

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

Condensed interim financial statements
for the three-month and six-month periods ended
30 September 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 September 2020; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 September 2020, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 September 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
13 November 2020

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 March	30 September	31 March
Assets		2020	2020	2020	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		4,215,430	4,600,902	4,215,430	4,600,861
Trade accounts receivable	5, 6	810,238	1,069,256	810,238	1,069,256
Other receivables	5	79,046	81,458	78,911	81,326
Inventories	7	659,830	475,433	659,830	475,433
Current portion of long-term loans to related parties	5	5,448,974	4,750	5,448,974	4,750
Current portion of long-term interest receivables	5	2,793,680	-	2,793,680	-
Derivatives assets	15	-	69,674	-	69,674
Total current assets		14,007,198	6,301,473	14,007,063	6,301,300
Non-current assets					
Investments in associates	8	5,087,842	5,163,284	770,364	770,364
Investments in subsidiary	9	-	-	-	-
Other non-current financial assets	10	86,937	239,477	86,937	239,477
Long-term loans to related parties	5	-	5,629,577	-	5,629,577
Long-term interest receivables	5	-	2,705,646	-	2,705,646
Property, plant and equipment	11	1,266,793	1,351,445	1,266,793	1,351,445
Intangible assets		3,648	6,080	3,648	6,080
Deferred tax assets		119,684	75,831	122,255	78,402
Advance for purchase machinery and equipment		-	13,751	-	13,751
Other non-current assets		2,462	2,340	2,462	2,340
Total non-current assets		6,567,366	15,187,431	2,252,459	10,797,082
Total assets		20,574,564	21,488,904	16,259,522	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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 March	30 September	31 March
Liabilities and equity		2020	2020	2020	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade accounts payable	5	560,164	801,334	560,164	801,334
Other payables	5	175,438	183,882	175,194	183,640
Current portion of lease liabilities	5	3,781	4,952	3,781	4,952
Current income tax payable		38,003	271,611	38,003	271,611
Derivatives liabilities	15	4,592	-	4,592	-
Total current liabilities		781,978	1,261,779	781,734	1,261,537
Non-current liabilities					
Lease liabilities	5	-	1,591	-	1,591
Non-current provisions for employee benefits		137,411	137,007	137,411	137,007
Total non-current liabilities		137,411	138,598	137,411	138,598
Total liabilities		919,389	1,400,377	919,145	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		20,357,429	20,716,466	14,202,409	14,438,247
Other components of equity		(1,962,254)	(1,887,939)	(122,032)	-
Total equity		19,655,175	20,088,527	15,340,377	15,698,247
Total liabilities and equity		20,574,564	21,488,904	16,259,522	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 September		30 September	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenues					
Revenues from sales		1,197,297	1,957,662	1,197,297	1,957,662
Dividend income	5, 8	-	-	25,491	25,491
Interest income	5	87,782	132,432	87,782	132,432
Net foreign exchange gain		256,218	-	256,218	-
Other income		1,269	1,281	1,269	1,281
Total revenues		1,542,566	2,091,375	1,568,057	2,116,866
Expenses					
Cost of sales of goods	5	831,693	1,289,864	831,693	1,289,864
Distribution costs	5	32,644	33,788	32,644	33,788
Administrative expenses	5	105,823	135,989	105,823	135,990
Net foreign exchange loss		-	65,188	-	65,185
Finance costs	5	75	206	75	206
Total expenses		970,235	1,525,035	970,235	1,525,033
Share of profit of associates					
Associates		164,156	72,572	-	-
Total		164,156	72,572	-	-
Profit before income tax expense		736,487	638,912	597,822	591,833
Tax expense		25,974	113,244	25,974	113,244
Profit for the period		710,513	525,668	571,848	478,589
Basic earnings per share (in Baht)		2.37	1.75	1.91	1.60

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)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit for the period	710,513	525,668	571,848	478,589
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	86,686	(133,557)	-	-
Total items that will be reclassified subsequently to profit or loss	86,686	(133,557)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain on investments in equity instruments designated at fair value through other comprehensive income	1,562	-	1,562	-
Income tax relating to item that will not be reclassified	(312)	-	(312)	-
Share of other comprehensive income (expense) of associates, net of tax	(1,532)	198	-	-
Total items that will not be reclassified subsequently to profit or loss	(282)	198	1,250	-
Other comprehensive income (expense) for the period, net of tax	86,404	(133,359)	1,250	-
Total comprehensive income for the period	796,917	392,309	573,098	478,589

