

**Thai Carbon Black Public Company Limited  
and its Subsidiary**

Financial statements for the year ended  
31 March 2015  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of Thai Carbon Black Public Company Limited**

I have audited the accompanying consolidated and separate financial statements of Thai Carbon Black Public Company Limited and its subsidiary (the "Group"), and of Thai Carbon Black Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 March 2015, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated and Separate Financial Statements*

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

#### *Auditor's Responsibility*

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 March 2015, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

*Other Matter*

The financial statements of the Group and the Company for the year ended 31 March 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 22 May 2014.

(Orawan Chunhakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
24 June 2015

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Statement of financial position**

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March		31 March	
		2015	2014	2015	2014
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	5	1,062,823,171	573,414,161	1,062,481,639	573,243,454
Trade accounts receivable	4, 6	889,311,186	1,106,562,453	889,311,186	1,106,562,453
Other receivables		118,682,529	16,000,870	118,682,529	16,000,870
Inventories	7	403,725,486	1,097,357,851	403,725,486	1,097,357,851
Other current assets		130,946,451	117,093,395	130,863,292	116,163,202
<b>Total current assets</b>		<b>2,605,488,823</b>	<b>2,910,428,730</b>	<b>2,605,064,132</b>	<b>2,909,327,830</b>
<b>Non-current assets</b>					
Investments in equity-accounted investees	8	3,011,162,025	3,044,773,735	770,364,083	786,981,083
Investments in subsidiary	9	-	-	12,853,530	12,853,530
Other long-term investments	10	1,580,604,161	1,639,962,661	1,580,604,161	1,639,962,661
Long-term loan to related party	4	4,995,043,355	5,608,476,630	5,604,568,163	5,608,476,630
Long-term interest receivables	4	867,395,350	625,912,018	867,395,350	625,912,018
Property, plant and equipment	11	1,614,106,655	1,738,862,949	1,614,106,655	1,738,862,949
Intangible assets		24,321,050	1,270,488	24,321,050	1,270,488
Deferred tax assets	12	76,967,726	43,494,949	76,967,726	43,494,949
Other non-current assets		2,980,570	10,410,005	2,980,570	7,490,578
<b>Total non-current assets</b>		<b>12,172,580,892</b>	<b>12,713,163,435</b>	<b>10,554,161,288</b>	<b>10,465,304,886</b>
<b>Total assets</b>		<b>14,778,069,715</b>	<b>15,623,592,165</b>	<b>13,159,225,420</b>	<b>13,374,632,716</b>

The accompanying notes are an integral part of these financial statements.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Statement of financial position**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 March		31 March	
<b>Liabilities and equity</b>		2015	2014	2015	2014
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Trade accounts payable	13	307,995,843	395,969,884	307,995,842	395,969,884
Other payables	14	318,303,460	155,311,851	318,251,001	155,311,851
Current portion of long-term loan from financial institution	15	1,030,138,200	993,781,250	1,030,138,200	993,781,250
Income tax payable		68,497,902	-	68,497,902	-
Other current liabilities		51,385,146	172,012,484	51,385,146	171,915,185
<b>Total current liabilities</b>		<b>1,776,320,551</b>	<b>1,717,075,469</b>	<b>1,776,268,091</b>	<b>1,716,978,170</b>
<b>Non-current liabilities</b>					
Long-term loan from financial institution	15	1,425,435,375	2,411,792,484	1,425,435,375	2,411,792,484
Employee benefit obligations	16	94,448,235	101,225,502	94,448,235	101,225,502
<b>Total non-current liabilities</b>		<b>1,519,883,610</b>	<b>2,513,017,986</b>	<b>1,519,883,610</b>	<b>2,513,017,986</b>
<b>Total liabilities</b>		<b>3,296,204,161</b>	<b>4,230,093,455</b>	<b>3,296,151,701</b>	<b>4,229,996,156</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	17	300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital		300,000,000	300,000,000	300,000,000	300,000,000
Additional paid in capital:					
Premium on ordinary shares		930,000,000	930,000,000	930,000,000	930,000,000
Retained earnings					
Appropriated					
Legal reserve	18	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		11,532,346,208	10,670,841,643	8,603,073,719	7,884,636,560
Other components of equity		(1,310,480,654)	(537,342,933)	-	-
<b>Total equity</b>		<b>11,481,865,554</b>	<b>11,393,498,710</b>	<b>9,863,073,719</b>	<b>9,144,636,560</b>
<b>Total liabilities and equity</b>		<b>14,778,069,715</b>	<b>15,623,592,165</b>	<b>13,159,225,420</b>	<b>13,374,632,716</b>

The accompanying notes are an integral part of these financial statements.

# Thai Carbon Black Public Company Limited and its Subsidiary

## Statement of income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
		2015	2014	2015	2014
(in Baht)					
<b>Continuing operations</b>					
<b>Income</b>					
Revenue from sale of goods	23	6,607,615,395	7,788,947,290	6,607,615,395	7,788,947,290
Dividend income	4, 8, 10	11,386,503	45,147,377	39,397,792	86,182,412
Interest income		247,737,003	239,613,742	247,737,003	239,613,742
Net foreign exchange gain		117,535,478	-	117,535,479	-
Gain on sales of investment in subsidiary	4, 9	-	132,175,217	-	-
Gain on sales of investment in associate	8	-	-	158,575	-
Other income		5,641,598	8,656,827	5,596,349	8,656,827
<b>Total income</b>		<b>6,989,915,977</b>	<b>8,214,540,453</b>	<b>7,018,040,593</b>	<b>8,123,400,271</b>
<b>Expenses</b>					
Cost of sales of goods	21	5,423,307,703	6,539,333,474	5,423,307,703	6,539,333,474
Selling expenses	21	157,388,710	162,225,014	157,388,711	162,225,014
Administrative expenses	21	280,352,612	254,086,865	276,977,173	254,243,875
Impairment loss on investments in associate		-	-	8,304,892	-
Loss on provision for liability from sales of subsidiary	4	-	-	-	99,157,440
Impairment loss on other long-term investments	4, 10	59,358,500	104,395,455	59,358,500	206,597,501
Net foreign exchange loss		-	25,643,504	-	25,958,065
Finance costs		126,966,482	189,499,407	126,966,482	189,499,407
<b>Total expenses</b>		<b>6,047,374,007</b>	<b>7,275,183,719</b>	<b>6,052,303,461</b>	<b>7,477,014,776</b>
<b>Share of profit of equity-accounted investees</b>					
Associates	8	166,262,568	250,999,571	-	-
<b>Total</b>		<b>166,262,568</b>	<b>250,999,571</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>					
<b>from continuing operations</b>		<b>1,108,804,538</b>	<b>1,190,356,305</b>	<b>965,737,132</b>	<b>646,385,495</b>
Income tax expense (benefit)	22	115,299,973	(34,266,332)	115,299,973	118,575,905
<b>Profit from continuing operations</b>		<b>993,504,565</b>	<b>1,224,622,637</b>	<b>850,437,159</b>	<b>527,809,590</b>
<b>Discontinued operation</b>					
Loss from discontinued operation, net of income tax		-	96,817,767	-	-
<b>Profit for the year</b>		<b>993,504,565</b>	<b>1,127,804,870</b>	<b>850,437,159</b>	<b>527,809,590</b>

The accompanying notes are an integral part of these financial statements.

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 March		Year ended 31 March	
		2015	2014	2015	2014
<i>(in Baht)</i>					
<b>Continuing operations</b>					
<b>Profit attributable to:</b>					
Owners of the Company		993,504,565	1,224,622,637	850,437,159	527,809,590
Loss from discontinued operation, net of income tax		-	(96,817,767)	-	-
<b>Profit for the year</b>		<b>993,504,565</b>	<b>1,127,804,870</b>	<b>850,437,159</b>	<b>527,809,590</b>
<b>Earnings per share - continuing operations</b>					
Basic earnings per share <i>(in Baht)</i>	24	3.31	4.08	2.83	1.76
<b>Loss per share - discontinued operation</b>					
Basic loss per share <i>(in Baht)</i>	24	-	(0.32)	-	-
<b>Earnings per share</b>					
Basic earnings per share <i>(in Baht)</i>	24	3.31	3.76	2.83	1.76

The accompanying notes are an integral part of these financial statements.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Statement of comprehensive income**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 March		Year ended 31 March	
<i>Note</i>	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b>Profit for the year</b>	<b>993,504,565</b>	<b>1,127,804,870</b>	<b>850,437,159</b>	<b>527,809,590</b>
<b>Other comprehensive income</b>				
Foreign currency translation differences for foreign operations	(775,424,886)	73,706,518	-	-
Defined benefit plan actuarial losses	-	(4,341,403)	-	(4,341,403)
Income tax on other comprehensive income	-	868,281	-	868,281
<b>Other comprehensive income for the year, net of income tax</b>	<b>(775,424,886)</b>	<b>70,233,396</b>	<b>-</b>	<b>(3,473,122)</b>
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>218,079,679</b>	<b>1,198,038,266</b>	<b>850,437,159</b>	<b>524,336,468</b>

The accompanying notes are an integral part of these financial statements.



