

**Birla Carbon (Thailand) Public Company Limited
and its Subsidiary**

Condensed interim financial statements
for the three-month period ended
30 June 2020
and
Independent auditor's review report

Independent Auditor’s Report on Review of Interim Financial Information

To the Board of Directors of Birla Carbon (Thailand) Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of Birla Carbon (Thailand) Public Company Limited and its subsidiary, and of Birla Carbon (Thailand) Public Company Limited, respectively, as at 30 June 2020; the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the three-month period ended 30 June 2020; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
14 August 2020

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 March	30 June	31 March
Assets		2020	2020	2020	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		4,278,326	4,600,902	4,278,326	4,600,861
Trade accounts receivable	5, 6	571,569	1,069,256	571,569	1,069,256
Other receivables	5	130,837	81,458	130,708	81,326
Inventories	7	944,520	475,433	944,520	475,433
Current portion of long-term loans to related parties	5	4,750	4,750	4,750	4,750
Derivatives assets	14	55,207	69,674	55,207	69,674
Total current assets		5,985,209	6,301,473	5,985,080	6,301,300
<i>Non-current assets</i>					
Investments in associates	8	4,864,018	5,163,284	770,364	770,364
Investments in subsidiary	9	-	-	-	-
Other non-current financial assets	10	85,375	239,477	85,375	239,477
Long-term loans to related parties	5	5,316,312	5,629,577	5,316,312	5,629,577
Long-term interest receivables	5	2,647,670	2,705,646	2,647,670	2,705,646
Property, plant and equipment	11	1,313,209	1,351,445	1,313,209	1,351,445
Intangible assets		4,864	6,080	4,864	6,080
Deferred tax assets		107,968	75,831	110,539	78,402
Advance for purchase machinery and equipment		-	13,751	-	13,751
Other non-current assets		2,340	2,340	2,340	2,340
Total non-current assets		14,341,756	15,187,431	10,250,673	10,797,082
Total assets		20,326,965	21,488,904	16,235,753	17,098,382

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 March	30 June	31 March
Liabilities and equity		2020	2020	2020	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade accounts payable	5	479,223	801,334	479,223	801,334
Other payables	5	216,165	183,882	215,932	183,640
Current portion of lease liabilities	5	4,371	4,952	4,371	4,952
Current income tax payable		271,611	271,611	271,611	271,611
Total current liabilities		971,370	1,261,779	971,137	1,261,537
Non-current liabilities					
Lease liabilities	5	802	1,591	802	1,591
Non-current provisions for employee benefits		136,535	137,007	136,535	137,007
Total non-current liabilities		137,337	138,598	137,337	138,598
Total liabilities		1,108,707	1,400,377	1,108,474	1,400,135
Equity					
Share capital:					
Authorised share capital					
<i>(300,000,000 ordinary shares, par value at Baht 1 per share)</i>		300,000	300,000	300,000	300,000
Issued and paid-up share capital					
<i>(300,000,000 ordinary shares, par value at Baht 1 per share)</i>		300,000	300,000	300,000	300,000
Share premium:					
Share premium on ordinary shares		930,000	930,000	930,000	930,000
Retained earnings					
Appropriated					
Legal reserve		30,000	30,000	30,000	30,000
Unappropriated		20,006,916	20,716,466	13,990,561	14,438,247
Other components of equity		(2,048,658)	(1,887,939)	(123,282)	-
Total equity		19,218,258	20,088,527	15,127,279	15,698,247
Total liabilities and equity		20,326,965	21,488,904	16,235,753	17,098,382

