

**TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED DECEMBER 31, 2015**  
**“UNAUDITED”**

**1. GENERAL INFORMATION AND THE OPERATION OF THE COMPANY**

Tata Steel (Thailand) Public Company Limited (“the Company” or “the parent company”) is incorporated in Thailand and has its registered office at Rasa Tower 2, 20th Floor, 555 Phaholyothin Road, Chatuchak, Bangkok with the objective to invest in other companies and provide management services and the Company has been listed on the Stock Exchange of Thailand since November 2002. The major shareholder (hold 67.90%) is T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.) which is incorporated in Singapore and is an affiliate of Tata Steel Limited, a listed company incorporated under the law of India and is one of the largest integrated steel manufacturers in India with a strong global customer base.

The Company has three subsidiaries (“the Group”) which were incorporated in Thailand, that manufacture, render a manufacturing service, distribute and trading of steel bars, wire rods and small section products. Sales of the subsidiaries are mainly local sales contributing 90% and 92% of the total sales for the nine-month periods ended December 31, 2015 and 2014, respectively.

Details of the Company’s subsidiaries are as follows:

	Type of business	Shareholding (%)	
		As at December 31, 2015	As at March 31, 2015
The Siam Iron and Steel (2001) Company Limited	Manufacture wire rods and small section products	99.99	99.99
The Siam Construction Steel Company Limited	Manufacture steel bars	99.99	99.99
N.T.S. Steel Group Public Company Limited	Manufacture, render a manufacturing service, distribution and trading of steel bars, wire rods and small section products	99.76	99.76

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

As at December 31, 2015 and March 31, 2015, N.T.S. Steel Group Public Company Limited (“N.T.S.”) has total current liabilities exceeding total current assets by Baht 3,135 million and Baht 3,021 million, respectively. However, the amount of current liabilities included the short-term borrowing from the parent company of Baht 2,752 million and Baht 2,478 million, respectively. The parent company will continue its financial support to N.T.S. to enable N.T.S. to continue its operations satisfactorily at least for the next 12 months from the statement of financial position date and the Group’s management has prepared the business plan including initiatives to improve operation and financial results of N.T.S.

The Group's management decided to temporarily cease operation of the Mini Blast Furnace ("MBF") at N.T.S., the Company's subsidiary, from the end of August 2011 to March 2016 due to the high MBF input raw material prices internationally, thereby adversely impacting the viability of costs of steel produced through MBF route. For the three-month periods ended December 31, 2015 and 2014, depreciation and other expenses of MBF which incurred during the mothball period were totally Baht 3 million and Baht 4 million, respectively and for the nine-month periods ended December 31, 2015 and 2014, depreciation and other expenses of MBF which incurred during the mothball period were totally Baht 9 million and Baht 12 million, respectively.

As at March 31, 2015, the Company had a debt service coverage ratio ("DSCR") lower than the required ratio specified in the loan agreements with two financial institutions. Waiver for compliance of DSCR specified in the loan agreements of both lenders for the year ended March 31, 2015 was obtained. The next testing of such DSCR will be done at the end of the fiscal year on March 31, 2016. However, the Group has maintained installment payments in accordance with existing terms.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL INFORMATION**

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2014) "Interim Financial Reporting" ("TAS 34") and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The consolidated and separate statements of financial position as at March 31, 2015, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended December 31, 2015 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and nine-month periods ended December 31, 2015 should be read in conjunction with the audited financial statements for the year ended March 31, 2015.
- 2.5 The preparation of financial statements in conformity with TAS 34 also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

- 2.6 The consolidated interim financial information incorporate the accounts of the Company and subsidiaries by eliminating significant related party transactions and intercompany balances, investments in subsidiaries and share capital of the subsidiaries.
- 2.7 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2015 onwards, as follows:

**Thai Accounting Standards (“TAS”)**

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

**Thai Accounting Standards Interpretations (“TSIC”)**

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Service Concession Arrangements : Disclosures
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. TAS 19 (Revised 2014) - Employee Benefits
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2015), which was announced in the Royal Gazette and effective from November 6, 2015 onwards to replace the Conceptual Framework for Financial Reporting (Revised 2014). Such Conceptual Framework for Financial Reporting has no material impact on these financial statements.

