

***TATA STEEL INTERNATIONAL
(THAILAND) LIMITED***

Financial Statements

Period ended April 22, 2016



บริษัท ดีลอยท์ ทูเช่ โทรมัตสึ ไทยแลนด์
สอบบัญชี จำกัด
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REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS TATA STEEL INTERNATIONAL (THAILAND) LIMITED

We have audited the financial statements of Tata Steel International (Thailand) Limited, which comprise the statement of financial position as at April 22, 2016 (date of dissolution registration), and the statement of income and statement of changes in shareholders' equity for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration), and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Tata Steel International (Thailand) Limited as at April 22, 2016 (date of dissolution registration), and its financial performance for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

Emphasis of Matter

We draw attention to Note 1, on March 28, 2016, the Extra-Ordinary Shareholders' Meeting passed a resolution to the closure of the Company and the Company already registered the dissolution with the Department of Business Development on April 22, 2016. The Company thus used the net realizable value basis in preparation of the financial statements for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration). Our opinion is not qualified in respect of this matter.



Dr. Kiatniyom Kuntisook
Certified Public Accountant (Thailand)
Registration No. 4800

BANGKOK
August 29, 2016

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

TATA STEEL INTERNATIONAL (THAILAND) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 22, 2016 (DATE OF DISSOLUTION REGISTRATION)

			BAHT
	Notes	As at April 22, 2016 (date of dissolution registration)	As at March 31, 2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	589,849	592,557
Trade and other receivables	5	-	-
Value-added-tax refundable		222,445	221,196
Other current assets		67	32
Total Current Assets		812,361	813,785
NON-CURRENT ASSETS			
Leasehold improvement and equipment	6	-	-
Total Non-current Assets		-	-
TOTAL ASSETS		812,361	813,785

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



TATA STEEL INTERNATIONAL (THAILAND) LIMITED
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT APRIL 22, 2016 (DATE OF DISSOLUTION REGISTRATION)

			BAHT
	Notes	As at April 22, 2016 (date of dissolution registration)	As at March 31, 2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accrued expenses	7	1,629,630	1,216,643
Current income tax payable		324,743	265,248
Other current liabilities		20	3,316
Total Current Liabilities		1,954,393	1,485,207
TOTAL LIABILITIES		1,954,393	1,485,207
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital			
10,251 preference shares of Baht 100 each		1,025,100	1,025,100
9,849 ordinary shares of Baht 100 each		984,900	984,900
Paid-up share capital			
10,251 preference shares of Baht 100 each, fully paid		1,025,100	1,025,100
9,849 ordinary shares of Baht 100 each, fully paid		984,900	984,900
PREMIUM ON ORDINARY SHARES		86,198,000	86,198,000
SURPLUS FROM THE WAIVER OF PAYABLE			
FROM A RELATED PARTY	8	4,000,000	4,000,000
RETAINED EARNINGS (DEFICITS)			
Unappropriated (Deficits)		(93,350,032)	(92,879,422)
TOTAL SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)		(1,142,032)	(671,422)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		812,361	813,785

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



TATA STEEL INTERNATIONAL (THAILAND) LIMITED
STATEMENT OF INCOME
FOR THE PERIOD FROM APRIL 1, 2016 TO APRIL 22, 2016
(DATE OF DISSOLUTION REGISTRATION)

BAHT

	Notes	For the period from April 1, 2016 to April 22, 2016 (date of dissolution registration)	For the year ended March 31, 2016
REVENUES			
Other income		-	145,736
Gain on exchange rate - net		-	266
Total Revenues		<u>-</u>	<u>146,002</u>
EXPENSES			
Cost of rendering services		-	883,174
Administrative expenses		411,115	2,257,871
Reversal accrued compensation expense from termination of employment	7	-	(616,752)
Total Expenses		<u>411,115</u>	<u>2,524,293</u>
LOSS BEFORE INCOME TAX EXPENSE		(411,115)	(2,378,291)
INCOME TAX EXPENSE	10	59,495	265,251
NET LOSS		<u>(470,610)</u>	<u>(2,643,542)</u>

