

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

Condensed interim financial statements
for the three-month and nine-month periods ended
31 December 2019
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 31 December 2019; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 31 December 2019, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 31 December 2019; 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

Except as mentioned in the Basis for Qualified conclusion, 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.

Basis for Qualified Conclusion

The Group has an 29.99% equity interest in an associate, Aditya Birla Chemicals (Thailand) Limited (“ABCT”), with a carrying value of Baht 3,927 million and Baht 510 million in the consolidated and separate financial statements, respectively. The auditor of ABCT qualified her opinion on the financial statements of ABCT for the period ended 31 March 2019 regarding the valuation of a long-term loan to a related party granted by ABCT amounting to USD 315 million, equivalent to Baht 9,941 million, because of the significant operating losses and capital deficit of the related party as at and for the year ended 31 March 2018. The auditor of ABCT was unable to obtain sufficient and appropriate audit evidence to satisfy herself regarding the value of those investments. Consequently, she was unable to determine whether and to what extent any adjustments were required to the carrying value of the long-term loans to that related party. Management has confirmed to me that there was no change in the facts and circumstances since the day of my last audited report. I was therefore unable to determine whether and to what extent any adjustments are required to the carrying value of the investment in ABCT in the consolidated and separate financial statements.

Qualified Conclusion

Except for the adjustments to the interim financial information that I might have become aware of had it not been for the situation described in the basis for qualified conclusion paragraph, 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 February 2020

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

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 March	31 December	31 March
Assets		2019	2019	2019	2019
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents		2,565,483	1,722,202	2,565,435	1,722,056
Short-term deposits at financial institutions	4	629,677	1,489,541	629,677	1,489,541
Trade accounts receivable	3, 5	1,062,967	1,203,568	1,062,967	1,203,568
Other receivables	3	148,884	74,365	148,731	74,220
Inventories	6	1,113,474	896,680	1,113,474	896,680
Current portion of long-term loans to related parties	3	4,750	4,750	4,750	4,750
Current portion of other long-term investments	9	15,877	-	15,877	-
Total current assets		5,541,112	5,391,106	5,540,911	5,390,815
<i>Non-current assets</i>					
Investments in associates	7	4,948,390	4,961,091	770,364	770,364
Investments in subsidiary	8	-	-	-	-
Other long-term investments	9	223,204	239,081	223,204	239,081
Long-term loan to related parties	3	5,191,505	5,485,367	5,191,505	5,485,367
Long-term interest receivables	3	2,392,113	2,178,143	2,392,113	2,178,143
Property, plant and equipment	10	1,388,733	1,497,185	1,388,733	1,497,185
Intangible assets		7,296	10,944	7,296	10,944
Deferred tax assets		85,055	93,492	87,626	96,063
Advance for purchase machinery and equipment		2,903	1,221	2,903	1,221
Other non-current assets		2,340	2,649	2,340	2,649
Total non-current assets		14,241,539	14,469,173	10,066,084	10,281,017
Total assets		19,782,651	19,860,279	15,606,995	15,671,832

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	
		31 December	31 March	31 December	31 March
Liabilities and equity		2019	2019	2019	2019
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Trade accounts payable	3	511,507	772,818	511,507	772,818
Other payables	3	224,550	379,959	224,301	379,700
Current portion of lease liabilities	3	5,524	-	5,524	-
Current tax payable		39,235	196,224	39,235	196,224
Derivatives liabilities		2,101	6,554	2,101	6,554
Total current liabilities		782,917	1,355,555	782,668	1,355,296
<i>Non-current liabilities</i>					
Lease liabilities	3	2,367	-	2,367	-
Non-current provisions for employee benefits		145,894	136,311	145,894	136,311
Total non-current liabilities		148,261	136,311	148,261	136,311
Total liabilities		931,178	1,491,866	930,929	1,491,607
<i>Equity</i>					
Share capital:					
Authorised share capital		300,000	300,000	300,000	300,000
Issued and paid-up share capital		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		19,295,284	18,703,609	13,416,066	12,920,225
Other components of equity		(1,703,811)	(1,595,196)	-	-
Total equity		18,851,473	18,368,413	14,676,066	14,180,225
Total liabilities and equity		19,782,651	19,860,279	15,606,995	15,671,832
		-	-	-	-