Above TFRSs have no material impact on these financial statements.

## 2.8 New Standard on Fair Value Measurement

### Impact of the application of TFRS 13

The Group has applied TFRS 13 for the first time in the current year. TFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of TFRS 13 is broad; the fair value measurement requirements of TFRS 13 apply to both financial instrument items and non-financial instrument items for which other TFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2014) “Share-based Payment”, leasing transactions that are within the scope of TAS 17 (Revised 2014) “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

TFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under TFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, TFRS 13 includes extensive disclosure requirements.

TFRS 13 requires prospective application for the financial statements for the periods beginning on or after January 1, 2015 onwards. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of this Standard. Therefore, in accordance with these transitional provisions, the Group has not made any new disclosures required by TFRS 13 for the 2014 comparative period. Other than the additional disclosures, the application of TFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

## 2.9 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRSs) which will be effective for the accounting period beginning on or after January 1, 2016 onwards, as follows:

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TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture



**Thai Financial Reporting Standards (“TFRS”)**

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TFRS 8 (Revised 2015)	Operating Segments
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TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

**Guideline on Accounting**

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

The Group’s management will adopt the above TFRSs relevant to the Group in the preparation of the Group’s financial statements when they become effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

- 2.10 The consolidated interim financial information for the three-month and nine-month periods ended December 31, 2015 and the consolidated financial statements for the year ended March 31, 2015 did not include investment in Siam Steel Mill Services Company Limited on an equity method because the Company has no significant influence on Siam Steel Mill Services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of its share capital. The Company and the subsidiary recorded such investment as other long-term investment at cost of Baht 1,241.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended March 31, 2015.

### 4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

#### 4.1 Cash and cash equivalents consist of:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2015	As at March 31, 2015	As at December 31, 2015	As at March 31, 2015
Cash	1	1	-	-
Bank deposits in current accounts	18,606	130,337	258	421
Bank deposits in savings accounts	468,333	578,212	395,798	478,045
Time deposits with maturity not more than 3 months	50	50	50	50
Total	<u>486,990</u>	<u>708,600</u>	<u>396,106</u>	<u>478,516</u>

#### 4.2 Non-cash transactions in the consolidated and the separate interim financial information for the nine-month period ended December 31, 2015 is as follows:

- The recording of investments in available-for-sale securities in the consolidated financial statements at fair value and recognises unrealised gain on such investments of Baht 1.10 million (2014: Nil).
- Non-cash items from purchase and increase of property, plant and equipment and computer software for the nine-month periods ended December 31, are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	2015	2014	2015	2014
Payables for property, plant and equipment and computer software brought forward	12,271	11,868	200	525
<u>Add</u> Purchase during the periods	<u>157,456</u>	<u>122,250</u>	<u>1,325</u>	<u>3,109</u>
<u>Less</u> Cash payment during the periods	<u>(167,553)</u>	<u>(128,479)</u>	<u>(1,525)</u>	<u>(3,634)</u>
Payables for property, plant and equipment and computer software carried forward	<u>2,174</u>	<u>5,639</u>	<u>-</u>	<u>-</u>

## 5. TRADE ACCOUNTS RECEIVABLE - OTHER COMPANIES

Trade accounts receivable - other companies are as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	“UNAUDITED”		“UNAUDITED”	
	As at December 31, 2015	As at March 31, 2015	As at December 31, 2015	As at March 31, 2015
Within credit terms	419,773	612,748	-	-
Overdue:				
Not over 3 months	19,488	28,532	-	-
Over 3 months to 6 months	-	9,634	-	-
Over 6 months to 12 months	3,665	7,960	-	-
Over 12 months	22,735	23,085	-	-
Total	465,661	681,959	-	-
<u>Less</u> Allowance for doubtful accounts	(21,875)	(21,875)	-	-
Total	443,786	660,084	-	-

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

For the three-month periods ended December 31, 2015 and 2014, the Group had sold receivables to the financial institution amounting to Baht 1,535 million and Baht 2,138 million, respectively. For the nine-month periods ended December 31, 2015 and 2014, the Group had sold receivables to the financial institution amounting to Baht 4,974 million and Baht 7,063 million, respectively.