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



TATA STEEL INTERNATIONAL (THAILAND) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM APRIL 1, 2016 TO APRIL 22, 2016
(DATE OF DISSOLUTION REGISTRATION)

BAHT

	Note	Paid-up Share Capital	Premium on Ordinary Shares	Surplus from the Waiver of Payable from a Related Party	Retained Earnings (Deficits) Unappropriated (Deficits)	Total Shareholders' Equity (Capital Deficiency)
		Preference Shares	Ordinary Shares			
For the year ended March 31, 2016						
Beginning balance as at April 1, 2015		1,025,100	984,900	86,198,000	-	(90,235,880)
The waiver of payable from a related party	8	-	-	-	4,000,000	-
Net loss		-	-	-	(2,643,542)	(2,643,542)
Ending balance as at March 31, 2016		<u>1,025,100</u>	<u>984,900</u>	<u>86,198,000</u>	<u>4,000,000</u>	<u>(92,879,422)</u>
For the period from April 1, 2016 to April 22, 2016 (date of dissolution registration)						
Beginning balance as at April 1, 2016		1,025,100	984,900	86,198,000	4,000,000	(92,879,422)
Net loss		-	-	-	(470,610)	(470,610)
Ending balance as at April 22, 2016 (date of dissolution registration)		<u>1,025,100</u>	<u>984,900</u>	<u>86,198,000</u>	<u>4,000,000</u>	<u>(93,350,032)</u>

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



TATA STEEL INTERNATIONAL (THAILAND) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2016 TO APRIL 22, 2016
(DATE OF DISSOLUTION REGISTRATION)

1. THE COMPANY'S OPERATIONS AND OTHER INFORMATION

Tata Steel International (Thailand) Limited ("the Company") was registered as a limited company under the Thai laws on January 17, 1995. The registered office is located at 66 Q. House Asoke Building, 14th Floor, Soi Asoke, Sukhumvit 21 Road, Kwaeng North Klongtoey, Khet Wattana, Bangkok and on March 1, 2015, the Company has changed office to Rasa Tower, Bangkok.

The principal activities of the Company are to provide marketing and supporting services to its related companies.

The Company is owned by TSIA Holdings (Thailand) Limited and Tata Steel International (Singapore) Holdings Pte Ltd which were incorporated in Thailand and Singapore, respectively, holding 51% and 49% of the Company's shares, respectively.

The ultimate parent of the group is Tata Steel Limited, which was incorporated in the Republic of India.

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

On March 28, 2016, the Extra-Ordinary Shareholders' Meeting passed a resolution to the closure of the Company and the Company already registered the dissolution with the Department of Business Development on April 22, 2016. The Company thus used net realizable value basis in preparation of the financial statements for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) and for the year ended March 31, 2016 (see Note 3.1).

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) issued by the Federation of Accounting Professions and accounting practices generally accepted in Thailand.

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The financial statements for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) and for the year ended March 31, 2016 prepared on the net realizable value basis (see Note 1).

3.2 Revenue recognition

Revenue from rendering services is recognised when all the following conditions are satisfied:

- 1) The amount of revenue can be measured reliably, the Company recognizes revenue from rendering services on a cost plus margin basis.
- 2) It is probable that the economic benefits associated with the transaction will flow to the Company.
- 3) The stage of completion of the transaction at the end of the reporting period can be measured reliably.
- 4) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

For the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) and for the year ended March 31, 2016, the Company has given an intent not to collect the debts for services from the related companies. Therefore, the Company did not recognize revenue from rendering services provided to the related companies as the criteria of revenue recognition under No. 2) above is not met (see Note 5).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at April 22, 2016 (date of dissolution registration) and as at March 31, 2016 consist of:

	As at April 22, 2016 (date of dissolution registration) Baht	As at March 31, 2016 Baht
Bank deposits in current accounts	100,000	100,000
Bank deposits in savings accounts	489,849	492,557
	<u>589,849</u>	<u>592,557</u>

5. TRADE AND OTHER RECEIVABLES

For the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) and for the year ended March 31, 2016, advances to a related company of Baht 360 and Baht 271,584 were written-off to be bad debts and recognized as a part of administrative expenses in the statement of income as the Company waived the debts to such related company.