**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Statement of changes in equity**

		<b>Consolidated financial statements</b>							
		Retained earnings			Other components of equity				
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences <i>(in Baht)</i>	Excess of cost of investment in subsidiary over the carrying amount of the interest acquired	Total other components of equity	Total equity attributable to owners of the Company
<b>Year ended 31 March 2014</b>									
<b>Balance at 1 April 2013</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>9,711,509,895</b>	<b>(611,049,451)</b>	<b>(37,265,055)</b>	<b>(648,314,506)</b>	<b>10,323,195,389</b>
<b>Transaction with owners, recorded directly in equity</b>									
Sales of investments in subsidiary	9	-	-	-	-	-	37,265,055	37,265,055	37,265,055
Dividends to owners of the Company	25	-	-	-	(165,000,000)	-	-	-	(165,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(165,000,000)</b>	<b>-</b>	<b>37,265,055</b>	<b>37,265,055</b>	<b>(127,734,945)</b>
<b>Comprehensive income for the year</b>									
Profit		-	-	-	1,127,804,870	-	-	-	1,127,804,870
Other comprehensive income		-	-	-	(3,473,122)	73,706,518	-	73,706,518	70,233,396
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,124,331,748</b>	<b>73,706,518</b>	<b>-</b>	<b>73,706,518</b>	<b>1,198,038,266</b>
<b>Balance as at 31 March 2014</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>10,670,841,643</b>	<b>(537,342,933)</b>	<b>-</b>	<b>(537,342,933)</b>	<b>11,393,498,710</b>

The accompanying notes are an integral part of these financial statements.

**Thai Carbon Black Public Company Limited and its Subsidiary**

**Statement of changes in equity**

<b>Consolidated financial statements</b>							
		<u>Retained earnings</u>			<u>Other comprehensive income</u>		Total equity attributable to owners of the Company
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences <i>(in Baht)</i>	Total other components of equity	
<i>Note</i>							
<b>Year ended 31 March 2015</b>							
<b>Balance at 1 April 2014</b>	<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>10,670,841,643</b>	<b>(537,342,933)</b>	<b>(537,342,933)</b>	<b>11,393,498,710</b>
<b>Transaction with owners, recorded directly in equity</b>							
Sales of investments in associate	8	-	-	-	2,287,165	2,287,165	2,287,165
Dividends to owners of the Company	25	-	-	(132,000,000)	-	-	(132,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>(132,000,000)</b>	<b>2,287,165</b>	<b>2,287,165</b>	<b>(129,712,835)</b>
<b>Comprehensive income for the year</b>							
Profit		-	-	993,504,565	-	-	993,504,565
Other comprehensive income		-	-	-	(775,424,886)	(775,424,886)	(775,424,886)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>993,504,565</b>	<b>(775,424,886)</b>	<b>(775,424,886)</b>	<b>218,079,679</b>
<b>Balance as at 31 March 2015</b>	<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>11,532,346,208</b>	<b>(1,310,480,654)</b>	<b>(1,310,480,654)</b>	<b>11,481,865,554</b>

The accompanying notes are an integral part of these financial statements.

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Retained earnings		
				Legal reserve <i>(in Baht)</i>	Unappropriated	
<b>Year ended 31 March 2014</b>						
<b>Balance at 1 April 2013</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>7,525,300,092</b>	<b>8,785,300,092</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	25	-	-	-	(165,000,000)	(165,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(165,000,000)</b>	<b>(165,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	527,809,590	527,809,590
Other comprehensive income		-	-	-	(3,473,122)	(3,473,122)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>524,336,468</b>	<b>524,336,468</b>
<b>Balance at 31 March 2014</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>7,884,636,560</b>	<b>9,144,636,560</b>

The accompanying notes are an integral part of these financial statements.

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Retained earnings		
				Legal reserve <i>(in Baht)</i>	Unappropriated	
<b>Year ended 31 March 2015</b>						
<b>Balance at 1 April 2014</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>7,884,636,560</b>	<b>9,144,636,560</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	25	-	-	-	(132,000,000)	(132,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(132,000,000)</b>	<b>(132,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	850,437,159	850,437,159
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>850,437,159</b>	<b>850,437,159</b>
<b>Balance at 31 March 2015</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>8,603,073,719</b> <sup>(1)</sup>	<b>9,863,073,719</b>

(1) To comply with the requirements of Foreign Business Act license, an amount of Baht 510 million is required to be maintained as a minimum amount of unappropriated retained earnings.

The accompanying notes are an integral part of these financial statements.

## Thai Carbon Black Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 March		Year ended 31 March	
Note	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	993,504,565	1,127,804,870	850,437,159	527,809,590
<b><i>Adjustments for</i></b>				
Depreciation	296,181,899	359,510,302	296,181,899	316,293,555
Amortisation of intangible assets	1,270,488	693,854	1,270,488	693,854
Reversal of allowance for decline in value of inventories	-	(17,179,516)	-	-
Dividend income	(11,386,503)	(45,147,377)	(39,397,792)	(86,182,412)
Interest income	(247,737,003)	(239,613,742)	(247,737,003)	(239,613,742)
Finance costs	126,966,482	189,499,407	126,966,482	189,499,407
Reversal of allowance for doubtful accounts	-	(566,826)	-	-
Amortisation of deferred transaction cost	24,647,291	31,935,701	24,647,291	31,935,701
Unrealised loss (gain) on exchange rate	22,491,261	(244,735,912)	22,711,865	(179,405,403)
Unrealised loss on derivatives	24,029,748	136,171,255	24,029,748	136,171,255
Gain on disposal of property, plant and equipment	(180,086)	(1,044,065)	(180,086)	(1,044,065)
Gain on sale of investment in associate	-	-	(158,575)	-
Loss (gain) related to sale of investment in subsidiary	-	(132,175,214)	-	99,157,440
Impairment loss on other long-term investments	59,358,500	104,395,455	59,358,500	206,597,501
Impairment loss on investment in an associate	-	-	8,304,892	-
Share of profit of equity-accounted investees, net of income tax	(166,262,568)	(250,999,571)	-	-
Employee benefit obligations	9,854,968	10,387,189	9,854,968	10,387,189
Income tax expense (benefit)	115,299,973	(34,266,332)	115,299,973	118,575,905
	1,248,039,015	994,669,478	1,251,589,809	1,130,875,775
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	216,565,417	69,398,052	216,565,417	130,944,951
Other receivables	(102,681,659)	1,443,117	(102,681,659)	375,697
Inventories	693,632,365	541,440,452	693,632,365	518,988,254
Other current assets	(13,814,953)	78,568,820	(14,661,987)	80,843,253
Other non-current assets	7,429,436	(5,932,147)	4,510,010	(4,797,846)
Trade accounts payable	(83,499,886)	98,948,455	(83,499,885)	110,044,638
Other payables	67,147,168	17,852,420	67,094,709	17,434,640
Other current liabilities	(144,657,086)	(19,424,979)	(144,559,787)	(12,675,888)
Employee benefit obligations paid	(16,632,235)	(14,002,331)	(16,632,235)	(14,002,331)
Cash generated from operating activities	1,871,527,582	1,762,961,337	1,871,356,757	1,958,031,143
Income tax paid	(80,274,847)	(207,222,390)	(80,274,847)	(207,222,390)
<b>Net cash from operating activities</b>	<b>1,791,252,735</b>	<b>1,555,738,947</b>	<b>1,791,081,910</b>	<b>1,750,808,753</b>

The accompanying notes are an integral part of these financial statements.