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenues					
Revenues from sales		915,706	2,150,520	915,706	2,150,520
Interest income	5	108,157	136,026	108,157	136,026
Other income		1,221	1,451	1,221	1,451
Total revenues		1,025,084	2,287,997	1,025,084	2,287,997
Expenses					
Cost of sales of goods	5, 7	721,991	1,533,363	721,991	1,533,363
Distribution costs	5	24,024	40,072	24,024	40,072
Administrative expenses	5	100,197	98,904	100,197	98,825
Net foreign exchange loss		627,814	367,902	627,776	367,902
Finance costs	5	98	186	98	186
Total expenses		1,474,124	2,040,427	1,474,086	2,040,348
Share of profit (loss) of associates					
Associates	8	(261,826)	2,102	-	-
Total		(261,826)	2,102	-	-
Profit (loss) before income tax expense		(710,866)	249,672	(449,002)	247,649
Tax expense (income)	13	(1,316)	49,550	(1,316)	49,550
Profit (loss) for the period		(709,550)	200,122	(447,686)	198,099
Basic earnings (loss) per share (in Baht)		(2.37)	0.67	(1.49)	0.66

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Profit (loss) for the period		(709,550)	200,122	(447,686)	198,099
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(37,048)	(27,336)	-	-
Share of other comprehensive income of associates, net of tax	8	-	3,844	-	-
Total items that will be reclassified subsequently to profit or loss		(37,048)	(23,492)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on investments in equity instruments designated at fair value through other comprehensive income	3, 10	(19,577)	-	(19,577)	-
Income tax relating to item that will not be reclassified		3,915	-	3,915	-
Share of other comprehensive income (expense) of associates, net of tax	8	(389)	203	-	-
Total items that will not be reclassified subsequently to profit or loss		(16,051)	203	(15,662)	-
Other comprehensive expense for the period, net of tax		(53,099)	(23,289)	(15,662)	-
Total comprehensive income (expense) for the period		(762,649)	176,833	(463,348)	198,099

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

	Consolidated financial statements							
	Retained earnings				Other components of equity			
	Issued and paid share capital	Share premium	Legal reserve	Unappropriated operations	Translating foreign operations	Share of other comprehensive income of associates	Total other components of equity	Total equity
<i>(in thousand Baht)</i>								
Three-month period ended 30 June 2019								
Balance at 1 April 2019	300,000	930,000	30,000	18,703,609	(1,597,418)	2,222	(1,595,196)	18,368,413
Comprehensive income for the period								
Profit	-	-	-	200,122	-	-	-	200,122
Other comprehensive income	-	-	-	203	(27,336)	3,844	(23,492)	(23,289)
Total comprehensive income for the period	-	-	-	200,325	(27,336)	3,844	(23,492)	176,833
Balance at 30 June 2019	300,000	930,000	30,000	18,903,934	(1,624,754)	6,066	(1,618,688)	18,545,246

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Statement of changes in equity (Unaudited)

		Consolidated financial statements									
		Retained earnings		Other components of equity							
Note	Issued and paid share capital	Share premium	Legal reserve	Unappropriated reserve	Translating foreign operations	Loss on investments in equity instruments designated at fair value through other comprehensive income	Share of other comprehensive income of associates using equity method	Total other components of equity	Loss on investments in equity instruments designated at fair value through other comprehensive income		
									Share of other comprehensive income of associates using equity method	Total other components of equity	
Three-month period ended 30 June 2020											
	300,000	930,000	30,000	20,716,466	(1,887,939)	-	-	(1,887,939)	-	-	20,088,527
Impact of changes in accounting policies	-	-	-	-	-	(107,620)	-	(107,620)	-	-	(107,620)
	300,000	930,000	30,000	20,716,466	(1,887,939)	(107,620)	-	(1,995,559)	-	-	19,980,907
Comprehensive income for the period											
Loss	-	-	-	(709,550)	-	-	-	-	-	-	(709,550)
Other comprehensive income	-	-	-	-	(37,048)	(15,662)	(389)	(53,099)	(389)	(53,099)	(53,099)
Total comprehensive expense for the period	-	-	-	(709,550)	(37,048)	(15,662)	(389)	(53,099)	(389)	(53,099)	(762,649)
Balance at 30 June 2020	300,000	930,000	30,000	20,006,916	(1,924,987)	(123,282)	(389)	(2,048,658)	(389)	(2,048,658)	19,218,258

