

**FINAL DRAFT**

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

**FINANCIAL STATEMENTS**

**31 MARCH 2022**

## Independent Auditor's Report

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

### My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tata Steel Manufacturing (Thailand) Public Company Limited (the Company) as at 31 March 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 March 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the 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.

### Responsibilities of the management for the financial statements

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

**Varaporn Vorathitikul**  
Certified Public Accountant (Thailand) No. 4474  
Bangkok  
20 April 2022

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

Statement of Financial Position

As at 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on 20 April 2022

Signed: \_\_\_\_\_

Name in Print:

Title:

		<b>31 March 2022 Baht</b>	<b>31 March 2021 Baht</b>
	<b>Notes</b>		
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10 a)	473,896,017	154,159,768
Trade and other receivables, net	11	2,425,314,733	1,119,686,806
Inventories, net	13	4,444,870,724	3,459,057,396
Other current assets	14	75,020,960	74,714,803
<b>Total current assets</b>		<b>7,419,102,434</b>	<b>4,807,618,773</b>
<b>Non-current assets</b>			
Financial assets measured at fair value through other comprehensive income	12	304,320,000	206,640,000
Property, plant and equipment, net	15	2,372,670,141	2,555,120,038
Idle assets held-for-sale, net	16	262,000,000	343,000,000
Right-of-use assets, net	17	604,123,342	640,643,226
Goodwill, net	18	3,456,014,091	3,456,014,092
Intangible assets, net	19	13,154,231	15,551,554
Other non-current assets	21	27,078,990	38,621,671
<b>Total non-current assets</b>		<b>7,039,360,795</b>	<b>7,255,590,581</b>
<b>Total assets</b>		<b>14,458,463,229</b>	<b>12,063,209,354</b>

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

Statement of Financial Position

As at 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print:

Title:

		<b>31 March 2022 Baht</b>	<b>31 March 2021 Baht</b>
	<b>Notes</b>		
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term borrowings from financial institutions	22	145,576,904	441,392,535
Trade and other payables	23	1,655,321,665	1,550,055,905
Short-term borrowings from parent company	22, 33 c)	593,294,033	6,868,063,764
Current income tax payable		-	25,172,933
Current portion of lease liabilities, net	22	22,451,967	22,629,189
Other current liabilities		23,995,171	29,511,233
<b>Total current liabilities</b>		<b>2,440,639,740</b>	<b>8,936,825,559</b>
<b>Non-current liabilities</b>			
Lease liabilities, net	22	623,486,926	642,695,205
Deferred tax liabilities, net	20	9,870,048	1,917,214
Employee benefit obligations	24	275,290,893	247,616,486
<b>Total non-current liabilities</b>		<b>908,647,867</b>	<b>892,228,905</b>
<b>Total liabilities</b>		<b>3,349,287,607</b>	<b>9,829,054,464</b>

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

Statement of Financial Position

As at 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print:

Title:

		<b>31 March 2022 Baht</b>	<b>31 March 2021 Baht</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Liabilities and equity (Cont'd)</b>			
<b>Equity</b>			
Share capital	25		
Authorised share capital			
Ordinary shares, 9,032,687,499 shares at par value of Baht 0.75 each (31 March 2021: Ordinary shares, 3,856,637,797 shares at par value of Baht 1.20 each		<u>6,774,515,624</u>	<u>4,627,965,356</u>
Issued and paid-up share capital			
Ordinary shares, 9,032,687,499 shares paid-up of Baht 0.75 each (31 March 2021: Ordinary shares, 3,856,637,797 shares paid-up of Baht 1.20 each		6,774,515,624	4,627,965,356
Surplus arising from business combination under common control	35	1,655,500,989	1,655,500,989
Retained earnings (Deficits)			
Appropriated - legal reserve	26	127,500,000	-
Unappropriated		2,425,131,009	(4,097,695,455)
Other components of equity		<u>126,528,000</u>	<u>48,384,000</u>
<b>Total equity</b>		<u>11,109,175,622</u>	<u>2,234,154,890</u>
<b>Total liabilities and equity</b>		<u>14,458,463,229</u>	<u>12,063,209,354</u>

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

Statement of Comprehensive Income

For the year ended 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print:

Title:

**2022**

**2021**

	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
Revenue from sales and related services		32,589,804,898	22,016,896,005
Cost of sales and related services		(29,106,389,558)	(20,535,945,438)
<b>Gross profit</b>		<b>3,483,415,340</b>	<b>1,480,950,567</b>
Other income	27	47,551,861	136,115,105
Selling expenses		(203,241,132)	(186,841,112)
Administrative expenses		(628,954,004)	(570,657,183)
Other expenses	16	(81,000,000)	(117,000,000)
Finance costs	28	(48,450,541)	(103,998,206)
<b>Profit before income tax expense</b>		<b>2,569,321,524</b>	<b>638,569,171</b>
Income tax income (expense)	30	12,525,646	(34,389,362)
<b>Profit for the year</b>		<b>2,581,847,170</b>	<b>604,179,809</b>
<b>Other comprehensive income (expense)</b>			
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of equity investments at fair value through other comprehensive income		97,680,000	60,480,000
Remeasurements of post-employment benefit obligations		4,712,399	23,624,335
Income tax related to items that will not be reclassified subsequently to profit or loss		(20,478,480)	(16,101,013)
Total items that will not be reclassified subsequently to profit or loss		81,913,919	68,003,322
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>81,913,919</b>	<b>68,003,322</b>
<b>Total comprehensive expense for the year</b>		<b>2,663,761,089</b>	<b>672,183,131</b>

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

Statement of Comprehensive Income

For the year ended 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print:

Title:

**2022**

**2021**

	<u>Notes</u>	<u>Baht</u>	<u>Baht</u>
<b>Profit attributable to:</b>			
Owners of the Company		2,581,847,170	443,785,233
Non-controlling interests		-	160,394,576
		<u>2,581,847,170</u>	<u>604,179,809</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		2,663,761,089	507,248,571
Non-controlling interests		-	164,934,560
		<u>2,663,761,089</u>	<u>672,183,131</u>
<b>Earnings per share</b>			
Basic earnings per share (Baht)	31	0.35	0.12

The accompanying notes on page 11 to 56 are an integral part of the financial statements.



# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for issue on **20 April 2022**.

Signed: \_\_\_\_\_

Name in Print: \_\_\_\_\_

Title: \_\_\_\_\_

Notes	Issued and paid-up share capital Baht	Surplus arising from business combination under common control Baht	Retained earnings (Deficits)		Other component of equity		Total owners of the Company Baht	Other owners' interest arising from business combination under common control Baht	Total equity Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	Measurement of equity investments at fair value through other comprehensive income Baht				
<b>Opening balance as at 1 April 2020</b>	4,627,965,356	-	-	(4,556,560,026)	-	71,405,330	7,701,826,072	7,773,231,402	
<b>Changes in transactions with owners for the year</b>									
Total comprehensive income for the year	-	-	-	458,864,571	48,384,000	507,248,571	164,934,560	672,183,131	
Business combination under common control	35	1,655,500,989	-	-	-	1,655,500,989	(7,866,760,632)	(6,211,259,643)	
<b>Closing balance as at 31 March 2021</b>	<u>4,627,965,356</u>	<u>1,655,500,989</u>	<u>-</u>	<u>(4,097,695,455)</u>	<u>48,384,000</u>	<u>2,234,154,890</u>	<u>-</u>	<u>2,234,154,890</u>	
<b>Opening balance as at 1 April 2021</b>	4,627,965,356	1,655,500,989	-	(4,097,695,455)	48,384,000	2,234,154,890	-	2,234,154,890	
<b>Changes in transactions with owners for the year</b>									
Increase in share capital through debt conversion	25	6,211,259,643	-	-	-	6,211,259,643	-	6,211,259,643	
Reduction in par value of authorised share capital	25	(4,064,709,375)	-	4,064,709,375	-	-	-	-	
Legal reserve	26	-	127,500,000	(127,500,000)	-	-	-	-	
Total comprehensive income for the year		-	-	2,585,617,089	78,144,000	2,663,761,089	-	2,663,761,089	
<b>Closing balance as at 31 March 2022</b>	<u>6,774,515,624</u>	<u>1,655,500,989</u>	<u>127,500,000</u>	<u>2,425,131,009</u>	<u>126,528,000</u>	<u>11,109,175,622</u>	<u>-</u>	<u>11,109,175,622</u>	

