equipment under finance lease liabilities	-	42,975	-	-

8 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade receivables - other parties	497,726	680,939	-	-
- related parties (Note 31 b))	226,196	58,385	10,676	9,428
<u>Less</u> Allowance for doubtful accounts	(93,307)	(93,299)	-	-
Trade receivables, net	630,615	646,025	10,676	9,428
Other receivables - other parties	2,943	1,356	28	-
- related parties (Note 31 b))	44	328	13,678	7,464
Accrued income	262	669	262	669
Prepayments	16,414	27,220	5,834	13,427
	650,278	675,598	30,478	30,988

The credit term for trade receivable normally requires 10 days to 90 days (2019 : 10 days to 90 days).

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not yet due	567,018	531,896	10,676	9,428
Overdue:				
Under 3 months	58,238	62,413	-	-
3 - 6 months	5,359	51,699	-	-
6 - 12 months	-	-	-	-
Over 12 months	93,307	93,316	-	-
	723,922	739,324	10,676	9,428
<u>Less</u> Allowance for doubtful accounts	(93,307)	(93,299)	-	-
	630,615	646,025	10,676	9,428

In 2008, the Group has entered into a "Receivable Purchase Agreement" to do account receivables factoring with a financial institution which all risks and rewards only for the amount accepted by the buyer have been transferred to the buyer.

For the years ended 31 March 2020 and 2019, the Group had sold receivables to the financial institution amounting to Baht 9,195 million and Baht 9,274 million, respectively.

9 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Raw materials	694,352	1,075,281	-	-
Work in progress	225,981	450,403	-	-
Finished goods	786,780	766,364	-	-
Spare parts	477,047	505,633	-	-
Supplies and others	277,203	397,507	-	-
	2,461,363	3,195,188	-	-
<u>Less</u> Allowance for obsolete inventories				
- Spare parts	(49,997)	(49,997)	-	-
- Supplies and others	(18,192)	(18,192)	-	-
	2,393,174	3,126,999	-	-
<u>Add</u> Goods in transit	122,159	61,351	-	-
	2,515,333	3,188,350	-	-

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During the years ended 31 March 2020 and 2019, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cost of sales and cost of services	19,378,925	21,619,553	-	-
Amortisation of rolling mill	36,562	34,941	-	-

10 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Value added tax refundable	113,377	128,700	-	-
Other current assets	14,206	12,391	529	552
	127,583	141,091	529	552

11 Available-for-sale investment

The movement of available-for-sale investments for the years ended 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening net book amount	1,200	3,500	-	-
Disposals	(1,200)	-	-	-
Changes in fair value of available-for- sale investments	-	(2,300)	-	-
Closing net book amount	-	1,200	-	-

Available-for-sale investment is an investment in equity securities of a public company limited which is a listed company in the Stock Exchange of Thailand. The fair value of investment is based on quoted closing price as at the period end and are within level 1 of the fair value hierarchy.

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12 Investments in subsidiaries

Investment in subsidiaries consist of:

Company name	Country of incorporation	% Ownership interest		Separate financial statements (Unit : Thousand Baht)					
		2020 %	2019 %	Cost method		Cost method		Net book value	Net book value
				Cost	Allowance for impairment	Cost	Allowance for impairment		
The Siam Iron and Steel (2001) Company Limited	Thailand	99.99	99.99	2,554,386	-	2,554,386	-	2,554,386	2,554,386
The Siam Construction Steel Company Limited	Thailand	99.99	99.99	3,656,874	-	3,656,874	-	3,656,874	3,656,874
N.T.S. Steel Group Public Company Limited	Thailand	99.76	99.76	9,181,787	(3,380,000)	9,181,787	(3,380,000)	5,801,787	5,801,787
				15,393,047	(3,380,000)	12,013,047	(3,380,000)	15,393,047	12,013,047

As at 31 March 2020 and 2019, the Group has made an assessment of impairment loss on investment in subsidiaries and considered that the recoverable amount was not lower than its carrying amount, so no additional allowance for impairment was necessary.

13 Other long-term investment

As at 31 March 2020 and 2019, the Group did not include investment in Siam Steel Mill services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of share capital on an equity method. The Group has no significant influence to determine the financial and operating policies of and does not have any authorised director to sign on behalf of Siam Steel Mill Service Company Limited. The Group, therefore, recorded such investment as other long-term investment in the statement of financial position at cost of Baht 1,241 in the consolidated statement of financial position.

As at 31 March 2020, fair value of other long-term investment amount of Baht 146.16 million (2019 : Baht 176.40 million). The fair value of other long-term investment is determined using valuation techniques, discounted cash flow which assessed by independent valuer and are within level 3 of the fair value hierarchy.

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14 Property, plant and equipment, net