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

	Separate financial statements					
	Issued and paid	Share premium	Legal reserve	Unappropriated	Retained earnings	Total equity
	<i>(in thousand Baht)</i>					
Three-month period ended 30 June 2019						
Balance at 1 April 2019	300,000	930,000	30,000	12,920,225	14,180,225	14,180,225
Comprehensive income for the period						
Profit	-	-	-	198,099	198,099	198,099
Total comprehensive income for the period	-	-	-	198,099	198,099	198,099
Balance at 30 June 2019	300,000	930,000	30,000	13,118,324	14,378,324	14,378,324

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

	Separate financial statements							Total equity
	Retained earnings	Other components of equity						
	Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Loss on investments in equity instruments designated at fair value through other comprehensive income			
	<i>Note</i>	<i>(in thousand Baht)</i>						
Three-month period ended 30 June 2020								
Balance at 31 March 2020		300,000	930,000	30,000	14,438,247	-	-	15,698,247
Impact of changes in accounting policies	3	-	-	-	-	(107,620)	-	(107,620)
Balance at 1 April 2020 - restated		300,000	930,000	30,000	14,438,247	(107,620)	(107,620)	15,590,627
Comprehensive income for the period								
Loss		-	-	-	(447,686)	-	-	(447,686)
Other comprehensive income		-	-	-	-	(15,662)	-	(15,662)
Total comprehensive expense for the period		-	-	-	(447,686)	(15,662)	(15,662)	(463,348)
Balance at 30 June 2020		300,000	930,000	30,000	13,990,561	(123,282)	(123,282)	15,127,279

(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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit (loss) for the period		(709,550)	200,122	(447,686)	198,099
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation and amortisation		62,409	55,432	62,409	55,432
Gain on inventories devaluation	7	(6,684)	-	(6,684)	-
Interest income		(108,157)	(136,026)	(108,157)	(136,026)
Finance costs		98	186	98	186
Unrealised loss on exchange rate		643,000	346,995	642,997	346,994
Unrealised loss on derivatives		14,467	28,458	14,467	28,458
Share of (profit) loss associates accounted for using equity method, net of tax	8	261,826	(2,102)	-	-
Provision for employee benefits		3,156	3,195	3,156	3,195
Tax expense (income)		(1,316)	49,550	(1,316)	49,550
		<u>159,249</u>	<u>545,810</u>	<u>159,284</u>	<u>545,888</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		494,515	(32,630)	494,515	(32,630)
Other receivables		(50,092)	233	(50,095)	241
Inventories		(462,403)	304,754	(462,403)	304,754
Trade accounts payable		(324,630)	(431,197)	(324,630)	(431,197)
Other payables		19,176	(42,823)	19,185	(42,816)
Net cash (used in) generated from operating		<u>(164,185)</u>	<u>344,147</u>	<u>(164,144)</u>	<u>344,240</u>
Employee benefit paid		(3,628)	-	(3,628)	-
Tax paid		(588)	(433)	(588)	(433)
Net cash (used in) from operating activities		<u>(168,401)</u>	<u>343,714</u>	<u>(168,360)</u>	<u>343,807</u>