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

## Statement of Cash Flows

For the year ended 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on 20 April 2022

Signed: \_\_\_\_\_

Name in Print: \_\_\_\_\_

Title: \_\_\_\_\_

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Cash flows from operating activities</b>			
Profit before income tax expense		2,569,321,524	638,569,171
Adjustments :			
Depreciation and amortisation charge		446,252,828	446,668,996
Reversal of impairment losses on financial assets		-	(135,260)
Employee benefit obligations		45,452,527	31,025,928
Gain on foreign exchange rate		(1,644,073)	(11,542,241)
Other adjustments from non-cash items	10 b)	81,596,550	127,822,065
Interest income	27	(549,211)	(20,528,300)
Dividend income	27	(21,600,000)	(28,800,000)
Interest expense		48,450,541	103,998,206
		<u>3,167,280,686</u>	<u>1,287,078,565</u>
<b>Changes in working capital</b>			
Trade and other receivables		(1,305,624,092)	(464,507,582)
Inventories		(985,178,917)	(934,891,730)
Trade and other payables		88,296,406	673,121,573
Other cash received (paid) from operating activities	10 c)	(20,791,468)	39,881,729
		<u>943,982,615</u>	<u>600,682,555</u>
<b>Cash flows from operating activities</b>			
Cash generated from operations		943,982,615	600,682,555
Adjustment of cash occurred from borrowings	10 d)	(49,074,108)	(104,367,453)
Income tax paid, net		(10,402,639)	(89,054,648)
		<u>884,505,868</u>	<u>407,260,454</u>
<b>Net cash generated from operating activities</b>			
		<u>884,505,868</u>	<u>407,260,454</u>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets	10 e)	(215,301)	(673,827)
Purchases of property, plant and equipment	10 e)	(205,066,779)	(88,958,691)
Proceeds from disposals of property, plant and equipment		493,635	31,850
Dividend income	27	21,600,000	28,800,000
Interest income		549,211	20,528,300
		<u>(182,639,234)</u>	<u>(40,272,368)</u>
<b>Net cash used in investing activities</b>			
		<u>(182,639,234)</u>	<u>(40,272,368)</u>

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

# FINAL DRAFT

Tata Steel Manufacturing (Thailand) Public Company Limited

## Statement of Cash Flows

For the year ended 31 March 2022

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print: \_\_\_\_\_

Title: \_\_\_\_\_

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Cash flow from financing activities</b>			
Net repayments on short-term borrowings from financial institutions		(295,815,631)	(20,334,454)
Net repayments on short-term borrowings from parent company		(63,510,088)	(316,924,205)
Payments on lease liabilities		(22,804,666)	(19,677,062)
<b>Net cash generated used in financing activities</b>		<b>(382,130,385)</b>	<b>(356,935,721)</b>
<b>Net increase in cash and cash equivalents</b>		<b>319,736,249</b>	<b>10,052,365</b>
Cash and cash equivalents at the beginning of the year		154,159,768	144,107,403
<b>Cash and cash equivalents at the end of the year</b>	10 a)	<b>473,896,017</b>	<b>154,159,768</b>
<b>Non-cash items:</b>			
Convert debt from short-term loan from parent company to equity	25	6,211,259,643	-

The accompanying notes on page 11 to 56 are an integral part of the financial statements.

## 1 General information

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

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

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

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

Rayong factory : Plot 1 Map TA Phut Industrial Estate. Mueang Rayong District, Rayong 21150.

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

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

The Company do not include investment in Siam Steel Mill Services Company Limited, 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 financial statements were authorised for issue by the Board of Directors on 20 April 2022.

## 2 Significant events during the current year

### Coronavirus Disease 2019 outbreak

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020 until 2021 has resulted in a global economic slowdown and adversely impacted most businesses and industries worldwide. However, there were no significant impact of the COVID-19 pandemic on the Company's operating results for the year ended 31 March 2022 and the Company's management assessed that the future operations, financial condition and liquidity are not expected to be materially impacted by it either. The full impact, however, of the COVID-19 pandemic will depend on its future developments of the disease control and prevention, such as its ultimate duration and scope of the pandemic including the government's measures on disease control and to ease economic impacts. The Company's management has implemented early precautions within its operations. It is continuously monitoring ongoing developments and assessing the financial impact.

## 3 Basis of preparation

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

The financial statements have been prepared under the historical cost convention except as disclosed in accounting policies for certain financial assets (including derivative instrument) as described in Note 5.6, certain financial liabilities as described in Notes 5.12.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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

#### 4 New and amended financial reporting standards

##### 4.1 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and relate to the Company

- a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
  - Presentation and disclosure, including classification of income and expenses in other comprehensive income
  - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
  - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

- b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.
- e) **Amendment to TFRS 16, Leases** amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce the lease payments due by 30 June 2022.

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

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

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

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

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

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

TFRS 7 requires additional disclosure about:

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

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

## 5 Accounting policies

### 5.1 Business combination under common control

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

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

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

## 5.2 Foreign currency translation

### a) Functional and presentation currency

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

### b) Transactions and balances

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

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

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

## 5.3 Cash and cash equivalents

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

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

## 5.4 Trade accounts receivable

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

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 5.6 f).

## 5.5 Inventories

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

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

## 5.6 Financial asset

### a) Classification

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

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

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

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

### b) Recognition and derecognition

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

### c) Measurement

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

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

### d) Debt instruments

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

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



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

**e) Equity instruments**

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

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

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

**f) Impairment**

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

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

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

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

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

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

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

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

### 5.7 Property, plant and equipment

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

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

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

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

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

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

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

### 5.8 Goodwill

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

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

### 5.9 Intangible assets

#### Acquired computer software

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

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

### 5.10 Impairment of assets

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

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

### 5.11 Leases

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

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

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

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

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

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

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

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

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

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

## 5.12 Financial liabilities

### a) Classification

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

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

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

### b) Measurement

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

### c) Derecognition and modification

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

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

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

## 5.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take 12 months to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

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

#### **5.14 Current and deferred income taxes**

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

##### Current tax

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

##### Deferred income tax

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

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

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

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

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

#### **5.15 Employee benefits**

##### **a) Short-term employee benefits**

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

##### **b) Defined contribution plan**

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

**c) Defined benefit plans**

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

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

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

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

**d) Other long-term benefits**

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

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

**e) Termination benefits**

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

**5.16 Provisions**

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

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

**5.17 Share capital**

Ordinary shares are classified as equity.