## Thai Carbon Black Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 March		Year ended 31 March	
Note	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	8,742,524	13,763,760	8,742,524	13,763,761
Dividend received	39,397,792	86,182,412	39,397,792	86,182,412
Payment of payables on purchase of property, plant and equipment	(74,254,346)	(139,186,399)	(74,254,346)	(140,061,272)
Payment of payables on purchase of intangible assets	(24,321,050)	(400,300)	(24,321,050)	(400,300)
Sale of property, plant and equipment	180,086	1,044,065	180,086	1,044,065
Net cash paid from sales of investment in subsidiary	-	(124,467,643)	-	(99,157,440)
Proceed from sale of investment in associate	8,470,683	-	8,470,683	-
<b>Net cash used in investing activities</b>	<b>(41,784,311)</b>	<b>(163,064,105)</b>	<b>(41,784,311)</b>	<b>(138,628,774)</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(128,306,289)	(189,895,784)	(128,306,289)	(189,895,784)
Dividends paid	(132,000,000)	(165,000,000)	(132,000,000)	(165,000,000)
Decrease in short-term loans from financial institutions	-	(49,350,393)	-	-
Increase in short-term loans from related party	-	262,788,523	-	-
Repayment of borrowings	(999,753,125)	(938,166,250)	(999,753,125)	(938,166,250)
<b>Net cash used in financing activities</b>	<b>(1,260,059,414)</b>	<b>(1,079,623,904)</b>	<b>(1,260,059,414)</b>	<b>(1,293,062,034)</b>
<b>Net increase in cash and cash equivalents</b>	<b>489,409,010</b>	<b>313,050,938</b>	<b>489,238,185</b>	<b>319,117,945</b>
Cash and cash equivalents at 1 April	573,414,161	260,363,223	573,243,454	254,125,509
<b>Cash and cash equivalents at 31 March</b>	<b>1,062,823,171</b>	<b>573,414,161</b>	<b>1,062,481,639</b>	<b>573,243,454</b>
<b><i>Non-cash transactions</i></b>				
Payables for purchases of machinery and equipment	114,825,585	17,654,325	114,825,585	17,654,325

The accompanying notes are an integral part of these financial statements.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

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# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 June 2015.

### 1 General information

Thai Carbon Black Public Company Limited, “the Company”, is incorporated in Thailand and has its registered office and factory as follow:

Head office : 888/122 and 128, Mahatun Plaza Building, 16<sup>th</sup> Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok.

Factory : 44 Moo1, Ayuthaya-Angthong Highway, Posa, Muang, Angthong.

The Company was listed on the Stock Exchange of Thailand in 1990.

The major shareholders of the Company during the financial year were Thai Rayon Public Company Limited (24.98%), CIMB Securities (Singapore) Pte. Ltd. (18.35%) and Everlon International Holdings Limited (12.56%).

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company’s subsidiary and associates as at 31 March 2015 and 2014 are given in notes 8 and 9.

### 2 Basis of preparation of the financial statements

#### (a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

<b>TFRS</b>	<b>Topic</b>
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investment in associates
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 8 (revised 2012)	Operating Segments
TFRIC 10	Interim Financial Reporting and Impairment



# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 28.

### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value.

### **(c) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

### **(d) Use of estimates and judgements**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 12	Current and deferred taxation
Note 16	Measurement of defined benefit obligations

## **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group") and the Group's interests in associates.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

## **Thai Carbon Black Public Company Limited and its Subsidiary**

### **Notes to the financial statements**

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### *Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **(b) Foreign currencies**

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates ruling at the dates of the transactions.

## **Thai Carbon Black Public Company Limited and its Subsidiary**

### **Notes to the financial statements**

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

#### **(c) *Derivative financial instruments***

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

#### **(d) *Cash and cash equivalents***

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

#### **(e) *Trade and other receivables***

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

#### **(f) *Inventories***

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

Cost is calculated using the average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

## **Thai Carbon Black Public Company Limited and its Subsidiary**

### **Notes to the financial statements**

#### **(g) Investments**

##### *Investments in subsidiary and associates*

Investments in subsidiary and associates in the separate financial statements of the Company are accounted for using the cost method. Investment in associates in the consolidated financial statements is accounted for using the equity method.

##### *Investments in equity securities*

Equity securities which are not marketable are stated at cost less any impairment losses.

##### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

#### **(h) Property, plant and equipment**

##### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

##### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and constructions	20 and 25 years
Machinery and equipment	5 and 10 years
Furniture, fixtures and office equipment	5 and 10 years
Vehicles	4 and 5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **(i) Intangible assets**

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are recognised in profit or loss as incurred.

#### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer software	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **(j) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

## **Thai Carbon Black Public Company Limited and its Subsidiary**

### **Notes to the financial statements**

#### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### *Reversals of impairment*

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(k) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

#### **(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

#### **(m) Employee benefits**

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

##### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

## **Thai Carbon Black Public Company Limited and its Subsidiary**

### **Notes to the financial statements**

#### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

#### **(n) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **(o) Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

#### *Sales of goods*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

#### *Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

#### *Interest income*

Interest income is recognised in profit or loss as it accrues.

#### **(p) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

#### **(q) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

### **(r) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current tax and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.



# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### (s) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

### (t) *Segment reporting*

Segment results that are reported to the Group's Managing Director (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiary and associates are described in note 8 and 9. Relationships with key management and other related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
Thai Rayon Public Company Limited	Thailand	Major shareholder of the Company, 10% or more shareholding.
Thai Acrylic Fiber Co., Ltd.	Thailand	The Company has 10% or more shareholding, common directors.
SKI Carbon Black (India) Pvt Ltd. (formerly named : Hi-Tech Carbon)	India	Same ultimate parent company
Columbian Chemicals Company	U.S.A	Same ultimate parent company
Alexandria Carbon Black Company S.A.E	Egypt	Same ultimate parent company
Aditya Birla Sciences Co., Ltd.	India	Same ultimate parent company
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Purchase of goods	With reference to market price
Interest income	LIBOR+3.5% per annum
Share of production cost - steam and electric power	With reference to market price
Other expenses	By mutual agreement

Significant transactions for the year ended 31 March with related parties were as follows:

<b>Year ended 31 March</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Interest income	238,956	225,677	238,956	225,677
Dividend income	-	-	28,011	41,035
Purchase of goods	-	1,480	-	1,480
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	36,315	32,585	36,315	30,709
Post-employment benefits	1,049	3,627	1,049	3,627
<b>Total key management personnel     compensation</b>	<b>37,364</b>	<b>36,212</b>	<b>37,364</b>	<b>34,336</b>
<b>Directors' remuneration</b>	<b>3,387</b>	<b>3,627</b>	<b>3,387</b>	<b>3,627</b>
<b>Other related parties</b>				
Dividend income	11,387	45,147	11,387	45,147
Share of production cost - steam and electric power	287,866	223,872	287,866	223,872
Rent expenses	3,240	3,240	3,240	3,240
Purchase of goods	-	4,792	-	4,792
Gain (loss) on sale of investment in subsidiary	-	132,176	-	(99,157)

Balances as at 31 March with related parties were as follows:

<b>Trade accounts receivable - related parties</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related parties	-	43,872	-	43,872
<b>Total</b>	<b>-</b>	<b>43,872</b>	<b>-</b>	<b>43,872</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

<i>Other receivables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related parties	47,791	2,592	47,791	2,592
<b>Total</b>	<b>47,791</b>	<b>2,592</b>	<b>47,791</b>	<b>2,592</b>

<i>Long-term interest receivables - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Associate	867,395	625,912	867,395	625,912
<b>Total</b>	<b>867,395</b>	<b>625,912</b>	<b>867,395</b>	<b>625,912</b>

<i>Long-term loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Associate	4,995,043	5,608,477	5,604,568	5,608,477
<b>Total</b>	<b>4,995,043</b>	<b>5,608,477</b>	<b>5,604,568</b>	<b>5,608,477</b>

Movements during the year ended 31 March of loan to related party were as follows:

<i>Long-term loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 April of the preceding year	5,608,477	5,065,442	5,608,477	5,065,442
Unrealised gain (loss) on exchange	(3,909)	543,035	(3,909)	543,035
Share of loss in total cumulative comprehensive income of an associate	(609,525)	-	-	-
<b>At 31 March</b>	<b>4,995,043</b>	<b>5,608,477</b>	<b>5,604,568</b>	<b>5,608,477</b>

<i>Other payables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related parties	52,212	48,836	52,212	48,836
<b>Total</b>	<b>52,212</b>	<b>48,836</b>	<b>52,212</b>	<b>48,836</b>

***Loan agreement***

In 2011, the Company entered into a loan agreement with an associate in which the Company has lent a loan for an amount of USD 172.9 million, with an interest rate at LIBOR+3.5% per annum. This loan is scheduled to be repaid in 2016.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash on hand	173	280	173	280
Cash at banks - current accounts	155,655	41,531	155,314	41,360
Cash at banks - savings accounts	6,995	6,603	6,995	6,603
Highly liquid short-term investments	900,000	525,000	900,000	525,000
<b>Total</b>	<b><u>1,062,823</u></b>	<b><u>573,414</u></b>	<b><u>1,062,482</u></b>	<b><u>573,243</u></b>

