

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

Financial statements for the year ended

31 March 2020

and

Independent Auditor's Report



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## Independent Auditor's Report

### To the Shareholders of Birla Carbon (Thailand) Public Company Limited

#### *Opinion*

I have audited the consolidated and separate financial statements of Birla Carbon (Thailand) Public Company Limited and its subsidiary (the "Group") and of Birla Carbon (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 March 2020, and the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 March 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

<i>Valuation of long-term loan to related party</i>	
Refer to Note 3 and 5	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group and the Company provided a long-term loan to an overseas associate, which is unsecured with interest rate at LIBOR+3.5% per annum and will be repayable in full in July 2021.</p> <p>As the long-term loan balance and the accrued interest are material and involved judgment in estimating the recoverability, I considered this to be the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"><li>• read the loan agreements, obtained confirmation, and tested the accrued interest to assess whether the calculation was consistent with the conditions stipulated in the long-term loan agreement;</li><li>• made inquiries of management and obtained related documents to understand the process by which management has derived the estimated future cash flows of associate;</li><li>• evaluated the assumptions and methodologies underpinning the estimated cash flows;</li><li>• performed retrospective review by comparing estimated cash flows prepared by management in the previous year against the actual financial performance;</li><li>• performed sensitivity analysis on growth rate and discount rate;</li><li>• considered the adequacy of the disclosure of the financial statements.</li></ul>



### *Other Matter*

I expressed a qualified audit opinion on the consolidated and separate financial statements for the year ended 31 March 2019, according to my report thereon dated 27 May 2019, stating that the Group had an 29.99% equity interest in an associate, Aditya Birla Chemicals (Thailand) Limited (“ABCT”), with a carrying value of THB 4,026 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 year ended 31 December 2018 regarding the valuation of a long-term loan to a related party granted by ABCT amounting to USD 315 million, equivalent to Baht 10,141 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. I was therefore also unable to determine whether and to what extent any adjustments were required to the carrying value of the investment in ABCT in the consolidated and separate financial statements. However, on 20 April 2020, the auditor of ABCT expressed unqualified review conclusion for the six-month period ended 30 September 2019, as subsequently, management had provided additional information. Therefore, the auditor of ABCT was able to conclude that no adjustments were necessary to the financial statement as at 31 March 2019. Therefore, and after further communication with the auditor of ABCT, I have concluded that no adjustments are required to the carrying amount of the investment in ABCT as at 31 March 2019, and the share of profit of ABCT for the year then ended.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report is expected to be made available to me after the date of this auditor’s report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.



In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

*Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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



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

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



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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Orawan', with a horizontal line extending to the right.

(Orawan Chunchakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
29 May 2020

# Birla Carbon (Thailand) Public Company Limited

## Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March		31 March	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	6	4,600,902,402	1,722,202,032	4,600,861,087	1,722,056,005
Short-term deposits at financial institutions		-	1,489,541,220	-	1,489,541,220
Trade accounts receivable	5, 7	1,069,255,910	1,203,567,691	1,069,255,910	1,203,567,691
Other receivables	5	81,457,536	74,364,840	81,325,855	74,220,241
Inventories	8	475,432,565	896,680,138	475,432,565	896,680,138
Current portion of long-term loan to related parties	5, 25	4,750,000	4,750,000	4,750,000	4,750,000
Derivatives assets		69,673,862	-	69,673,862	-
<b>Total current assets</b>		<b>6,301,472,275</b>	<b>5,391,105,921</b>	<b>6,301,299,279</b>	<b>5,390,815,295</b>
<b>Non-current assets</b>					
Investments in associates	9	5,163,283,589	4,961,090,969	770,364,083	770,364,083
Investments in subsidiary	10	-	-	-	-
Other long-term investments	11	239,476,991	239,081,061	239,476,991	239,081,061
Long-term loan to related parties	5, 25	5,629,577,193	5,485,367,312	5,629,577,193	5,485,367,312
Long-term interest receivables	5	2,705,645,770	2,178,143,025	2,705,645,770	2,178,143,025
Property, plant and equipment	12	1,351,445,390	1,497,185,461	1,351,445,390	1,497,185,461
Intangible assets		6,080,263	10,944,473	6,080,263	10,944,473
Deferred tax assets	13	75,831,172	93,491,832	78,401,878	96,062,539
Advance for purchase of machinery and equipment		13,751,487	1,221,395	13,751,487	1,221,395
Other non-current assets		2,339,750	2,647,952	2,339,750	2,647,952
<b>Total non-current assets</b>		<b>15,187,431,605</b>	<b>14,469,173,480</b>	<b>10,797,082,805</b>	<b>10,281,017,301</b>
<b>Total assets</b>		<b>21,488,903,880</b>	<b>19,860,279,401</b>	<b>17,098,382,084</b>	<b>15,671,832,596</b>

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



# Birla Carbon (Thailand) Public Company Limited

## Statement of financial position

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 March		31 March	
<b>Liabilities and equity</b>		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b><i>Current liabilities</i></b>					
Trade accounts payable	5, 14	801,333,763	772,817,667	801,333,763	772,817,667
Other payables	5, 15	183,882,247	379,959,032	183,640,544	379,699,563
Current portion of lease liabilities	5	4,952,242	-	4,952,242	-
Current tax payable		271,611,206	196,224,199	271,611,206	196,224,199
Derivatives liabilities		-	6,554,489	-	6,554,489
<b>Total current liabilities</b>		<b><u>1,261,779,458</u></b>	<b><u>1,355,555,387</u></b>	<b><u>1,261,537,755</u></b>	<b><u>1,355,295,918</u></b>
<b><i>Non-current liabilities</i></b>					
Lease liabilities	5	1,590,575	-	1,590,575	-
Non-current provisions for employee benefits	16	137,006,980	136,311,350	137,006,980	136,311,350
<b>Total non-current liabilities</b>		<b><u>138,597,555</u></b>	<b><u>136,311,350</u></b>	<b><u>138,597,555</u></b>	<b><u>136,311,350</u></b>
<b>Total liabilities</b>		<b><u>1,400,377,013</u></b>	<b><u>1,491,866,737</u></b>	<b><u>1,400,135,310</u></b>	<b><u>1,491,607,268</u></b>
<b><i>Equity</i></b>					
Share capital:					
Authorised share capital	17	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
Issued and paid-up share capital		300,000,000	300,000,000	300,000,000	300,000,000
Share premium:					
Share premium on ordinary shares	17	930,000,000	930,000,000	930,000,000	930,000,000
Retained earnings					
Appropriated					
Legal reserve	18	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		20,716,465,789	18,703,608,692	14,438,246,774	12,920,225,328
Other components of equity		<u>(1,887,938,922)</u>	<u>(1,595,196,028)</u>	-	-
<b>Total equity</b>		<b><u>20,088,526,867</u></b>	<b><u>18,368,412,664</u></b>	<b><u>15,698,246,774</u></b>	<b><u>14,180,225,328</u></b>
<b>Total liabilities and equity</b>		<b><u>21,488,903,880</u></b>	<b><u>19,860,279,401</u></b>	<b><u>17,098,382,084</u></b>	<b><u>15,671,832,596</u></b>