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

### 5.18 Revenue recognition

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

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

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

#### Sale of goods

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

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

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

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

#### Services

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

#### Payments to customers

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

#### Financing components

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

### Other income

Other revenue are recognised on the following bases:

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

### **5.19 Dividend distribution**

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

### **5.20 Derivatives and hedging activities**

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

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

## **6 Financial risk management**

### **6.1 Financial risk factors**

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

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

#### **6.1.1 Market risk**

##### **a) Foreign exchange risk**

The Company operates internationally and is exposed to foreign currency risk, primarily the US Dollar and Euro from trading transactions that are denominated in foreign currencies. The risk is managed by entering into forward exchange contracts with the financial institutions of approximately 70% (2021 : 79%) of foreign currency transaction.

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



**FINAL DRAFT**  
**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print: \_\_\_\_\_

Title: \_\_\_\_\_

### Exposure

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

	31 March 2022						
	US Dollar Thousand Baht	Euro Thousand Baht	Pound Thousand Baht	Swedish Krona Thousand Baht	Japanese Yen Thousand Baht	Singapore Dollar Thousand Baht	Swiss Franc Thousand Baht
<b>Financial assets</b>							
Cash and cash equivalents	789	-	-	-	-	-	-
Trade and other receivables, net	28,133	-	-	-	-	5	-
Derivatives assets (included in other current assets)	2,044	-	-	-	-	-	-
<b>Financial liabilities</b>							
Trade and other payables	(180,192)	(21,221)	(64)	(395)	(352)	-	(104)
Derivatives liabilities (included in other current liabilities)	(211)	-	-	-	-	-	-
<b>Total assets (liabilities), nets</b>	<b>(149,015)</b>	<b>(21,221)</b>	<b>(64)</b>	<b>(395)</b>	<b>(352)</b>	<b>5</b>	<b>(104)</b>

	31 March 2021						
	US Dollar Thousand Baht	Euro Thousand Baht	Pound Thousand Baht	Swedish Krona Thousand Baht	Japanese Yen Thousand Baht	Singapore Dollar Thousand Baht	Yuan Thousand Baht
<b>Financial assets</b>							
Cash and cash equivalents	1,208	-	-	-	-	-	-
Trade and other receivables, net	261,643	-	-	-	-	5	-
Derivatives assets (included in other current assets)	11,185	15	-	-	-	-	-
<b>Financial liabilities</b>							
Trade and other payables	(52,953)	(18,314)	(22)	(179)	(320)	-	(28)
Derivatives liabilities (included in other current liabilities)	(6,315)	-	-	-	-	-	-
<b>Total assets (liabilities), nets</b>	<b>214,768</b>	<b>(18,299)</b>	<b>(22)</b>	<b>(179)</b>	<b>(320)</b>	<b>5</b>	<b>(28)</b>

### Sensitivity

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

	Impact to net profit	
	2022 Thousand Baht	2021 Thousand Baht
US Dollar to Baht exchange rate - increase 7% (2021: 5%)*	(10,431)	10,738
US Dollar to Baht exchange rate - decrease 7% (2021: 5%)*	10,431	(10,738)
Euro to Baht exchange rate - increase 6% (2021: 6%)*	(1,485)	(1,098)
Euro to Baht exchange rate - decrease 6% (2021: 6%)*	1,485	1,098

\* Holding all other variables constant

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

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

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

	Fixed interest rates			Floating interest rates			Non-Interest bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a.)
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht			
<b>As at 31 March 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	31,240	-	-	442,656	473,896	0.01 - 0.30
	-	-	-	31,240	-	-	442,656	473,896	
<b>Financial liabilities</b>									
Short-term borrowings from financial institutions	-	-	-	145,577	-	-	-	145,577	BIBOR+2.0
Short-term borrowings from parent company	593,294	-	-	-	-	-	-	593,294	2.00
Lease liabilities	22,452	90,090	533,397	-	-	-	-	645,939	MLR-2
	615,746	90,090	533,397	145,577	-	-	-	1,384,810	
<b>As at 31 March 2021</b>									
<b>Financial assets</b>									
Cash and cash equivalents	-	-	-	67,927	-	-	86,233	154,160	0.01 - 0.15
	-	-	-	67,927	-	-	86,233	154,160	
<b>Financial liabilities</b>									
Short-term borrowings from financial institutions	-	-	-	441,393	-	-	-	441,393	BIBOR+2.1
Short-term borrowings from parent company	6,868,064	-	-	-	-	-	-	6,868,064	0.5 - 3.0
Lease liabilities	22,629	85,888	556,807	-	-	-	-	665,324	MLR-2
	6,890,693	85,888	556,807	441,393	-	-	-	7,974,781	

**6.1.2 Credit risk**

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

**a) Risk management**

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

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

The Company has no significant concentrations of credit risk whether through exposure to individual customers, specific industry sectors or regions.

**b) Security**

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

**c) Impairment of financial assets**

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

- Cash and cash equivalents
- Trade and other receivables

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

*Trade receivables*

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

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

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

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

	Not yet due Thousand Baht	Up to 3 months Thousand Baht	3 - 6 months Thousand Baht	6 - 12 months Thousand Baht	More than 12 months Thousand Baht	Total Thousand Baht
<b>As 31 March 2022</b>						
Gross carrying amount - trade receivables	2,166,681	246,270	-	-	78,982	2,491,933
Loss allowance	-	-	-	-	(78,982)	(78,982)
<b>As 31 March 2021</b>						
Gross carrying amount - trade receivables	1,023,771	74,494	8,764	-	78,982	1,186,011
Loss allowance	-	-	-	-	(78,982)	(78,982)

**FINAL DRAFT**

**Tata Steel Manufacturing (Thailand) Public Company Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2022**

These financial statements are authorized by the Company's Management/Board of Directors/ Authorised Directors for

issue on **20 April 2022**

Signed: \_\_\_\_\_

Name in Print: \_\_\_\_\_  
 Title: \_\_\_\_\_

The reconciliations of loss allowance for trade receivables for the year ended 31 March are as follow:

	<b>Trade receivables</b>	
	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening loss allowance at 1 April	78,982	93,307
Receivable written off during the year as uncollectible	-	(14,190)
Reversal of loss allowance recognised	-	(135)
Closing loss allowance at 31 March	78,982	78,982

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

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

### 6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 474 million (2021 : Baht 154 million) that are expected to readily generate cash inflows for managing liquidity risk.