The currency denomination of cash and cash equivalents as at 31 March were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	1,062,321	573,119	1,062,321	573,119
United States Dollars (USD)	161	124	161	124
Mexican Peso (MXN)	341	171	-	-
<b>Total</b>	<b><u>1,062,823</u></b>	<b><u>573,414</u></b>	<b><u>1,062,482</u></b>	<b><u>573,243</u></b>

**6 Trade accounts receivable**

	<i>Note</i>	<b>Consolidated and separate financial statements</b>	
		2015	2014
		<i>(in thousand Baht)</i>	
Related parties	4	-	43,872
Other parties		889,311	1,062,690
<b>Total</b>		<b><u>889,311</u></b>	<b><u>1,106,562</u></b>
<i>Less</i> allowance for doubtful accounts		-	-
<b>Net</b>		<b><u>889,311</u></b>	<b><u>1,106,562</u></b>
Bad and doubtful debts expense for the year		-	-

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated and separate financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
<b>Related parties</b>		
Within credit terms	-	43,872
	<u>-</u>	<u>43,872</u>
<b>Other parties</b>		
Within credit terms	831,724	968,512
Overdue:		
Less than 3 months	56,546	93,327
3 - 6 months	1,022	827
6 - 12 months	8	22
Over 12 months	11	2
	<u>889,311</u>	<u>1,062,690</u>
<i>Less allowance for doubtful accounts</i>	-	-
	<u>889,311</u>	<u>1,062,690</u>
<b>Net</b>	<u><b>889,311</b></u>	<u><b>1,106,562</b></u>

The normal credit term granted by the Group ranges from 15 days to 120 days.

The currency denomination of trade accounts receivable as at 31 March were as follows:

	<b>Consolidated and separate financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	578,465	707,919
United States Dollars (USD)	310,846	398,643
<b>Total</b>	<u><b>889,311</b></u>	<u><b>1,106,562</b></u>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**7 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Finished goods	107,653	313,368	107,653	313,368
Raw materials	185,330	643,996	185,330	643,996
Factory supplies and spare parts	123,216	139,994	123,216	139,994
	<u>416,199</u>	<u>1,097,358</u>	<u>416,199</u>	<u>1,097,358</u>
<i>Less</i> allowance for decline in value	(12,474)	-	(12,474)	-
<b>Net</b>	<b><u>403,725</u></b>	<b><u>1,097,358</u></b>	<b><u>403,725</u></b>	<b><u>1,097,358</u></b>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	4,346,501	5,537,589	4,346,501	5,414,143
- Write down to obsolescence	12,474	-	12,474	-
<b>Total</b>	<b><u>4,358,975</u></b>	<b><u>5,537,589</u></b>	<b><u>4,358,975</u></b>	<b><u>5,414,143</u></b>

**8 Investments in equity-accounted investees**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
At 1 April of the preceding year	3,044,774	2,756,002	786,981	786,981
Share of profits of equity-accounted investees, net	166,263	251,000	-	-
Dividend income	(28,011)	(41,035)	-	-
Disposal	(6,185)	-	(16,617)	-
Currency translation differences	(165,679)	78,807	-	-
<b>At 31 March</b>	<b><u>3,011,162</u></b>	<b><u>3,044,774</u></b>	<b><u>770,364</u></b>	<b><u>786,981</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

Investments in equity-accounted investees as at 31 March 2015 and 2014, and dividend income from those investments for the years then ended, were as follows:

		<b>Consolidated financial statements</b>										
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income		
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
		(%)						(in thousand Baht)				
<b>Associates</b>												
P.T. Indo Liberty	Textiles											
Textiles	manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	411,440	432,020	2,520	15,544
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	2,599,722	2,504,533	25,491	25,491
Ameri Blend Inc.	Material procurement and storage	U.S.A	-	49.00	33,912	33,912	-	16,617	-	8,587	-	-
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	20.59	308,870	308,870	<u>63,596</u>	<u>63,596</u>	<u>-</u>	<u>99,634</u>	<u>-</u>	<u>-</u>
<b>Total</b>							<b><u>770,364</u></b>	<b><u>786,981</u></b>	<b><u>3,011,162</u></b>	<b><u>3,044,774</u></b>	<b><u>28,011</u></b>	<b><u>41,035</u></b>

As at 31 March 2015, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes long-term loan for the amount of Baht 4,995 million and interest receivables of Baht 867 million (31 March 2014: Baht 5,608 million and Baht 626 million, respectively).

For the year ended 31 March 2015, the Group’s share in total comprehensive income of Indigold amounted to a loss of Baht 708 million (31 March 2014: income of Baht 75 million). The decrease of Baht 783 million from prior year is largely attributable to a foreign currency translation loss for the year on the translation of foreign operations amounting to Baht 546 million. As the Group’s share in total comprehensive loss of Indigold exceeds the carrying amount of the investment in shares, the excess is adjusted to the loan investment in Indigold. Future reversals of losses will first be applied to the loan investment to the extent that such loss is previously applied against this loan investment and subsequently recognized in the investment in shares. In the separate financial statements of the Company, the investment in Indigold, in equity and loan receivable, is carried at cost

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

	Ownership interest		Paid-up capital		Cost		Dividend income	
	2015	2014	2015	2014	2015	2014	2015	2014
	(% )				<i>(in thousand Baht)</i>			
<b>Associates</b>								
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	2,520	15,544
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	25,491	25,491
Ameri Blend Inc.	-	49.00	33,912	33,912	-	16,617	-	-
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-
<b>Total</b>					<b>770,364</b>	<b>786,981</b>	<b>28,011</b>	<b>41,035</b>

The Board of Directors, in the meeting held on 14 August 2014, approved disposal of an investment in Ameri Blend Inc. (49 shares of common stock being 49% of total common stock) to Swiss Singapore Overseas Enterprises Pte. Ltd. for a consideration of USD 257,250 (*Baht 8.2 million*).

The Company recorded an impairment loss for investment in Ameri Blend Inc. for the amount of Baht 8.3 million in the statement of income for the year ended 31 March 2015.

As at 31 March 2015, the disposal is completed and the Company recorded gain from disposal of investment for the amount of Baht 159,000.



**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**9 Investments in subsidiary**

	<b>Separate financial statements</b>	
	2015	2014
At 1 April of the preceding year	12,854	712,588
Addition	-	64,477
Allowance for impairment loss	-	(764,211)
<b>At 31 March</b>	<b><u>12,854</u></b>	<b><u>12,854</u></b>

Investments in subsidiary as at 31 March 2015 and 2014 and dividend income from the subsidiary for the years then ended were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		(%)						(in thousand Baht)					
<b>Direct subsidiary</b>													
Birla Carbon Mexico, S.A. DE C.V.	Carbon Manufacturing	98	98	12,854	12,854	12,854	12,854	-	-	12,854	12,854	-	-
<b>Total</b>						<b><u>12,854</u></b>	<b><u>12,854</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>12,854</u></b>	<b><u>12,854</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

In July 2013, the Company's Board of Directors meeting passed a resolution to approve the disposal of the Company's investment in Liaoning Birla Carbon Co., Ltd., a subsidiary, which had a paid up value of approximately CNY 169.6 million. This represented 100% of the registered share capital of the subsidiary. The Company paid an amount of USD 3.2 million (approximately Baht 99 million) to the buyer who is a subsidiary of an associate of the Company. The amount paid was to complete the disposal, since the subsidiary has negative net worth and its total liabilities exceed its total assets. The disposal of the Company's investment in Liaoning Birla Carbon Co., Ltd. was completed in October 2013. The Company recorded gain on sale of investment in a subsidiary for the amount of Baht 132.2 million in the consolidated statement of income for the year ended 31 March 2014 and loss on provision for liability from sales of subsidiary for the amount of Baht 99.2 million in the separate statement of income for the year ended 31 March 2014 (note 4).