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

# Birla Carbon (Thailand) Public Company Limited

## Statement of income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b>Revenue</b>					
Revenue from sales	19	7,493,752,479	8,550,215,142	7,493,752,479	8,550,215,142
Dividend income	5, 9, 11	-	47,291,550	27,515,088	72,782,550
Interest income	5	517,324,112	512,435,674	517,324,112	512,435,674
Net foreign exchange gain		289,910,883	143,189,843	289,940,368	143,193,276
Other income		5,396,180	5,192,278	5,396,180	5,192,278
<b>Total revenue</b>		<b>8,306,383,654</b>	<b>9,258,324,487</b>	<b>8,333,928,227</b>	<b>9,283,818,920</b>
<b>Expenses</b>					
Cost of sales of goods	5, 21	5,478,706,192	6,298,186,381	5,478,706,192	6,298,186,381
Distribution costs	5, 21	149,353,136	145,843,064	149,353,136	145,843,064
Administrative expenses	5, 21	402,141,330	416,504,577	402,060,580	416,373,364
Finance costs	5	670,719	796,472	670,719	796,472
<b>Total expenses</b>		<b>6,030,871,377</b>	<b>6,861,330,494</b>	<b>6,030,790,627</b>	<b>6,861,199,281</b>
<b>Share of profit of associates</b>					
Associates	9	573,868,367	637,397,637	-	-
<b>Total</b>		<b>573,868,367</b>	<b>637,397,637</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>2,849,380,644</b>	<b>3,034,391,630</b>	<b>2,303,137,600</b>	<b>2,422,619,639</b>
Tax expense	22	455,116,154	449,518,448	455,116,154	449,518,448
<b>Profit for the year</b>		<b>2,394,264,490</b>	<b>2,584,873,182</b>	<b>1,848,021,446</b>	<b>1,973,101,191</b>
<b>Basic earnings per share (in Baht)</b>	23	<b>7.98</b>	<b>8.62</b>	<b>6.16</b>	<b>6.58</b>

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

## Birla Carbon (Thailand) Public Company Limited

### Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b>Profit for the year</b>		<b>2,394,264,490</b>	<b>2,584,873,182</b>	<b>1,848,021,446</b>	<b>1,973,101,191</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(290,521,278)	(245,736,250)	-	-
Share of other comprehensive income of associates, net of tax	9	(2,221,616)	-	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(292,742,894)</b>	<b>(245,736,250)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Share of other comprehensive income of associates, net of tax	9	(51,407,393)	(4,279,201)	-	-
Loss on remeasurements of defined benefit plans	16, 22	-	(5,875,257)	-	(5,875,257)
Income tax relating to items that will not be reclassified to profit or loss	13, 22	-	1,175,051	-	1,175,051
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(51,407,393)</b>	<b>(8,979,407)</b>	<b>-</b>	<b>(4,700,206)</b>
<b>Other comprehensive expense for the year, net of tax</b>		<b>(344,150,287)</b>	<b>(254,715,657)</b>	<b>-</b>	<b>(4,700,206)</b>
<b>Total comprehensive income for the year</b>		<b>2,050,114,203</b>	<b>2,330,157,525</b>	<b>1,848,021,446</b>	<b>1,968,400,985</b>

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

**Birla Carbon (Thailand) Public Company Limited**

**Statement of changes in equity**

**Consolidated financial statements**

	Note	Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Share of other comprehensive income of associates	Total other components of equity	Total equity
<i>(in Baht)</i>									
<b>Year ended 31 March 2019</b>									
<b>Balance at 1 April 2018</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>16,427,714,917</b>	<b>(1,351,681,394)</b>	<b>2,221,616</b>	<b>(1,349,459,778)</b>	<b>16,338,255,139</b>
<b>Transaction with owners, recorded directly in equity</b>									
Dividends to owners of the Company	24	-	-	-	(300,000,000)	-	-	-	(300,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(300,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(300,000,000)</b>
<b>Comprehensive income for the year</b>									
Profit		-	-	-	2,584,873,182	-	-	-	2,584,873,182
Other comprehensive income		-	-	-	(8,979,407)	(245,736,250)	-	(245,736,250)	(254,715,657)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,575,893,775</b>	<b>(245,736,250)</b>	<b>-</b>	<b>(245,736,250)</b>	<b>2,330,157,525</b>
<b>Balance as at 31 March 2019</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>18,703,608,692</b>	<b>(1,597,417,644)</b>	<b>2,221,616</b>	<b>(1,595,196,028)</b>	<b>18,368,412,664</b>

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

**Birla Carbon (Thailand) Public Company Limited**

**Statement of changes in equity**

**Consolidated financial statements**

	Note	Retained earnings		Other components of equity					
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Share of other comprehensive income of associates	Total other components of equity	Total equity
<i>(in Baht)</i>									
<b>Year ended 31 March 2020</b>									
<b>Balance at 1 April 2019</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>18,703,608,692</b>	<b>(1,597,417,644)</b>	<b>2,221,616</b>	<b>(1,595,196,028)</b>	<b>18,368,412,664</b>
<b>Transaction with owners, recorded directly in equity</b>									
Dividends to owners of the Company	24	-	-	-	(330,000,000)	-	-	-	(330,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(330,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(330,000,000)</b>
<b>Comprehensive income for the year</b>									
Profit		-	-	-	2,394,264,490	-	-	-	2,394,264,490
Other comprehensive income		-	-	-	(51,407,393)	(290,521,278)	(2,221,616)	(292,742,894)	(344,150,287)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,342,857,097</b>	<b>(290,521,278)</b>	<b>(2,221,616)</b>	<b>(292,742,894)</b>	<b>2,050,114,203</b>
<b>Balance as at 31 March 2020</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>20,716,465,789</b>	<b>(1,887,938,922)</b>	<b>-</b>	<b>(1,887,938,922)</b>	<b>20,088,526,867</b>

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

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary**  
**Statement of changes in equity**