Consolidated financial statements										
	Land		Improvement, buildings and structures	Machinery and equipment		Furniture, fixtures, and equipment	Vehicles		Construction in progress	Total
	Thousand Baht	Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 1 April 2018										
Cost	798,694	4,498,560	12,406,246	202,796	3,081	22,175	17,931,552			
Less Accumulated depreciation	-	(2,824,539)	(9,766,854)	(142,394)	(2,862)	-	(12,736,649)			
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)			
Net book amount	798,694	549,465	1,860,537	60,395	219	22,175	3,291,485			
For the year ended 31 March 2019										
Opening net book amount	798,694	549,465	1,860,537	60,395	219	22,175	3,291,485			
Additions	-	42,975	5,414	4,913	-	272,223	325,525			
Additions from provision for decommissioning costs	-	1,068	-	-	-	-	1,068			
Transfers	-	13,763	174,149	23,444	-	(211,356)	-			
Disposals - cost	-	-	(28,437)	(2,137)	(380)	-	(30,954)			
- accumulated depreciation	-	-	28,418	2,118	380	-	30,916			
Write-off - cost	-	(8,363)	-	(2,583)	-	-	(10,946)			
- accumulated depreciation	-	8,363	-	2,103	-	-	10,466			
Depreciation charge	-	(79,954)	(367,870)	(20,694)	(55)	-	(468,573)			
Closing net book amount	798,694	527,317	1,672,211	67,559	164	83,042	3,148,987			
As at 31 March 2019										
Cost	798,694	4,548,003	12,557,372	226,433	2,701	83,042	18,216,245			
Less Accumulated depreciation	-	(2,896,130)	(10,106,306)	(158,867)	(2,537)	-	(13,163,840)			
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)			
Net book amount	798,694	527,317	1,672,211	67,559	164	83,042	3,148,987			

	Consolidated financial statements													
	Land		Improvement, buildings and structures		Machinery and equipment		Furniture, fixtures, and equipment		Vehicles		Construction in progress		Total	
	Thousand Baht	Baht	Thousand Baht	Baht	Thousand Baht	Baht	Thousand Baht	Baht	Thousand Baht	Baht	Thousand Baht	Baht	Thousand Baht	Baht
As at 1 April 2019														
Cost	798,694		4,548,003		12,557,372		226,433		2,701		83,042		18,216,245	
Less Accumulated depreciation	-		(2,896,130)		(10,106,306)		(158,867)		(2,537)		-		(13,163,840)	
Allowance for decrease in value of asset	-		(1,124,556)		(778,855)		(7)		-		-		(1,903,418)	
Net book amount	798,694		527,317		1,672,211		67,559		164		83,042		3,148,987	
For the year ended 31 March 2020														
Opening net book amount	798,694		527,317		1,672,211		67,559		164		83,042		3,148,987	
Additions	-		-		4,362		2,963		-		186,054		193,379	
Transfers	-		713		228,677		14,847		45		(244,282)		-	
Disposals - cost	-		(43)		(24,872)		(3,334)		-		-		(28,249)	
- accumulated depreciation	-		43		24,872		3,325		-		-		28,240	
Write-off - cost	-		-		(14,735)		(18)		-		-		(14,753)	
- accumulated depreciation	-		-		14,735		18		-		-		14,753	
Depreciation charge	-		(72,579)		(354,943)		(22,821)		(56)		-		(450,399)	
Closing net book amount	798,694		455,451		1,550,307		62,539		153		24,814		2,891,958	
As at 31 March 2020														
Cost	798,694		4,548,673		12,750,804		240,891		2,746		24,814		18,366,622	
Less Accumulated depreciation	-		(2,988,666)		(10,421,642)		(178,345)		(2,593)		-		(13,571,246)	
Allowance for decrease in value of asset	-		(1,124,556)		(778,855)		(7)		-		-		(1,903,418)	
Net book amount	798,694		455,451		1,550,307		62,539		153		24,814		2,891,958	

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Addition during the year ended 2019, included assets leased under finance leases of Baht 43 million (where the Group is the lessee).

On 14 June 2017, there was a fire occurred at the power sub-station of the Siam Iron and Steel (2001) Co., Ltd, a subsidiary. From this incident, building, machinery and equipment, which are fully depreciated were partially damaged. For the years ended 31 March 2019 and 2018, the subsidiary received full amount of final damaged claim payment from insurance companies amounting to Baht 24 million and Baht 25 million, respectively which were recorded as other income in the consolidated statement of comprehensive income (Note 26).

On 6 October 2018, there was an explosion of electric arc furnace at The Siam Construction Steel Company Limited, a subsidiary. The incident partially damaged buildings, machinery and equipment that were mainly fully depreciated. For the years ended 31 March 2020 and 2019, the subsidiary received full amount of final damaged claim payment from insurance companies amounting to Baht 68 million and Baht 17 million, respectively which were recorded as other income in the consolidated statement of comprehensive income (Note 26).

Lease assets included above as at 31 March, where the Group is a leases under finance lease agreements, comprise factory equipment.

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Cost of assets under finance lease	42,975	42,975	-	-
<u>Less</u> Accumulated depreciation	(4,250)	(2,102)	-	-
Net book amount	38,725	40,873	-	-

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	Separate financial statements			
	Buildings Improvement Thousand Baht	Furniture, fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2018				
Cost	-	80,011	234	80,245
<u>Less</u> Accumulated depreciation	-	(47,306)	-	(47,306)
Net book amount	-	32,705	234	32,939
For the year ended 31 March 2019				
Opening net book amount	-	32,705	234	32,939
Additions	-	409	9,365	9,774
Addition from provision for decommissioning cost	1,068	-	-	1,068
Transfers	3,665	5,934	(9,599)	-
Disposals - cost	-	(1,626)	-	(1,626)
- accumulated depreciation	-	1,614	-	1,614
Write-off - cost	-	(2,583)	-	(2,583)
- accumulated depreciation	-	2,103	-	2,103
Depreciation charge	(594)	(9,657)	-	(10,251)
Closing net book amount	4,139	28,899	-	33,038
As at 31 March 2019				
Cost	4,733	82,145	-	86,878
<u>Less</u> Accumulated depreciation	(594)	(53,246)	-	(53,840)
Net book amount	4,139	28,899	-	33,038