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	
		31 December		31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenues					
Revenues from sales		1,639,278	2,243,816	1,639,278	2,243,816
Dividend income	3	-	-	2,024	-
Interest income	3	126,148	130,946	126,148	130,946
Net foreign exchange gain		-	19,580	-	19,580
Other income		1,644	1,759	1,644	1,759
Total revenues		1,767,070	2,396,101	1,769,094	2,396,101
Expenses					
Cost of sales of goods	3	1,280,532	1,670,915	1,280,532	1,670,915
Distribution costs	3	33,267	37,017	33,267	37,017
Administrative expenses	3	104,814	109,456	104,817	109,448
Net foreign exchange loss		152,972	-	152,972	-
Finance costs	3	143	734	143	734
Total expenses		1,571,728	1,818,122	1,571,731	1,818,114
Share of profit of associates					
Associates		50,948	59,322	-	-
Total		50,948	59,322	-	-
Profit before income tax expense		246,290	637,301	197,363	577,987
Tax expense		48,210	115,591	48,210	115,591
Profit for the period		198,080	521,710	149,153	462,396
Basic earnings per share (in Baht)		0.66	1.74	0.50	1.54

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	
	31 December		31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit for the period	198,080	521,710	149,153	462,396
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	48,433	21,203	-	-
Total items that will be reclassified subsequently to profit or loss	48,433	21,203	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of associates, net of tax	(2,596)	390	-	-
Total items that will not be reclassified subsequently to profit or loss	(2,596)	390	-	-
Other comprehensive expense for the period, net of tax	45,837	21,593	-	-
Total comprehensive income for the period	243,917	543,303	149,153	462,396

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	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenues					
Revenues from sales		5,747,460	6,355,489	5,747,460	6,355,489
Dividend income	3, 7	-	47,292	27,515	72,783
Interest income	3	394,606	377,725	394,606	377,725
Net foreign exchange gain		-	362,748	-	362,748
Other income		4,376	4,209	4,376	4,209
Total revenues		6,146,442	7,147,463	6,173,957	7,172,954
Expenses					
Cost of sales of goods	3, 6	4,144,678	4,726,832	4,144,678	4,726,832
Distribution costs	3	107,354	108,556	107,354	108,556
Administrative expenses	3	298,561	301,113	298,486	300,917
Net foreign exchange loss		586,062	-	586,059	-
Finance costs	3	535	754	535	754
Total expenses		5,137,190	5,137,255	5,137,112	5,137,059
Share of profit of associates					
Associates	7	125,622	424,696	-	-
Total		125,622	424,696	-	-
Profit before income tax expense		1,134,874	2,434,904	1,036,845	2,035,895
Tax expense	12	211,004	371,698	211,004	371,698
Profit for the period		923,870	2,063,206	825,841	1,664,197
Basic earnings per share (in Baht)		3.08	6.88	2.75	5.55

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	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Profit for the period		923,870	2,063,206	825,841	1,664,197
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(112,460)	(162,336)	-	-
Share of other comprehensive income of associates, net of tax	7	3,845	-	-	-
Total items that will be reclassified subsequently to profit or loss		(108,615)	(162,336)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Share of other comprehensive income of associates, net of tax	7	(2,195)	1,839	-	-
Total items that will not be reclassified subsequently to profit or loss		(2,195)	1,839	-	-
Other comprehensive expense for the period, net of tax		(110,810)	(160,497)	-	-
Total comprehensive income for the period		813,060	1,902,709	825,841	1,664,197