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Statement of income (Unaudited)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Revenues					
Revenues from sales		2,113,003	4,108,182	2,113,003	4,108,182
Dividend income	5, 8	-	-	25,491	25,491
Interest income	5	195,939	268,458	195,939	268,458
Other income		2,490	2,732	2,490	2,732
Total revenues		2,311,432	4,379,372	2,336,923	4,404,863
Expenses					
Cost of sales of goods	5, 7	1,553,684	2,823,227	1,553,684	2,823,227
Distribution costs	5	56,668	73,860	56,668	73,860
Administrative expenses	5	206,020	234,893	206,020	234,815
Net foreign exchange loss		371,596	433,090	371,558	433,087
Finance costs	5	173	392	173	392
Total expenses		2,188,141	3,565,462	2,188,103	3,565,381
Share of profit (loss) of associates					
Associates	8	(97,670)	74,674	-	-
Total		(97,670)	74,674	-	-
Profit before income tax expense		25,621	888,584	148,820	839,482
Tax expense	13	24,658	162,794	24,658	162,794
Profit for the period		963	725,790	124,162	676,688
Basic earnings per share (in Baht)		0.00	2.42	0.41	2.26

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)

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Profit for the period		963	725,790	124,162	676,688
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		49,638	(160,893)	-	-
Share of other comprehensive income of associates, net of tax	8	-	3,844	-	-
Total items that will be reclassified subsequently to profit or loss		49,638	(157,049)	-	-
<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	(18,015)	-	(18,015)	-
Income tax relating to item that will not be reclassified		3,603	-	3,603	-
Share of other comprehensive income (expense) of associates, net of tax	8	(1,921)	401	-	-
Total items that will not be reclassified subsequently to profit or loss		(16,333)	401	(14,412)	-
Other comprehensive income (expense) for the period, net of tax		33,305	(156,648)	(14,412)	-
Total comprehensive income for the period		34,268	569,142	109,750	676,688

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

	Note	Retained earnings			Other components of equity			Total equity	
		Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Share of other comprehensive income of associates		Total other components of equity
<i>(in thousand Baht)</i>									
Six-month period ended 30 September 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
Transactions with owners, recorded directly in equity									
<i>Distributions to owners</i>									
Dividend	14	-	-	-	(330,000)	-	-	-	(330,000)
Total distributions to owners		-	-	-	(330,000)	-	-	-	(330,000)
Comprehensive income for the period									
Profit		-	-	-	725,790	-	-	-	725,790
Other comprehensive income		-	-	-	401	(160,893)	3,844	(157,049)	(156,648)
Total comprehensive income for the period		-	-	-	726,191	(160,893)	3,844	(157,049)	569,142
Balance at 30 September 2019		300,000	930,000	30,000	19,099,800	(1,758,311)	6,066	(1,752,245)	18,607,555

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

	Note	Consolidated financial statements										
		Issued and paid share capital	Share premium	Legal reserve	Retained earnings	Unappropriated	Translating foreign operations	Other components of equity	Loss on investments in equity instruments designated at fair value through other comprehensive income	Share of other comprehensive income (expense) of associates using equity method	Total other components of equity	Total equity
Six-month period ended 30 September 2020												
Balance at 31 March 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	3	-	-	-	-	-	(107,620)	-	(107,620)	(107,620)		
Balance at 1 April 2020 - restated		300,000	930,000	30,000	20,716,466	(1,887,939)	(107,620)	-	(1,995,559)	19,980,907		
Transactions with owners, recorded directly in equity												
<i>Distributions to owners</i>												
Dividend	14	-	-	-	(360,000)	-	-	-	-	(360,000)		
Total distributions to owners		-	-	-	(360,000)	-	-	-	-	(360,000)		
Comprehensive income for the period												
Profit		-	-	-	963	-	-	-	-	963		
Other comprehensive income		-	-	-	-	49,638	(14,412)	(1,921)	33,305	33,305		
Total comprehensive income for the period		-	-	-	963	49,638	(14,412)	(1,921)	33,305	34,268		
Balance at 30 September 2020		300,000	930,000	30,000	20,357,429	(1,838,301)	(122,032)	(1,921)	(1,962,254)	19,655,175		