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	Separate financial statements			
	Buildings Improvement Thousand Baht	Furniture, fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2019				
Cost	4,733	82,145	-	86,878
<u>Less</u> Accumulated depreciation	(594)	(53,246)	-	(53,840)
Net book amount	4,139	28,899	-	33,038
For the year ended 31 March 2020				
Opening net book amount	4,139	28,899	-	33,038
Additions	-	224	-	224
Disposals - cost	-	(1,890)	-	(1,890)
- accumulated depreciation	-	1,881	-	1,881
Write-off - cost	-	(18)	-	(18)
- accumulated depreciation	-	18	-	18
Depreciation charge	(722)	(9,584)	-	(10,306)
Closing net book amount	3,417	19,530	-	22,947
As at 31 March 2020				
Cost	4,733	80,461	-	85,194
<u>Less</u> Accumulated depreciation	(1,316)	(60,931)	-	(62,247)
Net book amount	3,417	19,530	-	22,947

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15 Idle assets held-for-sale, net

Idle assets held-for-sale, net consist of:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 March				
Cost	2,395,713	2,395,713	-	-
<u>Less</u> Accumulated depreciation	(538,164)	(538,164)	-	-
Allowance for decrease in value of asset	(1,397,549)	(1,397,549)	-	-
Net book amount	460,000	460,000	-	-

In August 2011, the Group's management had decided to cease production of the Mini Blast Furnace ("MBF") at N.T.S., the Company's subsidiary in view of the high volatility of MBF raw material prices and the prices being relatively higher than scrap prices, which adversely impacting the viability of costs of steel produced through the MBF route.

As at 31 March 2017, the Group's management decided to dispose MBF machinery, equipment and its spare parts and store supplies. The Group initiated active programme to locate buyers. Accordingly, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets classified as held-for-sale.

TSGH, the major shareholder of the Company, is in the process of finding a partner for the Group's business. Therefore, the disposal of MBF machinery, equipment and spare parts are temporarily on hold. As at 31 March 2020, the Group's management remains committed to the plan of disposal. However, the disposal is not expected to complete within one year. Accordingly, the Group's management classified these assets as idle assets held-for-sale, net, under non-current assets.

The Group's management reclassified non-current assets classified as held-for sales as at 31 March 2019 as idle assets held-for-sale, net, because it is considered more appropriate and comparable to the presentation of the current year's financial statements.

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The comparative figures in the consolidated and separate financial statements for the year ended 31 March 2019 has been reclassified to conform to changes in presentation in the current period as follow:

	Consolidated financial statements		
	Balance as previous reported Thousand Baht	Reclassification Thousand Baht	Balance after reclassification Thousand Baht
Statement of financial position as at 31 March 2019			
Current assets			
Non-current assets classified as held-for-sale	460,000	(460,000)	-
Non-current assets			
Idle assets held-for-sale, net	-	460,000	460,000

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16 Goodwill, net

	Consolidated financial statements Thousand Baht
As at 1 April 2018	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	<u>3,456,014</u>
For the year ended 31 March 2019	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	<u>3,456,014</u>
As at 31 March 2019	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	<u>3,456,014</u>
For the year ended 31 March 2020	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	<u>3,456,014</u>
As at 31 March 2020	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
Net book amount	<u>3,456,014</u>

Goodwill resulted from acquisition of The Siam Iron and Steel (2001) Company Limited, The Siam Construction Steel Company Limited and N.T.S. Steel Group Public Company Limited on 29 November 2002 by Tata Steel (Thailand) Public Company Limited.

Since 1 April 2008, the Group has ceased amortisation of goodwill and has changed to test impairment of goodwill instead.

As at 31 March 2020 and 2019 the Group has made an assessment of impairment loss on goodwill and resulted that the recoverable amount was not lower than the carrying amount, so no additional impairment was necessary.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment (subsidiary).

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

	Consolidated financial statements					
	2020			2019		
	The Siam Iron and Steel (2001) Million Baht	The Siam Construction Steel Million Baht	Total Million Baht	The Siam Iron and Steel (2001) Million Baht	The Siam Construction Steel Million Baht	Total Million Baht
Goodwill allocation	1,685	1,771	3,456	1,685	1,771	3,456

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

	Goodwill from Investment in The Siam Iron Steel (2001) Company Limited	Goodwill from Investment in The Siam Construction Steel Company Limited
Gross margin ¹	4.5%	8.3%
Growth rate ²	1.0%	1.0%
Discount rate ³	10.7%	10.7%

¹ Budgeted gross margin.

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

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

These assumptions have been used for the analysis of each CGU

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

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

In the segment of The Siam Iron and Steel (2001), the recoverable amount calculated based on value in use exceed carrying value by Baht 58.22 million. A reduction in gross growth rate of 0.22% or a raise in discount rate of 0.16% would remove the remaining headroom.