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Decrease in short-term deposits at financial institutions		-	(1,154,635)	-	(1,154,635)
Interest received		15,369	29,728	15,369	29,728
Acquisition of property, plant and equipment		(1,176)	(71,985)	(1,176)	(71,985)
Proceeds from repayment of long-term loans to related parties	5	1,187	2,988	1,187	2,988
Net cash from (used in) investing activities		15,380	(1,193,904)	15,380	(1,193,904)
<i>Cash flows from financing activities</i>					
Interest paid		(98)	(187)	(98)	(187)
Payment of lease liabilities		(1,370)	(1,286)	(1,370)	(1,286)
Proceeds from borrowings		-	24,000	-	24,000
Repayment of borrowings		-	(24,000)	-	(24,000)
Net cash used in financing activities		(1,468)	(1,473)	(1,468)	(1,473)
Net decrease in cash and cash equivalents, before effect of exchange rates		(154,489)	(851,663)	(154,448)	(851,570)
Effect of exchange rate changes on cash and cash equivalents		(168,087)	(24)	(168,087)	(24)
Net decrease in cash and cash equivalents		(322,576)	(851,687)	(322,535)	(851,594)
Cash and cash equivalents at 1 April		4,600,902	1,722,202	4,600,861	1,722,056
Cash and cash equivalents at 30 June		4,278,326	870,515	4,278,326	870,462
<i>Non-cash transactions</i>					
Payables for purchases of machinery and equipment		62,037	88,309	62,037	88,309
Accrued dividend		8,415	7,896	8,415	7,896
Right-of-use assets (buildings and constructions)		-	11,812	-	11,812

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Change in accounting policy
4	Impact of COVID-19 outbreak
5	Related parties
6	Trade accounts receivable
7	Inventories
8	Investments in associates
9	Investments in subsidiary
10	Other non-current financial assets
11	Property, plant and equipment
12	Segment information
13	Income tax expense
14	Financial instruments
15	Commitments and contingent liabilities with non-related parties
16	Events after the reporting period

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

These notes form an integral part of the financial statements.

The interim 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 Company's authorised Board of Directors on 14 August 2020.

1 General information

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company's associates and subsidiary as at 30 June 2020 and 31 March 2020 are given in notes 8 and 9.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed primary interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 March 2020.

The Group has initially applied TFRS - Financial instruments standards and disclosed impact from changes to significant accounting policy in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the 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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

(b) Use of judgments, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 March 2020, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS as described in note 3 and application of guidance on the temporary relief measures for additional accounting options in response to impact from the COVID-19 issued by TFAC as described in note 4.

3 Change in accounting policy

From 1 April 2020, the Group and the Company has initially applied TFRS - Financial instruments standards. Impact of changes in accounting policy on shareholders' equity are as follows:

		Consolidated	Separate
		financial statements	financial statements
		Other components of	Other components of
		equity	equity
	<i>Note</i>	<i>(in thousand Baht)</i>	
At 31 March 2020 - as reported		(1,887,939)	-
<i>Decrease due to:</i>			
Adoption of TFRS - Financial instruments standards			
Classification of financial instruments	<i>A(1)</i>	(134,525)	(134,525)
Related tax		26,905	26,905
At 1 April 2020 - restated		<u>(1,995,559)</u>	<u>(107,620)</u>

A. TFRS - Financial instruments standards

The Group and the Company has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to other components of equity on 1 April 2020. Therefore, the Group and the Company did not adjust the information presented for 2019.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. The adoption of TFRS 9 has no material effect on the consolidated and separate financial statements of the Group and the Company.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group and the Company's financial assets as at 1 April 2020.

	Consolidated and separate financial statements	
	Classification under previous standards at 31 March 2020	Classification under TFRS 9 at 1 April 2020
	Carrying amounts	Fair value through other comprehensive income
	<i>(in thousand Baht)</i>	
Other financial assets		
- Other non-marketable equity securities	223,204	88,679
Total other financial assets	223,204	88,679

The Group and the Company intends to hold non-marketable equity securities amounted of Baht 89 million, for the long-term strategic purposes. The Group and the Company has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

4 Impact of COVID-19 outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's staff and to manage the negative impact on the business as much as possible.

At 30 June 2020, the COVID-19 pandemic continues, resulting in estimation uncertainty of the potential impact. Therefore, the Group elected to apply the guidance on temporary accounting relief measures for additional accounting options in response to impact from the COVID-19 outbreak issued by TFAC to exclude the COVID-19 situation as impairment indicator for property, plant and equipment.

