

**TATA STEEL MANUFACTURING (THAILAND)  
PUBLIC COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2023**



## Independent Auditor's Report

To the Shareholders of Tata Steel Manufacturing (Thailand) Public Company Limited

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tata Steel Manufacturing (Thailand) Public Company Limited (the Company) as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### 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 financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibilities of the management for the financial statements

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

In preparing the financial statements, the management is responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



### **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Varaporn Vorathitikul', with a long horizontal flourish extending to the right.

**Varaporn Vorathitikul**  
Certified Public Accountant (Thailand) No. 4474  
Bangkok  
18 April 2023

**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2023**

	<b>Notes</b>	<b>31 March 2023 Baht</b>	<b>31 March 2022 Baht</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9 a)	145,051,654	473,896,017
Trade and other receivables, net	10	2,835,745,743	2,425,314,733
Inventories, net	12	3,891,748,114	4,444,870,724
Other current assets	13	194,776,884	75,020,960
<b>Total current assets</b>		<b>7,067,322,395</b>	<b>7,419,102,434</b>
<b>Non-current assets</b>			
Financial assets measured at fair value through other comprehensive income	11	204,960,000	304,320,000
Property, plant and equipment, net	14	2,443,249,646	2,372,670,141
Idle assets held-for-sale, net	15	213,000,000	262,000,000
Right-of-use assets, net	16	631,762,560	604,123,342
Goodwill, net	17	3,456,014,091	3,456,014,091
Intangible assets, net	18	12,370,513	13,154,231
Deferred tax assets, net	19	18,741,449	-
Other non-current assets	20	20,888,875	27,078,990
<b>Total non-current assets</b>		<b>7,000,987,134</b>	<b>7,039,360,795</b>
<b>Total assets</b>		<b>14,068,309,529</b>	<b>14,458,463,229</b>

The accompanying notes on page 10 to 51 are an integral part of the financial statements.

**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Statement of Financial Position**  
**As at 31 March 2023**

	<b>Notes</b>	<b>31 March 2023 Baht</b>	<b>31 March 2022 Baht</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term borrowings from financial institutions	21	-	145,576,904
Trade and other payables	22	1,566,251,169	1,655,321,665
Short-term borrowings from parent company	21, 34 c)	62,807,207	593,294,033
Current portion of lease liabilities, net	21	22,723,595	22,451,967
Other current liabilities		28,849,536	23,995,171
<b>Total current liabilities</b>		<b>1,680,631,507</b>	<b>2,440,639,740</b>
<b>Non-current liabilities</b>			
Lease liabilities, net	21	603,159,238	623,486,926
Deferred tax liabilities, net	19	-	9,870,048
Employee benefit obligations	23	282,735,701	275,290,893
Provision for decommissioning costs	24	67,658,415	-
<b>Total non-current liabilities</b>		<b>953,553,354</b>	<b>908,647,867</b>
<b>Total liabilities</b>		<b>2,634,184,861</b>	<b>3,349,287,607</b>

The accompanying notes on page 10 to 51 are an integral part of the financial statements.

**Tata Steel Manufacturing (Thailand) Public Company Limited**

**Statement of Financial Position**

**As at 31 March 2023**

	<b>Notes</b>	<b>31 March 2023 Baht</b>	<b>31 March 2022 Baht</b>
<b>Liabilities and equity (Cont'd)</b>			
<b>Equity</b>			
Share capital	25		
Authorised share capital			
Ordinary shares, 9,032,687,499 shares at par value of Baht 0.75 each		<u>6,774,515,624</u>	<u>6,774,515,624</u>
Issued and paid-up share capital			
Ordinary shares, 9,032,687,499 shares paid-up of Baht 0.75 each		6,774,515,624	6,774,515,624
Surplus arising from business combination under common control		1,655,500,989	1,655,500,989
Retained earnings (Deficits)			
Appropriated - legal reserve	26	161,216,000	127,500,000
Unappropriated		2,795,852,055	2,425,131,009
Other components of equity		<u>47,040,000</u>	<u>126,528,000</u>
<b>Total equity</b>		<u>11,434,124,668</u>	<u>11,109,175,622</u>
<b>Total liabilities and equity</b>		<u>14,068,309,529</u>	<u>14,458,463,229</u>

The accompanying notes on page 10 to 51 are an integral part of the financial statements.

**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 March 2023**

	<b>Notes</b>	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
Revenue from sales and related services		30,697,926,730	32,589,804,898
Cost of sales and related services		<u>(29,286,240,654)</u>	<u>(29,106,389,558)</u>
<b>Gross profit</b>		1,411,686,076	3,483,415,340
Other income	28	44,405,442	34,883,932
Selling expenses		(208,252,583)	(203,241,132)
Administrative expenses		(473,971,110)	(628,954,004)
Gain/(Loss) on exchange rate		(28,399,467)	12,667,929
Other expenses	15	(49,000,000)	(81,000,000)
Finance costs	29	<u>(31,202,088)</u>	<u>(48,450,541)</u>
<b>Profit before income tax expense</b>		665,266,270	2,569,321,524
Income tax income (expense)	31	<u>9,021,877</u>	<u>12,525,646</u>
<b>Profit for the year</b>		<u>674,288,147</u>	<u>2,581,847,170</u>
<b>Other comprehensive income (expense)</b>			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of equity investments at fair value through other comprehensive income	31	(99,360,000)	97,680,000
Remeasurements of post-employment benefit obligations	23, 31	1,411,905	4,712,399
Income tax related to items that will not be reclassified subsequently to profit or loss	31	<u>19,589,619</u>	<u>(20,478,480)</u>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<u>(78,358,476)</u>	<u>81,913,919</u>
<b>Total comprehensive expense for the year</b>		<u>595,929,671</u>	<u>2,663,761,089</u>
<b>Earnings per share</b>			
Basic earnings per share (Baht)	32	<u>0.07</u>	<u>0.35</u>

The accompanying notes on page 10 to 51 are an integral part of the financial statements.

**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 March 2023**

	Retained earnings (Deficits)		Other component of equity		Total equity Baht	
	Surplus arising from business combination under common control	Appropriated - legal reserve	Unappropriated	Measurement of equity investments at fair value through other comprehensive income		
Notes	Issued and paid-up share capital	Surplus arising from business combination under common control	Appropriated - legal reserve	Unappropriated	Measurement of equity investments at fair value through other comprehensive income	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2021	4,627,965,356	1,655,500,989	-	(4,097,695,455)	48,384,000	2,234,154,890
<b>Changes in transactions with owners for the year</b>						
Increase in share capital through debt conversion	6,211,259,643	-	-	-	-	6,211,259,643
Reduction in par value of authorised share capital	(4,064,709,375)	-	-	4,064,709,375	-	-
Legal reserve	-	-	127,500,000	(127,500,000)	-	-
Total comprehensive income for the year	-	-	-	2,585,617,089	78,144,000	2,663,761,089
<b>Closing balance as at 31 March 2022</b>	<b>6,774,515,624</b>	<b>1,655,500,989</b>	<b>127,500,000</b>	<b>2,425,131,009</b>	<b>126,528,000</b>	<b>11,109,175,622</b>
Opening balance as at 1 April 2022	6,774,515,624	1,655,500,989	127,500,000	2,425,131,009	126,528,000	11,109,175,622
<b>Changes in transactions with owners for the year</b>						
Legal reserve	-	-	33,716,000	(33,716,000)	-	-
Dividends paid	-	-	-	(270,980,625)	-	(270,980,625)
Total comprehensive income for the year	-	-	-	675,417,671	(79,488,000)	595,929,671
<b>Closing balance as at 31 March 2023</b>	<b>6,774,515,624</b>	<b>1,655,500,989</b>	<b>161,216,000</b>	<b>2,795,852,055</b>	<b>47,040,000</b>	<b>11,434,124,668</b>

The accompanying notes on page 10 to 51 are an integral part of the financial statements.