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	Total equity
	<i>Note</i>		<i>(in thousand Baht)</i>		
Nine-month period ended 31 December 2018					
Balance at 1 April 2018	300,000	930,000	30,000	11,251,824	12,511,824
Transactions with owners, recorded directly in equity					
Dividend to owners of the Company	-	-	-	(300,000)	(300,000)
Total transactions with owners, recorded directly in equity	-	-	-	(300,000)	(300,000)
Comprehensive income for the period					
Profit	-	-	-	1,664,197	1,664,197
Total comprehensive income for the period	-	-	-	1,664,197	1,664,197
Balance at 31 December 2018	300,000	930,000	30,000	12,616,021	13,876,021

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	Total equity	
	<i>Note</i>	Share premium	Legal reserve	Unappropriated	Total equity	

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Nine-month period ended 31 December		Nine-month period ended 31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the period		923,870	2,063,206	825,841	1,664,197
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation and amortisation		176,126	161,187	176,126	161,187
Losses on inventories devaluation	6	-	1,767	-	1,767
Dividend income	3, 7	-	(47,292)	(27,515)	(72,783)
Interest income		(394,606)	(377,725)	(394,606)	(377,725)
Finance costs		535	754	535	754
Unrealised loss (gain) on exchange rate		539,337	(319,168)	539,337	(319,168)
Unrealised (gain) loss on derivatives		(4,453)	10,831	(4,453)	10,831
Gain on disposal of property, plant and equipment		(618)	-	(618)	-
Share of profit of associates, net of tax	7	(125,622)	(424,696)	-	-
Provision for employee benefits		9,583	7,534	9,583	7,534
Tax expense		211,004	371,698	211,004	371,698
		<u>1,335,156</u>	<u>1,448,096</u>	<u>1,335,234</u>	<u>1,448,292</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		139,618	167	139,618	167
Other receivables		(83,063)	(15,870)	(83,054)	(15,843)
Inventories		(216,794)	(254,258)	(216,794)	(254,258)
Other non-current assets		309	(152)	309	(152)
Trade accounts payable		(265,646)	(129,920)	(265,646)	(129,920)
Other payables		<u>(77,468)</u>	<u>(56,430)</u>	<u>(77,457)</u>	<u>(56,515)</u>
Net cash generated from operating		832,112	991,633	832,210	991,771
Employee benefit paid		-	(824)	-	(824)
Tax paid		<u>(361,058)</u>	<u>(334,446)</u>	<u>(361,058)</u>	<u>(334,446)</u>
Net cash from operating activities		<u>471,054</u>	<u>656,363</u>	<u>471,152</u>	<u>656,501</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	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>					
Increase (decrease) in short-term deposits at financial institutions		812,022	(839,224)	812,022	(839,224)
Proceeds from redemption of other long-term investments		-	1,357,400	-	1,357,400
Interest received		68,823	37,784	68,823	37,784
Dividend received		27,515	72,783	27,515	72,783
Acquisition of property, plant and equipment		(130,233)	(131,451)	(130,233)	(131,451)
Advance for purchase of machinery and equipment		(1,682)	(88,005)	(1,682)	(88,005)
Proceeds from sale of property, plant and equipment		715	198	715	198
Proceeds from repayment of long-term loans					
to related parties	3	5,362	396	5,362	396
Long-term loans to related parties	3	-	(19,000)	-	(19,000)
Net cash from investing activities		782,522	390,881	782,522	390,881
<i>Cash flows from financing activities</i>					
Interest paid		(535)	(754)	(535)	(754)
Dividend paid	13	(330,020)	(300,016)	(330,020)	(300,016)
Payment for reduction of the outstanding liability					
relating to finance leases		(3,921)	-	(3,921)	-
Proceeds from borrowings		(134,000)	788,500	(134,000)	788,500
Repayment of borrowings		134,000	(788,500)	134,000	(788,500)
Net cash used in financing activities		(334,476)	(300,770)	(334,476)	(300,770)
Net increase in cash and cash equivalents,					
before effect of exchange rates		919,100	746,474	919,198	746,612
Effect of exchange rate changes on cash and cash equivalents		(75,819)	(147)	(75,819)	(147)
Net increase in cash and cash equivalents		843,281	746,327	843,379	746,465
Cash and cash equivalents at 1 April		1,722,202	381,348	1,722,056	381,185
Cash and cash equivalents at 31 December		2,565,483	1,127,675	2,565,435	1,127,650
<i>Non-cash transactions</i>					
Payables for purchases of machinery and equipment		71,747	183,509	71,747	183,509
Accrued dividend		7,876	6,404	7,876	6,404
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 and nine-month periods ended 31 December 2019 (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 nine-month periods ended 31 December 2019 (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 12 February 2020.

