

TATA STEEL (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 MARCH 2018

Independent Auditor's Report

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

My opinion

In my opinion, the consolidated financial statements of Tata Steel (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 March 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 March 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Assessment of impairment of investments in subsidiaries and goodwill</p> <p>Refer to Note to the consolidated financial statements No. 4 for critical accounting estimates and judgements related to assessment of impairment of investments in subsidiaries and goodwill, Note 13 investments in subsidiaries and Note 17 goodwill.</p> <p>As at 31 March 2018, investments in subsidiaries, net, amount of Baht 12,013 million was presented in the separate financial statements and goodwill, net, amount of Baht 3,456 million was presented in the consolidated financial statements.</p> <p>For the year ended 31 March 2018, the management performed an impairment assessment over the investments in subsidiaries and the goodwill balances by:</p> <ol style="list-style-type: none"> 1. Calculating the discounted cash flow using a discounted cash flow model for 5 years, with constant terminal growth rate applied from the 5th year onward. These cash flows were then discounted to net present value using the weighted average cost of capital; and 2. Comparing the discounted cash flow to their respective book values of each cash generating unit. The Group's management considered each subsidiary representing each cash generating unit. The discounted cashflow of each subsidiary was used to assess for allowance for impairment of investments in subsidiaries and goodwill of each subsidiary. <p>I focused on this area because the assessment of the recognition of loss from impairment in the investments in subsidiaries and goodwill were complex based on judgments and assumptions that were affected by expectation of future market and economic conditions, particularly those related to the cash flows forecasts.</p> <p>Based on the annual impairment test, the management identified no allowance for impairment of the investments in subsidiaries and goodwill required for additional recognition during the year. The key assumptions were disclosed in Note 17 to the consolidated financial statements.</p>	<p>I obtained an understanding of and evaluated the key controls over the impairment assessment, and focused on detailed analysis and challenged the assumptions used by management in conducting the impairment assessment which included:</p> <ul style="list-style-type: none"> - I obtained, understood, evaluated and challenged the composition of management's cash flow forecasts and the process by which they were developed, including test the mathematical accuracy of the underlying calculations. - I compared the cash flow forecast to the approved budgets and business plans and other evidence of future intentions. - I compared current year actual results with the figures included in the prior year forecast to consider whether the forecasts included assumptions had been reasonable. - I assessed management's key assumptions by comparing them to historical results and economic and industry outlook. - I tested the parameters used to determine the discount rate applied and re-performed the calculations. - I involved my valuation expert to independently check the expectations, in particular, forecasted sales volume, selling prices, growth rates and discount rates, and comparing the independent expectations to those used by management. <p>Based on my procedures above, I considered management's key assumptions used in assessing of investments in subsidiaries and goodwill for impairment were reasonable based on available evidence.</p>

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Varaporn Vorathitikul', written in a cursive style.

Varaporn Vorathitikul
Certified Public Accountant (Thailand) No. 4474
Bangkok
24 April 2018

Tata Steel (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7 a)	519,588,872	930,334,774	378,137,760	786,381,671
Short-term investments	8	-	21,000,000	-	-
Trade and other receivables, net	9	1,258,850,108	963,930,188	87,268,457	126,797,534
Short-term loans to a subsidiary	32 c)	-	-	2,780,640,396	2,719,633,872
Inventories, net	10	3,477,955,726	3,111,916,465	-	-
Other current assets	11	64,484,423	43,458,897	1,509,974	2,058,503
Non-current assets classified as held-for-sale	12	460,000,000	521,000,000	-	-
Total current assets		5,780,879,129	5,591,640,324	3,247,556,587	3,634,871,580
Non-current assets					
Available-for-sale investments	14	3,500,000	3,300,000	-	-
Investments in subsidiaries	13	-	-	12,013,047,275	12,013,047,275
Other long-term investments	15	1,241	1,241	-	-
Property, plant and equipment, net	16	3,291,485,003	3,632,843,944	32,939,309	40,432,273
Goodwill, net	17	3,456,014,092	3,456,014,092	-	-
Intangible assets, net	18	25,592,259	48,022,868	24,212,714	47,244,851
Deferred tax assets, net	19	36,974,966	37,242,765	12,524,556	12,181,181
Other non-current assets	20	78,474,431	167,848,834	42,710,697	107,110,834
Total non-current assets		6,892,041,992	7,345,273,744	12,125,434,551	12,220,016,414
Total assets		12,672,921,121	12,936,914,068	15,372,991,138	15,854,887,994

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited
Statement of Financial Position
As at 31 March 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	21	1,774,341,350	2,194,927,638	-	150,000,000
Trade and other payables	22	1,372,387,425	1,368,375,730	103,518,522	138,283,068
Current portion of long-term liabilities	23	-	270,596,275	-	270,596,275
Short-term borrowings from subsidiaries	32 d)	-	-	1,913,950,203	1,988,798,242
Current income tax payable		55,976,523	95,822,867	-	-
Other current liabilities		37,691,945	51,062,604	13,332,776	13,702,488
Total current liabilities		3,240,397,243	3,980,785,114	2,030,801,501	2,561,380,073
Non-current liabilities					
Employee benefit obligations	24	205,572,789	191,418,768	57,947,169	56,401,021
Total non-current liabilities		205,572,789	191,418,768	57,947,169	56,401,021
Total liabilities		3,445,970,032	4,172,203,882	2,088,748,670	2,617,781,094

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited
Statement of Comprehensive Income
For the year ended 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenue from sales		22,246,272,866	19,701,472,306	-	-
Revenue from rendering services		-	-	482,130,000	471,120,000
Cost of sales		(20,674,642,255)	(17,745,186,141)	-	-
Cost of rendering services		-	-	(456,875,489)	(450,856,646)
Gross profit		1,571,630,611	1,956,286,165	25,254,511	20,263,354
Other income	26	60,985,790	53,182,705	88,769,329	606,406,870
Selling expenses		(207,502,644)	(248,242,157)	-	-
Administrative expenses		(756,826,636)	(682,335,214)	(21,650,599)	(20,913,775)
Other expenses	28	-	(537,097,233)	(3,838)	(31,374)
Finance costs		(82,998,031)	(101,108,960)	(49,994,687)	(62,647,284)
Profit before income tax expense		585,289,090	440,685,306	42,374,716	543,077,791
Income tax income (expense)	29	(130,935,251)	(226,935,415)	1,226,870	(15,353,580)
Profit for the year		454,353,839	213,749,891	43,601,586	527,724,211
Other comprehensive income (expense)					
Items that will not be reclassified					
to profit or loss					
Remeasurements of post-employment					
benefit obligations					
		9,239,298	(4,546,576)	4,417,478	780,226
Income tax on items that					
will not be reclassified					
		(1,512,234)	388,191	(883,496)	(156,045)
Total items that will not be reclassified					
to profit or loss					
		7,727,064	(4,158,385)	3,533,982	624,181
Items that will be reclassified subsequently					
to profit or loss					
Change in value of available-for-sale					
investment					
		200,000	1,100,000	-	-
Income tax relating to items that					
will be reclassified					
		(40,000)	(220,000)	-	-
Total items that will be reclassified					
subsequently to profit or loss					
		160,000	880,000	-	-
Other comprehensive income (expense)					
for the year, net of tax					
		7,887,064	(3,278,385)	3,533,982	624,181
Total comprehensive income for the year					
		462,240,903	210,471,506	47,135,568	528,348,392

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited
Statement of Comprehensive Income
For the year ended 31 March 2018

	Note	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit (loss) attributable to:					
Owners of the parent		454,560,875	214,477,321	43,601,586	527,724,211
Non-controlling interests		(207,036)	(727,430)	-	-
		<u>454,353,839</u>	<u>213,749,891</u>	<u>43,601,586</u>	<u>527,724,211</u>
Total comprehensive income (expense)					
attributable to:					
Owners of the parent		462,447,555	211,196,824	47,135,568	528,348,392
Non-controlling interests		(206,652)	(725,318)	-	-
		<u>462,240,903</u>	<u>210,471,506</u>	<u>47,135,568</u>	<u>528,348,392</u>
Earnings per share					
Basic earnings per share (Baht)	30	0.05	0.03	0.01	0.06

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2018

Consolidated financial statements

	Attributable to owners of the parent										
	Note	Retained earnings (Deficits)					Other component of equity			Total equity Baht	
		Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Expired warrants Baht	Appropriated - legal reserve Baht	Unappropriated Baht	Other		Total owners of the parent Baht		Non-controlling interests Baht
							comprehensive income				
					- Available-for-sale investments Baht						
Opening balance as at 1 April 2016		8,421,540,848	3,258,624,766	130,201,936	337,304,305	(3,582,666,160)	1,855,535	8,566,861,230	(12,622,550)	8,554,238,680	
Changes in equity for the year											
Legal reserve	25	-	-	-	26,386,211	(26,386,211)	-	-	-	-	
Total comprehensive income (expense) for the year		-	-	-	-	210,318,936	877,888	211,196,824	(725,318)	210,471,506	
Closing balance as at 31 March 2017		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>363,690,516</u>	<u>(3,398,733,435)</u>	<u>2,733,423</u>	<u>8,778,058,054</u>	<u>(13,347,868)</u>	<u>8,764,710,186</u>	
Opening balance as at 1 April 2017		8,421,540,848	3,258,624,766	130,201,936	363,690,516	(3,398,733,435)	2,733,423	8,778,058,054	(13,347,868)	8,764,710,186	
Changes in equity for the year											
Legal reserve	25	-	-	-	2,180,079	(2,180,079)	-	-	-	-	
Total comprehensive income (expense) for the year		-	-	-	-	462,287,939	159,616	462,447,555	(206,652)	462,240,903	
Closing balance as at 31 March 2018		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>365,870,595</u>	<u>(2,938,625,575)</u>	<u>2,893,039</u>	<u>9,240,505,609</u>	<u>(13,554,520)</u>	<u>9,226,951,089</u>	