**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 March 2023**

	<b>Notes</b>	<b>2023</b> <b>Baht</b>	<b>2022</b> <b>Baht</b>
<b>Cash flows from operating activities</b>			
Profit before income tax expense		665,266,270	2,569,321,524
Adjustments :			
Depreciation and amortisation charge		252,875,051	446,252,828
Employee benefit obligations		21,908,301	45,452,527
Gain on foreign exchange rate		(1,518,440)	(1,644,073)
Other adjustments from non-cash items	9 b)	61,573,524	81,596,550
Interest income	28	(937,746)	(549,211)
Dividend income	28	(24,001,291)	(21,600,000)
Finance costs	29	31,202,088	48,450,541
		<u>1,006,367,757</u>	<u>3,167,280,686</u>
<b>Changes in working capital</b>			
Trade and other receivables		(413,884,404)	(1,305,624,092)
Inventories		540,822,219	(985,178,917)
Trade and other payables		(61,987,031)	88,296,406
Other cash paid from operating activities	9 c)	(130,267,539)	(20,791,468)
Cash generated from operations		941,051,002	943,982,615
Interest paid		(28,055,580)	(49,074,108)
Income tax paid, net		8,660,632	(10,402,639)
		<u>921,656,054</u>	<u>884,505,868</u>
<b>Net cash generated from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	9 d)	(1,828,470)	(215,301)
Purchases of property, plant and equipment	9 d)	(304,553,314)	(205,066,779)
Proceeds from disposals of property, plant and equipment		768,227	493,635
Interest income	28	937,746	549,211
Dividend income	28	24,001,291	21,600,000
		<u>(280,674,520)</u>	<u>(182,639,234)</u>
<b>Net cash used in investing activities</b>			

The accompanying notes on page 10 to 51 are an integral part of the financial statements.

**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Statement of Cash Flows**  
**For the year ended 31 March 2023**

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	<b>Notes</b>	<b>2023 Baht</b>	<b>2022 Baht</b>
<b>Cash flow from financing activities</b>			
Net repayments on short-term borrowings from financial institutions		(145,576,904)	(295,815,631)
Net repayments on short-term borrowings from parent company	34 c)	(530,486,826)	(63,510,088)
Payments on lease liabilities		(22,781,542)	(22,804,666)
Payments on dividends	27	(270,980,625)	-
<b>Net cash used in financing activities</b>		<u>(969,825,897)</u>	<u>(382,130,385)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(328,844,363)	319,736,249
Cash and cash equivalents at the beginning of the year		<u>473,896,017</u>	<u>154,159,768</u>
<b>Cash and cash equivalents at the end of the year</b>	9 a)	<u><u>145,051,654</u></u>	<u><u>473,896,017</u></u>

The accompanying notes on page 10 to 51 are an integral part of the financial statements.

## **1 General information**

Tata Steel Manufacturing (Thailand) Public Company Limited ("the Company") is a public limited company which is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

Head Office : Rasa Tower 2, 20<sup>th</sup> Floor, 555 Phaholyothin Road, Chatuchak Sub-district, Chatuchak District, Bangkok 10900.

Chonburi factory : 351 Moo 6, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230.

Saraburi factory : 49 Moo11, Pattanapong Road, Bang Khamot Subdistrict, Ban Moh District, Saraburi 18270.

Rayong factory : Plot 1, I-7 Road, Map TA Phut Industrial Estate, Mueang Rayong District, Rayong 21150.

The Company engages in manufacturing, rendering manufacturing services, distributing and trading of steel bars, wire rods and small section products.

The major shareholder and the parent company is Tata Steel (Thailand) Public Company Limited which is a public company incorporated in Thailand and listed on the Stock Exchange of Thailand and holds 99.90% of the Company's shares. The Company is under Tata Steel Limited group, a listed company incorporated under the law of India.

The Company do not include investment in Siam Steel Mill Services Company Limited, for 24% of share capital using the equity method because the Company does not have 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 financial statements were authorised for issue by the Board of Directors on 18 April 2023.

## **2 Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS").

The financial statements have been prepared under the historical cost convention except as disclosed in accounting policies for certain financial assets (including derivative instrument) as described in Note 4.6, certain financial liabilities as described in Note 4.12.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the 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.

### 3 New and amended financial reporting standards

#### 3.1 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and relate to the Company

- a) **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

- b) **Accounting guidance on temporary relief measures for entities assisting debtors affected by the COVID-19 pandemic**

The Company which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 to help debtors between 1 January 2022 and 31 December 2023. The key relief measures involve, for example, the consideration for debt staging for ECL calculation where there is debt restructuring, revising EIR for the restructured debt and ECL calculation regarding unused credit line.

These financial reporting standards do not have the significant impact to the Company.

**3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and relate to the Company**

Certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Company.

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- c) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- d) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The Company's management is currently assessing the impact of initial adoption of these amended standards.

## **4 Accounting policies**

### **4.1 Business combination under common control**

The Company accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Company retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed transferring to retained earnings.

#### **4.2 Foreign currency translation**

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company'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.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit or loss.

#### **4.3 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.

#### **4.4 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold and service performed in the ordinary course of business. They are generally due for settlement within 10 days to 90 days and therefore are all classified as current.

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 Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.6 f).

#### **4.5 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.

#### **4.6 Financial asset**

##### **a) Classification**

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### **b) Recognition and derecognition**

Regular way purchases, acquisitions and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### **c) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

##### **d) Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains/(losses). Impairment losses are presented as administrative expenses.

- Fair value through other comprehensive income (FVOCI): Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- Fair value through profit or loss (FVPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.



When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

#### **4.7 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 Company. 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.

#### **4.8 Goodwill**

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, it 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 factory.

#### **4.9 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.

#### **4.10 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.

#### **4.11 Leases**

##### **Leases - where the Company is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

#### **4.12 Financial liabilities**

a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

#### **4.13 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take 12 months 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.

#### **4.14 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 Company 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.

#### **4.15 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 Company pays contributions to a separate fund (under the Provident Fund Act). The Company 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 Company gives gold rewards to employees when they have worked for the Company 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 Company recognises termination benefits at the earlier of (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

#### **4.16 Provisions**

Provisions are recognised when the Company 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.