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**10 Other long-term investments**

	<b>Consolidate financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cost of investments at 1 April of the preceding year	1,744,358	1,744,358	1,846,560	1,846,560
Allowance for impairment loss	(163,754)	(104,395)	(265,956)	(206,597)
<b>Carrying amount of investments at 31 March</b>	<b><u>1,580,604</u></b>	<b><u>1,639,963</u></b>	<b><u>1,580,604</u></b>	<b><u>1,639,963</u></b>

Other long-term investments as at 31 March 2015 and 2014 and dividend income from these investments for the years then ended were as follows:

	<b>Consolidated financial statements</b>												
	Ownership interest		Currency	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2015	2014		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	( <i>%</i> )		<i>(in thousand Baht)</i>										
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	THB	712,500	712,500	223,204	223,204	-	-	223,204	223,204	11,387	8,540
Alexandria Fiber S.A.E.	14.40	14.40	USD	48,198	48,198	163,754	163,754	(163,754)	(104,395)	-	59,359	-	-
Blue Bucks Investment Pte Ltd	-	-	USD	10	10	758,000	758,000	-	-	758,000	758,000	-	20,337
Big Banyan Investment Pte Ltd	-	-	USD	10	10	599,400	599,400	-	-	599,400	599,400	-	16,270
<b>Total</b>						<b><u>1,744,358</u></b>	<b><u>1,744,358</u></b>	<b><u>(163,754)</u></b>	<b><u>(104,395)</u></b>	<b><u>1,580,604</u></b>	<b><u>1,639,963</u></b>	<b><u>11,387</u></b>	<b><u>45,147</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

	Ownership interest		Currency	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2015	2014		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	2015			2014		2015		2014		2015		2014	
	(%)												
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	THB	712,500	712,500	223,204	223,204	-	-	223,204	223,204	11,387	8,540
Alexandria Fiber S.A.E.	14.40	14.40	USD	48,198	48,198	265,956	265,956	(265,956)	(206,597)	-	59,359	-	-
Blue Bucks Investment Pte Ltd	-	-	USD	10	10	758,000	758,000	-	-	758,000	758,000	-	20,337
Big Banyan Investment Pte Ltd	-	-	USD	10	10	599,400	599,400	-	-	599,400	599,400	-	16,270
<b>Total</b>						<b><u>1,846,560</u></b>	<b><u>1,846,560</u></b>	<b><u>(265,956)</u></b>	<b><u>(206,597)</u></b>	<b><u>1,580,604</u></b>	<b><u>1,639,963</u></b>	<b><u>11,387</u></b>	<b><u>45,147</u></b>

Preference shares of Blue Bucks Investment Pte Ltd (25,000,000 shares of USD one each) and preference shares of Big Banyan Investment Pte Ltd (20,000,000 shares of USD one each) are non-cumulative, redeemable, non-participative and non-voting preference shares, entitling the Company to receive dividend at a rate of 2.5% per annum, in years in which dividend is declared.

The Company recorded an impairment loss of Baht 59,359 thousand on investments in shares of Alexandria Fiber S.A.E. in the consolidated and separate financial statements for the year ended 31 March 2015.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**11 Property, plant and equipment**

	<b>Consolidated financial statements</b>						<b>Total</b>
	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under installation and construction	
<b>Cost</b>							
At 1 April 2013	138,533	932,326	5,386,210	78,332	19,674	226,336	6,781,411
Additions	-	-	623	26	2,276	107,237	110,162
Disposals/write off	-	-	(6,369)	(9)	(3,438)	-	(9,816)
Transfers	-	1,149	21,185	-	-	(22,334)	-
Sales assets of subsidiary	-	(189,336)	(908,572)	(5,183)	(1,912)	(2,906)	(1,107,909)
Translation adjustments	-	15,121	72,554	413	151	218	88,457
<b>As at 31 March 2014 and 1 April 2014</b>	<b>138,533</b>	<b>759,260</b>	<b>4,565,631</b>	<b>73,579</b>	<b>16,751</b>	<b>308,551</b>	<b>5,862,305</b>
Additions	-	-	-	69	1,545	169,811	171,425
Disposals	-	-	-	-	(1,801)	-	(1,801)
Translation adjustments	-	-	-	(23)	-	-	(23)
<b>As at 31 March 2015</b>	<b>138,533</b>	<b>759,260</b>	<b>4,565,631</b>	<b>73,625</b>	<b>16,495</b>	<b>478,362</b>	<b>6,031,906</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

	<b>Consolidated financial statements</b>						
	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under installation and construction	Total
<b><i>Depreciation</i></b>							
At 1 April 2013	-	477,820	3,819,882	72,013	12,025	-	4,381,740
Depreciation charge for the year	-	26,677	329,115	1,698	2,021	-	359,511
Disposals/write off	-	-	(6,369)	(9)	(3,438)	-	(9,816)
Sales assets of subsidiary	-	(70,258)	(581,808)	(4,308)	(1,780)	-	(658,154)
Translation adjustments	-	5,388	44,289	345	139	-	50,161
<b>As at 31 March 2014 and 1 April 2014</b>	<b>-</b>	<b>439,627</b>	<b>3,605,109</b>	<b>69,739</b>	<b>8,967</b>	<b>-</b>	<b>4,123,442</b>
Depreciation charge for the year	-	15,208	277,768	945	2,260	-	296,181
Disposals	-	-	-	-	(1,801)	-	(1,801)
Translation adjustments	-	-	-	(23)	-	-	(23)
<b>As at 31 March 2015</b>	<b>-</b>	<b>454,835</b>	<b>3,882,877</b>	<b>70,661</b>	<b>9,426</b>	<b>-</b>	<b>4,417,799</b>
<b><i>Net book value</i></b>							
<b>At 31 March 2014</b>	<b>138,533</b>	<b>319,633</b>	<b>960,522</b>	<b>3,840</b>	<b>7,784</b>	<b>308,551</b>	<b>1,738,863</b>
<b>At 31 March 2015</b>	<b>138,533</b>	<b>304,425</b>	<b>682,754</b>	<b>2,964</b>	<b>7,069</b>	<b>478,362</b>	<b>1,614,107</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

	<b>Separate financial statements</b>						<b>Total</b>
	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under installation and construction	
<b><i>Cost</i></b>							
At 1 April 2013	138,533	758,111	4,550,192	73,565	17,913	223,894	5,762,208
Additions	-	-	623	-	2,276	106,991	109,890
Disposals/write off	-	-	(6,369)	(9)	(3,438)	-	(9,816)
Transfers	-	1,149	21,185	-	-	(22,334)	-
<b>As at 31 March 2014 and 1 April 2014</b>	<b>138,533</b>	<b>759,260</b>	<b>4,565,631</b>	<b>73,556</b>	<b>16,751</b>	<b>308,551</b>	<b>5,862,282</b>
Additions	-	-	-	69	1,545	169,811	171,425
Disposals	-	-	-	-	(1,801)	-	(1,801)
<b>As at 31 March 2015</b>	<b>138,533</b>	<b>759,260</b>	<b>4,565,631</b>	<b>73,625</b>	<b>16,495</b>	<b>478,362</b>	<b>6,031,906</b>
<b><i>Depreciation</i></b>							
At 1 April 2013	-	416,973	3,321,499	68,027	10,442	-	3,816,941
Depreciation charge for the year	-	22,654	289,979	1,698	1,963	-	316,294
Disposals/write off	-	-	(6,369)	(9)	(3,438)	-	(9,816)
<b>As at 31 March 2014 and 1 April 2014</b>	<b>-</b>	<b>439,627</b>	<b>3,605,109</b>	<b>69,716</b>	<b>8,967</b>	<b>-</b>	<b>4,123,419</b>
Depreciation charge for the year	-	15,208	277,768	945	2,260	-	296,181
Disposals	-	-	-	-	(1,801)	-	(1,801)
<b>As at 31 March 2015</b>	<b>-</b>	<b>454,835</b>	<b>3,882,877</b>	<b>70,661</b>	<b>9,426</b>	<b>-</b>	<b>4,417,799</b>
<b><i>Net book value</i></b>							
<b>At 31 March 2014</b>	<b>138,533</b>	<b>319,633</b>	<b>960,522</b>	<b>3,840</b>	<b>7,784</b>	<b>308,551</b>	<b>1,738,863</b>
<b>At 31 March 2015</b>	<b>138,533</b>	<b>304,425</b>	<b>682,754</b>	<b>2,964</b>	<b>7,069</b>	<b>478,362</b>	<b>1,614,107</b>

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The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 March 2015 amounted to Baht 2,490 million (2014: Baht 2,442 million).