5 Related parties

Relationships with subsidiary and associates are described in note 8 and 9.

Significant transactions for the three-month periods ended 30 June with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associates				
Interest income	94,088	116,384	94,088	116,384
Purchase of goods	-	56	-	56
Key management personnel				
Interest income	47	70	47	70
Key management personnel compensation				
Short-term employee benefit	<u>9,741</u>	<u>6,224</u>	<u>9,741</u>	<u>6,224</u>
Total key management personnel compensation	<u>9,741</u>	<u>6,224</u>	<u>9,741</u>	<u>6,224</u>
Directors' remuneration	<u>858</u>	<u>883</u>	<u>858</u>	<u>883</u>

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

<i>Three-month period ended 30 June</i>	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties				
Cost reduction from sales of electricity and steam generated from manufacturing process	63,476	86,475	63,476	86,475
Expenses charged to related parties	13,307	24,523	13,307	24,523
Purchase of goods	684,030	-	684,030	-
Expenses charged by related parties	4,614	12,419	4,614	12,419
Royalty expense	-	25,942	-	25,942
Finance costs	69	114	69	114

Balances as at 30 June 2020 and 31 March 2020 with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related party	<u>26,689</u>	<u>84,999</u>	<u>26,689</u>	<u>84,999</u>
Total	<u>26,689</u>	<u>84,999</u>	<u>26,689</u>	<u>84,999</u>

<i>Other receivables</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>4,745</u>	<u>17,031</u>	<u>4,745</u>	<u>17,031</u>
Total	<u>4,745</u>	<u>17,031</u>	<u>4,745</u>	<u>17,031</u>

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

<i>Interest receivables</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Associate	<u>2,647,670</u>	<u>2,705,646</u>	<u>2,647,670</u>	<u>2,705,646</u>
Total	<u>2,647,670</u>	<u>2,705,646</u>	<u>2,647,670</u>	<u>2,705,646</u>

<i>Long-term loans to</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Associate	5,311,383	5,623,461	5,311,383	5,623,461
Key management personnel				
Current portion	4,750	4,750	4,750	4,750
Non-current portion	<u>4,929</u>	<u>6,116</u>	<u>4,929</u>	<u>6,116</u>
Total	<u>9,679</u>	<u>10,866</u>	<u>9,679</u>	<u>10,866</u>
Total	<u>5,321,062</u>	<u>5,634,327</u>	<u>5,321,062</u>	<u>5,634,327</u>

Movements during the three-month period ended 30 June 2020 of long-term loans to related parties were as follows:

<i>Long-term loans to</i>	Interest rate	Consolidated	Separate
		financial statements	financial statements
		2020	2020
		<i>(in thousand Baht)</i>	
<i>Associate</i>	LIBOR+3.5		
At 1 April		5,623,461	5,623,461
Unrealised loss on exchange		<u>(312,078)</u>	<u>(312,078)</u>
At 30 June		<u>5,311,383</u>	<u>5,311,383</u>
<i>Key management personnel</i>	1.8		
At 1 April		10,866	10,866
Decrease		<u>(1,187)</u>	<u>(1,187)</u>
At 30 June		<u>9,679</u>	<u>9,679</u>

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

<i>Trade accounts payable</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related parties	775	601,786	775	601,786
Total	775	601,786	775	601,786

<i>Other payables</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related parties	37,645	38,905	37,645	38,905
Total	37,645	38,905	37,645	38,905

<i>Lease liabilities</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related party				
Current portion	3,082	3,034	3,082	3,034
Non-current portion	802	1,591	802	1,591
Total	3,884	4,625	3,884	4,625

Movement during the three-month periods ended 30 June of lease liabilities were as follows:

<i>Lease liabilities</i>	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related party				
At 1 April	4,625	-	4,625	-
Increase	-	7,475	-	7,475
Decrease	(741)	(696)	(741)	(696)
At 30 June	3,884	6,779	3,884	6,779

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

6 Trade accounts receivable

	Consolidated and separate	
	financial statements	
	30 June	31 March
	2020	2020
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	26,640	79,365
Overdue:		
Less than 3 months	49	5,634
	26,689	84,999
<i>Less allowance for doubtful accounts</i>	-	-
	26,689	84,999
 Other parties		
Within credit terms	538,845	972,978
Overdue:		
Less than 3 months	6,035	11,279
	544,880	984,257
<i>Less allowance for doubtful accounts</i>	-	-
	544,880	984,257
 Net	571,569	1,069,256

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

7 Inventories

	Consolidated and separate financial statements	
	30 June 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Finished goods	167,302	160,019
Raw materials	680,479	240,750
Factory supplies and spare parts	<u>127,903</u>	<u>112,512</u>
	975,684	513,281
<i>Less allowance for inventories deterioration</i>	<u>(31,164)</u>	<u>(37,848)</u>
Net	<u>944,520</u>	<u>475,433</u>

	Consolidated and separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
<i>Three-month period ended 30 June</i>		
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	728,675	1,533,363
- Write-down to net realisable value	<u>(6,684)</u>	<u>-</u>
Net	<u>721,991</u>	<u>1,533,363</u>

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

8 Investments in associates

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associates				
At 1 April	5,163,284	4,961,091	770,364	770,364
Share of net profit (loss) of associates	(261,826)	2,102	-	-
Share of other comprehensive income (expense), net of tax	(389)	4,047	-	-
Currency translation differences	<u>(37,051)</u>	<u>(27,338)</u>	<u>-</u>	<u>-</u>
At 30 June	<u>4,864,018</u>	<u>4,939,902</u>	<u>770,364</u>	<u>770,364</u>

During the three-month period ended 30 June 2020, there were no acquisitions and disposals of investments in associates.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

Investments in associates as at 30 June 2020 and 31 March 2020, and dividend income from those investments for the three-month periods ended 30 June were as follows:

		Consolidated financial statements						Dividend income	
								for the three-month	
Associates	Type of business	Country of incorporation	Ownership interest	Paid-up capital		Cost		Equity	Dividend income for the three-month period ended
				30 June 2020	31 March 2020	30 June 2020	31 March 2020		
P. T. Indo Liberty	Textiles								
	Textiles manufacturing	Indonesia	40.00	515,664	515,664	196,948	196,948	274,543	-
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	1,700,000	1,700,000	509,820	509,820	4,123,886	-
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	308,870	308,870	63,596	63,596	465,589	-
Total						770,364	770,364	4,864,018	5,163,284

(%)

(in thousand Baht)

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

		Separate financial statements						
Ownership interest		Paid-up capital		Cost		Impairment	At cost - net	Dividend income
		30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	for the three-month period ended
(%)		<i>(in thousand Baht)</i>						
Associates								
P.T. Indo Liberty Textiles	40.00	40.00	515,664	196,948	196,948	-	196,948	-
Aditya Birla Chemicals (Thailand) Limited		29.99	29.99	1,700,000	509,820	509,820	509,820	-
Indigold Carbon (Mauritius) Limited		20.59	20.59	308,870	63,596	63,596	63,596	-
Total				770,364	770,364	770,364	770,364	-

None of the Group's and the Company's associates are publicly listed and consequently do not have published price quotations.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

9 Investments in subsidiary

Investments in subsidiary as at 30 June 2020 and 31 March 2020 and dividend income from the subsidiary for the three-month periods ended 30 June were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the three-month period ended
		30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	
		(in thousand Baht)										
Direct subsidiary												
Birla Carbon Mexico, Carbon												
S.A. DE C.V.	manufacturing	98.00	98.00	12,854	12,854	12,854	12,854	(12,854)	(12,854)	-	-	-
Total				12,854	12,854	12,854	12,854	(12,854)	(12,854)	-	-	-