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings		
			Legal reserve	Unappropriated		
			(in Baht)			
<b>Year ended 31 March 2019</b>						
<b>Balance at 1 April 2018</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>11,251,824,343</b>	<b>12,511,824,343</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	24	-	-	-	(300,000,000)	(300,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(300,000,000)</b>	<b>(300,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	1,973,101,191	1,973,101,191
Other comprehensive income		-	-	-	(4,700,206)	(4,700,206)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,968,400,985</b>	<b>1,968,400,985</b>
<b>Balance at 31 March 2019</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>12,920,225,328</b>	<b>14,180,225,328</b>

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

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary**  
**Statement of changes in equity**

	Note	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings		
			Legal reserve	Unappropriated		
			(in Baht)			
<b>Year ended 31 March 2020</b>						
<b>Balance at 1 April 2019</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>12,920,225,328</b>	<b>14,180,225,328</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	24	-	-	-	(330,000,000)	(330,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(330,000,000)</b>	<b>(330,000,000)</b>
<b>Comprehensive income for the year</b>						
Profit		-	-	-	1,848,021,446	1,848,021,446
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,848,021,446</b>	<b>1,848,021,446</b>
<b>Balance at 31 March 2020</b>		<b>300,000,000</b>	<b>930,000,000</b>	<b>30,000,000</b>	<b>14,438,246,774</b>	<b>15,698,246,774</b> <sup>(1)</sup>

(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

### Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		2,394,264,490	2,584,873,182	1,848,021,446	1,973,101,191
<b><i>Adjustments for reconcile profit to cash receipts</i></b>					
Depreciation and amortisation		237,277,016	214,065,573	237,277,016	214,065,573
(Reversal of) losses on inventories devaluation	8	(11,412,604)	7,093,200	(11,412,604)	7,093,200
Dividend income	9, 11	-	(47,291,550)	(27,515,088)	(72,782,550)
Interest income		(517,324,112)	(512,435,674)	(517,324,112)	(512,435,674)
Finance costs		670,719	796,472	670,719	796,472
Unrealised gain on exchange rate		(291,751,043)	(83,595,010)	(291,761,414)	(83,589,960)
Unrealised (gain) loss on derivatives		(76,228,351)	6,281,032	(76,228,351)	6,281,032
(Gain) loss on disposal of property, plant and equipment		(618,022)	197,634	(618,022)	197,634
Share of profit of associates, net of tax	9	(573,868,367)	(637,397,637)	-	-
Provisions for employee benefits	16	11,946,989	39,538,203	11,946,989	39,538,203
Tax expense	22	455,116,154	449,518,448	455,116,154	449,518,448
		<u>1,628,072,869</u>	<u>2,021,643,873</u>	<u>1,628,172,733</u>	<u>2,021,783,569</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts receivable		142,639,958	(32,245,531)	142,639,958	(32,245,531)
Other receivables		(20,869,318)	5,337,036	(20,882,236)	5,351,407
Inventories		432,660,177	198,547,576	432,660,177	198,547,576
Other non-current assets		308,202	(175,183)	308,202	(175,183)
Trade accounts payable		24,668,892	(439,417,152)	24,668,892	(439,417,152)
Other payables		(89,533,237)	(76,700,719)	(89,515,471)	(76,837,951)
Net cash generated from operating		<u>2,117,947,543</u>	<u>1,676,989,900</u>	<u>2,118,052,255</u>	<u>1,677,006,735</u>
Employee benefit paid	16	(11,251,359)	(7,617,203)	(11,251,359)	(7,617,203)
Tax paid		(362,068,486)	(335,323,037)	(362,068,486)	(335,323,037)
<b>Net cash from operating activities</b>		<b><u>1,744,627,698</u></b>	<b><u>1,334,049,660</u></b>	<b><u>1,744,732,410</u></b>	<b><u>1,334,066,495</u></b>

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



# Birla Carbon (Thailand) Public Company Limited

## Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Decrease (increase) in short-term deposits					
at financial institutions		1,489,541,220	(839,224,191)	1,489,541,220	(839,224,191)
Proceeds from redemption of other long-term investments	11	-	1,357,400,000	-	1,357,400,000
Interest received		87,079,523	41,804,506	87,079,523	41,804,506
Dividend received	9, 11	27,515,088	72,782,550	27,515,088	72,782,550
Acquisition of property, plant and equipment		(182,019,843)	(294,820,302)	(182,019,843)	(294,820,302)
Advance for purchase of machinery and equipment		(12,530,092)	(1,221,395)	(12,530,092)	(1,221,395)
Proceeds from sale of property, plant and equipment		714,953	-	714,953	-
Proceeds from repayment of long-term loans					
to related parties	5	6,550,000	1,583,333	6,550,000	1,583,333
Long-term loans to related parties	5	-	(19,000,000)	-	(19,000,000)
Increase in long-term deposits at financial institution	11	(395,930)	-	(395,930)	-
<b>Net cash from investing activities</b>		<b>1,416,454,919</b>	<b>319,304,501</b>	<b>1,416,454,919</b>	<b>319,304,501</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(670,719)	(796,472)	(670,719)	(796,472)
Dividends paid	24	(329,481,308)	(298,523,168)	(329,481,308)	(298,523,168)
Payment of lease liabilities		(5,269,246)	-	(5,269,246)	-
Proceeds from borrowings		256,000,000	1,378,500,000	256,000,000	1,378,500,000
Repayment of borrowings		(256,000,000)	(1,378,500,000)	(256,000,000)	(1,378,500,000)
<b>Net cash used in financing activities</b>		<b>(335,421,273)</b>	<b>(299,319,640)</b>	<b>(335,421,273)</b>	<b>(299,319,640)</b>
Net increase in cash and cash equivalents,					
before effect of exchange rates		2,825,661,344	1,354,034,521	2,825,766,056	1,354,051,356
Effect of exchange rate changes on cash and cash equivalents		53,039,026	(13,180,235)	53,039,026	(13,180,235)
<b>Net increase in cash and cash equivalents</b>		<b>2,878,700,370</b>	<b>1,340,854,286</b>	<b>2,878,805,082</b>	<b>1,340,871,121</b>
Cash and cash equivalents at 1 April		1,722,202,032	381,347,746	1,722,056,005	381,184,884
<b>Cash and cash equivalents at 31 March</b>		<b>4,600,902,402</b>	<b>1,722,202,032</b>	<b>4,600,861,087</b>	<b>1,722,056,005</b>
<b><i>Non-cash transactions</i></b>					
Payables for purchases of machinery and equipment		42,606,942	149,669,182	42,606,942	149,669,182
Accrued dividend		8,415,110	7,896,418	8,415,110	7,896,418

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

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**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 29 May 2020.

## **1 General information**

Birla Carbon (Thailand) Public Company Limited, “the Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in 2019. The Company’s registered office as follow:

Head office : 888/122 and 128, Mahatun Plaza Building, 16<sup>th</sup> Floor, Ploenchit Road,  
Lumpini, Patumwan, Bangkok, 10330.