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17 Intangible assets, net

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2018			
Cost	254,087	1,232	255,319
<u>Less</u> Accumulated amortisation	(229,727)	-	(229,727)
Net book amount	24,360	1,232	25,592
For the year ended 31 March 2019			
Opening net book amount	24,360	1,232	25,592
Additions	259	21,038	21,297
Transfers	18,702	(18,702)	-
Write-off - cost	-	(1,081)	(1,081)
Amortisation charge	(15,018)	-	(15,018)
Closing net book amount	28,303	2,487	30,790
As at 31 March 2019			
Cost	273,048	2,487	275,535
<u>Less</u> Accumulated amortisation	(244,745)	-	(244,745)
Net book amount	28,303	2,487	30,790
For the year ended 31 March 2020			
Opening net book amount	28,303	2,487	30,790
Additions	42	5,801	5,843
Transfers	6,364	(6,364)	-
Write-off - cost	(4,162)	(1,924)	(6,086)
- accumulated amortisation	4,161	-	4,161
Amortisation charge	(5,125)	-	(5,125)
Closing net book amount	29,583	-	29,583
As at 31 March 2020			
Cost	275,292	-	275,292
<u>Less</u> Accumulated amortisation	(245,709)	-	(245,709)
Net book amount	29,583	-	29,583

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	Separate financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2018			
Cost	245,853	1,232	247,085
<u>Less</u> Accumulated amortisation	(222,872)	-	(222,872)
Net book amount	22,981	1,232	24,213
For the year ended 31 March 2019			
Opening net book amount	22,981	1,232	24,213
Additions	259	7,984	8,243
Transfers	6,211	(6,211)	-
Write-off - cost	-	(1,081)	(1,081)
Amortisation charge	(14,262)	-	(14,262)
Closing net book amount	15,189	1,924	17,113
As at 31 March 2019			
Cost	252,323	1,924	254,247
<u>Less</u> Accumulated amortisation	(237,134)	-	(237,134)
Net book amount	15,189	1,924	17,113
For the year ended 31 March 2020			
Opening net book amount	15,189	1,924	17,113
Additions	42	-	42
Write-off - cost	(4,162)	(1,924)	(6,086)
- accumulated amortisation	4,161	-	4,161
Amortisation charge	(2,785)	-	(2,785)
Closing net book amount	12,445	-	12,445
As at 31 March 2020			
Cost	248,203	-	248,203
<u>Less</u> Accumulated amortisation	(235,758)	-	(235,758)
Net book amount	12,445	-	12,445

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18 Deferred tax assets, net

Deferred tax assets, net as at 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Deferred tax assets				
- To be recovered within 12 months	3,573	3,733	1,015	1,001
- To be recovered more than 12 months	54,195	44,871	16,956	11,357
	57,768	48,604	17,971	12,358
Deferred tax liabilities				
- To be recovered within 12 months	(4,104)	(4,463)	-	-
- To be recovered more than 12 months	(10,378)	(22,237)	-	-
	(14,482)	(26,700)	-	-
Deferred tax assets, net	43,286	21,904	17,971	12,358

The gross movements in the deferred tax asset, net for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	21,904	36,975	12,358	12,525
Increase (decrease) to profit or loss	17,884	(15,847)	5,276	335
Increase (decrease) to other comprehensive income	3,498	776	337	(502)
Closing balance for the year	43,286	21,904	17,971	12,358

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	Consolidated financial statements			
	1 April 2019 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2020 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	736	-	-	736
Allowance for obsolete inventories	907	-	-	907
Provision for decommissioning costs	187	(36)	-	151
Finance lease liabilities	8,374	(8,374)	-	-
Employee benefit obligations	38,400	14,216	3,358	55,974
	48,604	5,806	3,358	57,768
Deferred tax liabilities				
Available-for-sale investments	(140)	-	140	-
Derivatives assets	(59)	(71)	-	(130)
Asset under finance lease liabilities	(8,175)	8,175	-	-
Surplus of fair value of assets acquired in business combination	(18,326)	3,974	-	(14,352)
	(26,700)	12,078	140	(14,482)
Deferred tax assets, net	21,904	17,884	3,498	43,286

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	Consolidated financial statements			
	1 April 2018 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2019 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	736	-	-	736
Allowance for obsolete inventories	907	-	-	907
Provision for decommissioning costs	-	187	-	187
Finance lease liabilities	-	8,374	-	8,374
Employee benefit obligations	36,405	1,679	316	38,400
	38,048	10,240	316	48,604
Deferred tax liabilities				
Available-for-sale investments	(600)	-	460	(140)
Derivatives assets	(473)	414	-	(59)
Asset under finance lease liabilities	-	(8,175)	-	(8,175)
Surplus of fair value of assets acquired in business combination	-	(18,326)	-	(18,326)
	(1,073)	(26,087)	460	(26,700)
Deferred tax assets, net	36,975	(15,847)	776	21,904

As at 31 March 2020, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 1,091 million (2019 : Baht 1,040 million) in respect of losses amounting to Baht 5,457 million (2019 : Baht 5,202 million) that can be carried forward against future taxable income. Such losses will be expired in 2020 to 2025.

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	Separate financial statements			
	1 April 2019 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2020 Thousand Baht
Deferred tax assets				
Provision for decommissioning costs	187	(36)	-	151
Employee benefit obligations	12,171	5,312	337	17,820
Deferred tax assets, net	12,358	5,276	337	17,971

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

As at 31 March 2020, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Company did not recognise deferred income tax assets of Baht 17 million (2019 : Baht 35 million) in respect of losses amounting to Baht 86 million (2019 : Baht 176 million) that can be carried forward against future taxable income. Such losses will be expired in 2021.

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Corporate income tax refundable	102,327	88,536	67,022	53,445
Others	10,243	11,090	4,185	4,161
	112,570	99,626	71,207	57,606

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20 Short-term borrowings from financial institutions

The movements of short-term borrowings from financial institutions for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance for the year	1,720,436	1,774,341	-	-
Additions during the year	4,725,858	8,784,302	-	900,000
Repayments during the year	(5,984,567)	(8,838,207)	-	(900,000)
Closing balance for the year	461,727	1,720,436	-	-

Short-term borrowings from financial institutions - subsidiaries

As at 31 March 2020, short-term borrowings from financial institutions for subsidiaries in amount of Baht 462 million (2019 : Baht 1,720 million) bear interest rates at 3.97% per annum and BIBOR+2.1% per annum (2019 : 2.67% - 3.95% per annum and BIBOR+2% - BIBOR+2.1% per annum) and due from 1 April 2020 to 18 June 2020 (2019 : from 1 April 2019 to 11 July 2019).