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)

	Note	Issued and paid share capital	Share premium	Separate financial statements		Total equity
				Legal reserve	Unappropriated	
				Retained earnings		
<i>(in thousand Baht)</i>						
Six-month period ended 30 September 2019						
Balance at 1 April 2019		300,000	930,000	30,000	12,920,225	14,180,225
Transactions with owners, recorded directly in equity						
<i>Distributions to owners</i>						
Dividend	14	-	-	-	(330,000)	(330,000)
Total distributions to owners		-	-	-	(330,000)	(330,000)
Comprehensive income for the period						
Profit		-	-	-	676,688	676,688
Total comprehensive income for the period		-	-	-	676,688	676,688
Balance at 30 September 2019		300,000	930,000	30,000	13,266,913	14,526,913

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)

	Note	Issued and paid share capital	Share premium	Separate financial statements		Other components of equity Loss on investments in equity instruments designated at fair value through other comprehensive income	Total equity
				Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>							
Six-month period ended 30 September 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)	15,590,627
Transactions with owners, recorded directly in equity							
<i>Distributions to owners</i>							
Dividend	14	-	-	-	(360,000)	-	(360,000)
Total distributions to owners		-	-	-	(360,000)	-	(360,000)
Comprehensive income for the period							
Profit		-	-	-	124,162	-	124,162
Other comprehensive income		-	-	-	-	(14,412)	(14,412)
Total comprehensive income for the period		-	-	-	124,162	(14,412)	109,750
Balance at 30 September 2020		300,000	930,000	30,000	14,202,409 ⁽¹⁾	(122,032)	15,340,377

(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	
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		963	725,790	124,162	676,688
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation and amortisation		109,801	116,006	109,801	116,006
Gain on inventories devaluation	7	(7,218)	-	(7,218)	-
Dividend income	5, 8	-	-	(25,491)	(25,491)
Interest income		(195,939)	(268,458)	(195,939)	(268,458)
Finance costs		173	392	173	392
Unrealised loss on exchange rate		306,873	408,825	306,875	408,825
Unrealised loss on derivatives		74,266	2,500	74,266	2,500
Share of loss (profit) associates accounted for using equity method, net of tax	8	97,670	(74,674)	-	-
Provision for employee benefits		6,312	6,389	6,312	6,389
Tax expense		24,658	162,794	24,658	162,794
		<u>417,559</u>	<u>1,079,564</u>	<u>417,599</u>	<u>1,079,645</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		260,753	148,910	260,753	148,910
Other receivables		(755)	(57,979)	(752)	(57,976)
Inventories		(177,179)	(248,811)	(177,179)	(248,811)
Other non-current assets		(122)	-	(122)	-
Trade accounts payable		(247,318)	(299,517)	(247,318)	(299,517)
Other payables		(21,098)	(50,392)	(21,100)	(50,381)
Net cash generated from operating		<u>231,840</u>	<u>571,775</u>	<u>231,881</u>	<u>571,870</u>
Employee benefit paid		(5,908)	-	(5,908)	-
Tax paid		(272,635)	(197,237)	(272,635)	(197,237)
Net cash (used in) from operating activities		<u>(46,703)</u>	<u>374,538</u>	<u>(46,662)</u>	<u>374,633</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	
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>					
Decrease in short-term deposits at financial institutions		-	(1,504,705)	-	(1,504,705)
Interest received		27,127	50,193	27,127	50,193
Dividend received		25,491	25,491	25,491	25,491
Acquisition of property, plant and equipment		(1,725)	(97,045)	(1,725)	(97,045)
Advance for purchase of machinery and equipment		-	(5,179)	-	(5,179)
Proceeds from sale of property, plant and equipment		338	-	338	-
Proceeds from repayment of long-term loans					
to key management personnel	5	6,875	4,175	6,875	4,175
Net cash from (used in) investing activities		58,106	(1,527,070)	58,106	(1,527,070)
<i>Cash flows from financing activities</i>					
Interest paid		(173)	(392)	(173)	(392)
Dividend paid		(360,002)	(330,020)	(360,002)	(330,020)
Payment of lease liabilities		(2,762)	(2,593)	(2,762)	(2,593)
Proceeds from borrowings		-	134,000	-	134,000
Repayment of borrowings		-	(134,000)	-	(134,000)
Net cash used in financing activities		(362,937)	(333,005)	(362,937)	(333,005)
Net decrease in cash and cash equivalents,					
before effect of exchange rates		(351,534)	(1,485,537)	(351,493)	(1,485,442)
Effect of exchange rate changes on cash and cash equivalents		(33,938)	(23)	(33,938)	(23)
Net decrease in cash and cash equivalents		(385,472)	(1,485,560)	(385,431)	(1,485,465)
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 September		4,215,430	236,642	4,215,430	236,591
<i>Non-cash transactions</i>					
Payables for purchases of machinery and equipment		55,263	70,925	55,263	70,925
Accrued dividend		-	7,876	-	7,876
Right-of-use assets (buildings and constructions)		8,413	11,812	8,413	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 and six-month periods ended 30 September 2020 (Unaudited)