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited
Statement of Changes in Equity
For the year ended 31 March 2018

	Note	Separate financial statements					Total equity Baht
		Issued and paid-up share capital Baht	Premium on ordinary shares Baht	Expired warrants Baht	Retained earnings		
					Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 April 2016		8,421,540,848	3,258,624,766	130,201,936	337,304,305	561,086,653	12,708,758,508
Changes in equity for the year							
Legal reserve	25	-	-	-	26,386,211	(26,386,211)	-
Total comprehensive income for the year		-	-	-	-	528,348,392	528,348,392
Closing balance as at 31 March 2017		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>363,690,516</u>	<u>1,063,048,834</u>	<u>13,237,106,900</u>
Opening balance as at 1 April 2017		8,421,540,848	3,258,624,766	130,201,936	363,690,516	1,063,048,834	13,237,106,900
Changes in equity for the year							
Legal reserve	25	-	-	-	2,180,079	(2,180,079)	-
Total comprehensive income for the year		-	-	-	-	47,135,568	47,135,568
Closing balance as at 31 March 2018		<u>8,421,540,848</u>	<u>3,258,624,766</u>	<u>130,201,936</u>	<u>365,870,595</u>	<u>1,108,004,323</u>	<u>13,284,242,468</u>

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited

Statement of Cash Flows

For the year ended 31 March 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax expense		585,289,090	440,685,306	42,374,716	543,077,791
Adjustments :					
Dividend income	26	(14,400,000)	-	-	(539,499,340)
Depreciation and amortisation charge		529,809,715	533,949,314	33,793,106	27,867,208
Allowance for doubtful accounts		40,577,063	-	-	-
Employee benefit obligations		36,146,189	27,655,965	8,858,676	7,764,179
(Gain) loss on foreign exchange rate		39,168	2,710,773	(520)	(61,744)
Other adjustments from non-cash items	7 b)	60,967,729	631,692,006	(120,682)	34,456
Interest income		(3,102,818)	(4,151,153)	(86,566,467)	(58,497,923)
Interest expense		82,998,031	101,108,960	49,994,687	62,647,284
		<u>1,318,324,167</u>	<u>1,733,651,171</u>	<u>48,333,516</u>	<u>43,331,911</u>
Changes in working capital					
Trade and other receivables		(339,373,446)	(300,869,446)	41,489,560	(74,499,046)
Inventories		(407,281,981)	(1,001,318,631)	-	-
Trade and other payables		42,334,014	6,439,885	(13,131,498)	50,985,212
Other cash received (paid) from operating activities	7 c)	(11,774,321)	27,633,961	7,569,173	24,415,171
Cash flows from operating activities					
Cash generated from operations		602,228,433	465,536,940	84,260,751	44,233,248
Adjustment of cash occurred from borrowings	7 d)	(93,653,375)	(104,743,761)	(60,519,202)	(64,772,978)
Income tax paid		(189,538,420)	(98,289,516)	(17,357,332)	(13,203,488)
Net cash generated from (used in) operating activities					
		<u>319,036,638</u>	<u>262,503,663</u>	<u>6,384,217</u>	<u>(33,743,218)</u>

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

Tata Steel (Thailand) Public Company Limited

Statement of Cash Flows

For the year ended 31 March 2018

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Notes	Baht	Baht	Baht	Baht
Cash flows from investing activities				
Cash receive (paid) for short-term investment	21,000,000	(21,000,000)	-	-
Purchases of intangible assets	(6,173,598)	(2,272,332)	(5,266,798)	(2,267,042)
Purchases of property, plant and equipment	(143,760,068)	(249,785,475)	(9,152,378)	(25,895,882)
Proceeds from disposals of property, plant and equipment	1,358,810	1,028,026	163,840	25,073
Cash paid for short-term loans to a subsidiary	-	-	(61,006,524)	(753,889,856)
Long-term loans payments received from a subsidiary	-	-	-	200,000,000
Dividend income	14,400,000	-	-	539,499,340
Interest income	3,354,516	4,157,015	84,857,682	55,420,581
Net cash generated from (used in) investing activities	(109,820,340)	(267,872,766)	9,595,822	12,892,214
Cash flow from financing activities				
Proceeds (payments) from short-term borrowings from financial institutions	(420,586,288)	150,779,829	(150,000,000)	150,000,000
Payments on short-term borrowings from related parties	32 d) -	(201,822,179)	(74,848,038)	(264,789,703)
Payments on long-term borrowings from financial institutions	23 -	(200,000,000)	-	(200,000,000)
Payments on long-term borrowings from a related party	23 (199,375,912)	-	(199,375,912)	-
Net cash used in financing activities	(619,962,200)	(251,042,350)	(424,223,950)	(314,789,703)
Net decrease in cash and cash equivalents	(410,745,902)	(256,411,453)	(408,243,911)	(335,640,707)
Cash and cash equivalents at the beginning of the year	930,334,774	1,186,746,227	786,381,671	1,122,022,378
Cash and cash equivalents at the end of the year	7 a) 519,588,872	930,334,774	378,137,760	786,381,671

The accompanying notes on page 14 to 61 are an integral part of these consolidated and separate financial statements.

1 General information

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

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

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

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

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

As at 31 March 2018 and 2017, N.T.S. Steel Group Public Company Limited (“N.T.S.”) which is a subsidiary has total current liabilities exceeding total current assets by Baht 1,841 million and Baht 2,052 million, respectively. However, the amount of current liabilities included the short-term borrowings from the parent company of Baht 2,781 million and Baht 2,720 million, respectively. The parent company confirmed to continue its financial support to N.T.S. to enable N.T.S. to continue its operations satisfactorily at least for the next 12 months from the statement of financial position date and the Group’s management has prepared the business plan including initiatives to improve operation and financial results of N.T.S. In addition, the Company manages the liquidity based on a group basis.

These Group consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 April 2018.

2 Accounting policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai financial reporting standards issued under the Accounting Profession Act B.E.2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in accounting policies available for sale investments as described in Note 2.8 and non-current assets (or disposal groups) held-for-sale as described in Note 2.22.

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

The consolidated financial statements for the years ended March 31, 2018 and 2017 did not include investment in Siam Steel Mill Services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of share capital on an equity method because the Company has no significant influence to govern the financial and operating policies of and does not have any authorised director to sign on behalf of Siam Steel Mill Services Company Limited. The company and the subsidiary, therefore, recorded such investment as other long-term investment at cost of Baht 1,241 (see Note 15).

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current period.

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

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards and interpretations, which are effective on 1 January 2017, have no significant impacts on the financial statements of the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017) Statement of cash flows

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.2.3 The FAP has announced new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not yet adopted this revised standard.

TFRS 15 will replace the following standards and interpretations:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- 1 identify contracts with customers
- 2 identify the performance obligations in the contract
- 3 determine the transaction price of the contract
- 4 allocate the transaction price to each of the separate performance obligations, and
- 5 recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2 Accounting policies (Cont'd)

2.3 Group accounting - investments in subsidiaries

(1) Subsidiaries

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

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2 Accounting policies (Cont'd)

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht, which is the Company's functional and the Group's 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 valuation 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 and loss.

(c) Group companies

The results and financial position of all of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Deposits pledged at bank are not included in cash and cash equivalents balance. In the statements of financial position, bank overdrafts are shown within loans in current liabilities.

2.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2 Accounting policies (Cont'd)

2.7 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. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale;
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

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

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment method.

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost 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.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.12).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income/expenses' in profit or loss.

2.10 Goodwill

At the date of acquisition. Goodwill on acquisitions of subsidiaries (Note 2.3 (1)) is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2 Accounting policies (Cont'd)

2.11 Intangible assets

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use or sell;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs and the rights to use computer software recognised as assets are amortised over their estimated useful lives, which does not exceed 3 years to 10 years.

2.12 Impairment of assets

Assets that have an indefinite useful life (e.g. Goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases

Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

2 Accounting policies (Cont'd)

2.14 Troubled debt restructuring where the Group is the debtor

When the Group transfers its assets or equities in settlement of its debts as part of the debt restructuring, the excess of the carrying amount of the payable settled (including accrued interest, unamortised premium or discount, finance charges or issue costs) over the fair value of the assets or equities transferred to the lender is recognised as a gain on restructuring.

Legal fees and other direct costs incurred in transferring equities are deducted from the amount recorded for that equity. All other direct costs incurred to effect the debt restructuring are deducted to arrive at the gain on restructuring. If no gain on restructuring is recognised other direct costs incurred are included in expenses for the period.

Where the debt restructuring involves modification of terms of payables, the Group accounts for the effects of the restructuring prospectively from the time of restructuring and does not change the carrying amount of the payable at the time of the restructuring unless the carrying amount exceeds the total undiscounted future cash payment specified by the new terms. If it exceeds the total undiscounted future cash payment, the carrying amount of the payable is reduced to the amount equal to the total undiscounted future cash payments specified by the new terms and a gain on restructuring is recognised in the profit or loss.

2.15 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

General and specific borrowing costs directly attributable to the acquisition construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2.16 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. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. 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 is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 Accounting policies (Cont'd)

2.16 Current and deferred income taxes (Cont'd)

Deferred income 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 income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

2.17.1 Post-employment

The Group operate various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

2.17.1.1 Defined contribution

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act, B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.17.1.2 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries 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 are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity.

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

2 Accounting policies (Cont'd)

2.17 Employee benefits (Cont'd)

2.17.2 Other long-term employee benefits

The Group has schemes to award gold to employees who have provided services to the Group at every 5 years anniversary, for a maximum of 7 times.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries 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 are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

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

2.17.3 Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.18 Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue from rendering management services is recognised when the service is rendered.