#### **4.17 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.

#### **4.18 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 Company'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 Company 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 Company 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 Company'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 Company 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 Company 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 Company 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 Company.
- scrap income is recognised when the scrap is actually sold.

**4.19 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.

**4.20 Derivatives and hedging activities**

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other income or other expenses.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

**5 Financial risk management**

**5.1 Financial risk factors**

The Company exposes to a variety of financial risk: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain exposures.

Financial risk management is carried out by the Company Treasury Committee. The Company's policy includes areas such as foreign exchange risk, interest rate risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and uses as the key communication and control tools for Treasury team.

**5.1.1 Market risk**

**a) Foreign exchange risk**

The Company operates internationally and is exposed to foreign currency risk, arising from US Dollar and Euro from trading transactions that are denominated in foreign currencies. The Company uses forward contracts, transacted with the financial institutions, to hedge their exposure to foreign currency risk of transactions in foreign currency.

The Company does not apply hedge accounting. The foreign currency forwards accounted for as held for trading, with gains (losses) recognised in profit or loss.

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**Exposure**

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	31 March 2023							
	US Dollar Thousand Baht	Euro Thousand Baht	Pound Thousand Baht	Swedish Krona Thousand Baht	Japanese Yen Thousand Baht	Singapore Dollar Thousand Baht	Yuan Thousand Baht	Swiss Franc Thousand Baht
<b>Financial assets</b>								
Cash and cash equivalents	46,461	-	-	-	-	-	-	-
Trade and other receivables, net	332,565	-	-	-	-	5	-	-
Derivatives assets (included in other current assets)	2,835	-	-	-	-	-	-	-
<b>Financial liabilities</b>								
Trade and other payables	(397,201)	(15,214)	(54)	(315)	(91)	-	(175)	(894)
Derivatives liabilities (included in other current liabilities)	(1,353)	-	-	-	-	-	-	-
<b>Total assets (liabilities), nets</b>	<b>(16,693)</b>	<b>(15,214)</b>	<b>(54)</b>	<b>(315)</b>	<b>(91)</b>	<b>5</b>	<b>(175)</b>	<b>(894)</b>

  

	31 March 2022							
	US Dollar Thousand Baht	Euro Thousand Baht	Pound Thousand Baht	Swedish Krona Thousand Baht	Japanese Yen Thousand Baht	Singapore Dollar Thousand Baht	Yuan Thousand Baht	Swiss Franc Thousand Baht
<b>Financial assets</b>								
Cash and cash equivalents	789	-	-	-	-	-	-	-
Trade and other receivables, net	28,133	-	-	-	-	5	-	-
Derivatives assets (included in other current assets)	2,044	-	-	-	-	-	-	-
<b>Financial liabilities</b>								
Trade and other payables	(180,192)	(21,221)	(64)	(395)	(352)	-	-	(104)
Derivatives liabilities (included in other current liabilities)	(211)	-	-	-	-	-	-	-
<b>Total assets (liabilities), nets</b>	<b>(149,437)</b>	<b>(21,221)</b>	<b>(64)</b>	<b>(395)</b>	<b>(352)</b>	<b>5</b>	<b>(104)</b>	

**Sensitivity**

As shown in the table above, the Company is primarily exposed to changes in Baht/US Dollar Baht/EURO exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and EURO.

	Impact to net profit	
	2023 Thousand Baht	2022 Thousand Baht
US Dollar to Baht exchange rate - increase 10% (2022: 7%)*	(1,399)	(10,431)
US Dollar to Baht exchange rate - decrease 10% (2022: 7%)*	1,399	10,431
Euro to Baht exchange rate - increase 4% (2022: 6%)*	(609)	(1,485)
Euro to Baht exchange rate - decrease 4% (2022: 6%)*	609	1,485

\* Holding all other variables constant



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**b) Cash flow and fair value interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant interest-bearing assets. Therefore, the management believe that effect of interest rate fluctuation will not materially affect the Company.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

	Fixed interest rates			Floating interest rates			Non-Interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	(% p.a.)
<b>As at 31 March 2023</b>									
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	46,461	-	-	98,590	145,051	1.80
	-	-	-	46,461	-	-	98,590	145,051	
<b>Financial liabilities</b>									
Short-term borrowings from parent company	62,807	-	-	-	-	-	-	62,807	2.00
Lease liabilities	22,724	95,169	507,990	-	-	-	-	625,883	MLR-2
	85,531	95,169	507,990	-	-	-	-	688,690	
<b>As at 31 March 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	31,240	-	-	442,656	473,896	0.01 - 0.30
	-	-	-	31,240	-	-	442,656	473,896	
<b>Financial liabilities</b>									
Short-term borrowings from financial institutions	-	-	-	145,577	-	-	-	145,577	BIBOR+2.0
Short-term borrowings from parent company	593,294	-	-	-	-	-	-	593,294	2.00
Lease liabilities	22,452	90,090	533,397	-	-	-	-	645,939	MLR-2
	615,746	90,090	533,397	145,577	-	-	-	1,384,810	

**5.1.2 Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments, as well as credit exposures to customers, including outstanding receivables.

**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips and assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

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

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b) Security

The Company may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

c) Impairment of financial assets

The Company has 2 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables

While cash and cash equivalents is also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

*Trade receivables*

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months and the corresponding historical credit losses experienced within this period.

On that basis, the loss allowance was determined as follows for trade receivables:

	Current Thousand Baht	Up to 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
<b>As 31 March 2023</b>						
Gross carrying amount - trade receivables	2,652,978	169,264	-	-	78,982	2,901,224
Loss allowance	-	-	-	-	(78,982)	(78,982)
<b>As 31 March 2022</b>						
Gross carrying amount - trade receivables	2,166,681	246,270	-	-	78,982	2,491,933
Loss allowance	-	-	-	-	(78,982)	(78,982)

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The loss allowances for trade receivables as at 31 March reconcile to the opening loss allowances as follows:

	2023 Thousand Baht	2022 Thousand Baht
Opening loss allowance at 1 April	78,982	78,982
Increase in loss allowance recognised in profit or loss during the year	-	-
Closing loss allowance at 31 March	78,982	78,982

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments or cannot be contacted for a period greater than 180 days past due.

Impairment losses on trade receivables are presented as administrative expenses before finance costs and income taxes. Subsequent recoveries of amounts previously written off are credited against the same line item.

### 5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 145 million (2022 : Baht 474 million) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining financing plans.