## 6. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are as follows:

	Separate financial statements						Unit : Thousand Baht	
	Ownership interest (%)		Paid-up capital		Investments at cost		Dividend income	
	As at		As at		As at		For the nine-month periods	
	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	December 31, 2015	March 31, 2015	ended December 31, 2015	2014
<b>Investments in equity</b>								
The Siam Iron and Steel (2001) Co., Ltd.	99.99	99.99	120,000	120,000	2,554,386	2,554,386	-	-
The Siam Construction Steel Co., Ltd.	99.99	99.99	1,750,000	1,750,000	3,656,874	3,656,874	87,500	-
N.T.S. Steel Group Public Company Limited	99.76	99.76	4,627,965	4,627,965	9,181,787	9,181,787	-	-
			6,497,965	6,497,965	15,393,047	15,393,047	87,500	-
<u>Less</u> Allowance for impairment of investment			-	-	(3,380,000)	(3,380,000)	-	-
Total			6,497,965	6,497,965	12,013,047	12,013,047	87,500	-



## **7. PROPERTY, PLANT AND EQUIPMENT**

For the nine-month period ended December 31, 2015, the Group purchased equipment of Baht 157 million. There are no other significant transactions for purchasing or selling of property, plant and equipment during the period.

Property, plant and equipment of The Siam Iron and Steel (2001) Co., Ltd., The Siam Construction Steel Co., Ltd. and N.T.S. Steel Group Public Company Limited which have net book value of Baht 3,584 million as at December 31, 2015 (Baht 3,792 million as at March 31, 2015) are used as collateral for the long-term borrowings from two domestic financial institutions.

## **8. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE**

As at December 31, 2015 and March 31, 2015, the Group had unused tax losses of Baht 5,672 million and Baht 5,819 million, respectively, which were not recognised as deferred tax assets. Such tax losses will be gradually expired from March 2016 to November 2022.

Income tax rate reduction

According to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, to extend the corporate income tax rate reduction at 20% of net profit for accounting period beginning on or after January 1, 2015 but not later than December 31, 2015.

## **9. LONG-TERM BORROWINGS**

For the nine-month period ended December 31, 2015, the Group made the repayment of long-term borrowings to the financial institutions of Baht 765 million.

## **10. LEGAL RESERVE**

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

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

## 11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group by common shareholders or directors.

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

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

The major related parties as at December 31, 2015 are as follows:

Type	Name	Type of Business	Relationship
Ultimate parent company	Tata Steel Limited	Manufacture steel	Ultimate parent company
Major shareholder	T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.)	Investing	Major shareholder
Subsidiaries	The Siam Iron and Steel (2001) Co., Ltd.	Manufacture wire rods and small section products	Common shareholders and managements
	The Siam Construction Steel Co., Ltd.	Manufacture steel bars	Common shareholders and managements
	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 shareholders and managements
Other parties	The Siam Industrial Wire Co., Ltd.	Manufacture steel wire	Same group of shareholders
	NatSteel Trade International Pte. Ltd.	Trading	Same group of shareholders
	NatSteel Recycling Pte. Ltd.	Trading	Same group of shareholders
	Tata International Metals Trading Asia Ltd.	Trading	Same group of shareholders
	Tata Steel Asia (Hong Kong) Ltd.	Trading	Same group of shareholders
	Tata Refractories Ltd.	Manufacture refractory	Same group of shareholders
	NatSteel Holdings Pte. Ltd.	Manufacture steel	Same group of shareholders
	Tata Steel UK Ltd.	Manufacture steel	Same group of shareholders
	Tata International Singapore Pte. Ltd.	Trading	Same group of shareholders
	Tata Steel IJmuiden BV	Manufacture steel	Same group of shareholders
	Tata Consultancy Services (Thailand) Ltd.	Software services	Same group of shareholders
	Tata Consultancy Services Ltd.	Software services	Same group of shareholders
	Tata Services Limited	Training services	Same group of shareholders
	Tata Sons Limited	Investment holdings and consultancy services	Same group of shareholders