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

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

#### a) Financing arrangement

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Floating rate</b>		
Expiring within one year		
- Bank loans	1,506,923	429,652
<b>Total</b>	<b>1,506,923</b>	<b>429,652</b>

**b) Maturity of financial liabilities**

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

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

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

Contractual maturities of financial liabilities	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht	Carrying amount Thousand Baht
<b>As at 31 March 2022</b>					
<b>Financial liabilities excluding derivatives</b>					
Short-term borrowings from financial institutions	145,577	-	-	145,577	145,577
Trade and other payables	1,655,322	-	-	1,655,322	1,655,322
Short-term borrowings from parent company	593,294	-	-	593,294	593,294
Lease liabilities	44,039	168,459	659,633	872,131	645,939
Other current liabilities	142	-	-	142	142
<b>Total financial liabilities excluding derivatives</b>	<b>2,438,374</b>	<b>168,459</b>	<b>659,633</b>	<b>3,266,466</b>	<b>3,040,274</b>
<b>Derivatives</b>					
Foreign currency forward contracts	211	-	-	211	211
<b>Total derivative liabilities</b>	<b>211</b>	<b>-</b>	<b>-</b>	<b>211</b>	<b>211</b>
<b>Total</b>	<b>2,438,585</b>	<b>168,459</b>	<b>659,633</b>	<b>3,266,677</b>	<b>3,040,485</b>
<b>As at 31 March 2021</b>					
<b>Financial liabilities excluding derivatives</b>					
Short-term borrowings from financial institutions	441,393	-	-	441,393	441,393
Trade and other payables	1,550,056	-	-	1,550,056	1,550,056
Short-term borrowings from parent company	6,868,064	-	-	6,868,064	6,868,064
Lease liabilities	44,942	167,204	701,418	913,564	665,324
Other current liabilities	184	-	-	184	184
<b>Total financial liabilities excluding derivatives</b>	<b>8,904,639</b>	<b>167,204</b>	<b>701,418</b>	<b>9,773,261</b>	<b>9,525,021</b>
<b>Derivatives</b>					
Foreign currency forward contracts	6,315	-	-	6,315	6,315
<b>Total derivative liabilities</b>	<b>6,315</b>	<b>-</b>	<b>-</b>	<b>6,315</b>	<b>6,315</b>
<b>Total</b>	<b>8,910,954</b>	<b>167,204</b>	<b>701,418</b>	<b>9,779,576</b>	<b>9,531,336</b>

## 6.2 Capital management

The objectives when managing capital are to:

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

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

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

## 7 Fair value

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

	Level	2022	2021
		Fair value Thousand	Fair value Thousand
<b>Assets</b>			
<b>Financial assets measured at fair value through profit or loss (FVPL)</b>			
Derivative assets- Foreign exchange contracts	2	2,044	11,200
<b>Financial assets measured at fair value through other comprehensive income (FVOCI)</b>			
Unquoted equity investments	3	304,320	206,640
<b>Liabilities</b>			
<b>Financial liabilities measured at fair value through profit or loss (FVPL)</b>			
Derivative liabilities - Foreign exchange contracts	2	211	6,315

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

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

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included within 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).

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

The fair value of derivative assets and liabilities are determined using the foreign exchange rate from the financial institution which categorized into hierarchy level 2 which is immaterial.

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

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

	<b>Unquoted equity investments</b>
	<b>Thousand Baht</b>
Opening balance as at 1 April 2020	146,160
Gains (losses) recognised in other comprehensive income	60,480
Closing balance as at 31 March 2021	206,640
Gains (losses) recognised in other comprehensive income	97,680
Closing balance as at 31 March 2022	304,320

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

	<b>Fair value</b>		<b>Unobservable inputs</b>	<b>Range of inputs</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>		<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>			
Unlisted equity securities	304,320	206,640	Profit growth factors Risk-adjusted discount rate	2% 12%	2% 12%

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

	<b>Unobservable inputs</b>	<b>Movement</b>	<b>Change in fair value</b>	
			<b>Increase in assumptions 2022</b>	<b>Decrease in assumptions 2022</b>
Unlisted equity securities	Profit growth factors	0.50%	Increase by 3.7%	Decrease by 3.3%
	Risk-adjusted discount rate	1.00%	Decrease by 8.0%	Increase by 9.8%

**The Company's valuation processes**

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

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

There were no changes in valuation techniques during the year.



## 8 Critical accounting estimates and judgements

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 7.

### b) Goodwill impairment

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

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 18. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

### c) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 24.

### g) Impairment of financial assets

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

## 9 Segment information

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

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

For the year ended 31 March 2022, revenue from sales and related services has timing of revenue recognition as a point in time amounting to Baht 32,468 million (2021 : Baht 21,971 million) and over time amounting to Baht 122 million (2021 : Baht 46 million).

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For the year ended 31 March 2022 and 2021, the Company has no revenue from which contributed equal or over 10.0% of the Company's total revenue.

**For the years ended 31 March**

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Segment revenue		
Local	29,497,890	20,692,800
Export	3,091,915	1,324,096
	<b>32,589,805</b>	<b>22,016,896</b>

**10 Cash and cash equivalents**

a) Cash and cash equivalents consist of:

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Cash on hand	1	1
Deposits at banks - current accounts	442,655	86,232
- savings accounts	31,240	67,927
	<b>473,896</b>	<b>154,160</b>

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
(Gain) loss on disposal of equipment	589	(4)
Loss on impairment of equipment	631	-
Reversal from diminution in value of inventories	(634)	(5,468)
Loss on lease liabilities adjustment	11	6
Provision from additional surcharge	-	16,288
Loss from diminution in value of idle asset held for sale (Note 16)	81,000	117,000
	<b>81,597</b>	<b>127,822</b>

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
(Increase) decrease in other current assets and other non-current assets	(3,533)	55,264
Increase (decrease) in other current liabilities and other non-current liabilities	(5,516)	2,418
Employee benefit obligations paid	(11,742)	(17,800)
	<b>(20,791)</b>	<b>39,882</b>

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Interest paid	(49,074)	(104,367)

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

On 17 March 2021, the Company issued promissory notes to The Siam Construction Steel Company Limited and The Siam Iron and Steel (2001) Company Limited for transfer price of the entire business transfer of Baht 3,657 million and Baht 2,554 million, respectively, totaling amount of Baht 6,211 million.

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Payables for plant and equipment and intangible assets brought forward	50,862	12,846
<u>Add</u> Purchases during the year	223,190	127,649
<u>Less</u> Payments during the year	(205,282)	(89,633)
Payables for plant and equipment and intangible assets carried forward	68,770	50,862
Acquisitions of right-of-use assets under lease contracts	3,408	2,402

## 11 Trade and other receivables, net

### 11.1 Trade and other receivables, net

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Trade receivables - other parties	2,300,664	906,407
- related parties (Note 33 b))	191,269	279,604
<u>Less</u> Loss allowance	(78,982)	(78,982)
Trade receivables, net	2,412,951	1,107,029
Other receivables - other parties	215	1,612
- related parties (Note 33 b))	87	31
Prepayments	12,062	11,015
	<b>2,425,315</b>	<b>1,119,687</b>

The Company has 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 2022 and 2021 the Company had sold receivables to the financial institution amounting to Baht 6,741 million and Baht 10,852 million, respectively.