#### a) Financing arrangement

The Company has access to the following undrawn credit facilities as at 31 March as follows:

	2023 Thousand Baht	2022 Thousand Baht
<b>Floating rate</b>		
Expiring within one year		
- Bank loans	1,152,500	1,506,923
Total	1,152,500	1,506,923

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b) Maturity of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) all non-derivative financial liabilities; and  
(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturities of financial liabilities	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Carrying amount Thousand Baht
<b>As at 31 March 2023</b>					
<b>Financial liabilities that is not derivatives</b>					
Trade and other payables	1,562,166	-	-	1,562,166	1,562,166
Short-term borrowings from parent company	62,807	-	-	62,807	62,807
Lease liabilities	43,583	170,363	616,720	830,666	625,883
Other current liabilities	249	-	-	249	249
<b>Total financial liabilities that is not derivatives</b>	<b>1,668,805</b>	<b>170,363</b>	<b>616,720</b>	<b>2,455,888</b>	<b>2,251,105</b>
<b>Derivatives</b>					
Foreign currency forward contracts	1,353	-	-	1,353	1,353
<b>Total derivative liabilities</b>	<b>1,353</b>	<b>-</b>	<b>-</b>	<b>1,353</b>	<b>1,353</b>
<b>Total</b>	<b>1,670,158</b>	<b>170,363</b>	<b>616,720</b>	<b>2,457,241</b>	<b>2,252,458</b>
Maturities of financial liabilities	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Carrying amount Thousand Baht
<b>As at 31 March 2022</b>					
<b>Financial liabilities that is not derivatives</b>					
Short-term borrowings from financial institutions	145,577	-	-	145,577	145,577
Trade and other payables	1,614,479	-	-	1,614,479	1,614,479
Short-term borrowings from parent company	593,294	-	-	593,294	593,294
Lease liabilities	44,039	168,459	659,633	872,131	645,939
Other current liabilities	142	-	-	142	142
<b>Total financial liabilities that is not derivatives</b>	<b>2,397,531</b>	<b>168,459</b>	<b>659,633</b>	<b>3,225,623</b>	<b>2,999,431</b>
<b>Derivatives</b>					
Foreign currency forward contracts	211	-	-	211	211
<b>Total derivative liabilities</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>211</b>	<b>211</b>
<b>Total</b>	<b>2,397,742</b>	<b>168,459</b>	<b>659,633</b>	<b>3,225,834</b>	<b>2,999,642</b>

## 5.2 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

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

Consistent with others in the industry, the Company monitors capital based on gearing ratio which is determined by dividing net debt with equity.

## 6 Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Level	2023	2022
		Fair value Thousand Baht	Fair value Thousand Baht
<b>Assets</b>			
<b>Financial assets measured at fair value through profit or loss (FVPL)</b>			
Derivative assets- Foreign exchange contracts	2	2,835	2,044
<b>Financial assets measured at fair value through other comprehensive income (FVOCI)</b>			
Unquoted equity investments	3	204,960	304,320
<b>Liabilities</b>			
<b>Financial liabilities measured at fair value through profit or loss (FVPL)</b>			
Derivative liabilities - Foreign exchange contracts	2	1,353	211

Cash and cash equivalents, trade and other receivables, short-term loans from financial institutions, trade and other payables and short-term loans from parent company - the carrying amounts of these financial assets and financial liabilities approximate their fair values due to the relatively short-term maturity.

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

- Level 1 : Quoted the fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- Level 2 : The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3 : The fair value of financial instruments is not based on observable market data.

### Valuation techniques used to measure fair value level 2

The fair value above is determined by level 2 using forward rate of foreign currency against Thai Baht at the date of the statement of financial position which can be obtained from observable market.

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**Valuation techniques used to measure fair value level 3**

Changes in level 3 financial instruments for the year ended 31 March is as follows:

	<b>Unlisted equity investments</b>
	<b>Thousand Baht</b>
Opening balance as at 1 April 2021	206,640
Gains (losses) recognised in other comprehensive income	97,680
Closing balance as at 31 March 2022	304,320
Gains (losses) recognised in other comprehensive income	(99,360)
Closing balance as at 31 March 2023	204,960

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	<b>Fair value</b>			<b>Range of inputs</b>		
	<b>31 March 2023</b>	<b>31 March 2022</b>		<b>Unobservable inputs</b>	<b>2023</b>	<b>2022</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>				
Unlisted equity securities	204,960	304,320	Profit growth factors	2%	2%	
			Risk-adjusted discount rate	12%	12%	

Relationship of unobservable inputs to fair value are shown as follows:

	<b>Unobservable inputs</b>	<b>Movement</b>	<b>Change in fair value</b>	
			<b>Increase in assumptions 2023</b>	<b>Decrease in assumptions 2023</b>
Unlisted equity securities	Profit growth factors	0.50%	Increase by 3.5%	Decrease by 3.2%
	Risk-adjusted discount rate	1.00%	Decrease by 7.8%	Increase by 9.5%

**The Company's valuation processes**

The fair value of unlisted equity investments is determined using valuation techniques, discounted cash flow which assessed by independent valuer and are within level 3 of the fair value hierarchy.

There were no transfers between Levels 2 and 3 during the year.

There were no changes in valuation techniques during the year.

## **7 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.

### **a) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

### **b) Goodwill impairment**

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 17. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

### **c) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 23.

### **d) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

## **8 Segment information**

Operating segment information is reported in a manner consistent with the Company'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 Company'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 2023, revenue from sales and related services has timing of revenue recognition as a point in time amounting to Baht 30,490 million (2022 : Baht 32,468 million) and over time amounting to Baht 208 million (2022 : Baht 122 million).





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d) Non-cash transactions in the financial statements are as follows:

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

	2023 Thousand Baht	2022 Thousand Baht
Payables for plant and equipment and intangible assets brought forward	68,770	50,862
<u>Add</u> Purchases during the year	283,767	223,190
<u>Less</u> Payments during the year	(306,382)	(205,282)
Payables for plant and equipment and intangible assets carried forward	46,155	68,770
Acquisitions of right-of-use assets under lease contracts	67,571	3,408
Convert debt from short-term loan from parent company to equity (Note 25)	-	6,211,260

**10 Trade and other receivables, net**

	2023 Thousand Baht	2022 Thousand Baht
Trade receivables - other parties	2,579,144	2,300,664
- related parties (Note 34 b))	322,080	191,269
<u>Less</u> Loss allowance	(78,982)	(78,982)
Trade receivables, net	2,822,242	2,412,951
Other receivables - other parties	1,763	215
- related parties (Note 34 b))	177	87
Prepayments	11,564	12,062
	2,835,746	2,425,315

The Company has a "Receivable Purchase Agreement" to account for receivables factored with a financial institution which all risks and rewards only for the amount accepted by the buyer have been transferred to the buyer.

As at 31 March 2023, the Company has no outstanding of account receivable factoring (2022 : Baht 222 million).