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Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 September 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 13 November 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 September 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/Company has initially applied TFRS - Financial instruments standards and disclosed impact from changes to significant accounting policy in note 3.

In addition, the Group/Company 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/Company 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 and six-month periods ended 30 September 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 the year ended 31 March 2020.

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:

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(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.

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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 September 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 and six-month periods ended 30 September with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associates				
Interest income	78,503	111,769	78,503	111,769
Dividend income	-	-	25,491	25,491
Purchase of goods	291	28	291	28
Key management personnel				
Interest income	29	64	29	64
Key management personnel compensation				
Short-term employee benefit	<u>9,275</u>	<u>12,086</u>	<u>9,275</u>	<u>12,086</u>
Total key management personnel compensation	<u>9,275</u>	<u>12,086</u>	<u>9,275</u>	<u>12,086</u>
Directors' remuneration	<u>1,043</u>	<u>858</u>	<u>1,043</u>	<u>858</u>

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	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties				
Cost reduction from sales of electricity and steam generated from manufacturing process	81,834	98,074	81,834	98,074
Expenses charged to (by) related parties	(42,892)	35,535	(42,892)	35,535
Purchase of goods	3,904	-	3,904	-
Royalty expense	-	29,772	-	29,772
Finance costs	58	104	58	104
	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associates				
Interest income	172,591	228,153	172,591	228,153
Dividend income	-	-	25,491	25,491
Purchase of goods	291	84	291	84
Key management personnel				
Interest income	76	134	76	134
Key management personnel compensation				
Short-term employee benefit	<u>19,016</u>	<u>18,310</u>	<u>19,016</u>	<u>18,310</u>
Total key management personnel compensation	<u>19,016</u>	<u>18,310</u>	<u>19,016</u>	<u>18,310</u>
 Directors' remuneration	 <u>1,901</u>	 <u>1,741</u>	 <u>1,901</u>	 <u>1,741</u>

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	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties				
Cost reduction from sales of electricity and steam generated from manufacturing process	145,310	184,549	145,310	184,549
Expenses charged to (by) related parties	(34,199)	47,639	(34,199)	47,639
Purchase of goods	687,934	-	687,934	-
Royalty expense	-	55,714	-	55,714
Finance costs	127	218	127	218

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

	Consolidated		Separate	
	financial statements		financial statements	
<i>Trade accounts receivable</i>	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related party	<u>29,867</u>	<u>84,999</u>	<u>29,867</u>	<u>84,999</u>
Total	<u>29,867</u>	<u>84,999</u>	<u>29,867</u>	<u>84,999</u>

	Consolidated		Separate	
	financial statements		financial statements	
<i>Other receivables</i>	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>4,864</u>	<u>17,031</u>	<u>4,864</u>	<u>17,031</u>
Total	<u>4,864</u>	<u>17,031</u>	<u>4,864</u>	<u>17,031</u>

	Consolidated		Separate	
	financial statements		financial statements	
<i>Interest receivables</i>	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Associate	<u>2,793,680</u>	<u>2,705,646</u>	<u>2,793,680</u>	<u>2,705,646</u>
Total	<u>2,793,680</u>	<u>2,705,646</u>	<u>2,793,680</u>	<u>2,705,646</u>