## 12 Financial assets and financial liabilities

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

	2022 Thousand Baht	2021 Thousand Baht
<b>Financial assets</b>		
Financial assets at amortised cost		
Cash and cash equivalents	473,896	154,160
Trade and other receivable, net	2,413,253	1,108,672
Deposits (included in other non-current assets)	1,263	1,263
Financial assets at fair value through other comprehensive income (FVOCI)	304,320	206,604
Financial assets at fair value through profit or loss (FVPL)		
Derivative financial assets (included in other current assets)	2,044	11,200
	3,194,776	1,481,899
<b>Financial liabilities</b>		
Liabilities at amortised cost		
Short-term borrowings from financial institutions	145,577	441,393
Trade and other payables	1,655,322	1,550,056
Short-term borrowings from parent company	593,294	6,868,064
Lease liabilities, net	645,939	665,324
Other current liabilities	142	184
Financial liabilities at fair value through profit or loss (FVPL)		
Derivatives financial liabilities (included in other current liabilities)	211	6,315
	3,040,485	9,531,336

## 13 Inventories, net

	2022 Thousand Baht	2021 Thousand Baht
Raw materials	1,020,613	866,381
Work in progress	716,079	265,966
Finished goods	1,772,001	1,391,037
Spare parts	389,973	395,232
Supplies and others	385,585	270,651
	4,284,251	3,189,267
<u>Less</u> Allowance for obsolete inventories		
- Spare parts	(44,011)	(44,011)
- Supplies and others	(18,076)	(18,710)
	4,222,164	3,126,546
<u>Add</u> Goods in transit	222,706	332,512
	4,444,870	3,459,058

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 at least of sales in profit or loss

During the years ended 31 March 2022 and 2021 amounts recognised are as follows:

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Inventories recognised as an expense	29,106,390	20,535,945
Write-down of inventories to net realisable value	-	2,486
Reversal of write-down inventories to net realisable value	(634)	(7,954)

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

#### 14 Other current assets

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Value added tax refundable	55,587	45,916
Other current assets	19,434	28,799
	<b>75,021</b>	<b>74,715</b>

**15 Property, plant and equipment, net**

	Land Thousand Baht	Land Improvement, buildings and structures Thousand Baht	Machinery and equipment Thousand Baht	Fixtures, and equipment Thousand Baht	Vehicles Thousand Baht	Construction in progress Thousand Baht	Total Thousand Baht
<b>As at 1 April 2020</b>							
Cost	798,695	4,493,191	12,667,662	160,430	2,747	24,814	18,147,539
<u>Less</u> Accumulated depreciation	-	(2,955,328)	(10,380,504)	(117,415)	(2,594)	-	(13,455,841)
Accumulated impairment	-	(1,124,556)	(736,849)	(7)	-	-	(1,861,412)
Net book amount	798,695	413,307	1,550,309	43,008	153	24,814	2,830,286
<b>For the year ended 31 March 2021</b>							
Opening net book amount	798,695	413,307	1,550,309	43,008	153	24,814	2,830,286
Additions	-	1,262	5,258	4,743	-	115,562	126,825
Transfers	3,611	2,002	70,860	5,634	-	(82,107)	-
Disposals - cost	-	-	-	(165)	-	-	(165)
- accumulated depreciation	-	-	-	137	-	-	137
Depreciation charge	-	(55,463)	(333,076)	(13,363)	(61)	-	(401,963)
Closing net book amount	802,306	361,108	1,293,351	39,994	92	58,269	2,555,120
<b>As at 31 March 2021</b>							
Cost	802,306	4,496,455	12,743,780	170,642	2,747	58,269	18,274,199
<u>Less</u> Accumulated depreciation	-	(3,010,791)	(10,713,580)	(130,641)	(2,655)	-	(13,857,667)
Accumulated impairment	-	(1,124,556)	(736,849)	(7)	-	-	(1,861,412)
Net book amount	802,306	361,108	1,293,351	39,994	92	58,269	2,555,120

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

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

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>As at 31 March</b>		
Cost	2,395,713	2,395,713
<u>Less</u> Accumulated depreciation	(538,164)	(538,164)
Allowance for decrease in value of asset	(1,595,549)	(1,514,549)
Net book amount	262,000	343,000

In August 2011, the Company's management had decided to cease production of the Mini Blast Furnace ("MBF") in view of the high volatility of MBF raw material prices and the prices being relatively higher than scrap prices, which adversely impacting the viability of costs of steel produced through the MBF route.

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

During the year ended 31 March 2022, the Company has recognised loss for decrease in value of assets - MBF amount Baht 81 million (2021 : Baht 117 million).

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

	<b>Land</b>	<b>Building and structure</b>	<b>Vehicles</b>	<b>Total</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Balance as at 1 April 2020	473,789	38,724	19,278	531,791
Additions	-	-	2,402	2,402
Lease modifications and reassessments	148,745	-	-	148,745
Depreciation	(32,947)	(2,149)	(7,199)	(42,295)
Balance as at 31 March 2021	589,587	36,575	14,481	640,643
Additions	-	-	3,409	3,409
Depreciation	(31,031)	(2,149)	(6,749)	(39,929)
Balance as at 31 March 2022	558,556	34,426	11,141	604,123



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 lease liabilities and right-of-use

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Expense relating to short-term leases	450	3,968
Total cash outflow for leases	22,813	26,535

## 18 Goodwill, net

	<b>Thousand Baht</b>
<b>As at 1 April 2020</b>	
Cost	4,608,859
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	<u>(1,152,845)</u>
Net book amount	<u>3,456,014</u>
<b>For the year ended 31 March 2021</b>	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	<u>3,456,014</u>
<b>As at 31 March 2021</b>	
Cost	4,608,859
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	<u>(1,152,845)</u>
Net book amount	<u>3,456,014</u>
<b>For the year ended 31 March 2022</b>	
Opening net book amount	3,456,014
Impairment charge	-
Closing net book amount	<u>3,456,014</u>
<b>As at 31 March 2022</b>	
Cost	4,608,859
<u>Less</u> Accumulated amortisation (up to 31 March 2008)	<u>(1,152,845)</u>
Net book amount	<u>3,456,014</u>

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

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

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

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As at 31 March 2022 and 2021, the Company has made an assessment of impairment loss on goodwill and resulted that the recoverable amount was not lower than the carrying amount, so no additional impairment was necessary.

Goodwill is allocated to the Company's cash-generating units (CGUs) identified according to each factory.

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

	2022			2021		
	Factory of The Siam Iron and Steel (2001) Million Baht	Factory of The Siam Construction Steel Million Baht	Total Million Baht	Factory of The Siam Iron and Steel (2001) Million Baht	Factory of The Siam Construction Steel Million Baht	Total Million Baht
Goodwill allocation	1,685	1,771	3,456	1,685	1,771	3,456

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

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

	Goodwill from Factory of The Siam Iron and Steel (2001)	Goodwill from Factory of The Siam Construction Steel
Gross margin <sup>1</sup>	8.3%	7.1%
Growth rate <sup>2</sup>	2.5%	1.0%
Discount rate <sup>3</sup>	11.25%	11.25%

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

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

<sup>3</sup> Pre-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU.

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

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

**19 Intangible assets, net**

	<b>Computer software Thousand Baht</b>	<b>Software under installation Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 1 April 2021</b>			
Cost	27,089	-	27,089
<u>Less</u> Accumulated amortisation	(9,951)	-	(9,951)
Net book amount	17,138	-	17,138
<b>For the year ended 31 March 2021</b>			
Opening net book amount	17,138	-	17,138
Additions	-	824	824
Transfers	824	(824)	-
Amortisation charge	(2,410)	-	(2,410)
Closing net book amount	15,552	-	15,552
<b>As at 31 March 2021</b>			
Cost	27,913	-	27,913
<u>Less</u> Accumulated amortisation	(12,361)	-	(12,361)
Net book amount	15,552	-	15,552
<b>For the year ended 31 March 2022</b>			
Opening net book amount	15,552	-	15,552
Additions	65	-	65
Amortisation charge	(2,463)	-	(2,463)
Closing net book amount	13,154	-	13,154
<b>As at 31 March 2022</b>			
Cost	27,978	-	27,978
<u>Less</u> Accumulated amortisation	(14,824)	-	(14,824)
Net book amount	13,154	-	13,154