Factory : 44 Moo 1, Ayuthaya-Angthong Highway, Posa, Muang, Angthong, 14000.

The Company’s major shareholders during the financial year were SKI Carbon Black (Mauritius) Limited (32.24% shareholding), Thai Rayon Public Company Limited (24.98% shareholding), and Asian Opps I Limited (15.99% shareholding).

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company’s subsidiary and associates as at 31 March 2020 and 2019 are given in notes 9 and 10.

## **2 Basis of preparation of the financial statements**

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

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. There is no material impact on the Group's financial statements. The Group has initially applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations and TFRS 16 *Leases* which replaced TAS 17 *Leases* and related interpretations.

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 financial statements except TFRS 16. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 27.

**(b) *Functional and presentation currency***

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

**(c) *Use of judgements and estimates***

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 16                      Measurement of defined benefit obligations: key actuarial assumptions

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**3 Significant accounting policies**

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

**(a) Basis of consolidation**

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

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Associates*

Associates are the entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of associates, until the date on which significant influence ceases. When the Group’s share of losses exceeds its interest in associates, the Group’s carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associates.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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*Transactions eliminated on consolidation*

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

**(b) Foreign currencies**

*Foreign currency transactions*

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

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

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

Foreign currency differences are generally recognised in profit or loss.

*Foreign operations*

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

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

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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When a foreign operation is disposed of in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

**(c) *Derivatives***

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

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

The fair value of interest rate swaps and forward exchange contracts are based on broker quotes at the reporting date.

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

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**(e) Trade and other accounts receivable**

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(f) Inventories**

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

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

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

**(g) Investments**

*Investments in subsidiary and associates*

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

*Investments in equity securities*

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



**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**For the year ended 31 March 2020**

*Disposal of investments*

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

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

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

*Recognition and measurement*

*Owned assets*

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

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

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

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**For the year ended 31 March 2020**

*Subsequent costs*

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

*Depreciation*

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

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

Buildings and constructions	25 years
Machinery and equipment	5 - 25 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

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

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

**(i) *Intangible assets***

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

*Subsequent expenditure*

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

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

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

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

Computer software	5 years
-------------------	---------

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

**(j) Impairment**

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

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

*Calculation of recoverable amount*

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**For the year ended 31 March 2020**

*Reversals of impairment*

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

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

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

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

Trade and other accounts payable are stated at cost.

**(m) *Employee benefits***

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

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

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(n) Provisions**

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**(o) Revenue**

Revenue is recognised 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, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sales of goods*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

**(p) Investment income**

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

**(q) Finance costs**

Finance costs are recognised using the effective interest method and comprise interest expense on borrowings and unwinding of the discount on provisions.

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

**(r) Lease payments**

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

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

*Determining whether an arrangement contains a lease*

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

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

**(s) Income tax**

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(t) *Earnings per share***

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



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**(u) *Related parties***

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

**(u) *Segment reporting***

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

**4 *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 31 March 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 issued by TFAC outbreak as follows:

The Group elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, and elected to exclude the COVID-19 situation, which may affect the net realisable value of the inventories and future financial forecasts as part of the impairment testing factors of long-term loan to related parties.

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**5 Related parties**

Relationships with subsidiary and associates are described in note 9 and 10. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
SKI Carbon Black (Mauritius) Limited	Mauritius	Major shareholder of the Company, 10% or more shareholding
Thai Rayon Public Company Limited	Thailand	Major shareholder of the Company, 10% or more shareholding
Asian Opps I Limited	Hong Kong	Major shareholder of the Company, 10% or more shareholding
Thai Acrylic Fiber Co., Ltd.	Thailand	The Company has 10% or more shareholding, common directors.
Alexandria Fiber Co., S.A.E.	Egypt	The Company has 10% or more shareholding, common directors.
Birla Carbon Europe GmbH	German	Same ultimate parent company
Birla Carbon Korea Co., Ltd.	South Korea	Same ultimate parent company
Birla Carbon Brasil Ltda.	Brazil	Same ultimate parent company
Columbian International Chemicals Corporation	Georgia	Same ultimate parent company
Birla Carbon Italy S.R.L.	Italy	Same ultimate parent company
Swiss Singapore Overseas Enterprises Pte. Ltd.	Singapore	Same ultimate parent company
Aditya Birla Management Corporation Pvt. Ltd.	India	Same ultimate parent company
Birla Carbon Spain, S.L.U.	Spain	Same ultimate parent company
Sevalco Ltd.	United Kingdom	Same ultimate parent company

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<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
Key management personnel	Indian/Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

<b>Transactions</b>	<b>Pricing policies</b>
Purchase of goods	With reference to market price
Interest income	LIBOR+3.5% per annum and 1.8% per annum, respectively
Dividend	According to the declaration
Cost reduction from sales of electricity and stream generated from manufacturing process	With reference to market price
Expenses charged to/by related parties	Actual price
Royalty expense	4.5% of net sale less actual cost of feedstock and selling expenses
Rental expenses	By mutual agreement

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

<i>Year ended 31 March</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Interest income	444,021	451,969	444,021	451,969
Dividend income	-	-	27,515	25,491
Purchase of goods	84	-	84	-
Expenses charged by related parties	734	-	734	-
<b>Key management personnel</b>				
Interest income	191	106	191	106
Key management personnel compensation				
Short-term employee benefit	38,283	29,345	38,283	29,345
Total key management personnel compensation	38,283	29,345	38,283	29,345
<b>Directors' remuneration</b>	<b>3,407</b>	<b>3,437</b>	<b>3,407</b>	<b>3,437</b>
<b>Other related parties</b>				
Cost reduction from sales of electricity and steam generated from manufacturing process	339,472	319,445	339,472	319,445
Expenses charged to related parties	83,416	77,273	83,416	77,273
Purchase of goods	1,216,897	1,425,535	1,216,897	1,425,535
Expenses charged by related parties	52,199	47,676	52,199	47,676
Royalty expense	94,963	107,181	94,963	107,181
Rental expenses	-	3,240	-	3,240
Finance cost	390	-	390	-

***Significant agreements with related parties***

As at 31 March 2020, the Group had the following significant agreements with related parties.

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*Intercompany services agreement*

In April 2016, the Company entered into an intercompany services agreement with a related party, in which such related party agreed to provide certain management services including but not limited to executive support, finance, operation, human resources, sales and marketing, general administrative and project services support. Service fees will be mutually agreed.