**11 Financial assets and financial liabilities**

Classification of the Company's financial assets and financial liabilities are as follows:

	2023 Thousand Baht	2022 Thousand Baht
<b>Financial assets</b>		
Financial assets at amortised cost		
Cash and cash equivalents	145,051	473,896
Trade and other receivable, net	2,824,182	2,413,253
Deposits (included in other non-current assets)	1,763	1,263
Financial assets at fair value through other comprehensive income (FVOCI)	204,960	304,320
Financial assets at fair value through profit or loss (FVPL)		
Derivative assets (included in other current assets)	2,835	2,044
	3,178,791	3,194,776
<b>Financial liabilities</b>		
Liabilities at amortised cost		
Short-term borrowings from financial institutions	-	145,577
Trade and other payables	1,562,166	1,614,479
Short-term borrowings from parent company	62,807	593,294
Lease liabilities, net	625,883	645,939
Other current liabilities	249	142
Financial liabilities at fair value through profit or loss (FVPL)		
Derivatives liabilities (included in other current liabilities)	1,353	211
	2,252,458	2,999,642

**12 Inventories, net**

	2023 Thousand Baht	2022 Thousand Baht
Raw materials	902,351	1,020,613
Work in progress	529,111	716,079
Finished goods	1,367,190	1,772,001
Spare parts	450,736	389,973
Supplies and others	330,197	385,585
	3,579,585	4,284,251
<u>Less</u> Allowance for obsolete inventories		
- Spare parts	(52,126)	(44,011)
- Supplies and others	(18,627)	(18,076)
- Finished goods	(3,635)	-
	3,505,197	4,222,164
<u>Add</u> Goods in transit	386,551	222,706
	3,891,748	4,444,870

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During the years ended 31 March 2023 and 2022 amounts recognised as cost of sales in profit or loss are as follows:

	<b>2023</b>	<b>2022</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
Cost of sales and cost of services	29,130,356	29,106,390
Write-down of inventories to net realisable value	14,129	-
Reversal of write-down inventories to net realisable value	(1,828)	(634)

The Company sold inventory that was previously provided for allowance. Therefore, the Company reversed the allowance for net realisable value during the year.

**13 Other current assets**

	<b>2023</b>	<b>2022</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
Value added tax refundable	18,141	55,587
Undue input vat	173,090	16,741
Other current assets	3,546	2,693
	<b>194,777</b>	<b>75,021</b>

**14. Property, plant and equipment, net**

	Land Thousand Baht	Land Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
<b>As at 1 April 2021</b>							
Cost	802,306	4,496,455	12,743,780	170,642	2,747	58,269	18,274,199
Less Accumulated depreciation	-	(3,010,791)	(10,713,580)	(130,641)	(2,655)	-	(13,857,667)
Accumulated impairment	-	(1,124,556)	(736,849)	(7)	-	-	(1,861,412)
Net book amount	802,306	361,108	1,293,351	39,994	92	58,269	2,555,120
<b>For the year ended 31 March 2022</b>							
Opening net book amount	802,306	361,108	1,293,351	39,994	92	58,269	2,555,120
Additions	-	-	2,139	6,914	-	214,072	223,125
Transfers	-	8,105	129,276	3,985	-	(141,366)	-
Disposals - cost	-	-	(51,383)	(3,179)	-	-	(54,562)
- accumulated depreciation	-	-	50,357	3,123	-	-	53,480
Depreciation charge	-	(53,298)	(337,034)	(13,482)	(48)	-	(403,862)
Impairment loss	-	-	(631)	-	-	-	(631)
Closing net book amount	802,306	315,915	1,086,075	37,355	44	130,975	2,372,670
<b>As at 31 March 2022</b>							
Cost	802,306	4,504,560	12,823,812	178,362	2,747	130,975	18,442,762
Less Accumulated depreciation	-	(3,064,089)	(11,000,257)	(141,000)	(2,703)	-	(14,208,049)
Accumulated impairment	-	(1,124,556)	(737,480)	(7)	-	-	(1,862,043)
Net book amount	802,306	315,915	1,086,075	37,355	44	130,975	2,372,670

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	Land Thousand Baht	Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
<b>As at 1 April 2022</b>							
Cost	802,306	4,504,560	12,823,812	178,362	2,747	130,975	18,442,762
<u>Less</u> Accumulated depreciation	-	(3,064,089)	(11,000,257)	(141,000)	(2,703)	-	(14,208,049)
Accumulated impairment	-	(1,124,556)	(737,480)	(7)	-	-	(1,862,043)
Net book amount	802,306	315,915	1,086,075	37,355	44	130,975	2,372,670
<b>For the year ended 31 March 2023</b>							
Opening net book amount	802,306	315,915	1,086,075	37,355	44	130,975	2,372,670
Additions	-	-	3,323	3,723	-	274,893	281,939
Transfers	-	17,808	143,127	13,381	298	(174,614)	-
Disposals - cost	-	(698)	(13,852)	(1,329)	(154)	-	(16,033)
- accumulated depreciation	-	698	13,173	1,305	154	-	15,330
- impairment loss	-	-	674	-	-	-	674
Depreciation charge	-	(51,081)	(144,893)	(14,285)	(72)	-	(210,331)
Impairment loss	-	-	(1,000)	-	-	-	(1,000)
Closing net book amount	802,306	282,642	1,086,627	40,150	270	231,254	2,443,249
<b>As at 31 March 2023</b>							
Cost	802,306	4,521,670	12,956,410	194,137	2,891	231,254	18,708,668
<u>Less</u> Accumulated depreciation	-	(3,114,472)	(11,131,977)	(153,980)	(2,621)	-	(14,403,050)
Accumulated impairment	-	(1,124,556)	(737,806)	(7)	-	-	(1,862,369)
Net book amount	802,306	282,642	1,086,627	40,150	270	231,254	2,443,249

**15 Idle assets held-for-sale, net**

Idle assets held-for-sale, net consist of:

	2023 Thousand Baht	2022 Thousand Baht
<b>As at 31 March</b>		
Cost	2,395,713	2,395,713
Less Accumulated depreciation	(538,164)	(538,164)
Allowance for decrease in value of asset	(1,644,549)	(1,595,549)
<b>Net book amount</b>	<b>213,000</b>	<b>262,000</b>

In August 2011, the Company's management had decided to cease production of the Mini Blast Furnace ("MBF") 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.

The Company's management decided to dispose MBF machinery, equipment and its spare parts and store supplies. The Company initiated active programme to locate buyers. Accordingly, MBF machinery, equipment and its spare part and store supplies are classified as idle assets held-for-sale, under non-current assets, as the Company's management viewed that the disposal is not expected to complete within one year.

During the year ended 31 March 2023, the Company has recognised an impairment charge of MBF of Baht 49 million (2022 : Baht 81 million).

**16 Right-of-use assets, net**

	Land Thousand Baht	Building and structure Thousand Baht	Vehicles Thousand Baht	Total Thousand Baht
Balance as at 1 April 2021	589,587	36,575	14,481	640,643
Additions	-	-	3,409	3,409
Depreciation	(31,031)	(2,149)	(6,749)	(39,929)
<b>Balance as at 31 March 2022</b>	<b>558,556</b>	<b>34,426</b>	<b>11,141</b>	<b>604,123</b>
Additions	64,858	-	2,713	67,571
Depreciation	(32,435)	(2,149)	(5,347)	(39,931)
<b>Balance as at 31 March 2023</b>	<b>590,979</b>	<b>32,277</b>	<b>8,507</b>	<b>631,763</b>

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use and cash outflows for leases is as follows:

	2023 Thousand Baht	2022 Thousand Baht
Expense relating to short-term leases	754	450
Cash outflow for leases	45,175	22,813

**17 Goodwill, net**

	<u>Thousand Baht</u>
<b>As at 1 April 2021</b>	
Cost	4,608,859
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	<u>(1,152,845)</u>
Net book amount	<u>3,456,014</u>
<b>For the year ended 31 March 2022</b>	
Opening net book amount	3,456,014
Impairment charge	<u>-</u>
Closing net book amount	<u>3,456,014</u>
<b>As at 31 March 2022</b>	
Cost	4,608,859
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	<u>(1,152,845)</u>
Net book amount	<u>3,456,014</u>
<b>For the year ended 31 March 2023</b>	
Opening net book amount	3,456,014
Impairment charge	<u>-</u>
Closing net book amount	<u>3,456,014</u>
<b>As at 31 March 2023</b>	
Cost	4,608,859
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	<u>(1,152,845)</u>
Net book amount	<u>3,456,014</u>

Goodwill resulted from acquisition of The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited on 29 November 2002 by Tata Steel (Thailand) Public Company Limited.