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

Deferred tax assets (liabilities), net as at 31 March 2022 and 2021 comprise the following:

	<b>2022 Thousand Baht</b>	<b>2021 Thousand Baht</b>
Deferred tax assets	57,848	52,029
Deferred tax liabilities	(67,718)	(53,946)
Deferred tax assets (liabilities), net	(9,870)	(1,917)

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**Tata Steel Manufacturing (Thailand) Public Company Limited**  
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 ended 31 March 2022 and 2021

The gross movements in the deferred tax assets (liabilities), net for the years ended 31 March 2022 and 2021 comprise the following:

	1 April 2021 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2022 Thousand Baht
<b>Deferred tax assets</b>				
Loss allowance	709	-	-	709
Allowance for obsolete inventories	23	(23)	-	-
Derivatives liabilities	-	42	-	42
Employee benefit obligations	51,297	6,743	(943)	57,097
	<u>52,029</u>	<u>6,762</u>	<u>(943)</u>	<u>57,848</u>
<b>Deferred tax liabilities</b>				
Remeasurement of financial asset at fair value	(41,328)	-	(19,536)	(60,864)
Derivatives assets	(2,239)	1,831	-	(408)
Surplus of fair value of assets acquired in business combination	(10,379)	3,933	-	(6,446)
	<u>(53,946)</u>	<u>5,764</u>	<u>(19,536)</u>	<u>(67,718)</u>
<b>Deferred tax assets (liabilities), net</b>	<u>(1,917)</u>	<u>12,526</u>	<u>(20,479)</u>	<u>(9,870)</u>
	1 April 2020 Thousand Baht	Credited (charged) to profit or loss Thousand Baht	Credited (charged) to other comprehensive income Thousand Baht	31 March 2021 Thousand Baht
<b>Deferred tax assets</b>				
Loss allowance	736	(27)	-	709
Allowance for obsolete inventories	907	(884)	-	23
Employee benefit obligations	38,155	17,147	(4,005)	51,297
	<u>39,798</u>	<u>16,236</u>	<u>(4,005)</u>	<u>52,029</u>
<b>Deferred tax liabilities</b>				
Remeasurement of financial asset at fair value	(29,232)	-	(12,096)	(41,328)
Derivatives assets	(130)	(2,109)	-	(2,239)
Surplus of fair value of assets acquired in business combination	(14,353)	3,974	-	(10,379)
	<u>(43,715)</u>	<u>1,865</u>	<u>(12,096)</u>	<u>(53,946)</u>
<b>Deferred tax assets (liabilities), net</b>	<u>(3,917)</u>	<u>18,101</u>	<u>(16,101)</u>	<u>(1,917)</u>

As at 31 March 2022, 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 430 million (2021 : Baht 932 million) in respect of losses amounting to Baht 2,152 million (2021 : Baht 4,661 million) that can be carried forward against future taxable income. Such losses will be expired in 2023 to 2025.

## 21 Other non-current assets

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Corporate income tax refundable	20,718	35,488
Others	6,361	3,134
	<b>27,079</b>	<b>38,622</b>

## 22 Borrowings

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Current</b>		
Short-term borrowings - from financial institutions	145,577	441,393
Current portion of lease liabilities	22,452	22,629
Short term borrowings from parent company (Note 33 d))	593,294	6,868,064
Total current borrowings	<b>761,323</b>	<b>7,332,086</b>
<b>Non-current</b>		
Lease liabilities	623,487	642,695
Total non-current borrowings	<b>623,487</b>	<b>642,695</b>
Total borrowings	<b>1,384,810</b>	<b>7,974,781</b>

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

## 23 Trade and other payables

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Trade payables - other parties	852,908	715,592
- related parties (Note 33 b))	56,898	218,061
Other payables - other parties	68,773	50,864
- related parties (Note 33 b))	1,585	39,539
Advance received from customers	40,843	47,982
Accrued expenses	634,315	478,018
	<b>1,655,322</b>	<b>1,550,056</b>

**24 Employee benefit obligations**

	<b>2022</b> <b>Thousand</b> <b>Baht</b>	<b>2021</b> <b>Thousand</b> <b>Baht</b>
Statement of financial position:		
Retirement benefits	231,964	222,898
Other long-term benefits	43,327	24,718
Liability in the statement of financial position	275,291	247,616
Loss charge included in operating profit for:		
Retirement benefits	23,100	26,527
Other long-term benefits	21,028	3,642
	44,128	30,169
Remeasurement in other comprehensive (income) expense	(4,713)	(23,624)

Employee benefit obligations are final salary retirement plans, which provide benefits to employees in the form of a guaranteed level of pension payable. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement.

The movements of employee benefit obligations for the years ended 31 March 2022 and 2021 comprise the following:

	<b>Retirement benefits</b>		<b>Other long-term benefits</b>	
	<b>2022</b> <b>Thousand</b> <b>Baht</b>	<b>2021</b> <b>Thousand</b> <b>Baht</b>	<b>2022</b> <b>Thousand</b> <b>Baht</b>	<b>2021</b> <b>Thousand</b> <b>Baht</b>
Opening balance for the year	222,898	235,365	24,718	23,506
Current service cost	18,811	23,282	3,395	3,348
Interest cost	4,289	3,245	468	328
Remeasurements:				
Loss from change in demographic assumptions	418	-	2,024	-
(Gain)/loss from change in financial assumptions	(14,548)	(22,167)	68	176
Experience (gain)/loss	9,417	(1,457)	15,073	(210)
Employee benefit paid	(9,321)	(15,370)	(2,419)	(2,430)
Closing balance for the year	231,964	222,898	43,327	24,718

The principal actuarial assumptions used were as follows:

	<b>2022</b> <b>%</b>	<b>2021</b> <b>%</b>
Discount rates	2.83	1.93
Salary growth rate	5.00	4.54 - 4.73
Staff turnover rate	0.57 - 6.88	0.00 - 7.00

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 dated 2021 are as follows:

Sensitivity analysis for each significant assumption as at 31 March 2022

	<b>Increase (decrease) to employee benefit obligations</b>					
	<b>Change in assumption</b>		<b>Increase in assumption</b>		<b>Decrease in assumption</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	%	%	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	1.00	1.00	(25,606)	(25,788)	29,813	30,231
Salary growth rate	1.00	1.00	25,617	27,532	(22,388)	(23,922)
Staff turnover rate	20.00 from base assumption	1.00	(6,525)	(26,997)	6,875	12,865

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

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

The weighted average duration of employee benefit obligation is 15.00 years (2021 : 12.69 years).