*Royalty agreement*

In April 2018, the Company entered into a royalty agreement with a related party, in which such related party agreed to support the Company with research and development program for new carbon black grades and improved carbon black production process by allowing the Company to use technical information and patent rights. The Company has agreed to pay royalty fee at the rate of 4.5% of net sale less actual cost of feedstock and selling expenses. The term of this agreement is for 3 year being effective on the agreement date.

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

<i>Trade accounts receivable</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related party	<u>84,999</u>	<u>54,300</u>	<u>84,999</u>	<u>54,300</u>
<b>Total</b>	<b><u>84,999</u></b>	<b><u>54,300</u></b>	<b><u>84,999</u></b>	<b><u>54,300</u></b>

<i>Other receivables</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	<u>17,031</u>	<u>4,835</u>	<u>17,031</u>	<u>4,835</u>
<b>Total</b>	<b><u>17,031</u></b>	<b><u>4,835</u></b>	<b><u>17,031</u></b>	<b><u>4,835</u></b>

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<i>Interest receivables</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associate	<u>2,705,646</u>	<u>2,178,143</u>	<u>2,705,646</u>	<u>2,178,143</u>
<b>Total</b>	<b><u>2,705,646</u></b>	<b><u>2,178,143</u></b>	<b><u>2,705,646</u></b>	<b><u>2,178,143</u></b>

<i>Long-term loan to</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Associate	5,623,461	5,472,700	5,623,461	5,472,700
Key management personnel				
Current portion	4,750	4,750	4,750	4,750
Non-current portion	<u>6,116</u>	<u>12,667</u>	<u>6,116</u>	<u>12,667</u>
Total	<u>10,866</u>	<u>17,417</u>	<u>10,866</u>	<u>17,417</u>
<b>Total</b>	<b><u>5,634,327</u></b>	<b><u>5,490,117</u></b>	<b><u>5,634,327</u></b>	<b><u>5,490,117</u></b>

Movements during the year ended 31 March of long-term loan to related parties were as follows:

<i>Long-term loan to</i>	<b>Interest rate</b>	<b>Consolidated and separate financial statements</b>	
		2020	2019
	<i>(% per annum)</i>	<i>(in thousand Baht)</i>	
<i>Associate</i>	LIBOR+3.5		
At 1 April of the preceding year		5,472,700	5,371,081
Unrealised loss on exchange rate		<u>150,761</u>	<u>101,619</u>
<b>At 31 March</b>		<b><u>5,623,461</u></b>	<b><u>5,472,700</u></b>
<i>Key management personnel</i>	1.8		
At 1 April of the preceding year		17,417	-
Increase		-	19,000
Decrease		<u>(6,551)</u>	<u>(1,583)</u>
<b>At 31 March</b>		<b><u>10,866</u></b>	<b><u>17,417</u></b>

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*Loan to associate*

In 2011, the Company entered into a loan agreement with an associate in which the Company has lent a loan for an amount of USD 173 million, with an interest rate at LIBOR+3.5% per annum. This loan was scheduled to be repaid in July 2016. On 5 July 2016, the Company entered into an amendment agreement to extend the repayment date to July 2021 without changing any other conditions. The interest shall be compounded at the end of the respective interest period and payable along with the final repayment of the loan.

<i>Trade accounts payable</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	601,786	36,408	601,786	36,408
<b>Total</b>	<b>601,786</b>	<b>36,408</b>	<b>601,786</b>	<b>36,408</b>

<i>Other payables</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related parties	38,905	85,532	38,905	85,532
<b>Total</b>	<b>38,905</b>	<b>85,532</b>	<b>38,905</b>	<b>85,532</b>

<i>Lease liabilities</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related party				
Current portion	3,034	-	3,034	-
Non-current portion	1,591	-	1,591	-
<b>Total</b>	<b>4,625</b>	<b>-</b>	<b>4,625</b>	<b>-</b>

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Movement during the year ended 31 March of lease liabilities were as follows:

<i>Lease liabilities</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other related party				
At 1 April	-	-	-	-
Increase	7,475	-	7,475	-
Decrease	(2,850)	-	(2,850)	-
<b>At 31 March</b>	<b>4,625</b>	<b>-</b>	<b>4,625</b>	<b>-</b>

**6 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	102	194	102	194
Cash at banks – current accounts	8,101	8,167	8,060	8,021
Cash at banks – savings accounts	1,286,111	77,463	1,286,111	77,463
Fixed deposit	3,306,588	1,636,378	3,306,588	1,636,378
<b>Total</b>	<b>4,600,902</b>	<b>1,722,202</b>	<b>4,600,861</b>	<b>1,722,056</b>

**7 Trade accounts receivable**

	<i>Note</i>	<b>Consolidated and separate</b>	
		<b>financial statements</b>	
		2020	2019
		<i>(in thousand Baht)</i>	
Related party	5	84,999	54,300
Other parties		984,257	1,149,268
<b>Total</b>		<b>1,069,256</b>	<b>1,203,568</b>
<i>Less</i> allowance for doubtful accounts		-	-
<b>Net</b>		<b>1,069,256</b>	<b>1,203,568</b>
Bad and doubtful debts expense for the year		-	-



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Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b>Related party</b>		
Within credit terms	79,365	54,300
Overdue:		
Less than 3 months	5,634	-
	<b>84,999</b>	<b>54,300</b>
<i>Less allowance for doubtful accounts</i>	-	-
	<b>84,999</b>	<b>54,300</b>
 <b>Other parties</b>		
Within credit terms	972,978	1,108,790
Overdue:		
Less than 3 months	11,279	40,478
	<b>984,257</b>	<b>1,149,268</b>
<i>Less allowance for doubtful accounts</i>	-	-
	<b>984,257</b>	<b>1,149,268</b>
 <b>Net</b>	<b>1,069,256</b>	<b>1,203,568</b>

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

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

	<b>Consolidated and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Finished goods	160,019	402,893
Raw materials	240,750	418,341
Factory supplies and spare parts	112,512	124,707
	<u>513,281</u>	<u>945,941</u>
<i>Less allowance for inventories deterioration</i>	<u>(37,848)</u>	<u>(49,261)</u>
<b>Net</b>	<b><u>475,433</u></b>	<b><u>896,680</u></b>
Inventories recognised in ‘cost of sales of goods’:		
- Cost	5,490,119	6,291,093
- (Reversal of) write-down to net realisable value	<u>(11,413)</u>	<u>7,093</u>
<b>Net</b>	<b><u>5,478,706</u></b>	<b><u>6,298,186</u></b>

**9 Investments in associates**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
At 1 April of the preceding year	4,961,091	4,599,195	770,364	770,364
Share of net profits of associates	573,868	637,397	-	-
Share of other comprehensive income, net of tax	(53,629)	(4,279)	-	-
Dividend income	(27,515)	(25,491)	-	-
Currency translation differences	<u>(290,531)</u>	<u>(245,731)</u>	<u>-</u>	<u>-</u>
<b>At 31 March</b>	<b><u>5,163,284</u></b>	<b><u>4,961,091</u></b>	<b><u>770,364</u></b>	<b><u>770,364</u></b>

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During the year ended 31 March 2020, there were no acquisitions and disposals of investments in associates.