The Company has pledged assets with a total net book value as at 31 March 2015 of Baht 1,136 million (2014: Baht 1,430 million) as collateral against credit facilities received from financial institutions.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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**12 Deferred tax**

Deferred tax assets and liabilities as at 31 March were as follows:

	<b>Consolidated and separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Total	80,892	52,348	(3,924)	(8,853)
Set off of tax	(3,924)	(8,853)	3,924	8,853
<b>Net deferred tax assets</b>	<b>76,968</b>	<b>43,495</b>	<b>-</b>	<b>-</b>

Movements in total deferred tax assets and liabilities during the year ended 31 March were as follows:

	<b>Consolidated financial statements</b>			
	<b>At 1 April 2014</b>	<b>(Charged) / credited to:</b>		<b>At 31 March 2015</b>
		Profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Provision for impairment of other investments	-	53,191	-	53,191
Provision for employee benefits	20,245	(1,355)	-	18,890
Unrealised loss from derivatives	27,234	(22,428)	-	4,806
Others	4,869	(864)	-	4,005
<b>Total</b>	<b>52,348</b>	<b>28,544</b>	<b>-</b>	<b>80,892</b>
<b>Deferred tax liability</b>				
Deferred transaction cost	(8,853)	4,929	-	(3,924)
<b>Total</b>	<b>(8,853)</b>	<b>4,929</b>	<b>-</b>	<b>(3,924)</b>
<b>Net</b>	<b>43,495</b>	<b>33,473</b>	<b>-</b>	<b>76,968</b>

	<b>Consolidated financial statements</b>			
	<b>At 1 April 2013</b>	<b>(Charged) / credited to:</b>		<b>At 31 March 2014</b>
		Profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Provision for employee benefits	20,100	(723)	868	20,245
Unrealised loss from derivatives	-	27,234	-	27,234
Others	3,972	897	-	4,869
<b>Total</b>	<b>24,072</b>	<b>27,408</b>	<b>868</b>	<b>52,348</b>
<b>Deferred tax liabilities</b>				
Deferred transaction cost	(15,240)	6,387	-	(8,853)
Unrealised gain from derivatives	(25,266)	25,266	-	-
<b>Total</b>	<b>(40,506)</b>	<b>31,653</b>	<b>-</b>	<b>(8,853)</b>
<b>Net</b>	<b>(16,434)</b>	<b>59,061</b>	<b>868</b>	<b>43,495</b>



**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

	At 1 April 2014	Separate financial statements (Charged) / credited to:		At 31 March 2015
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Provision for impairment of other investments	-	53,191	-	53,191
Provision for employee benefits	20,245	(1,355)	-	18,890
Unrealised loss from derivatives	27,234	(22,428)	-	4,806
Others	4,869	(864)	-	4,005
<b>Total</b>	<b>52,348</b>	<b>28,544</b>	<b>-</b>	<b>80,892</b>
<i>Deferred tax liability</i>				
Deferred transaction cost	(8,853)	4,929	-	(3,924)
<b>Total</b>	<b>(8,853)</b>	<b>4,929</b>	<b>-</b>	<b>(3,924)</b>
<b>Net</b>	<b>43,495</b>	<b>33,473</b>	<b>-</b>	<b>76,968</b>

	At 1 April 2013	Separate financial statements (Charged) / credited to:		At 31 March 2014
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Provision for impairment of investment in an associate	12,896	(12,896)	-	-
Provision for impairment of investment in subsidiary	139,946	(139,946)	-	-
Provision for employee benefits	20,100	(723)	868	20,245
Unrealized loss from derivatives	-	27,234	-	27,234
Others	3,972	897	-	4,869
<b>Total</b>	<b>176,914</b>	<b>(125,434)</b>	<b>868</b>	<b>52,348</b>
<i>Deferred tax liabilities</i>				
Deferred transaction cost	(15,240)	6,387	-	(8,853)
Unrealized gain from derivatives	(25,266)	25,266	-	-
<b>Total</b>	<b>(40,506)</b>	<b>31,653</b>	<b>-</b>	<b>(8,853)</b>
<b>Net</b>	<b>136,408</b>	<b>(93,781)</b>	<b>868</b>	<b>43,495</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**13 Trade accounts payables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other parties	307,996	395,970	307,996	395,970
<b>Total</b>	<b>307,996</b>	<b>395,970</b>	<b>307,996</b>	<b>395,970</b>

The currency denomination of trade accounts payable as at 31 March were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	91,703	110,467	91,703	110,467
United States Dollars (USD)	199,619	275,408	199,619	275,408
Japanese Yen (YEN)	10,118	-	10,118	-
Indian Rupee (INR)	5,102	7,514	5,102	7,514
Euro (EUR)	1,454	1,643	1,454	1,643
Chinese Yuan (CNY)	-	938	-	938
<b>Total</b>	<b>307,996</b>	<b>395,970</b>	<b>307,996</b>	<b>395,970</b>

**14 Other payables**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other payables for machinery and equipment	114,826	17,654	114,826	17,654
Accrued bonus expenses	65,896	39,412	65,896	39,412
Other payables	63,358	48,835	63,358	48,835
Accrued service fee	23,488	13,410	23,488	13,410
Others	50,735	36,001	50,683	36,001
<b>Total</b>	<b>318,303</b>	<b>155,312</b>	<b>318,251</b>	<b>155,312</b>

The currency denomination of other payables as at 31 March were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	266,441	106,476	266,442	106,476
United States Dollars (USD)	40,562	40,670	40,562	40,670
Indian Rupee (INR)	10,333	7,356	10,333	7,356
Euro (EUR)	914	810	914	810
Mexican Peso (MXN)	53	-	-	-
<b>Total</b>	<b>318,303</b>	<b>155,312</b>	<b>318,251</b>	<b>155,312</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**15 Long-term loan from financial institution**

	<b>Consolidated and separate financial statements</b>	
	31 March 2015	31 March 2014
	<i>(in thousand Baht)</i>	
<b>Current</b>		
Current portion of long-term loan from financial institution	1,030,138	993,781
<b>Non-current</b>		
Long-term loan from financial institution	<u>1,425,435</u>	<u>2,411,792</u>
	<u><b>2,455,573</b></u>	<u><b>3,405,573</b></u>

Movements during the year ended 31 March 2015 and 2014 of long-term loan from financial institution were as follows:

	<b>Consolidated and separate financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	3,405,573	3,910,429
Repayment during the year	(999,753)	(938,166)
Amortised deferred transaction cost	24,647	31,936
Exchange rate adjustments	<u>25,106</u>	<u>401,374</u>
<b>At 31 March</b>	<u><b>2,455,573</b></u>	<u><b>3,405,573</b></u>

Long-term loan of the Company as at 31 March 2015 represented US Dollar loan of USD 76 million (2014: USD 106 million).

The long-term loan from financial institution bears interest at LIBOR+2.30% per annum. Principal installments are repayable every six months. Interest is payable in term periods consistent with the LIBOR period selected by the Company. The last installment is payable on 20 June 2016.

The loan is secured by pledge of its bank accounts, trade accounts receivable, property plant and equipment, intellectual property, monetary claims under specific contracts such as loan to related parties, insurance policies and asset outside Thailand.

The loan agreement contains certain covenants, pertaining to matters such as the maintenance of financial ratios, restrictions on the use of capital and restrictions on creating commitments.

**16 Employee benefits obligations**

	<b>Consolidated and separate financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
<b>Statement of financial position obligations for:</b>		
Post-employment benefits	<u>94,448</u>	<u>101,226</u>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**Consolidated and separate  
financial statements**  
2015                      2014  
*(in thousand Baht)*

*Year ended 31 March*

**Statement of comprehensive income:**

**Recognised in profit or loss:**

Post-employment benefits	9,854	10,387
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**Recognised in other comprehensive income:**

Actuarial losses recognised in the year	-	(4,341)
Cumulative actuarial losses recognised	(4,341)	(4,341)

The Group operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

**Consolidated and separate  
financial statements**  
2015                      2014  
*(in thousand Baht)*

At 1 April of the preceding year	101,226	100,499
Current service cost	6,162	6,436
Interest on obligation	3,692	3,952
Benefits paid during the year	(16,632)	(14,002)
Actuarial losses in other comprehensive income	-	4,341
<b>At 31 March</b>	<b>94,448</b>	<b>101,226</b>

Expense recognised in profit or loss:

**Consolidated and separate  
financial statements**  
2015                      2014  
*(in thousand Baht)*

Current service costs	6,162	6,436
Interest on obligation	3,692	3,951
<b>Total</b>	<b>9,854</b>	<b>10,387</b>

The expense is recognised in the following line items in the statement of comprehensive income:

**Consolidated and separate  
financial statements**  
2015                      2014  
*(in thousand Baht)*

Cost of sales	5,912	6,242
Administrative expenses	3,942	4,145
<b>Total</b>	<b>9,854</b>	<b>10,387</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

Actuarial gains and losses recognised in other comprehensive income:

	<b>Consolidated and separate financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
Included in retained earnings:		
At 1 April	4,341	-
Recognised during the year	-	4,341
<b>At 31 March</b>	<b><u>4,341</u></b>	<b><u>4,341</u></b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>Consolidated and separate financial statements</b>	
	2015	2014
	<i>(%)</i>	
Discount rate	4.0	4.0
Future salary increases	9.0	9.0
Staff turnover rate	5.0	5.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

**17 Share capital**

	Par value per share <i>(in Baht)</i>	2015		2014	
		Number <i>(thousand shares)</i>	Amount <i>(thousand Baht)</i>	Number	Amount
<b><i>Authorised</i></b>					
At 1 April of the preceding year					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>At 31 March</b>					
- <b>ordinary shares</b>	1	<b><u>300,000</u></b>	<b><u>300,000</u></b>	<b><u>300,000</u></b>	<b><u>300,000</u></b>
<b><i>Issued and paid-up</i></b>					
At 1 April of the preceding year					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>At 31 March</b>					
- <b>ordinary shares</b>	1	<b><u>300,000</u></b>	<b><u>300,000</u></b>	<b><u>300,000</u></b>	<b><u>300,000</u></b>

***Share premium***

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### 18 Reserves

Reserves comprise:

#### *Appropriations of profit and/or retained earnings*

##### **Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

As at 31 March 2015 and 2014, the Company’s legal reserve was equal to 10% of authorised share capital.