1 General information

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 December 2019 and 31 March 2019 are given in notes 7 and 8.

2 Basis of preparation of the 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 are prepared to provide an update on the financial statements for the year ended 31 March 2019. They 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 2019.

(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 applied to the financial statements for the year ended 31 March 2019.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2019 (Unaudited)

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the consolidated and separate financial statements for the year ended 31 March 2019 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019 and adopted TFRS 16 that is effective for annual periods beginning on or after 1 January 2020.

The primary changes are that the Group has initially adopted TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”), which replaced TAS 18 *Revenue* (“TAS 18”) and related interpretations and TFRS 16 *Leases* (“TFRS 16”), which replaced TAS 17 *Leases* (“TAS 17”) and related interpretations.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the consolidated and separate financial statements.

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Whereas, under TAS 17, the Group recognises payments made under operating leases in profit or loss on a straight line basis over the term of the lease. Such change in accounting policy has no material impacts on the consolidated and separate financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements before the effective date except TFRS 16. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 15.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2019 (Unaudited)

3 Related parties

Relationships with subsidiary and associates are described in note 7 and 8.

Significant transactions for the three-month and nine-month periods ended 31 December with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
Interest income	107,675	115,980	107,675	115,980
Dividend income	-	-	2,024	-
Expenses charged by related parties	734	-	734	-
Key management personnel				
Interest income	57	24	57	24
Key management personnel compensation				
Short-term employee benefit	<u>9,592</u>	<u>7,697</u>	<u>9,592</u>	<u>7,697</u>
Total key management personnel compensation	<u>9,592</u>	<u>7,697</u>	<u>9,592</u>	<u>7,697</u>
Directors' remuneration	<u>833</u>	<u>823</u>	<u>833</u>	<u>823</u>
Other related parties				
Cost reduction from sales of electricity and steam generated from manufacturing process				
	71,915	82,541	71,915	82,541
Expenses charged to related parties	32,514	11,969	32,514	11,969
Purchase of goods	640,128	99,361	640,128	99,361
Expenses charged by related parties	19,258	14,653	19,258	14,653
Royalty expense	20,156	27,702	20,156	27,702
Rental expenses	-	810	-	810
Finance cost	92	-	92	-

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2019 (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
Interest income	335,828	334,707	335,828	334,707
Dividend income	-	-	27,515	25,491
Purchase of goods	84	-	84	-
Expenses charged by related parties	734	-	734	-
Key management personnel				
Interest income	191	24	191	24
Key management personnel compensation				
Short-term employee benefit	<u>27,902</u>	<u>23,353</u>	<u>27,902</u>	<u>23,353</u>
Total key management personnel compensation	<u>27,902</u>	<u>23,353</u>	<u>27,902</u>	<u>23,353</u>
Directors' remuneration	<u>2,574</u>	<u>2,554</u>	<u>2,574</u>	<u>2,554</u>
Other related parties				
Cost reduction from sales of electricity and steam generated from manufacturing process	256,464	239,778	256,464	239,778
Expenses charged to related parties	70,519	59,927	70,519	59,927
Purchase of goods	640,128	1,338,592	640,128	1,338,592
Expenses charged by related parties	34,011	30,555	34,011	30,555
Royalty expense	75,870	79,287	75,870	79,287
Rental expenses	-	2,430	-	2,430
Finance cost	310	-	310	-