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade payables - other parties	435,793	628,425	-	-
- related parties (Note 31 b))	2,347	2,285	-	-
Other payables - other parties	17,046	69,820	4,199	10,484
- related parties (Note 31 b))	2,267	3,849	5,027	6,363
Advance received from customers	14,968	24,022	-	-
Accrued expenses	410,713	381,161	59,178	46,003
	883,134	1,109,562	68,404	62,850

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22 Finance lease liabilities, net

Liabilities under finance lease agreements - minimum lease payments:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	3,685	3,713	-	-
Later than 1 year but not later than 5 years	14,484	14,586	-	-
Later than 5 years	51,382	54,965	-	-
<u>Less</u> Future finance charges on finance leases	(28,769)	(31,395)	-	-
Present value of finance lease liabilities	40,782	41,869	-	-
Representing lease liabilities:				
- Current	1,129	1,087	-	-
- Non-current	39,653	40,782	-	-
Present value of finance lease liabilities	40,782	41,869	-	-

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	1,129	1,087	-	-
Later than 1 year but not later than 5 years	5,024	4,814	-	-
Later than 5 years	34,629	35,968	-	-
	40,782	41,869	-	-

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23 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Statement of financial position:				
Retirement benefits	314,198	197,174	78,833	51,339
Other long-term benefits	26,474	19,986	2,967	2,289
Liability in the statement of financial position	340,672	217,160	81,800	53,628
(Profit) loss charge included in operating profit for:				
Retirement benefits	100,714	22,397	25,810	5,973
Other long-term benefits	8,703	2,776	974	215
	109,417	25,173	26,784	6,188
Remeasurement in other comprehensive (income) expense	26,043	1,011	1,684	(2,512)

Employee benefit obligations are final salary retirement plans, which provide benefits to employees in the form of a guaranteed level of pension payable. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement.

The movements of employee benefit obligations - Retirement benefits for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	197,174	186,158	51,339	55,648
Past service cost from amendment bill to the Labour Protection Law	68,332	-	16,371	-
Current service cost	28,744	18,913	8,552	6,440
Interest cost	3,638	5,326	887	1,375
Allowance for employee benefit obligations (reversal)	-	(1,842)	-	(1,842)
Transferred employee benefit obligations to related party	-	(2,224)	-	(2,224)
Remeasurements:				
(Gain)/loss from change in demographic assumptions	(1,492)	1,145	(417)	(1,517)
Loss from change in financial assumptions	45,763	1,980	7,270	225
Experience gain	(18,228)	(2,114)	(5,169)	(1,220)
Employee benefit paid	(9,733)	(10,168)	-	(5,546)
Closing balance for the year	314,198	197,174	78,833	51,339

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On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment resulted to increase in the employee benefit obligations of Baht 68 million and Baht 16 million in consolidated financial statements and separated financial statements, respectively.

The movements of employee benefit obligations - other long-term benefits for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance for the year	19,986	19,415	2,289	2,299
Current service cost	3,863	3,038	635	488
Interest cost	307	527	30	52
Remeasurements:				
(Gain)/loss from change in demographic assumptions	(19)	116	(53)	(74)
(Gain)/loss from change in financial assumptions	6,220	(337)	651	(65)
Experience gain	(1,668)	(568)	(289)	(186)
Employee benefit paid	(2,215)	(2,205)	(296)	(225)
Closing balance for the year	26,474	19,986	2,967	2,289

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	%	%	%	%
Discount rates	1.23 - 1.63	2.72 - 3.02	1.63	2.72
Salary growth rate	4.78 - 4.97	4.95 - 5.04	4.97	5.04
Staff turnover rate	0.00 - 19.00	0.00 - 18.00	0.00 - 19.00	0.00 - 18.00

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Sensitivity analysis for each significant assumption as at 31 March 2020 and 2019 are as follows:

Consolidated financial statements						
Change in assumption		Increase (decrease) to employee benefit obligations				
		Increase in assumption		Decrease in assumption		
2020	2019	2020	2019	2020	2019	
%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Discount rate	1.00	1.00	(36,238)	(21,962)	42,573	25,592
Salary growth rate	1.00	1.00	38,990	23,510	(33,884)	(20,539)
Staff turnover rate	1.00	1.00	(37,784)	(23,257)	17,365	10,598
Separate financial statements						
Change in assumption		Increase (decrease) to employee benefit obligations				
		Increase in assumption		Decrease in assumption		
2020	2019	2020	2019	2020	2019	
%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Discount rate	1.00	1.00	(8,137)	(5,169)	9,448	5,959
Salary growth rate	1.00	1.00	8,912	5,671	(7,848)	(5,018)
Staff turnover rate	1.00	1.00	(8,579)	(5,524)	3,027	1,775

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 10.84 - 16.02 years (2019 : 9.99 - 14.15 years).