Investments in equity-accounted investees as at 31 March 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

		<b>Consolidated financial statements</b>										
	Type of business	Country of operation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)				(in thousand Baht)					
<b>Associates</b>												
P.T. Indo Liberty Textiles	Textiles manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	318,695	336,286	2,024	-
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	4,256,491	4,026,145	25,491	25,491
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	20.59	308,870	308,870	<u>63,596</u>	<u>63,596</u>	<u>588,098</u>	<u>598,660</u>	<u>-</u>	<u>-</u>
<b>Total</b>							<b><u>770,364</u></b>	<b><u>770,364</u></b>	<b><u>5,163,284</u></b>	<b><u>4,961,091</u></b>	<b><u>27,515</u></b>	<b><u>25,491</u></b>

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

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As at 31 March 2020, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,623 million (31 March 2019: USD 173 million, equivalent to Baht 5,473 million), and interest receivables of USD 83 million, equivalent to Baht 2,706 million (31 March 2019: USD 69 million, equivalent to Baht 2,178 million).

	Ownership		Separate financial statements								Dividend	
	interest		Paid-up capital		Cost		Impairment		At cost - net		income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)		(in thousand Baht)									
<b>Associates</b>												
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	-	196,948	196,948	2,024	-
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	-	-	509,820	509,820	25,491	25,491
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-	63,596	63,596	-	-
<b>Total</b>					<b>770,364</b>	<b>770,364</b>	<b>-</b>	<b>-</b>	<b>770,364</b>	<b>770,364</b>	<b>27,515</b>	<b>25,491</b>

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The following table summaries the financial information of the associates as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	P.T. Indo Liberty Textiles		Aditya Birla Chemicals (Thailand) Limited		Indigold Carbon (Mauritius) Limited		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Revenue	3,440,129	4,090,637	15,951,792	17,880,432	33,408,932	38,751,517	52,800,853	60,722,586
Net profit (loss)	(53,452)	74,235	842,289	931,028	1,640,323	1,472,551	2,429,160	2,477,814
Other comprehensive income	13,589	1,791	(8,297)	110,347	(1,741,336)	(1,264,955)	(1,736,044)	(1,152,817)
<b>Total comprehensive income</b>	<b>(39,863)</b>	<b>76,026</b>	<b>833,992</b>	<b>1,041,375</b>	<b>(101,013)</b>	<b>207,596</b>	<b>693,116</b>	<b>1,324,997</b>
Attributable to non-controlling interests	-	-	(14,582)	(6,239)	(49,716)	24,570	(64,298)	18,331
Attributable to investee's shareholders	(39,863)	76,026	848,574	1,047,614	(51,297)	183,026	757,414	1,306,666
Current assets	869,907	1,268,295	6,310,749	7,237,099	12,080,729	17,463,033	19,261,385	25,968,427
Non-current assets	2,387,486	2,374,987	15,129,004	14,407,295	22,821,485	23,085,114	40,337,975	39,867,396
Current liabilities	(1,149,214)	(1,556,297)	(4,846,254)	(4,018,076)	(7,975,537)	(10,829,657)	(13,971,005)	(16,404,030)
Non-current liabilities	(1,311,443)	(1,244,432)	(2,380,689)	(4,162,500)	(23,093,573)	(25,656,454)	(26,785,705)	(31,063,386)
<b>Net assets</b>	<b>796,736</b>	<b>842,553</b>	<b>14,212,810</b>	<b>13,463,818</b>	<b>3,833,104</b>	<b>4,062,036</b>	<b>18,842,650</b>	<b>18,368,407</b>
Attributable to non-controlling interests	-	-	19,492	34,074	976,872	1,154,507	996,364	1,188,581
Attributable to investee's shareholders	796,736	842,553	14,193,318	13,429,744	2,856,232	2,907,529	17,846,286	17,179,826

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

	P.T. Indo Liberty Textiles		Aditya Birla Chemicals (Thailand) Limited		Indigold Carbon (Mauritius) Limited		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Group interest in net asset of investee								
as of 1 April of the preceding year	336,286	300,763	4,026,145	3,737,457	598,660	560,975	4,961,091	4,599,195
Total comprehensive income attributable								
to the Group	(15,567)	35,523	255,837	314,179	(10,562)	37,685	229,708	387,387
Dividends received during the year	(2,024)	-	(25,491)	(25,491)	-	-	(27,515)	(25,491)
<b>Carrying amount of interest in investee</b>								
<b>at 31 March</b>	<b>318,695</b>	<b>336,286</b>	<b>4,256,491</b>	<b>4,026,145</b>	<b>588,098</b>	<b>598,660</b>	<b>5,163,284</b>	<b>4,961,091</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**10 Investments in subsidiary**

Investments in subsidiary as at 31 March 2020 and 2019 and dividend income from the subsidiary for the years then ended were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(%)						(in thousand Baht)					
<b>Direct subsidiary</b>													
Birla Carbon Mexico, S.A. DE C.V.	Carbon manufacturing	98	98	12,854	12,854	12,854	12,854	(12,854)	(12,854)	-	-	-	-
<b>Total</b>						<b>12,854</b>	<b>12,854</b>	<b>(12,854)</b>	<b>(12,854)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**11 Other long-term investments**

	<b>Consolidated and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Long-term deposits at financial institution	16,273	15,877
Other non-marketable equity securities	<u>223,204</u>	<u>223,204</u>
<b>Total</b>	<b><u>239,477</u></b>	<b><u>239,081</u></b>

*Long-term deposits at a financial institution*

As at 31 March 2020, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (*31 March 2019: Baht16 million*), which was bearing interest at the rate of 0.50% per annum (*31 March 2019: 1.25% per annum*) and matured in March 2022.

<i>Other non-marketable equity securities</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cost of investments at 1 April of the preceding year	386,958	1,744,358	489,160	1,846,560
Redemption during the year	-	(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>
<b>Carrying amount of investments at 31 March</b>	<b><u>223,204</u></b>	<b><u>223,204</u></b>	<b><u>223,204</u></b>	<b><u>223,204</u></b>

During the year ended 31 March 2019, Blue Bucks Investment Pte. Ltd. and Big Banyan Investment Pte. Ltd. redeemed preference shares owned by the Company amounting to Baht 758.0 million and Baht 599.4 million, respectively.