Type	Name	Type of Business	Relationship
Other parties	Tata Steel Resources Australia Pte. Ltd.	Procurement	Same group of shareholders
(Continued)	Tata NYK Shipping Pte. Ltd.	Shipping	Same group of shareholders
	Mjunction Services Limited	Trading and procurement	Same group of shareholders
	Siam Steel Mill Services Co., Ltd.	Recycling and reprocessing steel scrap	Indirect shareholding by subsidiary
	Tata Steel Global 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

Balances with related parties are as follows:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at December 31, 2015	As at March 31, 2015	As at December 31, 2015	As at March 31, 2015
<b>Other receivables - related parties</b>				
Tata Steel Limited	16	24	16	10
The Siam Iron and Steel (2001) Co., Ltd.	-	-	5,503	1,482
The Siam Construction Steel Co., Ltd.	-	-	12,002	17,607
N.T.S. Steel Group Public Company Limited	-	-	3,679	16,290
Tata Sons Limited	53	-	53	-
Siam Steel Mill Services Co., Ltd.	771	788	-	-
Tata Projects Limited	4	-	4	-
<b>Total</b>	<b>844</b>	<b>812</b>	<b>21,257</b>	<b>35,389</b>
<b>Short-term loans to a related party</b>				
N.T.S. Steel Group Public Company Limited	-	-	2,451,929	1,612,507

Short-term loans to a related party are non-collateralised loans carrying interest as at December 31, 2015 and March 31, 2015 at 1% - 5.5% per annum.

Movements during the periods on short-term loans to a related party are as follows:

	Consolidated financial statements	Unit : Thousand Baht Separate financial statements
<b>As at March 31, 2014</b>	-	382,190
Increase	-	1,230,317
<b>As at March 31, 2015</b>	-	1,612,507
Increase	-	839,422
<b>As at December 31, 2015</b>	-	2,451,929

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	“UNAUDITED”		financial statements	
	As at	As at	As at	As at
	December 31,	March 31,	December 31,	March 31,
	2015	2015	2015	2015
<b>Long-term loan to a related party</b>				
N.T.S. Steel Group Public Company Limited				
(Interest rate at MLR - 2.00% p.a.)	-	-	300,000	1,065,000

The long-term loan to a related party is non-collateralised loan according to the loan agreements dated November 9, 2007.

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

During the nine-month periods ended December 31, 2015 and 2014, there was no additional long-term loan granted to the related party. The Company received the long-term loan repayment from the related party during the periods of Baht 765 million and Baht 1,275 million, respectively.

The periods of maturity are as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	“UNAUDITED”		financial statements	
	As at	As at	As at	As at
	December 31,	March 31,	December 31,	March 31,
	2015	2015	2015	2015
Within one year	-	-	300,000	865,000
After one year but not exceeding five years	-	-	-	200,000
Total	-	-	300,000	1,065,000
<b>Other current asset</b>				
T S Global Holdings Pte. Ltd.*				
(Formerly Tata Steel Global Holdings Pte. Ltd.)	71,220	-	71,220	-
<b>Other non-current asset</b>				
T S Global Holdings Pte. Ltd.*				
(Formerly Tata Steel Global Holdings Pte. Ltd.)	-	71,220	-	71,220

\* The Company had paid for the advance payment for Brand Promotion fee, approximately Baht 71 million which was paid in 2008. During the year 2014, the receivable was changed from Tata Sons Limited to T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.).