#### *Other components of equity*

##### **Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### *Movements in reserves*

Movements in reserves are shown in the statements of changes in equity.

### 19 Segment information

Management considers that the Group operates in a single line of business, namely carbon black, and has, therefore, only one reportable segment.

#### *Geographical segments*

The Company is managed, operates manufacturing facilities and sales offices only in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

*Geographical information*

	<b>Revenues</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
Thailand	3,520,545	4,422,892
Japan	1,031,255	1,529,649
Malaysia	698,027	796,131
Other countries	1,357,788	1,040,275
<b>Total</b>	<b><u>6,607,615</u></b>	<b><u>7,788,947</u></b>

*Major customers*

For the year ended 31 March 2015, the Company has revenue from two major customers in the amount of Baht 735 million and Baht 318 million, respectively (2014: Baht 1,382 and Baht 753 million, respectively.)

**20 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Management</b>				
Wages and salaries	36,315	32,585	36,315	30,709
Post-employment benefit	1,049	3,627	1,049	3,627
Others	3,387	3,627	3,387	3,627
	<b><u>40,751</u></b>	<b><u>39,839</u></b>	<b><u>40,751</u></b>	<b><u>37,963</u></b>
<b>Other employees</b>				
Wages and salaries	270,521	245,783	270,521	245,783
Provident fund	7,175	7,176	7,175	7,176
Post-employment benefit	8,805	6,760	8,805	6,760
Others	18,568	54,206	18,568	54,206
	<b><u>305,069</u></b>	<b><u>313,925</u></b>	<b><u>305,069</u></b>	<b><u>313,925</u></b>
<b>Total</b>	<b><u>345,820</u></b>	<b><u>353,764</u></b>	<b><u>345,820</u></b>	<b><u>351,888</u></b>

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 5% of their basic salaries and by the Group at rates 5% of the employees' basic salaries. The provident funds is managed by Tisco Assets Management Company Limited.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**21 Expenses by nature**

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b><i>Included in cost of sales of goods:</i></b>				
Changes in inventories of finished goods	205,715	336,252	205,715	212,806
Raw materials and consumables used	4,140,786	5,201,337	4,140,786	5,201,337
Depreciation and amortisation	294,249	312,633	294,249	312,633
Employee benefit expenses	225,747	242,203	225,747	242,203
Others	556,811	446,908	556,811	570,354
<b>Total</b>	<b><u>5,423,308</u></b>	<b><u>6,539,333</u></b>	<b><u>5,423,308</u></b>	<b><u>6,539,333</u></b>
<b><i>Included in selling expenses:</i></b>				
Transportation	150,081	156,027	150,081	156,027
Others	7,308	6,198	7,308	6,198
<b>Total</b>	<b><u>157,389</u></b>	<b><u>162,225</u></b>	<b><u>157,389</u></b>	<b><u>162,225</u></b>
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	120,073	111,561	120,073	109,685
Technical assistant and consultancy	84,690	82,914	84,690	82,914
Research and development expenses	11,751	10,225	11,751	10,225
Others	63,839	49,387	60,463	51,420
<b>Total</b>	<b><u>280,353</u></b>	<b><u>254,087</u></b>	<b><u>276,977</u></b>	<b><u>254,244</u></b>

**22 Income tax expense**

*Income tax recognised in profit or loss*

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Current tax expense		148,773	24,795	148,773	24,795
Deferred income tax	12	(33,473)	(59,061)	(33,473)	93,781
<b>Total income tax expense (benefit)</b>		<b><u>115,300</u></b>	<b><u>(34,266)</u></b>	<b><u>115,300</u></b>	<b><u>118,576</u></b>



**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax		<u>1,108,805</u>		<u>1,190,356</u>
Income tax using the Thai corporation tax rate	20	221,761	20	238,071
Income not subject to tax		(31,685)		(42,252)
Recognition of previously unrecognised deferred tax assets on impairment loss of investments		(41,319)		(152,842)
Gain on sales of investment in subsidiary		-		(46,266)
Share of profit from investments in associates		(33,253)		(50,200)
Expenses not deductible for tax purposes		2,931		478
Impairment losses for which no deferred tax asset was recognised		-		20,879
Dividend income not subject to tax		(2,277)		(1,708)
Additional expense deductions allowed		(484)		(332)
Others		(374)		(94)
<b>Total</b>	<b>10</b>	<b>115,300</b>	<b>3</b>	<b>(34,266)</b>

	<b>Separate financial statements</b>			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax		<u>965,737</u>		<u>646,385</u>
Income tax using the Thai corporation tax rate	20	193,147	20	129,277
Income not subject to tax		(31,685)		(42,252)
Recognition of previously unrecognised deferred tax assets on impairment loss of investments in subsidiary		(41,319)		-
Expenses not deductible for tax purposes		2,931		478
Impairment losses for which no deferred tax asset was recognised		-		41,319
Dividend income not subject to tax		(7,798)		(9,915)
Additional expense deductions allowed		(484)		(332)
Others		508		1
<b>Total</b>	<b>12</b>	<b>115,300</b>	<b>18</b>	<b>118,576</b>

*Income tax reduction*

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 March 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### 23 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Group has been granted privileges by the Board of Investment relating to the manufacture of carbon black, electricity and steam. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board; and
- (b) exemption from payment of income tax for the operations for a period of 3 and 8 years from the date on which the income is first derived from such operations but the amount is not over specified amount; and
- (c) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period of the Company being granted exemption.

As a promoted company, the Group must comply with certain terms and conditions prescribed in the promotional certificate.

Summary of revenue from promoted and non-promoted businesses:

	<b>Consolidated and separate financial statements</b>					
	2015			2014		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
	<i>(in thousand Baht)</i>					
<b>Sales</b>						
Export sales	-	3,087,070	3,087,070	127,098	3,238,957	3,366,055
Local sales	-	3,520,545	3,520,545	266,767	4,156,125	4,422,892
<b>Total sales</b>	-	6,607,615	6,607,615	393,865	7,395,082	7,788,947
Revenue from sales of electricity and steam	158,242	510,414	668,656	212,480	139,471	351,951
<b>Total revenues</b>	<b>158,242</b>	<b>7,118,029</b>	<b>7,276,271</b>	<b>606,345</b>	<b>7,534,553</b>	<b>8,140,898</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

**24 Earnings per share**

*Basic earnings (loss) per share*

The calculations of basic earnings (loss) per share for the year ended 31 March 2015 and 2014 were based on the profit (loss) for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

<i>Year ended 31 March</i>	<b>Consolidated financial statements</b>						<b>Separate financial statements</b>					
	2015			2014			2015			2014		
	Continuing operation	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operations	Discontinued operation	Total	Continuing operation	Discontinued operation	Total
	<i>(in thousand Baht / thousand shares)</i>											
Profit (loss) attributable to ordinary shareholders of the Company (basic)	<u>993,505</u>	<u>-</u>	<u>993,505</u>	<u>1,224,623</u>	<u>(96,818)</u>	<u>1,127,805</u>	<u>850,437</u>	<u>-</u>	<u>850,437</u>	<u>527,810</u>	<u>-</u>	<u>527,810</u>
Weighted average number of ordinary shares outstanding (basic)	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
<b>Earnings (loss) per share (basic) (in Baht)</b>	<u><b>3.31</b></u>	<u><b>-</b></u>	<u><b>3.31</b></u>	<u><b>4.08</b></u>	<u><b>(0.32)</b></u>	<u><b>3.76</b></u>	<u><b>2.83</b></u>	<u><b>-</b></u>	<u><b>2.83</b></u>	<u><b>1.76</b></u>	<u><b>-</b></u>	<u><b>1.76</b></u>

# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### 25 Dividends

At the annual general meeting of the shareholders of the Company held on 16 July 2014, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounting to Baht 132 million. The dividend was paid to shareholders in August 2014.