Since 1 April 2008, the goodwill has been ceased for amortisation and has changed to test impairment of goodwill instead.

During the year ended 31 March 2021 The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited transferred entire business to the Company including goodwill.

As at 31 March 2023 and 2022, the Company 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 Company's cash-generating units (CGUs) identified according to each factory.

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A segment-level summary of the goodwill allocation is presented below:

	2023			2022		
	Factory of The Siam Iron and Steel (2001) Million Baht	Factory of The Siam Construction Steel Million Baht	Total Million Baht	Factory of The Siam Iron and Steel (2001) Million Baht	Factory of The Siam Construction Steel Million Baht	Total Million Baht
Goodwill allocation	1,685	1,771	3,456	1,685	1,771	3,456

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

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

	Goodwill from Factory of The Siam Iron and Steel (2001)	Goodwill from Factory of The Siam Construction Steel
Gross margin <sup>1</sup>	3.0%	5.7%
Growth rate <sup>2</sup>	1.0%	1.0%
Discount rate <sup>3</sup>	11.4%	11.6%

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> 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 Construction Steel factory, the recoverable amount calculated based on value in use exceed carrying value by Baht 101.49 million. A reduction in gross growth rate of 0.31% or a raise in discount rate of 0.23% would remove the remaining headroom.



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**18 Intangible assets, net**

	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
<b>As at 1 April 2021</b>			
Cost	27,913	-	27,913
<u>Less</u> Accumulated amortisation	(12,361)	-	(12,361)
Net book amount	15,552	-	15,552
<b>For the year ended 31 March 2022</b>			
Opening net book amount	15,552	-	15,552
Additions	65	-	65
Amortisation charge	(2,463)	-	(2,463)
Closing net book amount	13,154	-	13,154
<b>As at 31 March 2022</b>			
Cost	27,978	-	27,978
<u>Less</u> Accumulated amortisation	(14,824)	-	(14,824)
Net book amount	13,154	-	13,154
<b>For the year ended 31 March 2023</b>			
Opening net book amount	13,154	-	13,154
Additions	1,158	670	1,828
Transfers	670	(670)	-
Amortisation charge	(2,612)	-	(2,612)
Closing net book amount	12,370	-	12,370
<b>As at 31 March 2023</b>			
Cost	29,806	-	29,806
<u>Less</u> Accumulated amortisation	(17,436)	-	(17,436)
Net book amount	12,370	-	12,370

**19 Deferred tax assets (liabilities), net**

Deferred tax assets (liabilities), net as at 31 March 2023 and 2022 comprise the following:

	2023 Thousand Baht	2022 Thousand Baht
Deferred tax assets	75,588	57,848
Deferred tax liabilities	(56,847)	(67,718)
Deferred tax assets (liabilities), net	18,741	(9,870)

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The gross movements in the deferred tax assets (liabilities), net for the years ended 31 March 2023 and 2022 comprise the following:

	1 April 2022 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2023 Thousand Baht
<b>Deferred tax assets</b>				
Loss allowance	709	-	-	709
Allowance for obsolete inventories	-	2,460	-	2,460
Derivatives liabilities	42	228	-	270
Provision for decommissioning costs	-	13,532	-	13,532
Employee benefit obligations	57,097	1,803	(283)	58,617
	<u>57,848</u>	<u>18,023</u>	<u>(283)</u>	<u>75,588</u>
<b>Deferred tax liabilities</b>				
Remeasurement of financial asset at fair value	(60,864)	-	19,872	(40,992)
Derivatives assets	(408)	(158)	-	(566)
Surplus of fair value of assets acquired in business combination	(6,446)	3,848	-	(2,598)
Right of use assets	-	(12,691)	-	(12,691)
	<u>(67,718)</u>	<u>(9,001)</u>	<u>19,872</u>	<u>(56,847)</u>
<b>Deferred tax assets (liabilities), net</b>	<u>(9,870)</u>	<u>9,022</u>	<u>19,589</u>	<u>18,741</u>
	1 April 2021 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2022 Thousand Baht
<b>Deferred tax assets</b>				
Loss allowance	709	-	-	709
Allowance for obsolete inventories	23	(23)	-	-
Derivatives liabilities	-	42	-	42
Employee benefit obligations	51,297	6,743	(943)	57,097
	<u>52,029</u>	<u>6,762</u>	<u>(943)</u>	<u>57,848</u>
<b>Deferred tax liabilities</b>				
Remeasurement of financial asset at fair value	(41,328)	-	(19,536)	(60,864)
Derivatives assets	(2,239)	1,831	-	(408)
Surplus of fair value of assets acquired in business combination	(10,379)	3,933	-	(6,446)
	<u>(53,946)</u>	<u>5,764</u>	<u>(19,536)</u>	<u>(67,718)</u>
<b>Deferred tax assets (liabilities), net</b>	<u>(1,917)</u>	<u>12,526</u>	<u>(20,479)</u>	<u>(9,870)</u>

As at 31 March 2023, 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 223 million (2022 : Baht 430 million) in respect of losses amounting to Baht 1,115 million (2022 : Baht 2,152 million) that can be carried forward against future taxable income. Such losses will be expired in 2024 to 2025.

**20 Other non-current assets**

	2023 Thousand Baht	2022 Thousand Baht
Corporate income tax refundable	12,057	20,718
Others	8,832	6,361
	20,889	27,079

**21 Borrowings**

	2023 Thousand Baht	2022 Thousand Baht
<b>Current</b>		
Short-term borrowings - from financial institutions	-	145,577
Current portion of lease liabilities	22,724	22,452
Short term borrowings from parent company (Note 34 c))	62,807	593,294
Total current borrowings	85,531	761,323
<b>Non-current</b>		
Lease liabilities	603,159	623,487
Total non-current borrowings	603,159	623,487
Total borrowings	688,690	1,384,810

The fair values of current borrowings are equal to their carrying amounts, as the impact of discounting is not material.