Other revenues are recognised on the following bases:

- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the right to received payment is established.
- Scrap income is recognised when the scrap is actually sold.

2 Accounting policies (Cont'd)

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

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

3 Risk management

3.1 Financial risk management

Financial risk factors

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

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

- Interest rate risk

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

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

- Credit risk

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

- Liquidity risk

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

- Foreign exchange risk

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

3 Financial risk management (Cont'd)

3.2 Accounting for derivative financial instruments and hedging activities

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

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

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 31.

3.3 Fair value estimation

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

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

Financial assets carried on the statement of financial position include cash and cash equivalents, trade and other receivables, short-term loans to a subsidiary, and investments in subsidiaries. Financial liabilities carried on the statement of financial included short-term loans from financial institutions, trade and other payables, short-term loans from subsidiaries, and long-term loans from financial institutions.

Financial assets include cash and cash equivalents, trade and other receivables and financial liabilities include short-term loans from financial institutions, and trade and other payables. Such financial assets and liabilities are approximately to the carrying amounts due to their short maturities.

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

There were no change in valuation techniques during the year.

4 Critical accounting estimates, assumption and judgements

Estimates, assumption 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.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

1) Allowance for doubtful accounts.

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

2) Allowance for decrease in value of inventories

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

3) Buildings and equipment and intangible assets

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

4) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.10. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 17).

5) Current and deferred income taxes

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

5 Capital risk management

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

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

6 Segment information

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

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

During the year ended 31 March 2018, the Group has revenue from 1 customer which contributed equal or over 10.0% of the Group's total revenue (2017 : 1 customer). The revenue from sales to this customer is Baht 2,531 million (2017 : Baht 2,851 million) which are domestics sales.

For the years ended 31 March	Consolidated financial statements	
	2018 Thousand Baht	2017 Thousand Baht
Segment revenue		
Local	20,297,660	18,392,869
Export	1,948,613	1,308,603
	<u>22,246,273</u>	<u>19,701,472</u>

7 Cash and cash equivalents

a) Cash and cash equivalents consist of:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Cash on hand	1	4	-	-
Deposits at banks - current accounts	35,521	42,108	704	1,404
- savings accounts	484,067	888,181	377,434	784,936
Short-term bank deposits	-	42	-	42
	<u>519,589</u>	<u>930,335</u>	<u>378,138</u>	<u>786,382</u>
	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
<u>Interest rate</u>				
Deposits at bank - savings accounts	0.05 - 0.50	0.05 - 0.80	0.10 - 0.50	0.10 - 0.80
Short-term bank deposits	-	1.00	-	1.00

7 Cash and cash equivalents (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Loss from diminution in value of inventories and obsolete inventories	-	137,773	-	-
(Gain) loss on disposal of plant and equipment	(71)	1,700	(121)	(1)
Loss from impairment of plant and equipment	-	474,211	-	31
Loss from write-off of plant and equipment and intangible assets	40	18,171	-	4
Loss from decrease in value of non-current assets classified as held-for-sale	61,000	-	-	-
Gain from reversal of credit notes	(1)	(163)	-	-
	60,968	631,692	(121)	34

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

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Decrease in other current assets and other non-current assets	14,350	47,825	10,834	22,659
Increase (decrease) in other current liabilities and other non-current liabilities	(14,497)	(9,304)	(572)	2,132
Employee benefit obligations paid	(11,627)	(10,887)	(2,693)	(376)
	(11,774)	27,634	7,569	24,415

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

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Interest paid	(93,653)	(104,744)	(60,519)	(64,773)

7 Cash and cash equivalents (Cont'd)

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

The recording of investments in available-for-sale securities in the consolidated financial statements at fair value. For the year ended 31 March 2018, the Group recorded unrealised gain on such investments of Baht 0.2 million (2017 : Baht 1.1 million) as income in the statement of comprehensive income.

The reclassification of machinery and spare parts and store supplies of MBF amounting to Baht 521 million from property, plant and equipment to non-current assets classified as held-for-sale as at 31 March 2017.

On 25 April 2017, the Board of Directors of T S Global Holdings Pte. Ltd. ("TSGH") approved for offsetting the other receivable from TSGH of Baht 71 million which was presented as non-current assets in prior period and current portion of long-term borrowings (Note 32 e)).

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

	Consolidated		Separate	
	2018	2017	2018	2017
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Payables for plant and equipment and intangible assets brought forward	37,314	13,215	11,362	2,644
<u>Add</u> Purchases during the year	126,105	276,157	3,311	36,881
<u>Less</u> Payments during the year	(149,934)	(252,058)	(14,419)	(28,163)
Payables for plant and equipment and intangible assets carried forward	<u>13,485</u>	<u>37,314</u>	<u>254</u>	<u>11,362</u>

8 Short-term investments

As at 31 March 2017, the fixed deposits not over 12 months carry interest at the rate of 0.50% per annum and has maturity date on 21 November 2017. The Group used such deposit as collateral in Note 34.1.

9 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Trade receivables - other parties	814,220	731,532	-	-
- related parties (Note 32 b))	464,272	236,845	42,244	88,382
<u>Less</u> Allowance for doubtful accounts	(58,212)	(17,635)	-	-
Trade receivables, net	1,220,280	950,742	42,244	88,382
Other receivables - other parties	1,206	1,093	32	2
- related parties (Note 32 b))	199	153	37,940	28,540
Prepayments	37,165	11,942	7,052	9,874
	<u>1,258,850</u>	<u>963,930</u>	<u>87,268</u>	<u>126,798</u>

The credit term for trade receivable normally requires 15 days to 90 days (31 March 2017 : 15 days to 90 days). As at 31 March, the outstanding trade receivables can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Not yet due	1,134,674	910,432	42,244	88,382
Overdue:				
Under 3 months	49,956	39,489	-	-
3 - 6 months	75,528	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	18,334	18,456	-	-
	1,278,492	968,377	42,244	88,382
<u>Less</u> Allowance for doubtful accounts	(58,212)	(17,635)	-	-
	<u>1,220,280</u>	<u>950,742</u>	<u>42,244</u>	<u>88,382</u>

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

For the years ended 31 March 2018 and 2017, the Group had sold receivables to the financial institution amounting to Baht 9,496 million and Baht 7,890 million, respectively.

During the year ended 31 March 2017, N.T.S. Steel Group Public Company Limited has written-off Baht 4.24 million of trade receivable - other parties. The allowance for doubtful accounts has been fully provided.

10 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Raw materials	786,519	644,340	-	-
Work in progress	418,460	399,281	-	-
Finished goods	1,352,467	1,219,927	-	-
Spare parts	507,207	541,996	-	-
Supplies and others	393,239	315,094	-	-
	<u>3,457,892</u>	<u>3,120,638</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for diminution in value of inventories and obsolete inventories				
- Raw materials	-	(67,241)	-	-
- Spare parts	(49,997)	(56,130)	-	-
- Supplies and others	(18,192)	(32,582)	-	-
	<u>3,389,703</u>	<u>2,964,685</u>	<u>-</u>	<u>-</u>
<u>Add</u> Goods in transit	88,253	147,231	-	-
	<u>3,477,956</u>	<u>3,111,916</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as expense and included in 'cost of sales' in the consolidated statement of comprehensive income amounting to Baht 20,762 million (2017 : Baht 17,628 million).

During the year ended 31 March 2018, amortisation of rolling mill which were categorised in supplies and others amounting to Baht 41 million included in cost of sales in the statement of comprehensive income (2017 : Baht 48 million).

During the year ended 31 March 2018, the Group reversed allowance for diminution in value of inventories and obsolete inventories of Baht 88 million to the consolidated statement of comprehensive income because of sales of such inventories during the year.

During the year ended 31 March 2017, the allowance for diminution in value of inventory and inventory obsolescence of Baht 21 million had been reversed and the allowance for diminution in value of raw materials of Baht 65 million and inventory obsolescence of Baht 10 million were recorded as part of cost of sales. The allowance for diminution in value of spare parts and store supplies of Mini Blast Furnace of Baht 63 million were recorded in full parts of other expense as the Group management plan to dispose MBF and its spare parts and store supplies that mentioned in Note 12 and classified such aforementioned items to non-current assets held-for-sale.

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Value added tax refundable	39,380	11,360	-	-
Other current assets	25,104	32,099	1,510	2,059
	<u>64,484</u>	<u>43,459</u>	<u>1,510</u>	<u>2,059</u>

12 Non-current assets classified as held-for-sale

Assets of disposal group classified as held-for-sale as at March 31, 2018 consist of:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Machinery, spare parts and store supplies	460,000	521,000	-	-

In August 2011, the Group's management had decided to cease production of the Mini Blast Furnace ("MBF") at N.T.S., the Company's subsidiary in view of the high volatility of MBF raw material prices and the prices being relatively higher than scrap prices, which adversely impacting the viability of costs of steel produced through the MBF route.

As at 31 March 2017, the Group's management plans to dispose MBF machinery, equipment and its spare parts and store supplies. The Group had active programme to locate buyers, which expected to dispose such assets within 1 year. Therefore, MBF machinery, equipment and its spare part and store supplies are presented as non-current assets classified as held-for-sale. The net realisable value as at 31 March 2017 was Baht 521 million.

On 15 November 2017, the Group entered into an asset purchase agreement with a buyer for the disposal of MBF machinery, equipment, its spare parts and store supplies.

The Group's management has made an additional provision for impairment of non-current asset classified as held-for-sale amounting to Baht 61 million resulted from changes in the exchange rate. This has been recorded in other expenses in the consolidated statement of comprehensive income. Consequently, the net realisable value as at 31 March 2018 was Baht 460 million.