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<i>Long-term loans to</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Associate				
Current portion	5,444,983	-	5,444,983	-
Non-current portion	-	5,623,461	-	5,623,461
Total	<u>5,444,983</u>	<u>5,623,461</u>	<u>5,444,983</u>	<u>5,623,461</u>
Key management personnel				
Current portion	3,991	4,750	3,991	4,750
Non-current portion	-	6,116	-	6,116
Total	<u>3,991</u>	<u>10,866</u>	<u>3,991</u>	<u>10,866</u>
Total	<u>5,448,974</u>	<u>5,634,327</u>	<u>5,448,974</u>	<u>5,634,327</u>

Movements during the six-month period ended 30 September 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>(% per annum)</i>	<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>(178,478)</u>	<u>(178,478)</u>
At 30 September		<u>5,444,983</u>	<u>5,444,983</u>
<i>Key management personnel</i>	1.8		
At 1 April		10,866	10,866
Decrease		<u>(6,875)</u>	<u>(6,875)</u>
At 30 September		<u>3,991</u>	<u>3,991</u>

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<i>Trade accounts payable</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>117</u>	<u>601,786</u>	<u>117</u>	<u>601,786</u>
Total	<u>117</u>	<u>601,786</u>	<u>117</u>	<u>601,786</u>

<i>Other payables</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>11,596</u>	<u>38,905</u>	<u>11,596</u>	<u>38,905</u>
Total	<u>11,596</u>	<u>38,905</u>	<u>11,596</u>	<u>38,905</u>

<i>Lease liabilities</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 March	30 September	31 March
	2020	2020	2020	2020
	<i>(in thousand Baht)</i>			
Other related party				
Current portion	<u>3,132</u>	<u>3,034</u>	<u>3,132</u>	<u>3,034</u>
Non-current portion	<u>-</u>	<u>1,591</u>	<u>-</u>	<u>1,591</u>
Total	<u>3,132</u>	<u>4,625</u>	<u>3,132</u>	<u>4,625</u>

Movement during the six-month periods ended 30 September 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	<u>4,625</u>	<u>-</u>	<u>4,625</u>	<u>-</u>
Increase	<u>-</u>	<u>7,475</u>	<u>-</u>	<u>7,475</u>
Decrease	<u>(1,493)</u>	<u>(1,402)</u>	<u>(1,493)</u>	<u>(1,402)</u>
At 30 September	<u>3,132</u>	<u>6,073</u>	<u>3,132</u>	<u>6,073</u>

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6 Trade accounts receivable

	Consolidated and separate financial statements	
	30 September 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	29,867	79,365
Overdue:		
Less than 3 months	-	5,634
	29,867	84,999
<i>Less allowance for impairment</i>	-	-
	29,867	84,999
 Other parties		
Within credit terms	770,951	972,978
Overdue:		
Less than 3 months	9,420	11,279
	780,371	984,257
<i>Less allowance for impairment</i>	-	-
	780,371	984,257
 Net	810,238	1,069,256

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

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7 Inventories

	Consolidated and separate financial statements	
	30 September 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Finished goods	128,513	160,019
Raw materials	430,750	240,750
Factory supplies and spare parts	<u>131,197</u>	<u>112,512</u>
	690,460	513,281
<i>Less allowance for inventories deterioration</i>	<u>(30,630)</u>	<u>(37,848)</u>
Net	<u>659,830</u>	<u>475,433</u>

	Consolidated and separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
<i>Six-month period ended 30 September</i>		
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	1,560,902	2,823,227
- Reversal of write-down	<u>(7,218)</u>	<u>-</u>
Net	<u>1,553,684</u>	<u>2,823,227</u>

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8 Investments in associates

	Consolidated		Separate	
	financial statements		financial statements	
<i>Six-month period ended 30 September</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 (loss) profit of associates	(97,670)	74,674	-	-
Share of other comprehensive income (expense), net of tax	(1,921)	4,245	-	-
Dividend income	(25,491)	(25,491)	-	-
Currency translation differences	49,640	(160,894)	-	-
At 30 September	<u>5,087,842</u>	<u>4,853,625</u>	<u>770,364</u>	<u>770,364</u>