At the annual general meeting of the shareholders of the Company held on 19 April 2013, the shareholders approved the appropriation of dividend of Baht 0.44 per share, amounting to Baht 132 million. The dividend was paid to shareholders in May 2013.

At the annual general meeting of the shareholders of the Company held on 12 July 2013, the shareholders approved the appropriation of dividend of Baht 0.11 per share, amounting to Baht 33 million. The dividend was paid to shareholders in August 2013.

### 26 Financial instruments

#### *Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### *Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholder's equity, excluding non-controlling interests and also monitors the level of dividends or ordinary shareholders.

#### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The effective interest rates of loan receivables, before considering effect from equity method of accounting, as at 31 March and the periods in which loan receivables mature or re-price were as follows:

	Effective Interest Rates (% per annum)	Consolidated/Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
			(in thousand Baht)		
<b>2015</b>					
Long-term loans	3.73	-	5,604,568	-	5,604,568

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**

	Effective Interest Rates (% per annum)	Consolidated/Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<b>2014</b>					
Long-term loans	3.73	-	5,608,477	-	5,608,477

The effective interest rates of interest-bearing financial liabilities as at 31 March and the periods in which those liabilities mature or re-price were as follows:

	Effective Interest Rates (% per annum)	Consolidated/Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
<b>2015</b>					
Long-term loans	2.55	1,030,138	1,425,435	-	2,455,573
<b>2014</b>					
Long-term loans	2.55	993,781	2,411,792	-	3,405,573

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

As at 31 March, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
<b>United States Dollars</b>					
Cash and deposits at the financial institutions	5	161	124	161	124
Trade accounts receivable	6	310,846	398,643	310,846	398,643
Other receivable		13,197	20,477	13,197	20,477
Trade accounts payable	13	(199,619)	(275,408)	(199,619)	(275,408)
Other payable	14	(40,562)	(40,670)	(40,562)	(40,670)
Long-term loan to related party		5,604,568	5,608,477	5,604,568	5,608,477
Long-term interest receivables		867,395	625,912	867,395	625,912
Other long-term investments		1,357,400	1,357,400	1,357,400	1,357,400
<b>Gross in statement of financial position exposure</b>		<b>7,913,386</b>	<b>7,694,955</b>	<b>7,913,386</b>	<b>7,694,955</b>

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Currency forwards	(2,025,911)	(943,466)	(2,025,911)	(943,466)
Currency swaps	(6,061,296)	(7,016,433)	(6,061,296)	(7,016,433)
<b>Net exposure</b>	<b><u>(173,821)</u></b>	<b><u>(264,944)</u></b>	<b><u>(173,821)</u></b>	<b><u>(264,944)</u></b>
<b><i>Japanese Yen</i></b>				
Other receivable	-	9,543	-	9,543
Trade account payable	13 <u>(10,118)</u>	<u>-</u>	<u>(10,118)</u>	<u>-</u>
<b>Gross statement of financial position exposure</b>	<b><u>(10,118)</u></b>	<b><u>9,543</u></b>	<b><u>(10,118)</u></b>	<b><u>9,543</u></b>
<b><i>Indian Rupee</i></b>				
Other receivable	2,716	2,827	2,716	2,827
Trade account payable	13 <u>(5,102)</u>	<u>(7,514)</u>	<u>(5,102)</u>	<u>(7,514)</u>
Other payable	14 <u>(10,333)</u>	<u>(7,356)</u>	<u>(10,333)</u>	<u>(7,356)</u>
<b>Gross statement of financial position exposure</b>	<b><u>(12,719)</u></b>	<b><u>(12,043)</u></b>	<b><u>(12,719)</u></b>	<b><u>(12,043)</u></b>
<b><i>Euro</i></b>				
Other receivable	34,968	37,019	34,968	37,019
Trade account payable	13 <u>(1,454)</u>	<u>(1,643)</u>	<u>(1,454)</u>	<u>(1,643)</u>
Other payable	14 <u>(914)</u>	<u>(810)</u>	<u>(914)</u>	<u>(810)</u>
<b>Gross statement of financial position exposure</b>	<b><u>32,600</u></b>	<b><u>34,566</u></b>	<b><u>32,600</u></b>	<b><u>34,566</u></b>
<b><i>Mexican Peso</i></b>				
Cash and deposits at the financial institutions	5 341	171	-	-
Other payable	14 <u>(53)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Gross statement of financial position exposure</b>	<b><u>288</u></b>	<b><u>171</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b><i>Chinese Yuan</i></b>				
Other receivable	-	891	-	891
Trade account payable	13 <u>-</u>	<u>(938)</u>	<u>-</u>	<u>(938)</u>
<b>Gross statement of financial position exposure</b>	<b><u>-</u></b>	<b><u>(47)</u></b>	<b><u>-</u></b>	<b><u>(47)</u></b>
<b><i>British Pound</i></b>				
Other receivable	-	94	-	94
<b>Gross statement of financial position exposure</b>	<b><u>-</u></b>	<b><u>94</u></b>	<b><u>-</u></b>	<b><u>94</u></b>

***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

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### Notes to the financial statements

At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

#### *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### *Determinations of fair values*

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade account receivables, other receivables, trade account payable and other payables is taken to approximate the carrying value.

The fair value of loan to related parties and loan from financial institutions is taken to approximate the carrying value

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

## 27 Commitments and contingent liabilities with non-related parties

	<b>Consolidated and separate financial statements</b>	
	31 March 2015	31 March 2014
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
Machinery and equipment	127,471	53,963
<b>Total</b>	<b>127,471</b>	<b>53,963</b>
<b><i>Non-cancellable operating lease commitments</i></b>		
Within one year	5,979	4,561
After one year but within five years	6,471	11,543
<b>Total</b>	<b>12,450</b>	<b>16,104</b>
<b><i>Other commitments</i></b>		
Bank guarantees <i>(for own performance)</i>	12,548	12,548
<b>Total</b>	<b>12,548</b>	<b>12,548</b>

# Thai Carbon Black Public Company Limited and its Subsidiary

## Notes to the financial statements

### *Operating lease agreements*

The Group has various operating lease agreements for office and warehouse rental. The period of agreements is variable from 1-5 years.

### *Technical assistant and consultancy agreement*

- 1) In 1987, the Company has entered into license agreement with an overseas licensor, who agreed to provide the Company with technical know-how for the production and manufacture of carbon black. The Company agreed to pay the license fee based on percentage of sales.
- 2) In 2014, the Company has entered into a consultancy agreement with an overseas company in which it will receive information related to the availability of raw materials, raw material price trends, etc. The Company agreed to pay a fee for the amount of USD 2 million per annum. The term of the agreement is 2 years.

### *Bank guarantee and letter of credit*

As at 31 March 2015, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 12 million (*31 March 2014: Baht 12 million*) and outstanding letter of credit issued by the banks to guarantee payments to creditors amounting to USD 12 million (*31 March 2014: USD 12 million*).

## **28 Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015



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<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 38 (revised 2014)	Intangible Assets	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015

The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

**29 Reclassification of accounts**

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements as follows:

	<b>2014</b>					
	<b>Consolidated financial statements</b>			<b>Separate financial statements</b>		
	Before Reclassifica tion	Reclassifica tion	After Reclassifica tion <i>(in thousand Baht)</i>	Before Reclassifica tion	Reclassifica tion	After Reclassifica tion
<b><i>Statement of financial position</i></b>						
Trade and other receivables	1,748,475	(1,748,475)	-	1,748,475	(1,748,475)	-
Trade account receivables	-	1,106,562	1,106,562	-	1,106,562	1,106,562
Other receivables	-	16,001	16,001	-	16,001	16,001
Long-term interest receivables	-	625,912	625,912	-	625,912	625,912
Deferred tax liabilities	(8,853)	8,853	-	(8,853)	8,853	-
Deferred tax assets	52,348	(8,853)	43,495	52,348	(8,853)	43,495
Trade and other payables	(551,282)	551,282	-	(551,282)	551,282	-
Trade account payable	-	(395,970)	(395,970)	-	(395,970)	(395,970)
Other payables	-	(155,312)	(155,312)	-	(155,312)	(155,312)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.