**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

Other non-marketable equity securities as at 31 March 2020 and 2019 and dividend income from these investments for the years then ended were as follows:

	<b>Consolidated financial statements</b>													
	Ownership interest		Currency	Paid-up capital		Cost		Impairment		At cost - net		Dividend income		
	2020	2019		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
	(%)						<i>(in thousand Baht)</i>							
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	THB	712,500	712,500	223,204	223,204	-	-	223,204	223,204	-	-	
Alexandria Fiber Co., S.A.E.	14.40	14.40	USD	48,198	48,198	163,754	163,754	(163,754)	(163,754)	-	-	-	-	
Blue Bucks Investment Pte. Ltd.	-	-	USD	-	-	-	-	-	-	-	-	-	26,273	
Big Banyan Investment Pte. Ltd.	-	-	USD	-	-	-	-	-	-	-	-	-	21,019	
<b>Total</b>						<b>386,958</b>	<b>386,958</b>	<b>(163,754)</b>	<b>(163,754)</b>	<b>223,204</b>	<b>223,204</b>	<b>-</b>	<b>47,292</b>	

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

	<b>Separate financial statements</b>												
	Ownership		Currency	Paid-up capital		Cost		Impairment		At cost - net		Dividend	
	interest											income	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
( <i>%</i> )		<i>(in thousand Baht)</i>											
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	THB	712,500	712,500	223,204	223,204	-	-	223,204	223,204	-	-
Alexandria Fiber Co., S.A.E.	14.40	14.40	USD	48,198	48,198	265,956	265,956	(265,956)	(265,956)	-	-	-	-
Blue Bucks Investment Pte. Ltd.	-	-	USD	-	-	-	-	-	-	-	-	-	26,273
Big Banyan Investment Pte. Ltd.	-	-	USD	-	-	-	-	-	-	-	-	-	21,019
<b>Total</b>						<b><u>489,160</u></b>	<b><u>489,160</u></b>	<b><u>(265,956)</u></b>	<b><u>(265,956)</u></b>	<b><u>223,204</u></b>	<b><u>223,204</u></b>	<b><u>-</u></b>	<b><u>47,292</u></b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**12 Property, plant and equipment**

	<b>Consolidated and separate financial statements</b>						<b>Total</b>
	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
	<i>(in thousand Baht)</i>						
<b>Cost</b>							
At 1 April 2018	138,533	759,260	5,020,520	75,898	15,101	63,023	6,072,335
Additions	-	-	20,121	1,447	-	366,208	387,776
Disposal	-	-	(56,928)	(673)	-	-	(57,601)
Transfers	-	-	62,973	-	-	(62,973)	-
<b>As at 31 March 2019 and 1 April 2019</b>	<b>138,533</b>	<b>759,260</b>	<b>5,046,686</b>	<b>76,672</b>	<b>15,101</b>	<b>366,258</b>	<b>6,402,510</b>
Additions	-	14,519	66,350	5,002	899	-	86,770
Disposal	-	(1,035)	(301,098)	(1,702)	(3,026)	-	(306,861)
Transfers	-	2,407	356,817	5,628	1,406	(366,258)	-
<b>As at 31 March 2020</b>	<b>138,533</b>	<b>775,151</b>	<b>5,168,755</b>	<b>85,600</b>	<b>14,380</b>	<b>-</b>	<b>6,182,419</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**Consolidated and separate financial statements**

	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>(in thousand Baht)</i>							
<b><i>Depreciation</i></b>							
At 1 April 2018	-	521,539	4,146,393	73,518	12,077	-	4,753,527
Depreciation charge for the year	-	20,956	186,201	993	1,052	-	209,202
Disposal	-	-	(56,741)	(663)	-	-	(57,404)
<b>As at 31 March 2019 and 1 April 2019</b>	<b>-</b>	<b>542,495</b>	<b>4,275,853</b>	<b>73,848</b>	<b>13,129</b>	<b>-</b>	<b>4,905,325</b>
Depreciation charge for the year	-	26,394	203,033	1,998	987	-	232,412
Disposal	-	(1,035)	(301,098)	(1,701)	(2,929)	-	(306,763)
<b>As at 31 March 2020</b>	<b>-</b>	<b>567,854</b>	<b>4,177,788</b>	<b>74,145</b>	<b>11,187</b>	<b>-</b>	<b>4,830,974</b>
<b><i>Net book value</i></b>							
<b>At 31 March 2019</b>	<b>138,533</b>	<b>216,765</b>	<b>770,833</b>	<b>2,824</b>	<b>1,972</b>	<b>366,258</b>	<b>1,497,185</b>
<b>At 31 March 2020</b>							
Owned assets	138,533	201,077	990,967	11,455	3,193	-	1,345,225
Right-of-use assets	-	6,220	-	-	-	-	6,220
	<b>138,533</b>	<b>207,297</b>	<b>990,967</b>	<b>11,455</b>	<b>3,193</b>	<b>-</b>	<b>1,351,445</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 March 2020 amounted to Baht 3,422 million (2019: Baht 3,563 million).

The Company has no pledged assets as at 31 March 2020 (2019: nil) as collateral against credit facilities received from financial institutions.

**13 Deferred tax**

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

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	89,766	93,492	(13,935)	-
Set off of tax	(13,935)	-	13,935	-
<b>Net deferred tax assets</b>	<b>75,831</b>	<b>93,492</b>	<b>-</b>	<b>-</b>
	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	92,337	96,063	(13,935)	-
Set off of tax	(13,935)	-	13,935	-
<b>Net deferred tax assets</b>	<b>78,402</b>	<b>96,063</b>	<b>-</b>	<b>-</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

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

	<b>Consolidated financial statements</b>		
	<b>(Charged) / Credited to</b>		
	<b>At 1 April</b>		<b>At 31 March</b>
	<b>2019</b>	<b>profit or loss</b>	<b>2020</b>
	<i>(in thousand Baht)</i>		
<b><i>Deferred tax assets</i></b>			
Provision for impairment of other investments	53,191	-	53,191
Provision for employee benefits	27,262	139	27,401
Unrealised loss from derivatives	1,311	(1,311)	-
Provision for decline in value of inventories	9,852	(2,282)	7,570
Others	1,876	(272)	1,604
<b>Total</b>	<b>93,492</b>	<b>(3,726)</b>	<b>89,766</b>
<b><i>Deferred tax liabilities</i></b>			
Unrealised loss from derivatives	-	(13,935)	(13,935)
<b>Total</b>	<b>-</b>	<b>(13,935)</b>	<b>(13,935)</b>
<b>Net</b>	<b>93,492</b>	<b>(17,661)</b>	<b>75,831</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