As at 31 March 2018, while the Group's management remains committed to the plan of disposal, it is expected that the dismantling and dispatch will take 12-18 months. Accordingly, the MBF assets continue to be classified as non-current assets classified as held-for-sale as at 31 March 2018.

13 Investments in subsidiaries

Investment in subsidiaries as at 31 March consist of:

Company name	Country of incorporation	% Ownership interest		Separate financial statements (Unit : Thousand Baht)					
		2018 %	2017 %	Cost method 2018			Cost method 2017		
				Cost	Allowance for impairment	Net book value	Cost	Allowance for impairment	Net book value
The Siam Iron and Steel (2001) Company Limited	Thailand	99.99	99.99	2,554,386	-	2,554,386	2,554,386	-	2,554,386
The Siam Construction Steel Company Limited	Thailand	99.99	99.99	3,656,874	-	3,656,874	3,656,874	-	3,656,874
N.T.S. Steel Group Public Company Limited	Thailand	99.76	99.76	9,181,787	(3,380,000)	5,801,787	9,181,787	(3,380,000)	5,801,787
				<u>15,393,047</u>	<u>(3,380,000)</u>	<u>12,013,047</u>	<u>15,393,047</u>	<u>(3,380,000)</u>	<u>12,013,047</u>

As at 31 March 2018 and 2017, the Group has made an assessment of impairment loss on investment in subsidiaries and considered that the recoverable amount was not lower than its carrying amount, so no additional allowance for impairment was necessary.

14 Available-for-sale investment

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening net book amount	3,300	2,200	-	-
Changes in fair value of available-for-sale Investments	200	1,100	-	-
Closing net book amount	<u>3,500</u>	<u>3,300</u>	<u>-</u>	<u>-</u>

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

15 Other long-term investment

As at 31 March 2018 and 2017, the Group did not include investment in Siam Steel Mill services Company Limited which is held by The Siam Construction Steel Company Limited at 24% of share capital on an equity method. The Company has no significant influence to determine the financial and operating policies of and does not have any authorized director to sign on behalf of Siam Steel Mill Service Company Limited. The Group, therefore, recorded such investment as other long-term investment in the statement of financial position at cost of Baht 1,241 in the consolidated statement of financial position.

As at 31 March 2018, fair value of other long-term investment amount of Baht 125.52 million (2017 : Baht 109.44 million). The fair value of other long-term investment is determined using valuation techniques, discounted cash flow which assessed by independent valuer and are within level 3 of the fair value hierarchy.

Tata Steel (Thailand) Public Company Limited
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16 Property, plant and equipment, net

Consolidated financial statements

	Land Thousand Baht	Land Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Furniture, Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2016							
Cost	714,611	4,492,013	15,038,438	201,464	3,355	43,395	20,493,276
<u>Less</u> Accumulated depreciation	-	(2,668,377)	(9,899,497)	(163,118)	(3,306)	-	(12,734,298)
Allowance for decrease in value of asset	-	(1,124,556)	(1,792,825)	-	-	-	(2,917,381)
Net book amount	<u>714,611</u>	<u>699,080</u>	<u>3,346,116</u>	<u>38,346</u>	<u>49</u>	<u>43,395</u>	<u>4,841,597</u>
For the year ended 31 March 2017							
Opening net book amount	714,611	699,080	3,346,116	38,346	49	43,395	4,841,597
Additions	84,083	95	26,961	5,638	75	152,998	269,850
Transfers	-	11,832	105,903	10,603	-	(128,338)	-
Disposals - cost	-	(3,403)	(295,369)	(14,794)	(213)	-	(313,779)
- accumulated depreciation	-	3,020	203,270	14,395	213	-	220,898
- allowance for decrease in value of asset	-	-	71,983	-	-	-	71,983
Reclassification	-	-	-	-	-	(911)	(911)
Reclassify to non-current assets classified as held-for-sale	-	-	-	-	-	-	-
- cost	-	-	(2,395,713)	-	-	-	(2,395,713)
- accumulated depreciation	-	-	538,164	-	-	-	538,164
- allowance for decrease in value of asset	-	-	1,336,549	-	-	-	1,336,549
Depreciation charge	-	(81,284)	(366,943)	(13,339)	(17)	-	(461,583)
Allowance for decrease in value of asset	-	(935)	(473,153)	(123)	-	-	(474,211)
Closing net book amount	<u>798,694</u>	<u>628,405</u>	<u>2,097,768</u>	<u>40,726</u>	<u>107</u>	<u>67,144</u>	<u>3,632,844</u>
As at 31 March 2017							
Cost	798,694	4,500,537	12,480,220	202,911	3,217	67,144	18,052,723
<u>Less</u> Accumulated depreciation	-	(2,746,641)	(9,525,006)	(162,062)	(3,110)	-	(12,436,819)
Allowance for decrease in value of asset	-	(1,125,491)	(857,446)	(123)	-	-	(1,983,060)
Net book amount	<u>798,694</u>	<u>628,405</u>	<u>2,097,768</u>	<u>40,726</u>	<u>107</u>	<u>67,144</u>	<u>3,632,844</u>

Tata Steel (Thailand) Public Company Limited
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16 Property, plant and equipment, net (Cont'd)

	Consolidated financial statements						
	Land Thousand Baht	Land Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Furniture, Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2017							
Cost	798,694	4,500,537	12,480,220	202,911	3,217	67,144	18,052,723
<u>Less</u> Accumulated depreciation	-	(2,746,641)	(9,525,006)	(162,062)	(3,110)	-	(12,436,819)
Allowance for decrease in value of asset	-	(1,125,491)	(857,446)	(123)	-	-	(1,983,060)
Net book amount	<u>798,694</u>	<u>628,405</u>	<u>2,097,768</u>	<u>40,726</u>	<u>107</u>	<u>67,144</u>	<u>3,632,844</u>
For the year ended 31 March 2018							
Opening net book amount	798,694	628,405	2,097,768	40,726	107	67,144	3,632,844
Additions	-	54	1,990	4,925	10	116,938	123,917
Transfers	-	181	128,361	33,227	138	(161,907)	-
Disposals - cost	-	(2,032)	(197,834)	(37,662)	(284)	-	(237,812)
- accumulated depreciation	-	1,109	117,987	37,501	284	-	156,881
- allowance for decrease in value of asset	-	935	78,591	116	-	-	79,642
Write-off - cost	-	(180)	(6,491)	(605)	-	-	(7,276)
- accumulated depreciation	-	141	6,491	605	-	-	7,237
Depreciation charge	-	(79,148)	(366,326)	(18,438)	(36)	-	(463,948)
Closing net book amount	<u>798,694</u>	<u>549,465</u>	<u>1,860,537</u>	<u>60,395</u>	<u>219</u>	<u>22,175</u>	<u>3,291,485</u>
As at 31 March 2018							
Cost	798,694	4,498,560	12,406,246	202,796	3,081	22,175	17,931,552
<u>Less</u> Accumulated depreciation	-	(2,824,539)	(9,766,854)	(142,394)	(2,862)	-	(12,736,649)
Allowance for decrease in value of asset	-	(1,124,556)	(778,855)	(7)	-	-	(1,903,418)
Net book amount	<u>798,694</u>	<u>549,465</u>	<u>1,860,537</u>	<u>60,395</u>	<u>219</u>	<u>22,175</u>	<u>3,291,485</u>

16 Property, plant and equipment, net (Cont'd)

	Separate financial statements		
	Furniture, Fixtures, and equipment Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
As at 1 April 2016			
Cost	78,719	7,495	86,214
<u>Less</u> Accumulated depreciation	(71,412)	-	(71,412)
Net book amount	<u>7,307</u>	<u>7,495</u>	<u>14,802</u>
For the year ended 31 March 2017			
Opening net book amount	7,307	7,495	14,802
Additions	916	29,664	30,580
Transfers	8,801	(8,801)	-
Disposals - cost	(4,106)	-	(4,106)
- accumulated depreciation	4,078	-	4,078
Reclassification	-	(911)	(911)
Depreciation charge	(3,980)	-	(3,980)
Allowance for decrease in value of asset	(31)	-	(31)
Closing net book amount	<u>12,985</u>	<u>27,447</u>	<u>40,432</u>
As at 31 March 2017			
Cost	84,330	27,447	111,777
<u>Less</u> Accumulated depreciation	(71,314)	-	(71,314)
Allowance for decrease in value of asset	(31)	-	(31)
Net book amount	<u>12,985</u>	<u>27,447</u>	<u>40,432</u>
As at 1 April 2017			
Cost	84,330	27,447	111,777
<u>Less</u> Accumulated depreciation	(71,314)	-	(71,314)
Allowance for decrease in value of asset	(31)	-	(31)
Net book amount	<u>12,985</u>	<u>27,447</u>	<u>40,432</u>
For the year ended 31 March 2018			
Opening net book amount	12,985	27,447	40,432
Additions	962	1,117	2,079
Transfers	28,330	(28,330)	-
Disposals - cost	(33,611)	-	(33,611)
- accumulated depreciation	33,536	-	33,536
Depreciation charge	(9,528)	-	(9,528)
Allowance for decrease in value of asset	31	-	31
Closing net book amount	<u>32,705</u>	<u>234</u>	<u>32,939</u>
As at 31 March 2018			
Cost	80,011	234	80,245
<u>Less</u> Accumulated depreciation	(47,306)	-	(47,306)
Net book amount	<u>32,705</u>	<u>234</u>	<u>32,939</u>

For the year ended 31 March 2018

On 14 June 2017, there was a fire occurred at the power sub-station of The Siam Iron and Steel (2001) Co., Ltd. From this incident, building, machinery and equipment, which are fully depreciated were partially damaged. The subsidiary is in the damage claim process from insurance company. In third quarter, the subsidiary received for damage claim interim payment amounting to Baht 25 million which were recorded as other income in consolidated statement of comprehensive income (Note 26).