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Expected maturity analysis of undiscounted Retirement benefits and Other long-term benefits are as follows:

	Consolidated financial statements				
	Less than 1 year Thousand Baht	Between 1-2 years Thousand Baht	Between 2-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
At 31 March 2020					
Retirement benefits	8,941	2,989	31,237	1,253,948	1,297,115
Other long-term benefits	2,558	2,358	10,713	76,945	92,574
Total	11,499	5,347	41,950	1,330,893	1,389,689
At 31 March 2019					
Retirement benefits	6,818	6,100	24,502	998,751	1,036,171
Other long-term benefits	2,238	2,348	8,014	68,849	81,449
Total	9,056	8,448	32,516	1,067,600	1,117,620
	Separate financial statements				
	Less than 1 year Thousand Baht	Between 1-2 years Thousand Baht	Between 2-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
At 31 March 2020					
Retirement benefits	2,016	-	14,184	406,700	422,900
Other long-term benefits	406	327	1,522	16,054	18,309
Total	2,422	327	15,706	422,754	441,209
At 31 March 2019					
Retirement benefits	-	1,547	11,894	317,309	330,750
Other long-term benefits	299	395	1,012	13,800	15,506
Total	299	1,942	12,906	331,109	346,256

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24 Provision for decommissioning cost

The movements of provision for decommissioning cost for the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance as at 1 April	1,068	-	1,068	-
Additions during the year	-	1,068	-	1,068
Closing balance as at 31 March	1,068	1,068	1,068	1,068

25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
As at 1 April	369,092	365,871	369,092	365,871
Appropriation during the year	3,483	3,221	3,483	3,221
As at 31 March	372,575	369,092	372,575	369,092

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

26 Other income

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gain on exchange rate, net	2,249	1,925	100	-
Dividend income from other long-term investment	14,400	-	-	-
Interest income	4,261	2,681	89,133	89,217
Compensation from insurance companies	68,410	41,239	-	-
Written-off payables from restructuring	-	6,067	-	-
Others	19,490	30,011	643	711
	108,810	81,923	89,876	89,928

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27 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Change in finished goods and work in process	204,007	554,160	-	-
Raw materials and consumables used	13,563,185	14,900,964	-	-
Store and supplies used	855,552	1,275,002	-	-
Fuel	640,181	671,392	-	-
Depreciation and amortisation and amortisation of rolling mill expenses	492,086	518,531	13,091	24,513
Employee benefits expenses	972,420	878,355	268,920	250,923
Utilities expenses	1,907,360	2,093,748	975	1,034
Repair and maintenance expenses	609,917	646,363	152	738
Contractor fees	190,677	208,464	-	-
Delivery and selling expenses	185,001	187,293	5,745	17,039
Bank charges	62,406	53,160	8,215	8,973
Rental expenses	50,878	53,132	30,671	32,346
Doubtful accounts	8	35,336	-	250

28 Income tax (income) expense

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Current tax:				
Current tax on profits for the year	81,373	25,282	-	-
Total current tax	81,373	25,282	-	-
Increase in deferred tax assets (Note 18)	(5,806)	(10,240)	(5,276)	(335)
Increase (decrease) in deferred tax liabilities (Note 18)	(12,078)	26,087	-	-
Total deferred tax	(17,884)	15,847	(5,276)	(335)
Total income tax (income) expense	63,489	41,129	(5,276)	(335)

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The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follow:

	Consolidated financial statements	
	2020 Thousand Baht	2019 Thousand Baht
Profit (loss) before income tax	110,589	(147,752)
Tax calculated at a tax rate of 20% (2019 : 20%)	22,118	(29,550)
Tax effect of:		
- Temporary differences and unused tax losses not accounted for as deferred tax assets and elimination entries	64,782	85,263
- Expenses not deductible for tax purpose	1,043	610
- Double tax expenses deductible	(2,026)	(2,596)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(22,428)	(12,598)
Tax charge	63,489	41,129
	Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht
Profit before income tax	64,397	64,088
Tax calculated at a tax rate of 20% (2019 : 20%)	12,879	12,818
Tax effect of:		
- Expenses not deductible for tax purpose	426	659
- Double tax expenses deductible	(601)	(1,214)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(17,980)	(12,598)
Tax charge	(5,276)	(335)

The Group's and the Company's weighted average applicable tax rate were 20% - (8)% and (8)%, respectively. (2019 : 19% - (1)% and (1)%, respectively).

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

	Consolidated financial statements					
	2020			2019		
	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	(26,043)	3,358	(22,685)	(1,010)	316	(694)
Change in value of available-for- sale investment	(1,200)	140	(1,060)	(2,300)	460	(1,840)
Other comprehensive income	(27,243)	3,498	(23,745)	(3,310)	776	(2,534)
Current tax		-			-	
Deferred tax (Note 18)		3,498			776	
		<u>3,498</u>			<u>776</u>	
	Separate financial statements					
	2020			2019		
	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax credit/ (charge) Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	(1,684)	337	(1,347)	2,511	(502)	2,009
Other comprehensive income	(1,684)	337	(1,347)	2,511	(502)	2,009
Current tax		-			-	
Deferred tax (Note 18)		337			(502)	
		<u>337</u>			<u>(502)</u>	

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29 Earnings (loss) per share

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
For the years ended 31 March				
Net profit (loss) attributable to ordinary shareholders of the parent (Thousand Baht)	47,878	(188,181)	69,673	64,424
Weighted average number of ordinary shares outstanding (Share)	8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Basic earnings (loss) per share (Baht per share)	0.01	(0.02)	0.01	0.01