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

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

		Consolidated financial statements										Dividend income	
		Country of		Ownership		Paid-up capital		Cost		Equity		for the six-month	
Type of business		incorporation	interest		Paid-up capital		Cost		Equity		period ended		
			30	31	30	31	30	31	30	31	30	30	
			September	March	September	March	September	March	September	March	September	September	
			2020	2020	2020	2020	2020	2020	2020	2020	2020	2019	
			(%)		(in thousand Baht)								
Associates													
P.T. Indo Liberty	Textiles												
Textiles	manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	258,786	318,695	-	-	
Aditya Birla Chemicals	Chemical												
(Thailand) Limited	manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	4,244,717	4,256,491	25,491	25,491	
Indigold Carbon	Investment												
(Mauritius) Limited	holding	Mauritius	20.59	20.59	308,870	308,870	<u>63,596</u>	<u>63,596</u>	<u>584,339</u>	<u>588,098</u>	<u>-</u>	<u>-</u>	
Total							<u>770,364</u>	<u>770,364</u>	<u>5,087,842</u>	<u>5,163,284</u>	<u>25,491</u>	<u>25,491</u>	

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9 Investments in subsidiary

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

Name of subsidiary	Type of business	Separate financial statements										Dividend income for the six-month period ended	
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		30	30
		30	31	30	31	30	31	30	31	30	31	30	30
		September	March	September	March	September	March	September	March	September	March	September	September
		2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2019
		(%)				(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)	-	-	-	-

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10 Other non-current financial assets

	<i>Note</i>	Consolidated and separate financial statements	
		30 September 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	15	<u>70,664</u>	<u>223,204</u>
Total		<u>86,937</u>	<u>239,477</u>

Long-term deposits at a financial institution

As at 30 September 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.

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11 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the six-month period ended 30 September 2020 were as follows:

<i>Six-month period ended 30 September</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>	
Machinery and equipment	22,264	(338)
Furniture and fixtures	790	-
Total	23,054	(338)

Carrying amounts of the Group's and the Company's right-of-use assets at 30 September 2020 are Baht 3.42 million and Baht 3.42 million, respectively and the Group and the Company recognised depreciation of right-of-use assets for the six-month period ended 30 September 2020, amounting to Baht 2.80 million and Baht 2.80 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.

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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 six-month periods ended 30 September 2020 and 2019 in the consolidated financial statements were 96.24% and 18.32%, respectively (*separate financial statements for the six-month periods ended 30 September 2020 and 2019: 16.57% and 19.39%, 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 gain/loss on derivatives.

14 Dividends

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Annual dividend	30 July 2020	August 2020	1.20	360
<i>2019</i>				
Annual dividend	30 July 2019	August 2019	1.10	330

15 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of significant 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.

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		Consolidated and separate financial statements						
		Carrying amount				Fair value		
<i>At 30 September 2020</i>	<i>Note</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net	Total	Level 2	Level 3	Total
<i>(in thousand Baht)</i>								
<i>Financial assets</i>								
Loan to associate	5	-	-	5,444,983	5,444,983	5,444,983	-	5,444,983
Other financial assets								
Other non-marketable equity securities	10	-	70,664	-	70,664	-	70,664	70,664
Total other financial assets		-	70,664	-	70,664			
<i>Financial liabilities</i>								
Other financial liabilities								
Derivatives liabilities		4,592	-	-	4,592	4,592	-	4,592
Total other financial liabilities		4,592	-	-	4,592			

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	<i>Note</i>	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	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/liabilities	<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.

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16 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	30 September 2020	31 March 2020
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	12,914	-
Total	12,914	-
<i>Non-cancellable operating lease commitments</i>		
Within 1 year	2,389	2,217
1 - 5 years	1,804	2,788
Total	4,193	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 September 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)*.

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17 Reclassification of accounts

Certain accounts in the 2019 financial statements have been reclassified to conform to the presentation in the 2020 financial statements as follows:

	Before reclassification	2019 Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>For the six-month period ended 30 September</i>			
<i>Consolidated statement of income</i>			
Cost of sales of goods	2,864,146	(40,919)	2,823,227
Distribution costs	74,087	(227)	73,860
Administrative expenses	193,747	<u>41,146</u>	234,893
		<u>-</u>	
<i>For the six-month period ended 30 September</i>			
<i>Separate statement of income</i>			
Cost of sales of goods	2,864,146	(40,919)	2,823,227
Distribution costs	74,087	(227)	73,860
Administrative expenses	193,669	<u>41,146</u>	234,815
		<u>-</u>	

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