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
	“UNAUDITED”		“UNAUDITED”	
	As at	As at	As at	As at
	December 31,	March 31,	December 31,	March 31,
	2015	2015	2015	2015
<b>Trade accounts payable - related parties</b>				
NatSteel Recycling Pte. Ltd.	(489)	84,207	-	-
Tata International Metals Trading Asia Ltd.	-	179,848	-	-
Tata International Singapore Pte. Ltd.	6,133	4,370	-	-
Siam Steel Mill Services Co., Ltd.	9,596	21,840	-	-
Total	15,240	290,265	-	-
<b>Other payables - related parties</b>				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	558	95
The Siam Construction Steel Co., Ltd.	-	-	1,698	1,483
N.T.S. Steel Group Public Company Limited	-	-	59	115
The Siam Industrial Wire Co., Ltd.	-	441	-	-
Tata Steel UK Ltd.	-	12	-	12
Tata Consultancy Services (Thailand) Ltd.	-	1,902	-	1,902
Tata Sons Limited	-	33	-	33
Siam Steel Mill Services Co., Ltd.	628	825	-	-
Total	628	3,213	2,315	3,640
<b>Advance received from customer</b>				
The Siam Industrial Wire Co., Ltd.	136,545	99,658	-	-
<b>Short-term borrowing from related parties</b>				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.) (Interest at LIBOR + 2.5 % p.a.)	413,293	-	413,293	-
The Siam Iron and Steel (2001) Co., Ltd. (Interest at 1.5% p.a.)	-	-	379,464	101,455
The Siam Construction Steel Co., Ltd. (Interest at 1.5% p.a.)	-	-	1,285,055	1,129,905
Total	413,293	-	2,077,812	1,231,360
<b>Current portion of long-term borrowing from a related party**</b>				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.)	270,596	-	270,596	-
<b>Long-term borrowing from a related party**</b>				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.)	-	270,596	-	270,596

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

Significant transactions for the three-month periods ended December 31, with related parties are summarised as follows:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
			“UNAUDITED”	
	For the three-month periods ended December 31,			
	2015	2014	2015	2014
<b>Revenues</b>				
Sales				
Tata Steel Limited	-	105,418	-	-
The Siam Industrial Wire Co., Ltd.	78,024	162,117	-	-
TSN Wires Co., Ltd.	12,393	(19)	-	-
Total	<u>90,417</u>	<u>267,516</u>	<u>-</u>	<u>-</u>
Management fees income***				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	14,999	3,000
The Siam Construction Steel Co., Ltd.	-	-	29,270	42,500
N.T.S. Steel Group Public Company Limited	-	-	3,000	37,720
Total	<u>-</u>	<u>-</u>	<u>47,269</u>	<u>83,220</u>
Interest income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	-	2,240
N.T.S. Steel Group Public Company Limited	-	-	10,275	22,406
Total	<u>-</u>	<u>-</u>	<u>10,275</u>	<u>24,646</u>
Dividend received				
The Siam Construction Steel Co., Ltd.	-	-	87,500	-
Siam Steel Mill Services Co., Ltd.	52,560	-	-	-
Total	<u>52,560</u>	<u>-</u>	<u>87,500</u>	<u>-</u>
Other income				
Siam Steel Mill Services Co., Ltd.	<u>2,600</u>	<u>2,166</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>				
Purchases				
NatSteel Trade International Pte. Ltd.	-	(1,281)	-	-
NatSteel Recycling Pte. Ltd.	-	10,896	-	-
Tata International Metals Trading Asia Ltd.	171,633	-	-	-
Tata International Singapore Pte. Ltd.	(64)	-	-	-
Siam Steel Mill Services Co., Ltd.	31,737	50,738	-	-
Total	<u>203,306</u>	<u>60,353</u>	<u>-</u>	<u>-</u>
Interest expenses				
T S Global Holdings Pte. Ltd. (Formerly Tata Steel Global Holdings Pte. Ltd.)	3,135	-	3,135	-
The Siam Iron and Steel (2001) Co., Ltd.	-	-	1,426	3,008
The Siam Construction Steel Co., Ltd.	-	-	4,981	-
Total	<u>3,135</u>	<u>-</u>	<u>9,542</u>	<u>3,008</u>

\*\*\* In 2010, the Company made the agreement for management fee by determining based on 2.0% of the annual net sales. In case that subsidiaries have the annual loss excluding management fee, such management fee shall not exceed Baht 1 million per month. This agreement is effective on April 1, 2010, onward. Subsequently, the Company revised the scope of services of such agreement which is effective on April 1, 2014, onward.