**22 Trade and other payables**

	2023 Thousand Baht	2022 Thousand Baht
Trade payables - other parties	938,537	852,908
- related parties (Note 34 b))	19,548	56,898
Other payables - other parties	46,158	68,773
- related parties (Note 34 b))	193	1,585
Advance received from customers	4,085	40,843
Accrued expenses	557,730	634,315
	1,566,251	1,655,322

**23 Employee benefit obligations**

	2023 Thousand Baht	2022 Thousand Baht
Statement of financial position:		
Retirement benefits	240,282	231,964
Other long-term benefits	42,454	43,327
Liability in the statement of financial position	282,736	275,291
Loss charge included in operating profit for:		
Retirement benefits	19,494	23,100
Other long-term benefits	2,259	21,028
	21,753	44,128
Remeasurement in other comprehensive (income) expense	(1,412)	(4,713)

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 for the years ended 31 March 2023 and 2022 comprise the following:

	Retirement benefits		Other long-term benefits	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Opening balance for the year	231,964	222,898	43,327	24,718
Current service cost	12,972	18,811	3,681	3,395
Interest cost	6,522	4,289	931	468
Remeasurements:				
Loss from change in demographic assumptions	-	418	-	2,024
(Gain)/loss from change in financial assumptions	(5,369)	(14,548)	(150)	68
Experience (gain)/loss	3,957	9,417	(2,203)	15,073
Employee benefit paid	(9,764)	(9,321)	(3,132)	(2,419)
Closing balance for the year	240,282	231,964	42,454	43,327

The principal actuarial assumptions used were as follows:

	2023 %	2022 %
Discount rates	3.05	2.83
Salary growth rate	5.00	5.00
Staff turnover rate	0.57 - 6.88	0.57 - 6.88

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Sensitivity analysis for each significant assumption as at 31 March 2023 and 2022 are as follows:

	Change in assumption		Increase (decrease) to employee benefit obligations			
			Increase in assumption		Decrease in assumption	
	2023 %	2022 %	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
Discount rate	1.00	1.00	(25,207)	(25,606)	29,253	29,813
Salary growth rate	1.00	1.00	25,245	25,617	(22,145)	(22,388)
Staff turnover rate	20.00 from base assumption	20.00 from base assumption	(6,356)	(6,525)	6,684	6,875

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 employee benefit obligation is 14.00 years (2022 : 15.00 years).

Expected maturity analysis of undiscounted Retirement benefits and Other long-term benefits are as follows:

	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
<b>As at 31 March 2023</b>					
Retirement benefits	5,763	4,706	36,833	293,804	341,106
Other long-term benefits	3,717	3,720	11,364	31,605	50,406
<b>Total</b>	<b>9,480</b>	<b>8,426</b>	<b>48,197</b>	<b>325,409</b>	<b>391,512</b>
<b>As at 31 March 2022</b>					
Retirement benefits	6,169	5,513	30,306	283,483	325,471
Other long-term benefits	3,355	3,971	11,929	31,225	50,480
<b>Total</b>	<b>9,524</b>	<b>9,484</b>	<b>42,235</b>	<b>314,708</b>	<b>375,951</b>

## 24 Provision for decommissioning cost

The movements of provision for decommissioning cost for the years ended 31 March 2023 and 2022 comprise the following:

	2023 Thousand Baht	2022 Thousand Baht
Opening balance as at 1 April	-	-
Addition during the year	67,658	-
Closing balance as at 31 March	67,658	-

## 25 Share capital

	Number of Shares Shares	Ordinary Shares Thousand Baht	Total Thousand Baht
At 31 March 2021	3,856,637,797	4,627,965	4,627,965
Issue of shares	5,176,049,702	6,211,260	6,211,260
<u>Less</u> Reduction of paid-up capital	-	(4,064,709)	(4,064,709)
At 31 March 2022	9,032,687,499	6,774,516	6,774,516
Issue of shares	-	-	-
<u>Less</u> Reduction of paid-up capital	-	-	-
At 31 March 2023	9,032,687,499	6,774,516	6,774,516

On 13 July 2021, the Annual General Meeting of the Shareholders of the Company, passed a resolution to approve the increase in the registered share capital by converting the promissory notes payable from the parent company in the amount of Baht 6,211 million and reduce the registered share capital to compensate the accumulated loss of Baht 4,065 million.

The parent company paid for capital increased to the Company by converting debt to equity of Baht 6,211 million (5,176,049,702 ordinary shares at par value of Baht 1.20 per share). The Company registered the increase of paid-up capital with the Ministry of Commerce on 29 July 2021.

On 27 October 2021, the Company registered the reduction of paid-up capital to compensate the accumulated loss of Baht 4,065 million with the Ministry of Commerce (the share value from Baht 1.20 per share to Baht 0.75 per share).

## 26 Legal reserve

	2023 Thousand Baht	2022 Thousand Baht
As at 1 April	127,500	-
Appropriation during the year	33,716	127,500
As at 31 March	161,216	127,500

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.

## 27 Dividends

On 20 February 2023, the Board of Directors Meeting No. 7/2022-23 approved the payment of Interim dividend from retained earnings of 2022 of Baht 0.03 per share, totaling Baht 271 million. The Company paid the dividend to the shareholders on 15 March 2023.

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**28 Other income**

	2023 Thousand Baht	2022 Thousand Baht
Interest income	938	549
Dividend income from equity investments at FVOCI	24,001	21,600
Service income	10,783	2,844
Penalty income from delay payment of customers	8,126	4,556
Others	557	5,335
	44,405	34,884

**29 Finance costs**

	2023 Thousand Baht	2022 Thousand Baht
Interest and finance charges from financial institutions	6,762	26,088
Interest and finance charges paid for lease liabilities	21,640	22,363
Interest and finance charges from provision for decommissioning costs	2,800	-
	31,202	48,451

**30 Expenses by nature**

	2023 Thousand Baht	2022 Thousand Baht
Change in finished goods and work in process	595,414	(831,078)
Raw materials and consumables used	21,481,596	23,346,869
Store and supplies used	977,727	889,841
Fuel	1,139,107	820,273
Depreciation and amortisation	252,875	446,253
Employee benefits expenses	714,744	825,075
Utilities expenses	3,032,497	2,767,407
Repair and maintenance expenses	630,447	640,598
Contractor fees	196,185	176,127
Delivery and selling expenses	364,138	298,595
Management fees	342,216	412,868
Bank charges	28,283	48,013
Others	213,235	97,744
	29,968,464	29,938,585

### 31 Income tax (income) expense

Income tax (income) expense for the years ended 31 March comprise of

	2023 Thousand Baht	2022 Thousand Baht
Current tax:		
Current tax on profits for the year	-	-
	-	-
(Increase) decrease in deferred tax assets (Note 19)	(18,023)	(6,762)
Increase (decrease) in deferred tax liabilities (Note 19)	9,001	(5,764)
<b>Total deferred tax</b>	<b>(9,022)</b>	<b>(12,526)</b>
<b>Total income tax (income) expense</b>	<b>(9,022)</b>	<b>(12,526)</b>

The tax on the Company'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:

	2023 Thousand Baht	2022 Thousand Baht
Profit before income tax	665,266	2,569,322
Tax calculated at a tax rate of 20% (2022 : 20%)	133,053	513,864
Tax effects of:		
- Temporary differences which were not recognised as deferred tax assets	(22,228)	(29,213)
- Expenses not deductible for tax purpose	9,800	3,942
- Double tax expenses deductible	(272)	(236)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(129,375)	(500,883)
<b>Tax charge</b>	<b>(9,022)</b>	<b>(12,526)</b>

The Company's weighted average applicable tax rate was (1.36%) (2022 : (0.49%)).