Expected maturity analysis of undiscounted Retirement benefits and Other long-term benefits over the period of the next 10 years are as follows:

	<b>Less than 1 year</b>	<b>Between 1 - 2 years</b>	<b>Between 2 - 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>As at 31 March 2022</b>					
Retirement benefits	6,169	5,513	30,306	283,483	325,471
Other long-term benefits	3,355	3,971	11,929	31,225	50,480
<b>Total</b>	<b>9,524</b>	<b>9,484</b>	<b>42,235</b>	<b>314,708</b>	<b>375,951</b>
<b>As at 31 March 2021</b>					
Retirement benefits	2,942	6,565	26,314	789,991	825,812
Other long-term benefits	2,087	2,573	10,394	23,379	75,041
<b>Total</b>	<b>5,029</b>	<b>9,138</b>	<b>36,708</b>	<b>849,978</b>	<b>900,853</b>

## 25 Share capital

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

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

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

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

## 26 Legal reserve

	2022 Thousand Baht	2021 Thousand Baht
As at 1 April	-	-
Appropriation during the year	127,500	-
As at 31 March	127,500	-

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

## 27 Other income

	2022 Thousand Baht	2021 Thousand Baht
Interest income	549	20,528
Dividend income from equity investments at FVOCI	21,600	28,800
Compensation from insurance companies	-	50,000
Service income	2,844	6,528
Penalty income from delay payment of customers	4,556	8,273
Gain on exchange rate, net	12,668	20,422
Others	5,335	1,564
	47,552	136,115



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**28 Finance costs**

Interest and finance charges from financial institutions  
 Loan from financial institutions

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
	41,017	90,826
	7,434	13,172
	<b>48,451</b>	<b>103,998</b>

**29 Expenses by nature**

Change in finished goods and work in process  
 Raw materials and consumables used  
 Store and supplies used  
 Fuel  
 Depreciation and amortisation  
 Employee benefits expenses  
 Utilities expenses  
 Repair and maintenance expenses  
 Contractor fees  
 Delivery and selling expenses  
 Management fees  
 Bank charges  
 Others

Total

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
	(831,078)	(861,106)
	23,346,869	15,871,385
	889,841	748,442
	820,273	589,291
	446,253	446,669
	825,075	671,259
	2,767,407	2,255,069
	640,598	635,183
	176,127	182,983
	298,595	204,089
	412,868	392,192
	48,013	49,608
	97,744	108,380
	<b>29,938,585</b>	<b>21,293,444</b>

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**30 Income tax (income) expense**

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Current tax:		
Current tax on profits for the year	-	52,490
<b>Total current tax</b>	<b>-</b>	<b>52,490</b>
(Increase) decrease in deferred tax assets (Note 20)	(6,762)	(16,236)
Increase (decrease) in deferred tax liabilities (Note 20)	(5,764)	(1,865)
<b>Total deferred tax</b>	<b>(12,526)</b>	<b>(18,101)</b>
<b>Total income tax (income) expense</b>	<b>(12,526)</b>	<b>34,389</b>

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

	<b>2022</b>	<b>2021</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Profit before income tax	2,569,322	638,569
Tax calculated at a tax rate of 20% (2021 : 20%)	513,864	127,714
Tax effects of:		
- Temporary differences and unused tax losses not accounted for as deferred tax assets	(29,213)	(25,660)
- Expenses not deductible for tax purpose	3,942	15,228
- Double tax expenses deductible	(236)	(1,488)
- Utilisation of tax loss carried forward which was not recognised as deferred tax asset	(500,883)	(66,116)
- Recognition of previously unrecognised deferred taxes	-	(15,289)
<b>Tax charge</b>	<b>(12,526)</b>	<b>34,389</b>

The Company's weighted average applicable tax rate was (0.49%) (2021 : 5.39%).

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

	<b>2022</b>			<b>2021</b>		
	<b>Before tax</b>	<b>Tax (credit)/</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax (credit)/</b>	<b>After tax</b>
	<b>Thousand Baht</b>	<b>charge</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>charge</b>	<b>Thousand Baht</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Remeasurement on retirement benefit obligations	4,713	(943)	3,770	23,624	(4,005)	19,619
Financial assets value at fair value through other comprehensive income	97,680	(19,536)	78,144	60,480	(12,096)	48,384
<b>Other comprehensive income</b>	<b>102,393</b>	<b>(20,479)</b>	<b>81,914</b>	<b>84,104</b>	<b>(16,101)</b>	<b>68,003</b>
Current tax		-			-	
Deferred tax (Note 20)		(20,479)			(16,101)	
		(20,479)			(16,101)	

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### 31 Earnings per share

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

	2022	2021
<b>For the years ended 31 March</b>		
Net profit attributable to ordinary shareholders of the Company (Thousand Baht)	2,581,847	443,785
Weighted average number of ordinary shares outstanding (Share)	7,340,517,404	3,856,637,797
Basic earnings per share (Baht per share)	0.35	0.12

### 32 Reconciliation of liabilities arising from financing activities

	Non-cash transactions					31 March 2021 Thousand Baht
	1 April 2020 Thousand Baht	Cash flows (net) Thousand Baht	Acquisitions - finance lease liabilities Thousand Baht	Write-off - finance lease liabilities Thousand Baht	Addition - The Entire Business Transfer being within the Group Thousand Baht	
Short-term borrowings from financial institutions	461,727	(20,334)	-	-	-	441,393
Short-term borrowings from parent company	973,728	(316,924)	-	-	6,211,260	6,868,064
Lease liabilities	533,849	(19,678)	149,914	1,239	-	665,324

  

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

### 33 Related party transactions

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

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

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
Tata Steel (Thailand) Public Company Limited	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 managements
The Siam Industrial Wire Co., Ltd.	Manufacture steel wire	Same group of shareholders
NatSteel Trade International Pte. Ltd. *	Trading	Same group of shareholders
NatSteel Recycling Pte. Ltd. *	Trading	Same group of shareholders
Tata International Metals Asia Ltd.	Trading	Same group of shareholders
T S Asia (Hong Kong) Ltd.	Trading	Same group of shareholders
Tata Refractories Ltd.	Manufacture refractory	Same group of shareholders
NatSteel Holdings Pte. Ltd. *	Manufacture steel	Same group of shareholders
Tata Steel UK Ltd.	Manufacture steel	Same group of shareholders
Tata International Singapore Pte. Ltd.	Trading	Same group of shareholders
Tata Steel IJmuiden BV	Manufacture steel	Same group of shareholders
Tata Consultancy Services (Thailand) Ltd.	Software services	Same group of shareholders
Tata Consultancy Services Ltd.	Software services	Same group of shareholders
Tata Services Limited	Training services	Same group of shareholders
Tata Sons Private Limited	Investment holdings and consultancy services	Same group of shareholders
Tata Steel Resources Australia Pte. Ltd.	Procurement	Same group of shareholders
Tata NYK Shipping Pte. Ltd.	Shipping	Same group of shareholders
Mjunction Services Limited	Trading and procurement	Same group of shareholders
T S Global Procurement Co. Pte. Ltd.	Trading	Same group of shareholders
Tata Steel International (UK) Ltd.	Shipping	Same group of shareholders
Tata Steel Nederland Services B.V.	Manufacture steel	Same group of shareholders
Tata South East Asia Limited	Manufacture steel	Same group of shareholders
TSN Wires Co., Ltd.	Manufacture galvanized steel wire	Same group of shareholders
Tata International Limited	Trading	Same group of shareholders
Tata Steel Processing and Distribution Limited	Processing and distribution steel	Same group of shareholders
Tata Projects Limited	Infrastructure projects	Same group of shareholders
Tata South East Asia (Cambodia) Ltd.	Trading	Same group of shareholders
Tata Technologies (Thailand) Co., Ltd.	IT Services	Same group of shareholders
Tata Technologies Pte. Ltd.	IT Services	Same group of shareholders
Tata Motors (Thailand) Limited	Manufacturing automotive	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