16 Property, plant and equipment, net (Cont'd)

For the year ended 31 March 2017

Since August 2011, the Group's management had decided to temporarily cease operation of the Mini Blast Furnace ("MBF") at N.T.S, the Company's subsidiary in view of the high volatility of MBF raw material prices and the prices being relatively higher than scrap prices, thereby adversely impacting the viability of costs of steel produced through the MBF route. MBF remained mothballed until September 2017. For the year ended 31 March 2017, depreciation and other expenses of MBF incurred during the mothball period were Baht 10 million.

As at 31 March 2017, in consistent with Thai Accounting Standard No. 36 (Revised 2015) "Impairment of Assets", the Group has assessed the recoverable amount of MBF by using the asset's fair value which is the price proposed by a potential buyer less costs to sell which considered that the recoverable amount was lower than its carrying amount, so the Group recognised additional allowance for impairment on MBF machinery amounting to Baht 465 million. The total allowance for impairment of MBF machinery of Baht 1,336 million which was including allowance for impairment which was recognised in 2013 of Baht 871 million, so the net realisable value of MBF was Baht 521 million.

The Group's management plans to dispose MBF machinery and its spare parts and store supplies. The Group had active programme to locate buyers, which expected to dispose such assets within 1 year. Accordingly, the Group classified MBF machinery as non-current assets held for sale as at 31 March 2017.

For the year ended 31 March 2017, the Group recorded allowance for impairment on obsolete machinery and equipment of Baht 9 million and reversed the allowance for impairment which was recognised in 2013 of Baht 72 million due to write-off and sale of such machinery and equipment.

17 Goodwill, net

	Consolidated financial statements
	Thousand Baht
	<hr/>
As at 1 April 2016	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
	<hr/>
Net book amount	<u>3,456,014</u>
For the year ended 31 March 2017	
Opening net book amount	3,456,014
Impairment charge	-
	<hr/>
Closing net book amount	<u>3,456,014</u>
As at 31 March 2017	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
	<hr/>
Net book amount	<u>3,456,014</u>
For the year ended 31 March 2018	
Opening net book amount	3,456,014
Impairment charge	-
	<hr/>
Closing net book amount	<u>3,456,014</u>
As at 31 March 2018	
Cost	5,607,769
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	(1,491,432)
Allowance for impairment	(660,323)
	<hr/>
Net book amount	<u>3,456,014</u>

17 Goodwill, net (Cont'd)

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

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

As at 31 March 2018 and 2017, the Group has made an assessment of impairment loss on goodwill and resulted that the recoverable amount was not lower than the carrying amount, so no additional impairment was necessary.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment (subsidiary).

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

	Consolidated financial statements					
	2018			2017		
	The Siam Iron and Steel (2001) Million Baht	The Siam Construction Steel Million Baht	Total Million Baht	The Siam Iron and Steel (2001) Million Baht	The Siam Construction Steel Million Baht	Total Million Baht
Goodwill allocation	1,685	1,771	3,456	1,685	1,771	3,456

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

	Goodwill
Gross margin ¹	3.25% and 7.44%
Growth rate ²	3.5%
Discount rate ³	9%

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Key assumptions, having significant influence to sensitivity of discounted cashflows, were growth rate and discount rate.

A fall in growth rate of 1.0% or a rise in discount rate of 1.0% would remove the remaining headroom of certain cash generating units.

18 Intangible assets, net

	Consolidated financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2016			
Cost	247,963	-	247,963
<u>Less</u> Accumulated amortisation	(182,836)	-	(182,836)
Net book amount	<u>65,127</u>	<u>-</u>	<u>65,127</u>
For the year ended 31 March 2017			
Opening net book amount	65,127	-	65,127
Additions	759	5,548	6,307
Transfers	5,548	(5,548)	-
Write-off - cost	(1,321)	-	(1,321)
- accumulated amortisation	1,321	-	1,321
Reclassification	911	-	911
Amortisation charge	(24,322)	-	(24,322)
Closing net book amount	<u>48,023</u>	<u>-</u>	<u>48,023</u>
As at 31 March 2017			
Cost	253,860	-	253,860
<u>Less</u> Accumulated amortisation	(205,837)	-	(205,837)
Net book amount	<u>48,023</u>	<u>-</u>	<u>48,023</u>
For the year ended 31 March 2018			
Opening net book amount	48,023	-	48,023
Additions	141	2,047	2,188
Transfers	815	(815)	-
Write-off - cost	(729)	-	(729)
- accumulated amortisation	729	-	729
Amortisation charge	(24,619)	-	(24,619)
Closing net book amount	<u>24,360</u>	<u>1,232</u>	<u>25,592</u>
As at 31 March 2018			
Cost	254,087	1,232	255,319
<u>Less</u> Accumulated amortisation	(229,727)	-	(229,727)
Net book amount	<u>24,360</u>	<u>1,232</u>	<u>25,592</u>

18 Intangible assets, net (Cont'd)

	Separate financial statements		
	Computer software Thousand Baht	Software under installation Thousand Baht	Total Thousand Baht
As at 1 April 2016			
Cost	238,641	-	238,641
<u>Less</u> Accumulated amortisation	<u>(174,721)</u>	<u>-</u>	<u>(174,721)</u>
Net book amount	<u>63,920</u>	<u>-</u>	<u>63,920</u>
For the year ended 31 March 2017			
Opening net book amount	63,920	-	63,920
Additions	753	5,548	6,301
Transfers	5,548	(5,548)	-
Reclassification	911	-	911
Amortisation charge	<u>(23,887)</u>	<u>-</u>	<u>(23,887)</u>
Closing net book amount	<u>47,245</u>	<u>-</u>	<u>47,245</u>
As at 31 March 2017			
Cost	245,853	-	245,853
<u>Less</u> Accumulated amortisation	<u>(198,608)</u>	<u>-</u>	<u>(198,608)</u>
Net book amount	<u>47,245</u>	<u>-</u>	<u>47,245</u>
For the year ended 31 March 2018			
Opening net book amount	47,245	-	47,245
Additions	-	1,232	1,232
Amortisation charge	<u>(24,264)</u>	<u>-</u>	<u>(24,264)</u>
Closing net book amount	<u>22,981</u>	<u>1,232</u>	<u>24,213</u>
As at 31 March 2018			
Cost	245,853	1,232	247,085
<u>Less</u> Accumulated amortisation	<u>(222,872)</u>	<u>-</u>	<u>(222,872)</u>
Net book amount	<u>22,981</u>	<u>1,232</u>	<u>24,213</u>

19 Deferred tax assets, net

Deferred tax assets, net as at 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Deferred tax assets				
- To be recovered within 12 months	3,468	4,616	935	895
- To be recovered more than 12 months	<u>34,580</u>	<u>33,489</u>	<u>11,590</u>	<u>11,286</u>
	<u>38,048</u>	<u>38,105</u>	<u>12,525</u>	<u>12,181</u>
Deferred tax liabilities				
- To be recovered within 12 months	(473)	(302)	-	-
- To be recovered more than 12 months	<u>(600)</u>	<u>(560)</u>	<u>-</u>	<u>-</u>
	<u>(1,073)</u>	<u>(862)</u>	<u>-</u>	<u>-</u>
Deferred tax assets, net	<u>36,975</u>	<u>37,243</u>	<u>12,525</u>	<u>12,181</u>

19 Deferred tax asset, net (Cont'd)

The gross movements in the deferred tax asset, net for the years ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening balance for the year	37,243	31,937	12,181	10,553
Increase to profit or loss	1,284	5,138	1,227	1,784
Increase (decrease) to other comprehensive income	(1,552)	168	(883)	(156)
Closing balance for the year	36,975	37,243	12,525	12,181

The movement of deferred tax assets, net as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements			
	1 April 2017 Thousand Baht	Charged (credited) to profit or loss Thousand Baht	Charged (credited) to other comprehensive income Thousand Baht	31 March 2018 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	736	-	-	736
Allowance for diminution in value of inventory and obsolete inventories	2,235	(1,328)	-	907
Allowance for impairment on plant, machinery and equipment	215	(215)	-	-
Employee benefit obligations	34,919	2,998	(1,512)	36,405
	38,105	1,455	(1,512)	38,048
Deferred tax liabilities				
Available-for-sale investments	(560)	-	(40)	(600)
Derivatives assets	(302)	(171)	-	(473)
	(862)	(171)	(40)	(1,073)
Deferred tax assets, net	37,243	1,284	(1,552)	36,975

19 Deferred tax asset, net (Cont'd)

The movement of deferred tax assets, net as at 31 March 2018 and 2017 are as follows: (Cont'd)

	Consolidated financial statements			
	1 April 2016 Thousand Baht	Charged (credited) to profit or loss Thousand Baht	Charged (credited) to other comprehensive income Thousand Baht	31 March 2017 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	736	-	-	736
Allowance for diminution in value of inventory and obsolete inventories	1,744	491	-	2,235
Allowance for impairment on plant, machinery and equipment	-	215	-	215
Employee benefit obligations	32,399	2,132	388	34,919
	<u>34,879</u>	<u>2,838</u>	<u>388</u>	<u>38,105</u>
Deferred tax liabilities				
Available-for-sale investments	(340)	-	(220)	(560)
Derivatives assets	(2,602)	2,300	-	(302)
	<u>(2,942)</u>	<u>2,300</u>	<u>(220)</u>	<u>(862)</u>
Deferred tax assets, net	<u>31,937</u>	<u>5,138</u>	<u>168</u>	<u>37,243</u>

As at 31 March 2018, deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 1,115 million (2017 : Baht 1,127 million) in respect of losses amounting to Baht 5,576 million (2017: Baht 5,635 million) that can be carried forward against future taxable income. Such losses will be expired in March 2019 to November 2022.