	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	“UNAUDITED”			
	For the three-month periods ended December 31,			
	2015	2014	2015	2014
Other expenses				
Tata Steel Limited	387	-	387	-
The Siam Industrial Wire Co., Ltd.	69	-	-	-
NatSteel Holdings Pte. Ltd.	-	21	-	21
Tata Consultancy Services (Thailand) Ltd.	-	3,412	-	3,412
Tata Sons Limited	610	-	610	-
Siam Steel Mill Services Co., Ltd.	2,326	2,384	-	-
Total	<u>3,392</u>	<u>5,817</u>	<u>997</u>	<u>3,433</u>
Key management compensation				
Short-term employee benefits	14,448	13,090	14,448	13,090
Post-employment benefits	610	515	610	515
Total	<u>15,058</u>	<u>13,605</u>	<u>15,058</u>	<u>13,605</u>

Significant transactions for the nine-month periods ended December 31, with related parties are summarised as follows:

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
	“UNAUDITED”			
	For the nine-month periods ended December 31,			
	2015	2014	2015	2014
<b>Revenues</b>				
Sales				
Tata Steel Limited	417,949	105,418	-	-
The Siam Industrial Wire Co., Ltd.	375,213	519,960	-	-
TSN Wires Co., Ltd.	29,559	19,086	-	-
Total	<u>822,721</u>	<u>644,464</u>	<u>-</u>	<u>-</u>
Management fees income***				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	50,739	9,000
The Siam Construction Steel Co., Ltd.	-	-	99,886	129,449
N.T.S. Steel Group Public Company Limited	-	-	9,009	125,144
Total	<u>-</u>	<u>-</u>	<u>159,634</u>	<u>263,593</u>
Interest income				
The Siam Iron and Steel (2001) Co., Ltd.	-	-	-	6,180
N.T.S. Steel Group Public Company Limited	-	-	37,021	80,982
Total	<u>-</u>	<u>-</u>	<u>37,021</u>	<u>87,162</u>
Dividend received				
The Siam Construction Steel Co., Ltd.	-	-	87,500	-
Siam Steel Mill Services Co., Ltd.	52,560	-	-	-
Total	<u>52,560</u>	<u>-</u>	<u>87,500</u>	<u>-</u>
Other income				
Siam Steel Mill Services Co., Ltd.	6,384	6,448	-	-

\*\*\* In 2010, the Company made the agreement for management fee by determining based on 2.0% of the annual net sales. In case that subsidiaries have the annual loss excluding management fee, such management fee shall not exceed Baht 1 million per month. This agreement is effective on April 1, 2010, onward. Subsequently, the Company revised the scope of services of such agreement which is effective on April 1, 2014, onward.