The tax (credit)/charge relating to component of other comprehensive income is as follows:

	2023			2022		
	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	1,412	(282)	1,130	4,713	(943)	3,770
Financial assets value at fair value through other comprehensive income	(99,360)	19,872	(79,488)	97,680	(19,536)	78,144
<b>Other comprehensive income</b>	<b>(97,948)</b>	<b>19,590</b>	<b>(78,358)</b>	<b>102,393</b>	<b>(20,479)</b>	<b>81,914</b>
Current tax		-			-	
Deferred tax (Note 19)		19,590			(20,479)	
		19,590			(20,479)	



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**32 Earnings per share**

Earnings per share is calculated by dividing the profit for the year attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year.

	2023	2022
<b>For the years ended 31 March</b>		
Net profit attributable to ordinary shareholders of the Company (Thousand Baht)	674,288	2,581,847
Weighted average number of ordinary shares outstanding (Share)	9,032,687,499	7,340,517,404
Basic earnings per share (Baht per share)	0.07	0.35

**33 Reconciliation of liabilities arising from financing activities**

	1 April 2022 Thousand Baht	Cash flows (net) Thousand Baht	Non-cash transactions		31 March 2023 Thousand Baht
			Acquisitions - finance lease liabilities Thousand Baht	Write-off - finance lease liabilities Thousand Baht	
Short-term borrowings from financial institutions	145,577	(145,577)	-	-	-
Short-term borrowings from parent company	593,294	(530,487)	-	-	62,807
Lease liabilities	645,939	(22,782)	2,726	-	625,883
	1 April 2021 Thousand Baht	Cash flows (net) Thousand Baht	Acquisitions - finance lease liabilities Thousand Baht	Write-off - finance lease liabilities Thousand Baht	31 March 2022 Thousand Baht
Short-term borrowings from financial institutions	441,393	(295,816)	-	-	145,577
Short-term borrowings from parent company	6,868,064	(63,510)	-	(6,211,260)	593,294
Lease liabilities	665,324	(22,805)	3,420	-	645,939

**34 Related party transactions**

Individuals and entities 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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The following transactions were carried out with related parties:

- a) Related party transactions for the years ended 31 March 2023 and 2022

<b>For the years ended 31 March</b>	<b>2023</b>	<b>2022</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Revenues</b>		
<b>Sales</b>		
Tata Steel Limited	1,250,855	195,497
The Siam Industrial Wire Co., Ltd.	1,409,118	2,353,896
NatSteel Holdings Pte. Ltd.	-	3,157
TSN Wires Co., Ltd.	183,130	492,974
Tata International Metals Asia Ltd.	1,990,390	739,625
Tata International Metals Americas Ltd.	13,722	-
<b>Total</b>	<b>4,847,215</b>	<b>3,785,149</b>
<b>Interest income</b>		
Tata Steel (Thailand) Public Company Limited	639	478
<b>Total</b>	<b>639</b>	<b>478</b>
<b>Expenses</b>		
<b>Purchases</b>		
Tata Steel International Singapore Pte. Ltd.	47,133	-
Tata International Metals Asia Ltd.	272,089	402,089
Tata International Limited	70,896	67,583
Tata International West Asia DMCC	-	12,697
Jamipol Limited	1,354	-
<b>Total</b>	<b>391,472</b>	<b>482,369</b>
<b>Management fees</b>		
Tata Steel (Thailand) Public Company Limited	342,216	412,868
<b>Total</b>	<b>342,216</b>	<b>412,868</b>
<b>Interest expenses</b>		
Tata Steel (Thailand) Public Company Limited	5,378	18,654
<b>Total</b>	<b>5,378</b>	<b>18,654</b>
<b>Other expenses</b>		
Tata Sons Private Limited	35,014	-
<b>Total</b>	<b>35,014</b>	<b>-</b>

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

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- b) Outstanding balance arising from sale/purchases of goods, services and others as at 31 March 2023 and 2022 are as follows:

	<b>2023</b>	<b>2022</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Trade receivable - related parties</b>		
Tata Steel Limited	321,272	-
The Siam Industrial Wire Co., Ltd.	-	140,732
TSN Wires Co., Ltd.	808	50,537
<b>Total</b>	<b>322,080</b>	<b>191,269</b>
<b>Other receivables - related parties</b>		
Tata Steel (Thailand) Public Company Limited	177	87
<b>Total</b>	<b>177</b>	<b>87</b>
<b>Trade payable - related parties</b>		
Tata Steel Limited	2,450	2,393
Tata Steel (Thailand) Public Company Limited	10,954	54,505
The Siam Industrial Wire Co., Ltd.	87	-
Tata International Limited	4,740	-
Jamipol Limited	1,317	-
<b>Total</b>	<b>19,548</b>	<b>56,898</b>
<b>Other payables - related parties</b>		
Tata Steel (Thailand) Public Company Limited	193	1,585
<b>Total</b>	<b>193</b>	<b>1,585</b>

- c) Short-term borrowings from parent company

The movements of short-term borrowings from parent company during the years ended 31 March 2023 and 2022 comprise the following:

	<b>2023</b>	<b>2022</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
Opening balance for the year	593,294	6,868,064
Net repayments of borrowings during the year	(530,487)	(63,510)
Conversion of short-term borrowings from parent company to share capital (Note 25)	-	(6,211,260)
<b>Closing balance for the year</b>	<b>62,807</b>	<b>593,294</b>

As at 31 March 2023, short-term borrowings from parent company in amount of Baht 63 million (2022 : Baht 593 million) bear interest rate at 2.0% per annum (2022 : 2.0% per annum). The short-term borrowings from parent company are non-collateralised borrowings and not specified maturity date.

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Relationship between company and related parties:

Name	Type of Business	Relationship
Tata Steel Limited	Manufacture steel	Ultimate parent company
Tata Steel (Thailand) Public Company Limited	Investing	Major shareholder
The Siam Industrial Wire Co., Ltd.	Manufacture steel wire	Same group of shareholders
Tata International Metals Asia Ltd.	Trading	Same group of shareholders
NatSteel Holdings Pte. Ltd.*	Manufacture steel	Same group of shareholders
Tata International Singapore Pte. Ltd.	Trading	Same group of shareholders
Tata Sons Private Limited	Investment holdings and consultancy services	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 Communications (Thailand) Co., Ltd	Telecommunications service	Same group of shareholders
Tata International West Asia DMCC	Trading	Same group of shareholders
Tata Services Limited	Training services	Same group of shareholders
Tata International Metals Americas Ltd.	Trading	Same group of shareholders
Jamipol Limited	Manufacture steel	Same group of shareholders

\* These companies have not been treated as related parties under "same group of shareholders" since 30 September 2021.

## 35 Commitments

### 35.1 Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	2023 Thousand Baht	2022 Thousand Baht
Building and equipment	154,016	191,731

### 35.2 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2023 and 2022 are as follows:

	2023 Thousand	2022 Thousand
<b>Currency</b>		
US Dollars	5,528	7,636