19 Deferred tax asset, net (Cont'd)

The movement of deferred tax assets, net as at 31 March 2018 and 2017 are as follows: (Cont'd)

	Separate financial statements			
	1 April 2017 Thousand Baht	Charged (credited) to profit or loss Thousand Baht	Charged (credited) to other comprehensive income Thousand Baht	31 March 2018 Thousand Baht
Deferred tax assets				
Allowance for impairment on plant, machinery and equipment	6	(6)	-	-
Employee benefit obligations	12,175	1,233	(883)	12,525
Deferred tax assets, net	<u>12,181</u>	<u>1,227</u>	<u>(883)</u>	<u>12,525</u>

	Separate financial statements			
	1 April 2016 Thousand Baht	Charged (credited) to profit or loss Thousand Baht	Charged (credited) to other comprehensive income Thousand Baht	31 March 2017 Thousand Baht
Deferred tax assets				
Allowance for impairment on plant, machinery and equipment	-	6	-	6
Employee benefit obligations	10,854	1,477	(156)	12,175
	<u>10,854</u>	<u>1,483</u>	<u>(156)</u>	<u>12,181</u>
Deferred tax liabilities				
Derivatives assets	(301)	301	-	-
Deferred tax assets, net	<u>10,553</u>	<u>1,784</u>	<u>(156)</u>	<u>12,181</u>

As at 31 March 2018, 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 50 million (2017 : Baht 59 million) in respect of losses amounting to Baht 250 million (2017 : Baht 296 million) that can be carried forward against future taxable income. Such losses will be expired in March 2019 to March 2021.

20 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Corporate income tax refundable	66,644	88,409	37,795	32,064
Long-term account receivable - TS Global Holdings Pte. Ltd. (Note 32 b))	-	71,220	-	71,220
Accrued expenses - other companies	11,830	8,220	4,916	3,827
	<u>78,474</u>	<u>167,849</u>	<u>42,711</u>	<u>107,111</u>

21 Short-term borrowings from financial institutions

The movements of short-term borrowings from financial institutions for the years ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening balance for the year	2,194,928	2,044,148	150,000	-
Additions during the year	200,000	350,780	200,000	350,000
Repayments during the year	(620,587)	(200,000)	(350,000)	(200,000)
Closing balance for the year	<u>1,774,341</u>	<u>2,194,928</u>	<u>-</u>	<u>150,000</u>

Short-term borrowings from financial institutions - the Company

As at 31 March 2017, short-term borrowings from financial institutions for the Company in amount of Baht 150 million bear interest rate at 2.66% per annum and due on 12 July 2017.

Short-term borrowings from financial institutions - Subsidiaries

As at 31 March 2018, short-term borrowings from financial institutions for subsidiaries in amount of Baht 1,774 million (2017 : Baht 2,045 million) bear interest rate at BIBOR+2% per annum (31 March 2017 : interest rate at BIBOR+2% per annum) and due from 2 April 2018 to 18 June 2018 (2017 : 3 April 2017 to 28 June 2017).

22 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Trade payables - other parties	778,632	687,857	-	-
- related parties (Note 32 b))	2,943	2,493	-	-
Other payables - other parties	18,191	41,188	4,960	15,236
- related parties (Note 32 b))	32,536	28,009	35,228	31,202
Advance received from customers	68,203	50,452	-	-
Accrued expenses - other companies	471,882	558,377	63,330	91,845
	<u>1,372,387</u>	<u>1,368,376</u>	<u>103,518</u>	<u>138,283</u>

23 Current portion of long-term liabilities

Current portion of long-term liabilities as at 31 March 2018 and 2017 comprised of

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Long-term borrowings from financial institutions	-	-	-	-
Long term borrowings from a related party (Note 32 e))	-	270,596	-	270,596
Total	<u>-</u>	<u>270,596</u>	<u>-</u>	<u>270,596</u>

23 Current portion of long-term liabilities (Cont'd)

The movements of long-term borrowings from financial institutions for the years ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening balance for the year	-	200,000	-	200,000
Repayments of loans during the year	-	(200,000)	-	(200,000)
Closing balance for the year	-	-	-	-

24 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Statement of financial position:				
Retirement benefits	186,158	180,244	55,648	54,985
Other long-term benefits	19,415	11,175	2,299	1,416
Liability in the statement of financial position	<u>205,573</u>	<u>191,419</u>	<u>57,947</u>	<u>56,401</u>
(Profit) loss charge included in operating profit for:				
Retirement benefits	23,589	23,425	7,296	6,847
Other long-term benefits	11,431	3,066	1,361	406
	<u>35,020</u>	<u>26,491</u>	<u>8,657</u>	<u>7,253</u>
Remeasurement in other comprehensive (income) expense	<u>(9,239)</u>	<u>4,547</u>	<u>(4,417)</u>	<u>(780)</u>

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.

24 Employee benefit obligations (Cont'd)

The movements of employee benefit obligations for the years ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening balance for the year	191,419	171,269	56,401	50,304
Current service cost	22,180	22,275	6,415	6,077
Past service cost	7,481	-	823	-
Interest cost	5,359	4,216	1,419	1,176
Remeasurements:				
(Gain)/loss from change in demographic assumptions	3,298	3,742	13	(734)
(Gain)/loss from change in financial assumptions	(8,185)	12,376	(1,599)	2,849
Experience gain	(4,352)	(11,572)	(2,832)	(2,895)
Employee benefit paid	(11,627)	(10,887)	(2,693)	(376)
Closing balance for the year	205,573	191,419	57,947	56,401

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Discount rates	2.72 - 2.99	2.30 - 2.54	2.72	2.38
Salary growth rate	5.00	4.95	5.00	4.95
Staff turnover rate	0.00 - 22.00	0.00 - 23.00	0.00 - 22.00	0.00 - 23.00

Sensitivity analysis for each significant assumption as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements					
	Change in assumption		Increase (decrease) to employee benefit obligations			
	2018	2017	Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1.00	1.00	(20,776)	(19,729)	24,278	22,939
Salary growth rate	1.00	1.00	22,248	21,817	(19,382)	(18,975)
Staff turnover rate	1.00	1.00	(22,028)	(20,989)	10,234	9,823

	Separate financial statements					
	Change in assumption		Increase (decrease) to employee benefit obligations			
	2018	2017	Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1.00	1.00	(5,341)	(5,265)	6,188	6,116
Salary growth rate	1.00	1.00	5,885	5,871	(5,182)	(5,161)
Staff turnover rate	1.00	1.00	(5,691)	(5,586)	1,890	1,899

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 employee benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 10.52 - 12.81 years (2017 : 11.03 - 13.38 years).

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25 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
As at 1 April	363,691	337,305	363,691	337,305
Appropriation during the year	2,180	26,386	2,180	26,386
As at 31 March	365,871	363,691	365,871	363,691

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

26 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Gain on exchange rate, net	3,091	15,685	-	2,146
Dividend income from subsidiaries	-	-	-	539,499
Dividend income from other long-term investment	14,400	-	-	-
Interest income	3,103	4,151	86,566	58,498
Compensation from insurance companies	25,000	6,683	-	-
Others	15,392	26,664	2,203	6,264
Total	60,986	53,183	88,769	606,407

27 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Change in finished goods and work in process	(151,719)	(966,610)	-	-
Raw materials and consumables used	14,616,813	13,394,975	-	-
Store and supplies used	935,581	571,522	-	-
Fuel	656,091	619,254	-	-
Depreciation and amortisation and amortisation of rolling mill expenses	529,810	533,949	33,793	27,867
Employee benefits expenses	938,706	926,224	267,441	265,832
Utilities expenses	2,445,480	1,963,338	1,025	1,020
Repair and maintenance expenses	711,085	609,492	310	238
Contractor fees	206,741	197,876	-	-
Delivery and selling expenses	189,838	230,943	-	-
Bank charges	60,415	49,882	66	86
Rental expenses	47,405	44,835	29,434	27,702
Doubtful accounts	40,577	-	-	-
Loss on diminution in value of inventory and obsolete inventories	-	117,352	-	-
Loss from impairment of plant and equipment	-	474,211	-	31

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28 Other expenses

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Loss on diminution in value of inventory	-	62,886	-	-
Loss from impairment of plant and equipment	-	474,211	-	31
Loss on exchange rate, net	-	-	4	-
	-	537,097	4	31

29 Income tax (income) expense

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

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Current tax:				
Current tax on profits for the year	132,219	132,092	-	-
Total current tax	132,219	132,092	-	-
Increase in deferred tax assets (Note 19)	(1,455)	(2,838)	(1,227)	(1,483)
(Decrease) increase in deferred tax liabilities (Note 19)	171	(2,300)	-	(301)
Total deferred tax	(1,284)	(5,138)	(1,227)	(1,784)
	130,935	126,954	(1,227)	(1,784)
Write-off of refundable income tax of previous year	-	99,981	-	17,138
Total income tax (income) expense	130,935	226,935	(1,227)	15,354

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic weighted average tax rate applicable to profit of the home country of the Company as follow:

	Consolidated financial statements	
	2018 Thousand Baht	2017 Thousand Baht
Profit before income tax	585,289	440,685
Tax calculated at a tax rate of 20% (2017 : 20%)	117,058	88,137
Tax effect of:		
- Non-taxable income from BOI activities	-	91,203
- Temporary differences and unused tax losses not accounted for as deferred tax assets and elimination entries	18,992	93,823
- Income not subject to tax (dividend)	-	(107,900)
- Expenses not deductible for tax purpose	6,675	10,415
- Double tax expenses deductible	(2,597)	(1,502)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(9,193)	(47,222)
Tax charge	130,935	126,954