30 Financial instruments

30.1 Financial assets and liabilities in foreign currency

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

Currency	Consolidated financial statements					
	2020			2019		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets Thousand Baht	Financial liabilities Thousand Baht		Financial assets Thousand Baht	Financial liabilities Thousand Baht	
US Dollars	186,249	34,232	32.67	101,027	74,198	31.81
Euro	-	16,313	35.96	-	12,701	35.72
Pound Sterling	-	60	40.28	-	732	41.61
Swiss Franc	-	-	33.98	-	392	31.95
Swedish Krona	-	57	3.25	-	73	3.42
Japanese Yen	-	49	0.30	-	43	0.29
Indian Rupees	-	2,267	0.43	-	2,342	0.46
Singapore Dollars	5	-	22.94	5	-	23.47
Yuan	-	188	4.60	-	-	-

Currency	Separate financial statements					
	2020			2019		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets Thousand Baht	Financial liabilities Thousand Baht		Financial assets Thousand Baht	Financial liabilities Thousand Baht	
US Dollars	470	-	32.67	457	32	31.81
Indian Rupees	-	2,267	0.43	-	2,300	0.46

30.2 Foreign exchange forward contracts

As at 31 March 2020, the Group has foreign exchange forward contracts due to purchase of goods with maturity contracts not over 3 months (2019 : 8 months) as follows:

	Consolidated financial statements			
	2020		2019	
	Foreign currency amounts	Positive (negative) fair value Thousand Baht	Foreign currency amounts	Positive (negative) fair value Thousand Baht
Foreign exchange forward contracts				
US Dollars	179,000	185	430,000	100
Euro	137,000	308	300,000	32

As at 31 March 2020, the Group has foreign exchange forward contracts due to sale of goods with maturity contracts not over 2 months (2019 : Nil) as follows:

	Consolidated financial statements			
	2020		2019	
	Foreign currency amounts	Positive (negative) fair value Thousand Baht	Foreign currency amounts	Positive (negative) fair value Thousand Baht
Foreign exchange forward contracts				
US Dollars	3,500,000	(2,163)	-	-

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

31 Related party transactions

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

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

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Relationship between company and related parties:

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

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The following transactions were carried out with related parties:

a) Related party transactions for the years ended 31 March 2020 and 2019

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	762,299	1,370,187	-	-
The Siam Industrial Wire Co., Ltd.	452,053	733,214	-	-
NatSteel Holdings Pte. Ltd.	3,774	4,568	-	-
TSN Wires Co., Ltd.	282,700	329,599	-	-
Tata projects Limited	179	14,059	-	-
Total	1,501,005	2,451,627	-	-
Interest income				
The Siam Iron and steel (2001) Co., Ltd.	-	-	-	4
N.T.S. Steel Group Public Company Limited	-	-	85,446	86,679
Total	-	-	85,446	86,683
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	87,580	85,241
The Siam Construction Steel Co., Ltd.	-	-	160,256	158,265
N.T.S. Steel Group Public Company Limited	-	-	157,900	184,704
Total	-	-	405,736	428,210

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

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	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
For the years ended 31 March				
Expenses				
Purchases				
The Siam Industrial Wire Co., Ltd.	-	4,970	-	-
NatSteel Recycling Pte. Ltd.	-	97,695	-	-
Tata International Metals Asia Ltd.	1,137,852	1,000,194	-	-
Tata International Limited	18,518	13,976	-	-
Tata International West Asia DMCC	21,680	5,264	-	-
NatSteel Holdings Pte. Ltd.	-	129,206	-	-
Total	1,178,050	1,251,305	-	-
Purchases of assets				
Tata Technologies (Thailand) Co., Ltd.	-	3,370	-	3,370
Interest expenses				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	4,315	2,627
The Siam Construction Steel Co., Ltd.	-	-	26,577	26,254
N.T.S Steel Group Public Company Limited	-	-	464	-
Total	-	-	31,356	28,881
	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
For the years ended 31 March				
Other expenses				
Tata Steel Limited	1,004	72	1,004	72
The Siam Industrial Wire Co., Ltd.	-	266	-	-
Tata Sons Private Limited	16	1,051	16	1,051
Mjunction Services Limited	-	55	-	55
Tata South East Asia (Cambodia) Ltd.	-	392	-	392
Tata Technologies (Thailand) Co., Ltd.	54	99	54	99
Total	1,074	1,935	1,074	1,669
Key management compensation				
Short-term employee benefits	64,404	63,492	64,404	63,492
Post-employment benefits	29,487	21,197	29,487	21,197
Total	93,891	84,689	93,891	84,689

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- b) Outstanding balance arising from sale/purchases of goods, services and others as at 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Trade receivable - related parties				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	2,316	1,877
The Siam Construction Steel Co., Ltd.	-	-	4,187	3,485
N.T.S. Steel Group Public Company Limited	-	-	4,173	4,066
Tata Steel Limited	171,989	-	-	-
The Siam Industrial Wire Co., Ltd.	543	12,523	-	-
TSN Wires Co., Ltd.	53,664	45,862	-	-
Total	226,196	58,385	10,676	9,428
Other receivables - related parties				
Tata Steel Limited	23	23	23	23
The Siam Iron and Steel (2001) Co., Ltd.	-	-	1,235	7
The Siam Construction Steel Co., Ltd.	-	-	2,137	44
N.T.S. Steel Group Public Company Limited	-	-	10,262	7,085
Tata Communication (Thailand) Ltd.	21	21	21	21
The Siam Industrial Wire Co., Ltd.	-	199	-	199
TSN Wires Co., Ltd.	-	85	-	85
Total	44	328	13,678	7,464
Trade payable - related parties				
Tata Steel Limited	2,347	2,285	-	-
	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Other payables - related parties				
Tata Steel Limited	2,267	2,300	2,267	2,300
The Siam Iron and Steel (2001) Co., Ltd.	-	-	270	398
The Siam Construction Steel Co., Ltd.	-	-	2,470	2,035
N.T.S. Steel Group Public Company Limited	-	-	20	81
Tata Technologies (Thailand) Co., Ltd.	-	1,549	-	1,549
Total	2,267	3,849	5,027	6,363