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Balances as at 31 December 2019 and 31 March 2019 with related parties were as follows:

<i>Trade accounts receivable - related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	<i>(in thousand Baht)</i>			
Other related party	<u>49,890</u>	<u>54,300</u>	<u>49,890</u>	<u>54,300</u>
Total	<u>49,890</u>	<u>54,300</u>	<u>49,890</u>	<u>54,300</u>
<i>Other receivables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	<i>(in thousand Baht)</i>			
Other related parties	<u>23,762</u>	<u>4,835</u>	<u>23,762</u>	<u>4,835</u>
Total	<u>23,762</u>	<u>4,835</u>	<u>23,762</u>	<u>4,835</u>
<i>Interest receivables - related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	<i>(in thousand Baht)</i>			
Associate	<u>2,392,113</u>	<u>2,178,143</u>	<u>2,392,113</u>	<u>2,178,143</u>
Total	<u>2,392,113</u>	<u>2,178,143</u>	<u>2,392,113</u>	<u>2,178,143</u>
<i>Long-term loans to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	<i>(in thousand Baht)</i>			
Associate	5,184,200	5,472,700	5,184,200	5,472,700
Key management personnel				
Current portion	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>	<u>4,750</u>
Non-current portion	<u>7,305</u>	<u>12,667</u>	<u>7,305</u>	<u>12,667</u>
Total	<u>12,055</u>	<u>17,417</u>	<u>12,055</u>	<u>17,417</u>
Total	<u>5,196,255</u>	<u>5,490,117</u>	<u>5,196,255</u>	<u>5,490,117</u>

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Movements during the nine-month period ended 31 December of long-term loan to related parties were as follows:

<i>Long-term loans to related parties</i>	Interest rate	Consolidated	Separate
		financial statements	financial statements
		2019	2019
	(% per annum)	(in thousand Baht)	
<i>Associate</i>	LIBOR+3.5		
At 1 April		5,472,700	5,472,700
Unrealised loss on exchange		<u>(288,500)</u>	<u>(288,500)</u>
At 31 December		<u>5,184,200</u>	<u>5,184,200</u>

<i>Key management personnel</i>	1.8		
At 1 April		17,417	17,417
Decrease		<u>(5,362)</u>	<u>(5,362)</u>
At 31 December		<u>12,055</u>	<u>12,055</u>

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	(in thousand Baht)			
Other related parties	<u>173,424</u>	<u>36,408</u>	<u>173,424</u>	<u>36,408</u>
Total	<u>173,424</u>	<u>36,408</u>	<u>173,424</u>	<u>36,408</u>

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	(in thousand Baht)			
Other related parties	<u>49,904</u>	<u>85,532</u>	<u>49,904</u>	<u>85,532</u>
Total	<u>49,904</u>	<u>85,532</u>	<u>49,904</u>	<u>85,532</u>

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<i>Lease liabilities - related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2019	2019	2019	2019
	<i>(in thousand Baht)</i>			
Other related party				
Current portion	2,988	-	2,988	-
Non-current portion	2,367	-	2,367	-
Total	5,355	-	5,355	-

Movement during the nine-month periods ended 31 December of lease liabilities were as follows:

<i>Lease liabilities - related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related party				
At 1 April	-	-	-	-
Increase	7,475	-	7,475	-
Decrease	(2,120)	-	(2,120)	-
At 31 December	5,355	-	5,355	-

4 Short-term deposits at financial institutions

As at 31 December 2019, the Company had short-term deposits at local financial institutions, amounting to Baht 630 million (*31 March 2019: Baht 1,490 million*), which was bearing interest at the rate of 2.66% per annum (*31 March 2019: 3.02% per annum*) and matured in December 2020.