29 Income tax expenses (Cont'd)

	Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht
Profit before income tax		
Tax calculated at a tax rate of 20% (2017 : 20%)	42,375	543,078
Tax effect of:	8,475	108,616
- Income not subject to tax (dividend)	-	(107,900)
- Expenses not deductible for tax purpose	657	1,661
- Double tax expenses deductible	(1,166)	(354)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(9,193)	(3,807)
Tax charge	(1,227)	(1,784)
	2018	2017
	Tax rate	Tax rate
	%	%
Effective tax rate	(3)	3

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

	Consolidated financial statements					
	2018			2017		
	Before tax Thousand Baht	Tax charge/ (credit) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charge/ (credit) Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	9,239	(1,512)	7,727	(4,546)	388	(4,158)
Change in value of available-for- sale investment	200	(40)	160	1,100	(220)	880
Other comprehensive income	9,439	(1,552)	7,887	(3,446)	168	(3,278)
Current tax		-			-	
Deferred tax (Note 19)		(1,552)			168	
		(1,552)			168	
	Separate financial statements					
	2018			2017		
	Before tax Thousand Baht	Tax charge/ (credit) Thousand Baht	After tax Thousand Baht	Before tax Thousand Baht	Tax charge/ (credit) Thousand Baht	After tax Thousand Baht
Remeasurement on retirement benefit obligations	4,417	(883)	3,534	780	(156)	624
Other comprehensive income	4,417	(883)	3,534	780	(156)	624
Current tax		-			-	
Deferred tax (Note 19)		(883)			(156)	
		(883)			(156)	

30 Earnings per share

The basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders of the parent after deduction of the preference shares divided by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the years ended 31 March				
Net profit attributable to ordinary shareholders of the parent (Thousand Baht)	454,561	214,477	43,602	527,724
Weighted average number of ordinary shares outstanding (Share)	8,421,540,848	8,421,540,848	8,421,540,848	8,421,540,848
Basic earnings per share (Baht per share)	0.05	0.03	0.01	0.06

31 Financial instruments

31.1 Financial assets and liabilities in foreign currency

As at 31 March, the Company has outstanding balances of financial assets and liabilities in foreign currency as follows:

Currency	Consolidated financial statements					
	2018			2017		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets Thousand Baht	Financial liabilities Thousand Baht		Financial assets Thousand Baht	Financial liabilities Thousand Baht	
US dollars	540,911	124,082	31.23	237,704	91,203	34.45
Euro	-	8,156	38.44	-	28,469	36.79
Pound Sterling	-	52	43.83	-	134	43.02
Swiss franc	-	621	32.69	-	193	34.42
Swedish Krona	-	177	3.74	-	502	3.86
Japanese Yen	-	354	0.29	-	205	0.31
Singapore dollars	5	-	23.82	-	86	24.65

Currency	Separate financial statements					
	2018			2017		
	Amount		Average exchange rate as at 31 March	Amount		Average exchange rate as at 31 March
	Financial assets Thousand Baht	Financial liabilities Thousand Baht		Financial assets Thousand Baht	Financial liabilities Thousand Baht	
US dollars	349	643	31.23	261	4,297	34.45

31 Financial instruments (Cont'd)

31.2 Foreign exchange forward contracts

As at 31 March 2018, the Company has foreign exchange forward contracts due to purchase of goods with maturity contracts not over 9 months (2017 : 6 months) as follows:

	Consolidated financial statements			
	2018		2017	
	Foreign (unfavourable) currency amounts	Fair values favourable (unfavourable) Thousand Baht	Foreign (unfavourable) currency amounts	Fair values favourable (unfavourable) Thousand Baht
Foreign exchange forward contracts				
US Dollars	500,000	(84)	5,308,109	(1,752)
Euro	418,000	(32)	-	-

As at 31 March 2018, the Company has foreign exchange forward contracts due to sales of goods with maturity contracts not over 3 months (2017 : 4 months) as follows:

	Consolidated financial statements			
	2018		2017	
	Foreign (unfavourable) currency amounts	Fair values favourable (unfavourable) Thousand Baht	Foreign (unfavourable) currency amounts	Fair values favourable (unfavourable) Thousand Baht
Foreign exchange forward contracts				
US Dollars	8,200,000	1,047	4,000,000	1,251

The fair value of foreign exchange forward contracts is determined by using rates quoted by the Company's counter parties to terminate the contracts at the date of statement of financial position and are within level 2 of the value hierarchy.

32 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship between company and related parties:

Name	Type of Business	Relationship
Tata Steel Limited	Manufacture steel	Ultimate parent company
T S Global Holdings Pte. Ltd.	Investing	Major shareholder
The Siam Iron and Steel (2001) Co., Ltd.	Manufacture wire rods and small section products	Common shareholders and management
The Siam Construction Steel Co., Ltd.	Manufacture steel bars	Common shareholders and management
N.T.S. Steel Group Public Company Limited	Manufacture, render a manufacturing service, distributions and trading of steel bars, wire rods and small section products	Common shareholder and management
The Siam Industrial Wire Co., Ltd.	Manufacture steel wire	Same group of shareholders
NatSteel Trade International Pte. Ltd.	Trading	Same group of shareholders
NatSteel Recycling Pte. Ltd.	Trading	Same group of shareholders
Tata International Metals Trading Asia Ltd.	Trading	Same group of shareholders
T S Asia (Hong Kong) Ltd.	Trading	Same group of shareholders
Tata Refractories Ltd.	Manufacture refractory	Same group of shareholders
NatSteel Holdings Pte. Ltd.	Manufacture steel	Same group of shareholders
Tata Steel UK Ltd.	Manufacture steel	Same group of shareholders
Tata International Singapore Pte. Ltd.	Trading	Same group of shareholders
Tata Steel IJmuiden BV	Manufacture steel	Same group of shareholders
Tata Consultancy Services (Thailand) Ltd.	Software services	Same group of shareholders
Tata Consultancy Services Ltd.	Software services	Same group of shareholders
Tata Services Limited	Training services	Same group of shareholders
Tata Sons Limited	Investment holdings and consultancy services	Same group of shareholders
Tata Steel Resources Australia Pte. Ltd.	Procurement	Same group of shareholders
Tata NYK Shipping Pte. Ltd.	Shipping	Same group of shareholders
Mjunction Services Limited	Trading and procurement	Same group of shareholders
T S Global Procurement Co. Pte. Ltd.	Trading	Same group of shareholders
Tata Steel International (UK) Ltd.	Shipping	Same group of shareholders
Tata Steel Nederland Services B.V.	Manufacture steel	Same group of shareholders
Tata South East Asia Limited	Manufacture steel	Same group of shareholders
TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholders
Tata International Limited	Trading	Same group of shareholders
Tata Steel Processing and Distribution Limited	Processing and distribution steel	Same group of shareholders
Tata Projects Limited	Infrastructure projects	Same group of shareholders
Tata South East Asia (Cambodia) Ltd.	Trading	Same group of shareholders
Natsteel (Xiamen) Ltd.	Manufacture steel	Same group of shareholders
Tata Technologies (Thailand) Co., Ltd.	IT Services	Same group of shareholders
Tata Technologies Pte. Ltd.	IT Services	Same group of shareholders
Tata Communications (Thailand) Co., Ltd	Telecommunications service	Same group of shareholders
Tata International West Asia DMCC	Trading	Same group of shareholders
Tata AIG General Insurance Co., Ltd	Insurance	Same group of shareholders
Tata Power Co., Ltd.	Generate, transmit and distribute electricity	Same group of shareholders

32 Related party transactions (Cont'd)

The following transactions were carried out with related parties:

a) Related party transactions for the years ended 31 March 2018 and 2017

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Revenues				
Sales				
Tata Steel Limited	659,564	450,145	-	-
The Siam Industrial Wire Co., Ltd.	731,456	472,033	-	-
Tata International Metals Trading Asia Ltd.	6,971	-	-	-
NatSteel Holdings Pte. Ltd.	55,071	-	-	-
TSN Wires Co., Ltd.	163,952	104,967	-	-
Tata projects Limited	8,504	-	-	-
Total	<u>1,625,518</u>	<u>1,027,145</u>	<u>-</u>	<u>-</u>
Interest income				
N.T.S. Steel Group Public Company Limited	-	-	83,693	54,547
Management fees income				
The Siam Iron and Steel (2001) Co., Ltd.				
The Siam Construction Steel Co., Ltd.	-	-	94,410	94,640
N.T.S. Steel Group Public Company Limited	-	-	178,620	184,320
Total	<u>-</u>	<u>-</u>	<u>209,100</u>	<u>192,160</u>
Other income				
NatSteel Holdings Pte. Ltd.	80	-	-	-
Tata Steel Limited	14,993	-	-	-
Total	<u>15,073</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

32 Related party transactions (Cont'd)

a) Related party transactions for the years ended 31 March 2018 and 2017 (Cont'd)