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c) Short-term loans to a subsidiary

The movements of short-term loans to a subsidiary during the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	-	-	2,441,051	2,780,640
Net additions (deductions) of loans during the year	-	-	651,033	(339,589)
Closing balance for the year	-	-	3,092,084	2,441,051

As at 31 March 2020, short-term loans to a subsidiary in amount of Baht 3,092 million (2019 : Baht 2,441 million) bear interest rate at 3.0% per annum (2019 : 3.0% per annum), short-term loans to a subsidiary are non-collateralised loans and not specified maturity date.

d) Short-term borrowings from subsidiaries

The movements of short-term borrowings from subsidiaries during the years ended 31 March 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Opening balance for the year	-	-	1,839,824	1,913,950
Net additions (deductions) of borrowing during the year	-	-	278,531	(74,126)
Closing balance for the year	-	-	2,118,355	1,839,824

As at 31 March 2020, short-term borrowings from subsidiaries in amount of Baht 2,118 million (2019 : Baht 1,840 million) bear interest rate at 1.50% per annum (2019 : 1.50% per annum), short-term borrowings from subsidiaries are non-collateralised borrowings and not specified maturity date.

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32 Contingent liabilities

For fiscal year ended 31 March 2014, The Siam Construction Steel Company Limited, a subsidiary, received the notifications from the Revenue Department informing the assessments of additional surcharge of Baht 16 million in respect of the half-year corporate income tax filing for the year ended 31 March 2008 which the subsidiary under-estimated the net profit for that year by an amount exceeding 25 percent of the actual net profit. The subsidiary has made the appeal to the Revenue Department. On 15 August 2018, Board of appeal denied the subsidiary's appeal. However, the subsidiary has made the appeal to the Central tax court.

On 5 August 2019, the Central tax court had judged in favour of the subsidiary. On 11 November 2019, the Revenue Department, therefore, has appealed to the Court of Appeal for Specialized Cases. The subsidiary has already responded to the appeal on 10 January 2020.

As at 31 March 2020, the result of this assessment has not been finalised. The subsidiary does not expect that there would be any additional surcharge to be paid and has not recorded the provisions in the financial statements.

33 Commitments

33.1 Letter of guarantee

Letters of guarantee issued by the financial institutions to the Revenue Department, Electricity Generating Authority of Thailand, Provincial Electricity Authority Industrial, Estate Authority of Thailand and Bureau of Indian Standards as at 31 March 2020 and 2019 amounting to Baht 283 million and Baht 350 million, respectively, in the normal courses of business.

33.2 Capital commitments

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

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Building and equipment	23,562	68,057	-	-
Computer software	-	3,799	-	-

33.3 Operating lease commitments - where the Group is the lessee

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

The Group leases various land, office building, vehicles and office equipment. The minimum lease payments under these non-cancellable operating lease agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Not later than 1 year	71,284	34,515	25,981	18,308
Later than 1 year but not later than 5 years	176,333	37,574	30,161	23,747
Later than 5 years	500,085	-	-	-
	747,702	72,089	56,142	42,055

33.4 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2020 and 2019 are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand	2019 Thousand	2020 Thousand	2019 Thousand
Currency				
US Dollars	1,266	680	-	-
EUR	275	355	-	-

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34 Fair value measurement

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets and financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	Positive (negative) fair value as at		Positive (negative) fair value as at			
	31 March 2020 Thousand Baht	31 March 2019 Thousand Baht	31 March 2020 Thousand Baht	31 March 2019 Thousand Baht		
<u>Financial assets</u>						
1. Foreign currency forward contracts (including in other current assets)	494	138	-	-	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2. Available-for-sale investment	-	1,200	-	-	Level 1	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
<u>Financial liabilities</u>						
1. Foreign currency forward contracts (including in other current liabilities)	2,163	6	-	-	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

35 Promotional privileges

The Group received the promotional privileges from the Board of Investment for 2 projects no. 2084(8)/2550 and 9018(2)/2557 on 18 July 2007 and 29 September 2014, respectively; for manufacturing of steel sections, hot metal, pig iron, and steel billet wire rods. Subject to certain imposed conditions, the privileges include the following conditions:

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

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

Consolidated financial statements			
2020 (Unaudited)			
	BOI promoted activities which are subject to corporate income tax	Non BOI promoted activities	Total
	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from local sales	-	18,288,118	18,288,118
Revenue from export sales	-	1,836,613	1,836,613
Total revenue	-	20,124,731	20,124,731
Consolidated financial statements			
2019 (Unaudited)			
	BOI promoted activities which are subject to corporate income tax	Non BOI promoted activities	Total
	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from local sales	-	19,753,096	19,753,096
Revenue from export sales	-	2,469,270	2,469,270
Total revenue	-	22,222,366	22,222,366

An aerial photograph of a city skyline at sunset. The sky is a warm, golden-orange color. In the foreground, several modern skyscrapers are visible. On the right, a very tall, slender skyscraper with a glass facade is under construction, with a crane visible at its peak. To its left, a large, curved skyscraper with a glass facade is also prominent. Other smaller buildings and residential structures are visible in the background and foreground. The overall scene is a vibrant representation of urban development.

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