	Consolidated		Unit : Thousand Baht	
	financial statements		Separate	
			financial statements	
			“UNAUDITED”	
	For the nine-month periods ended December 31,			
	2015	2014	2015	2014
<b>Expenses</b>				
Purchases				
NatSteel Trade International Pte. Ltd.	-	273,247	-	-
NatSteel Recycling Pte. Ltd.	239	325,835	-	-
Tata International Metals Trading Asia Ltd.	1,290,856	-	-	-
Tata Steel Asia (Hong Kong) Ltd.	-	1,452	-	-
Tata International Singapore Pte. Ltd.	24,536	-	-	-
Siam Steel Mill Services Co., Ltd	144,321	162,625	-	-
Tata International Limited	22,790	20,741	-	-
Total	<u>1,482,742</u>	<u>783,900</u>	<u>-</u>	<u>-</u>
Interest expenses				
T S Global Holdings Pte. Ltd.				
(Formerly Tata Steel Global Holdings Pte. Ltd.)	4,847	-	4,847	-
The Siam Iron and Steel (2001) Co., Ltd.	-	-	3,103	-
The Siam Construction Steel Co., Ltd.	-	-	14,226	8,684
N.T.S. Steel Group Public Company Limited	-	-	-	182
Total	<u>4,847</u>	<u>-</u>	<u>22,176</u>	<u>8,866</u>
Other expenses				
Tata Steel Limited	387	-	387	-
The Siam Industrial Wire Co., Ltd.	240	-	-	-
NatSteel Holdings Pte. Ltd.	60	40	20	40
Tata Consultancy Services (Thailand) Ltd.	-	9,315	-	9,315
Tata Sons Limited	610	642	610	642
Mjunction Services Limited	488	-	-	-
Siam Steel Mill Services Co., Ltd.	7,308	5,411	-	-
Total	<u>9,093</u>	<u>15,408</u>	<u>1,017</u>	<u>9,997</u>
Key management compensation				
Short-term employee benefits	44,192	45,651	44,192	45,651
Post-employment benefits	17,634	14,276	17,634	14,276
Total	<u>61,826</u>	<u>59,927</u>	<u>61,826</u>	<u>59,927</u>

## 12. COMMITMENTS

The Group had the commitments as follows:

- (a) Letters of credit opened but are not qualified as liabilities as at December 31, 2015 and March 31, 2015 are as follows:

	Unit : Thousand Consolidated financial statements “UNAUDITED”	
	As at December 31, 2015	As at March 31, 2015
<b>Currencies</b>		
USD	14,382	898
EUR	27	188
THB	1,648	-

- (b) Letters of guarantee issued by the commercial banks to the Revenue Department, Electricity Authorities and Industrial Estate Authority of Thailand as at December 31, 2015 and March 31, 2015 amounting to Baht 386 million in the normal courses of business.
- (c) Commitments on purchase and installation of machinery as at December 31, 2015 and March 31, 2015 are as follows:

	Unit : Thousand Consolidated financial statements “UNAUDITED”	
	As at December 31, 2015	As at March 31, 2015
<b>Currencies</b>		
THB	1,038	11,931
EUR	84	36

- (d) As at December 31, 2015 and March 31, 2015, the Group had operating lease commitments for land, office building, vehicles and office equipment (including service charges) as follows:

	Consolidated financial statements “UNAUDITED”		Unit : Thousand Baht Separate financial statements “UNAUDITED”	
	As at December 31, 2015	As at March 31, 2015	As at December 31, 2015	As at March 31, 2015
Within one year	31,955	39,886	16,813	23,915
After one year but not over five years	36,170	58,816	16,095	26,284
After five years	-	-	-	-
Total	<u>68,125</u>	<u>98,702</u>	<u>32,908</u>	<u>50,199</u>

### **13. CONTINGENT LIABILITIES**

For fiscal year ended March 31, 2014, The Siam Construction Steel Company Limited, a subsidiary, received the notifications from the Revenue Department informing the assessments of additional surcharge of Baht 16.29 million in respect of the half-year corporate income tax filing for the year ended March 31, 2008 which the subsidiary under-estimated the net profit for that year by an amount exceeding 25 percent of the actual net profit. The subsidiary considered that there was a reasonable event occurred in the second half of that year that caused the net-profit under-estimated. As at December 31, 2015, the subsidiary has made the appeal to the Revenue Department and the result of this assessment has not been finalised. However, the subsidiary expected that there would not be additional surcharge to be paid and has not recorded the provisions in the financial statements.

### **14. 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 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, operating profits and assets as reflected in these financial statements pertain to the aforementioned business segment and geographic area.

### **15. APPROVAL OF THE INTERIM FINANCIAL INFORMATION**

This interim financial information has been approved by the Board of Directors of the Company for issuing on January 29, 2016.