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5 Trade accounts receivable

	Consolidated and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	21,917	54,300
Overdue:		
Less than 3 months	<u>27,973</u>	<u>-</u>
	49,890	54,300
<i>Less allowance for doubtful accounts</i>	<u>-</u>	<u>-</u>
	49,890	54,300
Other parties		
Within credit terms	951,182	1,108,790
Overdue:		
Less than 3 months	<u>61,895</u>	<u>40,478</u>
	1,013,077	1,149,268
<i>Less allowance for doubtful accounts</i>	<u>-</u>	<u>-</u>
	1,013,077	1,149,268
Net	<u>1,062,967</u>	<u>1,203,568</u>

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

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6 Inventories

	Consolidated and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Finished goods	272,753	402,893
Raw materials	766,633	418,341
Factory supplies and spare parts	<u>123,349</u>	<u>124,707</u>
	1,162,735	945,941
<i>Less allowance for inventories deterioration</i>	<u>(49,261)</u>	<u>(49,261)</u>
Net	<u>1,113,474</u>	<u>896,680</u>

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>Nine-month period ended 31 December</i>		
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	4,144,678	4,725,065
- Write-down to net realisable value	<u>-</u>	<u>1,767</u>
Total	<u>4,144,678</u>	<u>4,726,832</u>

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7 Investments in associates

	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 31 December</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
At 1 April	4,961,091	4,599,195	770,364	770,364
Share of net profits of associates	125,622	424,696	-	-
Share of other comprehensive income, net of tax	1,650	1,839	-	-
Dividend income	(27,515)	(25,491)	-	-
Currency translation differences	<u>(112,458)</u>	<u>(162,333)</u>	<u>-</u>	<u>-</u>
At 31 December	<u>4,948,390</u>	<u>4,837,906</u>	<u>770,364</u>	<u>770,364</u>

During the nine-month period ended 31 December 2019, there were no acquisitions and disposals of investments in associates.

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Investments in associates as at 31 December 2019 and 31 March 2019, and dividend income from those investments for the nine-month periods ended

31 December were as follows:

		Consolidated financial statements						Dividend income		
		Ownership interest			Paid-up capital		Equity		for the nine-month	
Associates	Country of operation	Type of business	31		31		31		period ended	
			December 2019	March 2019	December 2019	March 2019	December 2019	March 2019	December 2018	
(in thousand Baht)										
P.T. Indo Liberty		Textiles	40.00	40.00	515,664	515,664	196,948	313,061	336,286	-
Aditya Birla Chemicals (Thailand) Limited	Indonesia	manufacturing	29.99	29.99	1,700,000	1,700,000	509,820	3,927,480	4,026,145	25,491
Indigold Carbon (Mauritius) Limited	Thailand	Investment holding	20.59	20.59	308,870	308,870	63,596	707,849	598,660	-
Total					770,364	770,364	770,364	4,948,390	4,961,091	25,491

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		Separate financial statements															
		Ownership interest						At cost - net						Dividend income			
		Paid-up capital			Cost			Impairment			At cost - net			for the nine-month			
		31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	
		December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	
		2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2018	
		<i>(in thousand Baht)</i>															
Associates																	
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	-	-	196,948	196,948	196,948	196,948	-	-	-	
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	-	-	-	509,820	509,820	509,820	509,820	27,515	25,491		
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-	-	63,596	63,596	63,596	63,596	-	-	-	
Total			770,364	770,364	770,364	770,364	-	-	-	770,364	770,364	770,364	770,364	27,515	25,491		