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

10 Other non-current financial assets

	<i>Note</i>	Consolidated and separate financial statements	
		30 June 2020	31 March 2020
		<i>(in thousand Baht)</i>	
Long-term deposits at a financial institution		16,273	16,273
Other non-marketable equity securities	14	<u>69,102</u>	<u>223,204</u>
Total		<u>85,375</u>	<u>239,477</u>

Long-term deposits at a financial institution

As at 30 June 2020, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (*31 March 2020: Baht 16 million*), which was bearing interest at the rate of 0.50% per annum (*31 March 2020: 0.50% per annum*) and matured in March 2022.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

11 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month period ended 30 June were as follows:

<i>Three-month period ended 30 June</i>	Consolidated and separate financial statements	
	2020	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Buildings and constructions	-	-
Machinery and equipment	22,264	-
Vehicles	-	-
Furniture and fixtures	693	-
Assets under construction and installation	-	-
Total	22,957	-

Carrying amounts of the Group's and the Company's right-of-use assets at 30 June 2020 are Baht 4.82 million and Baht 4.82 million, respectively and the Group and the Company recognised depreciation of right-of-use assets for the three-month period ended 30 June 2020, amounting to Baht 1.40 million and Baht 1.40 million, respectively.

12 Segment information

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

13 Income tax expense

Tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate for the three-month periods ended 30 June 2020 and 2019 in the consolidated financial statements were -0.19% and 19.85%, respectively (*separate financial statements for the three-month periods ended 30 June 2020 and 2019: -0.29% and 20.01%, respectively*). The difference between effective tax rate and corporate income tax rate was caused mainly by the different treatment for accounting and taxation purposes of certain items of income/expense, in particular unrealised loss on derivatives.

14 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

		Consolidated and separate financial statements				
		Carrying amount			Fair value	
<i>At 30 June 2020</i>	<i>Note</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net	Total	Total
		<i>(in thousand Baht)</i>				
Financial assets						
Loan to associate	5	-	-	5,311,383	5,311,383	5,311,383
Other financial assets						
Derivatives assets		55,207	-	-	55,207	55,207
Other non-marketable equity securities	10	-	69,102	-	69,102	69,102
Total other financial assets		55,207	69,102	-	124,309	69,102

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

	Consolidated and separate financial statements	
	Carrying amount	<u>Fair value</u> Level 2
	<i>(in thousand Baht)</i>	
<i>At 31 March 2020</i>		
Loan to associate	5,623,461	5,623,461
Derivatives assets	69,674	69,674

Financial instruments measured at fair value

Type	Valuation technique
Loan to associate	Fair value of the loan to associate carrying a floating rate, are estimated using discounted cash flow analysis. There is no significant difference with the carrying amount.
Derivatives assets	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non-marketable equity instruments	The adjusted net asset value as of the reporting date.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

15 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	30 June	31 March
	2020	2020
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	2,967	-
Total	2,967	-
<i>Non-cancellable operating lease commitments</i>		
Within 1 year	2,065	2,217
1 - 5 years	2,296	2,788
Total	4,361	5,005
<i>Other commitments</i>		
Bank guarantees for electricity use <i>(for own performance)</i>	13,548	13,548
Total	13,548	13,548

Operating lease agreements

The Group has various operating lease agreements for office equipment and vehicle rental. The period of agreements is variable from 1 - 4 years.

Bank guarantee

As at 30 June 2020, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 14 million *(31 March 2020: Baht 14 million)*.

16 Events after the reporting period

At the annual general meeting of the shareholders of the Company held on 30 July 2020, the shareholders approved the appropriation of dividends of Baht 1.20 per share, amounting to Baht 360 million. The dividends will be paid to shareholders in August 2020.