For the years ended 31 March	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Expenses				
Purchases				
Tata Steel Limited	24,065	6,530	-	-
NatSteel Recycling Pte. Ltd.	627,233	235,384	-	-
Tata International Metals Trading Asia Ltd.	-	950,531	-	-
Tata International Singapore Pte. Ltd.	37,392	16,378	-	-
Tata International Limited	6,874	4,677	-	-
Tata International West Asia DMCC	34,842	-	-	-
Total	730,406	1,213,500	-	-
Purchases of assets				
Tata Steel Limited	-	5,449	-	5,449
Natsteel (Xiamen) Ltd.	-	2,317	-	-
Tata Technologies Pte. Ltd.	562	-	562	-
Total	562	7,766	562	5,449
Interest expenses				
T S Global Holdings Pte. Ltd.	-	1,520	-	1,520
The Siam Iron and Steel (2001) Co., Ltd.	-	-	4,710	8,079
The Siam Construction Steel Co., Ltd.	-	-	23,732	28,390
Total	-	1,520	28,442	37,989
Other expenses				
Tata Steel Limited	32	-	32	-
The Siam Industrial Wire Co., Ltd.	136	42	-	5
NatSteel Holdings Pte. Ltd.	-	22	-	-
Tata Sons Limited	847	890	847	890
Mjunction Services Limited	116	58	116	-
TSN Wires Co., Ltd.	31	-	-	-
Tata South East Asia (Cambodia) Ltd.	2,430	3,448	2,430	3,448
Tata Technologies (Thailand) Ltd.	850	-	850	-
Tata Technologies Pte. Ltd.	1,408	-	1,408	-
Tata AIG General Insurance Co., Ltd.	20	-	-	-
Total	5,870	4,460	5,683	4,343
Key management compensation				
Short-term employee benefits	63,108	62,474	63,108	62,474
Post-employment benefits	18,185	16,433	18,185	16,433
Total	81,293	78,907	81,293	78,907

32 Related party transactions (Cont'd)

- b) Outstanding balance arising from sale/purchases of goods, services and others as at 31 March 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Trade receivable - related parties				
Tata Steel Limited	447,482	196,224	-	-
The Siam Iron and Steel (2001) Co., Ltd.	-	-	8,260	16,992
The Siam Construction Steel Co., Ltd.	-	-	15,633	34,443
N.T.S. Steel Group Public Company Limited	-	-	18,351	36,947
The Siam Industrial Wire Co., Ltd.	3,565	33,585	-	-
Natsteel Holdings Pte. Ltd.	1,943	-	-	-
TSN Wires Co., Ltd.	9,883	7,036	-	-
Tata Projects Limited	1,399	-	-	-
Total	464,272	236,845	42,244	88,382
Other receivables - related parties				
Tata Steel Limited	24	16	24	16
The Siam Iron and Steel (2001) Co., Ltd.	-	-	5,795	4,335
The Siam Construction Steel Co., Ltd.	-	-	13,085	9,050
N.T.S. Steel Group Public Company Limited	-	-	18,861	15,002
Tata Sons Limited	136	137	136	137
Tata Communication (Thailand) Ltd.	21	-	21	-
Tata Power Co., Ltd.	18	-	18	-
Total	199	153	37,940	28,540
Other non-current asset				
T S Global Holdings Pte. Ltd. (Note 20)	-	71,220	-	71,220
Trade payable - related parties				
Tata Steel Limited	2,242	2,493	-	-
Tata International Singapore Pte. Ltd.	701	-	-	-
Total	2,943	2,493	-	-
Other payables - related parties				
Tata Steel Limited	-	3,978	-	3,978
The Siam Iron and Steel (2001) Co., Ltd.	-	-	278	627
The Siam Construction Steel Co., Ltd.	-	-	2,337	2,552
N.T.S. Steel Group Public Company Limited	-	-	77	14
Tata Sons Limited	30,836	23,361	30,836	23,361
Tata South East Asia (Cambodia) Ltd.	612	670	612	670
Tata Technologies Pte. Ltd.	1,088	-	1,088	-
Total	32,536	28,009	35,228	31,202

32 Related party transactions (Cont'd)

c) Short-term loans to a subsidiary

The movements of short-term loans to a subsidiary during the year ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening balance for the year	-	-	2,719,634	1,965,744
Additions of loans during the year	-	-	61,006	753,890
Closing balance for the year	-	-	2,780,640	2,719,634

As at 31 March 2018, short-term loans to a subsidiary in amount of Baht 2,781 million (2017 : Baht 2,720 million) bear interest rate at 3.0% per annum (2017 : interest rate at 2.0% to 5.5% per annum), are non-collateralised loans and not specified maturity date.

d) Short-term borrowings from related parties

The movements of short-term borrowings from related parties during the years ended 31 March 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Opening balance for the year	-	201,822	1,988,798	2,253,588
Repayments of loans during the year	-	(201,822)	(74,848)	(264,790)
Closing balance for the year	-	-	1,913,950	1,988,798

As at 31 March 2018, short-term borrowings from related parties for the Company in amount of Baht 1,914 million (2017 : Baht 1,989 million) bear interest rate at 1.50% per annum (2017 : interest rate at 1.50% per annum) and are non-collateralised loans and not specified maturity date.

e) Long-term borrowings from a related party

Long-term borrowings from a related party comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Current portion of long-term borrowings from a related party	-	270,596	-	270,596

32 Related party transactions (Cont'd)

e) Long-term borrowings from a related party (Cont'd)

The movements of long-term borrowings from a related party comprise the following:

For the year ended 31 March 2018	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
Opening balance for the year	270,596	270,596
Repayments during the year	<u>(270,596)</u>	<u>(270,596)</u>
Closing balance for the year	<u>-</u>	<u>-</u>

On 18 April 2016, the related party agreed with the Company to extend long-term borrowings repayment that fell due on 31 August 2016 to 31 December 2017. Such long-term borrowings from a related party carries no interest.

The Company had paid for the advance payment for Brand Promotion fee of Tata Sons Limited of Baht 71 million in 2008. During the year 2014, the receivable was changed from Tata Sons Limited to T S Global Holdings Pte. Ltd. ("TSGH"). On 25 April 2017, the Board of Directors of TSGH approved for offsetting such other receivable as part of other non-current assets from TSGH of Baht 71 million and current portion of long-term borrowings.

On 12 January 2018, the Company has already made repayment in full amount of long-term borrowings from a related party in the amount of Baht 199 million.

33 Contingent liabilities

For the year ended 31 March 2014, The Siam Construction Steel Company Limited, a subsidiary, received the notifications from the Revenue Department informing the assessments of additional surcharge of Baht 16 million in respect of the half-year corporate income tax filing for the year ended 31 March 2008 which the subsidiary under-estimated the net profit for that year by an amount exceeding 25 percent of the actual net profit. The subsidiary considered that there was a reasonable event occurred in the second half of that year that caused the net-profit under-estimated. The subsidiary has made the appeal to the Revenue Department.

As at 31 March 2018, the result of this assessment has not been finalised. However, the subsidiary expected that there would not be payment and has not recorded any provisions in the financial statements.

34 Commitments

34.1 Letter of guarantee

Letters of guarantee issued by the financial institutions to the Revenue Department, Electricity Generating Authority of Thailand, Provincial Electricity Authority Industrial, Estate Authority of Thailand and Bureau of Indian Standards as at 31 March 2018 and 2017 amounting to Baht 325 million and Baht 305 million, respectively, in the normal courses of business.

34 Commitments (Cont'd)

34.2 Capital commitments

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

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Buildings, machinery and equipment	34,471	22,988	-	880
Computer software	2,237	-	2,237	-

34.3 Operating lease commitments - where the Group is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

The Group leases various land, office building, vehicles and office equipment (including service charges). The minimum lease payments under these non-cancellable operating lease agreements are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2017 Thousand Baht
Not later than 1 year	45,142	32,375	28,776	23,384
Later than 1 year but not later than 5 years	58,051	48,664	33,764	31,736
	<u>103,193</u>	<u>81,039</u>	<u>62,540</u>	<u>55,120</u>

34.4 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2018 and 2017 are as follows:

Currency	Consolidated financial statements		Separate financial statements	
	2018 Thousand	2017 Thousand	2018 Thousand	2017 Thousand
USD	366	4,527	-	-
EUR	523	96	-	-

35 Fair value measurement

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets and financial liabilities	Consolidated financial statements		Separate financial statements		Fair value hierarchy	Valuation techniques and key inputs for fair value measurement
	Fair value as at		Fair value as at			
	31 March 2018 Thousand Baht	31 March 2017 Thousand Baht	31 March 2018 Thousand Baht	31 March 2017 Thousand Baht		
Financial assets						
1. Foreign currency forward contracts (including in other current assets)	1,047	1,362	-	-	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2. Available-for-sale investment	3,500	3,300	-	-	Level 1	Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Financial liabilities						
1. Foreign currency forward contracts (including in other current liabilities)	116	1,863	-	-	Level 2	Discounted cash flows The estimated future cash flows is from foreign currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

36 Promotional privileges

The Group received the promotional privileges from the Board of Investment 2 project no.2084(8)/2550 and 9018(2)/2557 on 18 July 2007 and 29 September 2014 respectively for manufacturing of steel sections, hot metal, pig iron, steel billet wire rods. Subject to certain imposed conditions, the privileges include the following conditions:

- Exemption from import duty on machinery as approved by the board.
- Exemption from corporate income tax earned from promoted business for the period of 3 years counting from the date the company first derived revenue from the respective business activities.

Revenues in the consolidated statements of comprehensive income classified by BOI and Non BOI businesses are as follows:

	Consolidated financial statements		
	2018 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax Thousand Baht	Non BOI promoted activities Thousand Baht	Total Thousand Baht
Revenue from local sales	-	20,297,660	20,297,660
Revenue from export sales	-	1,948,613	1,948,613
Total revenue	-	22,246,273	22,246,273

36 Promotional privileges (Cont'd)

Revenues in the consolidated statements of comprehensive income classified by BOI and Non BOI businesses are as follows: (Cont'd)

	Consolidated financial statements		
	2017 (Unaudited)		
	BOI promoted activities which are subject to corporate income tax Thousand Baht	Non BOI promoted activities Thousand Baht	Total Thousand Baht
Revenue from local sales	-	18,392,869	18,392,869
Revenue from export sales	-	1,308,603	1,308,603
Total revenue	-	19,701,472	19,701,472