For the years ended March 31, 2016, the Company did not recognize revenue from rendering services provided to the related companies of Baht 1,845,662 as the Company has no intention to collect the debts (see Note 3.2). However, such service fees were recognized as income for corporate income tax purpose and were subject to value-added-tax (for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) : nil).

6. LEASEHOLD IMPROVEMENT AND EQUIPMENT

Leasehold improvement and equipment as at March 31, 2016 (as at April 22, 2016 (date of dissolution registration) : nil) consists of the following:

	Balances as at April 1, 2015 Baht	Additions Baht	Disposals Baht	Balances as at March 31, 2016 Baht
Cost :				
Furniture and fixture	28,429	-	(28,429)	-
Office equipment	124,798	-	(124,798)	-
Total cost	<u>153,227</u>	<u>-</u>	<u>(153,227)</u>	<u>-</u>
Accumulated depreciation :				
Furniture and fixture	(28,426)	-	28,426	-
Office equipment	(99,202)	-	99,202	-
Total accumulated depreciation	<u>(127,628)</u>	<u>-</u>	<u>127,628</u>	<u>-</u>
	25,599		(25,599)	
<u>Less</u> Allowance for impairment of assets	<u>(25,599)</u>	<u>-</u>	<u>25,599</u>	<u>-</u>
Leasehold improvement and equipment	<u>-</u>			<u>-</u>
Depreciation				
For the year ended March 31, 2016			Baht	<u>-</u>

7. ACCRUED EXPENSES

Accrued expenses as at April 22, 2016 (date of dissolution registration) and as at March 31, 2016 consist of:

	As at April 22, 2016 (date of dissolution registration) Baht	As at March 31, 2016 Baht
Accrued expenses	<u>1,629,630</u>	<u>1,216,643</u>
	<u>1,629,630</u>	<u>1,216,643</u>

In the fiscal year ended March 31, 2016, the Company had no compensation payment for termination of employment as an employee resigned. The Company recorded reversal compensation expense from termination of employment of Baht 616,752 and recognized in the statement of income for the year ended March 31, 2016.

8. SHORT-TERM BORROWINGS FROM A RELATED COMPANY

On November 1, 2014, the Company entered into a Loan Agreement with Tata Steel International (Asia) Limited, a related company, with a credit facility of Baht 4.00 million without interest bearing. The Company received the first borrowing in November 2014 and received all borrowings during 2015. Such short-term borrowings were matured on October 31, 2015.

Subsequently, the confirmation letter dated March 31, 2016 to waive debts, Tata Steel International (Asia) Limited agreed to waive debts of Baht 4.00 million to the Company for the year ended March 31, 2016. Such amount was recorded as surplus from the waiver of payable from a related party and presented under "shareholders' equity".

9. SHARE CAPITAL

Each ordinary shareholder has one vote per share and preference shareholder has one vote for every five preference shares. The preference shares are cumulative dividend preference shares which will receive dividend at a fixed rate of 12% per annum of paid-up share capital. In the year which the Company does not pay dividend, the dividend will be cumulative and to be paid in the year of dividend declaration.

When there is a liquidation of the Company, the preference shareholder has the right to receive the return of the remaining contributions before the ordinary shareholder at the amount not exceeding the paid-up share capital of preference shares.

10. INCOME TAX EXPENSE

The Company had income tax expense for the period from April 1, 2016 to April 22, 2016 (date of dissolution registration) and for the year ended March 31, 2016 of Baht 0.06 million and Baht 0.26 million ,respectively, because income tax expense is calculated from income before tax, added back the income and less expense exemption under the Revenue Code.

11. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the authorized director of the Company on August 29, 2016.



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