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

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8 Investments in subsidiary

Investments in subsidiary as at 31 December 2019 and 31 March 2019 and dividend income from the subsidiary for the nine-month period ended 31 December were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month period ended
		31 December 2019	31 March 2019	31 December 2019	31 March 2019	31 December 2019	31 March 2019	31 December 2019	31 March 2019	31 December 2019	31 December 2018	
(<i>%</i>)												
(<i>in thousand Baht</i>)												
Direct subsidiary												
Birla Carbon Mexico, Carbon												
S.A. DE C.V.	Manufacturing	98	98	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)	-	-	-

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9 Other long-term investments

	Consolidated and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
<i>Current portion</i>		
Long-term deposits at a financial institution	<u>15,877</u>	<u>-</u>
<i>Non-current portion</i>		
Long-term deposits at a financial institution	-	15,877
Other non-marketable equity securities	<u>223,204</u>	<u>223,204</u>
Total	<u>223,204</u>	<u>239,081</u>

Long-term deposits at a financial institution

As at 31 December 2019, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (*31 March 2019: Baht 16 million*), which was bearing interest at the rate of 1.25% per annum (*31 March 2019: 1.25% per annum*) and matured in March 2020.

<i>Other non-marketable equity securities</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cost of investments at 1 April	386,958	1,744,358	489,160	1,846,560
Redemption during the period	-	(1,357,400)	-	(1,357,400)
Allowance for impairment loss	<u>(163,754)</u>	<u>(163,754)</u>	<u>(265,956)</u>	<u>(265,956)</u>
Carrying amount of investments at 31 December	<u>223,204</u>	<u>223,204</u>	<u>223,204</u>	<u>223,204</u>

During the nine-month period ended 31 December 2018, the Company had redeemed preference shares of Blue Bucks Investment Pte. Ltd., amounting to Baht 758.0 million and Big Banyan Investment Pte. Ltd., amounting to Baht 599.4 million.

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10 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 31 December were as follows:

<i>Nine-month period ended 31 December</i>	Consolidated and separate financial statements			
	2019		2018	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Buildings and constructions	11,812	-	-	-
Machinery and equipment	365,966	-	75,704	(188)
Vehicles	2,305	(96)	-	-
Furniture and fixtures	6,719	-	1,212	(10)
Assets under construction and installation	41,169	(363,850)	244,303	(62,973)
Total	427,971	(363,946)	321,219	(63,171)

11 Segment information

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

12 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 nine-month periods ended 31 December 2019 and 2018 in the consolidated financial statements were 18.6% and 15.3%, respectively (*separate financial statements for the nine-month periods ended 31 December 2019 and 2018: 20.4% and 18.3%, respectively*). The difference between effective tax rate and corporate income tax rate was caused mainly by the following factors:

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- (a) portion of the Group's profit was derived from promoted activities which are not subject to tax.
(b) of the different treatment for accounting and taxation purposes of certain items of income/expense, in particular, dividend income and unrealised loss on derivatives.

13 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>2019</i>				
Annual dividend	30 July 2019	August 2019	<u>1.10</u>	<u>330</u>
<i>2018</i>				
Annual dividend	24 July 2018	August 2018	<u>1.00</u>	<u>300</u>

14 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	<u>15,278</u>	<u>20,966</u>
Total	<u>15,278</u>	<u>20,966</u>
<i>Non-cancellable operating lease commitments</i>		
Within one year	488	3,732
After one year but within five years	<u>5,160</u>	<u>1,838</u>
Total	<u>5,648</u>	<u>5,570</u>
<i>Other commitments</i>		
Bank guarantees for electricity use <i>(for own performance)</i>	<u>13,548</u>	<u>13,548</u>
Total	<u>13,548</u>	<u>13,548</u>

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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 31 December 2019, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 14 million (*31 March 2019: Baht 14 million*) and no outstanding letter of credit issued by the bank to guarantee payments to creditors (*31 March 2019: USD 28.56 million*).

15 Thai Financial Reporting Standards (TFRS) not yet adopted

New and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

TFRS - Financial instruments standards

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. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is presently considering the potential impact from these TFRS on the financial statements in the initial period adopted.