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

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The following transactions were carried out with related parties:

a) **Related party transactions for the years ended 31 March 2022 and 2021**

**For the years ended 31 March**

	<b>2022</b>	<b>2021</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Revenues</b>		
Sales		
Tata Steel Limited	195,497	395,669
The Siam Industrial Wire Co., Ltd.	2,353,896	898,270
NatSteel Holdings Pte. Ltd.	3,157	3,246
TSN Wires Co., Ltd.	492,974	265,682
Tata International Metals Asia Ltd.	739,625	-
Total	3,785,149	1,562,867
Interest income		
Tata Steel (Thailand) Public Company Limited	478	20,374
Total	478	20,374
<b>Expenses</b>		
Purchases		
Tata Steel Limited	-	2,252,154
Tata International Metals Asia Ltd.	402,089	493,858
Tata International Limited	67,583	-
Tata International West Asia DMCC	12,697	19,582
Total	482,369	2,765,594
Management fees		
Tata Steel (Thailand) Public Company Limited	412,868	392,192
Total	412,868	392,192
Interest expenses		
Tata Steel (Thailand) Public Company Limited	18,654	68,259
Total	18,654	68,259
Other expenses		
The Siam Industrial Wire Co., Ltd.	-	15
Total	-	15

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

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**Tata Steel Manufacturing (Thailand) Public Company Limited**  
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issue on **20 April 2022**

Signed: \_\_\_\_\_

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- b) Outstanding balance arising from sale/purchases of goods, services and others as at 31 March 2022 and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
<b>Trade receivable - related parties</b>		
Tata Steel Limited	-	227,860
The Siam Industrial Wire Co., Ltd.	140,732	15,438
TSN Wires Co., Ltd.	50,537	36,306
<b>Total</b>	<b>191,269</b>	<b>279,604</b>
<b>Other receivables - related parties</b>		
Tata Steel (Thailand) Public Company Limited	87	31
<b>Total</b>	<b>87</b>	<b>31</b>
<b>Trade payable - related parties</b>		
Tata Steel Limited	2,393	2,251
Tata Steel (Thailand) Public Company Limited	54,505	32,981
Tata International Metals Asia Ltd.	-	182,829
<b>Total</b>	<b>56,898</b>	<b>218,061</b>
<b>Other payables - related parties</b>		
Tata Steel (Thailand) Public Company Limited	1,585	39,539
<b>Total</b>	<b>1,585</b>	<b>39,539</b>

- c) Short-term borrowings from parent company

The movements of short-term borrowings from parent company during the years ended 31 March 2022 and 2021 comprise the following:

	<b>2022</b>	<b>2021</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
Opening balance for the year	6,868,064	973,728
Net additions (repayments) of borrowings during the year	(63,510)	5,894,336
Conversion of short-term borrowings from parent company to share capital (Note 25)	(6,211,260)	-
<b>Closing balance for the year</b>	<b>593,294</b>	<b>6,868,064</b>

As at 31 March 2022, short-term borrowings from parent company in amount of Baht 593 million (2021 : Baht 6,868 million) bear interest rate at 2.0% per annum (2021 : 0.5% and 3.0% per annum). The short-term borrowings from parent company are non-collateralised borrowings and not specified maturity date.

## 34 Commitments

### 34.1 Capital commitments

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

	<b>2022</b> <b>Thousand</b> <b>Baht</b>	<b>2021</b> <b>Thousand</b> <b>Baht</b>
Building and equipment	191,731	34,527

### 34.2 Commitments from letter of credit

Letters of credit opened but are not qualified as liabilities as at 31 March 2022 and 2021 are as follows:

	<b>2022</b> <b>Thousand</b>	<b>2021</b> <b>Thousand</b>
<b>Currency</b>		
US Dollars	7,636	12,016
EURO	-	187

### 35 Entire Business Transfer Under Common Control

#### Entire Business Transfer within the Group under Common Control

The Annual General Meeting of the Shareholders held on 30 July 2020 of the Company, approved the acquisition of entire businesses from The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited, common subsidiaries of the parent company. The Board of Directors held on 18 November 2020 of The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited, approved the entire business transfer to the Company.

The significant terms and conditions of Entire Business Transfer within the Group are as follows:

#### (a) Transfer of assets and liabilities

On 19 November 2020, the Company has entered into the Entire Business Transfer Agreement ("the Agreement") with The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited. The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited ("the Transferors") agreed to transfer its entire businesses and the Company ("the Transferee") agreed to acquire the entire businesses including assets, liabilities, employees and commitments under the terms and conditions of the Agreement at 23.59 pm on 31 December 2020.

The Transferors transferred the entire businesses to the Transferee by using the net book value of assets and liabilities, list of current employees, and the outstanding commitments at the close of 31 December 2020 which the entire business transfer is effective on 1 January 2021.

The transferred assets and liabilities at book value are shown below:

	<b>The Siam Iron and Steel (2001) Company Limited</b>	<b>The Siam Construction Steel Company Limited</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Assets</b>		
Cash and cash equivalents	4,656	3,937
Trade and other receivables, net	5,149	177,019
Short-term loans to a parent company	400,699	2,068,633
Inventories	893,502	713,572
Other current assets	8,081	33,190
Other long-term investments	-	146,160
Property, plant and equipment, net	295,278	305,863
Intangible assets, net	5,134	8,591
Right-for-use asset, net	4,582	679,263
Deferred tax assets, net	15,224	18,287
Other non-current assets	10,392	6,914
<b>Total assets</b>	<b>1,642,697</b>	<b>4,161,429</b>
<b>Liabilities</b>		
Trade and other payables	206,470	304,056
Current income tax payable	11,826	13,347
Current portion of finance lease liabilities, net	1,819	18,631
Other current liabilities	2,455	16,900
Deferred tax liabilities, net	-	29,232
Lease liabilities, net	2,837	671,985
Employee benefit obligations	70,438	88,872
<b>Total liabilities</b>	<b>295,845</b>	<b>1,143,023</b>
<b>Net transferred assets</b>	<b>1,346,852</b>	<b>3,018,406</b>



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Since the transfer of the business is a business combination under common control. The assets and liabilities of the transferors are included by the carrying amounts of the transferor at the highest values shown in the parent company's consolidated financial statements.

Assets recorded in the parent company's consolidated financial statements are as follows:

	<b>The Siam Iron and Steel (2001) Company Limited</b>	<b>The Siam Construction Steel Company Limited</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Assets</b>		
Goodwill, net	1,684,987	1,771,028
Property, plant and equipment, net	584	56,277
<b>Total assets</b>	<b>1,685,571</b>	<b>1,827,305</b>
<b>Liabilities</b>		
Deferred tax liabilities, net	117	11,255
<b>Total liabilities</b>	<b>117</b>	<b>11,255</b>
<b>Net assets received that are recorded in the consolidated financial statements of the parent</b>	<b>1,685,454</b>	<b>1,816,050</b>
<b>Total net asset received from business transfer</b>	<b>3,032,306</b>	<b>4,834,456</b>
Considerations transferred	2,554,386	3,656,874
Surplus arising from business combination under common control	477,920	1,177,582

**(b) Transfer price**

The Entire Business Transfer being within the Group, the transfer prices are same as the book value of the investments of the Company in The Siam Iron and Steel (2001) Company Limited and The Siam Construction Steel Company Limited as at 31 December 2020.

	<b>The Siam Iron and Steel (2001) Company Limited</b>	<b>The Siam Construction Steel Company Limited</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Transfer price</b>	<b>2,554,386</b>	<b>3,656,874</b>