	<b>Separate financial statements</b>		
	<b>(Charged) / Credited to</b>		
	<b>At 1 April</b>		<b>At 31 March</b>
	<b>2019</b>	<b>profit or loss</b>	<b>2020</b>
	<i>(in thousand Baht)</i>		
<b><i>Deferred tax assets</i></b>			
Provision for impairment of other investments	53,191	-	53,191
Provision for impairment of investment in subsidiary	2,571	-	2,571
Provision for employee benefits	27,262	139	27,401
Unrealised loss from derivatives	1,311	(1,311)	-
Provision for decline in value of inventories	9,852	(2,282)	7,570
Others	1,876	(272)	1,604
<b>Total</b>	<b>96,063</b>	<b>(3,726)</b>	<b>92,337</b>
<b><i>Deferred tax liabilities</i></b>			
Unrealised loss from derivatives	-	(13,935)	(13,935)
<b>Total</b>	<b>-</b>	<b>(13,935)</b>	<b>(13,935)</b>
<b>Net</b>	<b>96,063</b>	<b>(17,661)</b>	<b>78,402</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

	<b>Consolidated financial statements</b>			<b>At 31 March 2019</b>
	<b>At 1 April 2018</b>	<b>profit or loss</b>	<b>Other comprehensive income</b>	
	<b>(Charged) / Credited to</b>			
	<i>(in thousand Baht)</i>			
<b><i>Deferred tax assets</i></b>				
Provision for impairment of other investments	53,191	-	-	53,191
Provision for employee benefits	19,703	6,384	1,175	27,262
Unrealised loss from derivatives	55	1,256	-	1,311
Provision for decline in value of inventories	8,433	1,419	-	9,852
Others	2,121	(245)	-	1,876
<b>Total</b>	<b>83,503</b>	<b>8,814</b>	<b>1,175</b>	<b>93,492</b>
<b>Net</b>	<b>83,503</b>	<b>8,814</b>	<b>1,175</b>	<b>93,492</b>

	<b>Separate financial statements</b>			<b>At 31 March 2019</b>
	<b>At 1 April 2018</b>	<b>profit or loss</b>	<b>Other comprehensive income</b>	
	<b>(Charged) / Credited to</b>			
	<i>(in thousand Baht)</i>			
<b><i>Deferred tax assets</i></b>				
Provision for impairment of other investments	53,191	-	-	53,191
Provision for impairment of investment in subsidiary	2,571	-	-	2,571
Provision for employee benefits	19,703	6,384	1,175	27,262
Unrealised loss from derivatives	55	1,256	-	1,311
Provision for decline in value of inventories	8,433	1,419	-	9,852
Others	2,121	(245)	-	1,876
<b>Total</b>	<b>86,074</b>	<b>8,814</b>	<b>1,175</b>	<b>96,063</b>
<b>Net</b>	<b>86,074</b>	<b>8,814</b>	<b>1,175</b>	<b>96,063</b>



**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**14 Trade accounts payable**

		<b>Consolidated and separate financial statements</b>	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
Related parties	5	601,786	36,408
Other parties		<u>199,548</u>	<u>736,410</u>
<b>Total</b>		<b><u>801,334</u></b>	<b><u>772,818</u></b>

**15 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	5	<u>38,905</u>	<u>85,532</u>	<u>38,905</u>	<u>85,532</u>
<b>Others</b>					
Other payables for machinery and equipment		42,607	149,669	42,607	149,669
Accrued bonus expenses		20,446	32,060	20,446	32,060
Accrued consulting fee		16,415	15,989	16,415	15,989
Accrued for legal claim		13,806	13,806	13,806	13,806
Accrued service fee		13,695	16,163	13,695	16,163
Dividends payables		8,415	7,896	8,415	7,896
Accrued insurance expense		-	19,125	-	19,125
Others		<u>29,593</u>	<u>39,719</u>	<u>29,352</u>	<u>39,460</u>
		<u>144,977</u>	<u>294,427</u>	<u>144,736</u>	<u>294,168</u>
<b>Total</b>		<b><u>183,882</u></b>	<b><u>379,959</u></b>	<b><u>183,641</u></b>	<b><u>379,700</u></b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**16 Non-current provisions for employee benefits**

	<b>Consolidated and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b>Statement of financial position</b>		
<b>Non-current provision obligations for:</b>		
Post-employment benefits	124,482	122,591
Other long-term employee benefits	12,525	13,720
<b>Total</b>	<b>137,007</b>	<b>136,311</b>
<i>For the year ended 31 March</i>		
<b>Statement of comprehensive income:</b>		
<b>Recognised in profit or loss:</b>		
Post-employment benefits	10,762	36,949
Other long-term employee benefits	1,185	2,589
<b>Total</b>	<b>11,947</b>	<b>39,538</b>
<b>Recognised in other comprehensive income:</b>		
Actuarial losses recognised in the year	-	5,875
Cumulative actuarial losses recognised	15,041	15,041

***Post-employment benefits***

The Company operates defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, and interest rate risk.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

<i>Present value of the defined benefit obligations</i>	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	122,591	78,956
<b>Included in profit or loss:</b>		
Current service cost	6,909	4,940
Past service cost	-	29,494
Interest on obligation	3,853	2,515
	<b>10,762</b>	<b>36,949</b>
<b>Included in other comprehensive income:</b>		
Actuarial loss		
- Financial assumptions	-	13,831
- Experience adjustment	-	472
	-	<b>14,303</b>
Benefits paid by the plan	(8,871)	(7,617)
	<b>(8,871)</b>	<b>(7,617)</b>
<b>At 31 March</b>	<b>124,482</b>	<b>122,591</b>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

*Other long-term employee benefits*

Obligation in respect of other long-term employee benefits was based on pensionable remuneration and the Company's policy.

*Present value of other long-term employee benefits*

**Consolidated and separate  
financial statements**

2020                      2019

*(in thousand Baht)*

At 1 April of the preceding year

13,720                      19,559

**Included in profit or loss:**

Current service cost

812                      1,977

Interest on obligation

373                      612

**1,185                      2,589**

**Included in other comprehensive income:**

Actuarial gain

- Financial assumptions

-                      (8,150)

- Experience adjustment

-                      (278)

**-                      (8,428)**

Benefits paid by the plan

(2,380)                      -

**(2,380)                      -**

**At 31 March**

**12,525                      13,720**

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

*Principal actuarial assumptions*

**Consolidated and separate  
financial statements**

	2020	2019
	(%)	
Discount rate	2.54 - 2.96	2.54 - 2.96
Future salary growth	9.00	9.00
Staff turnover rate	3.00 - 7.00	3.00 - 7.00

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

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**Consolidated and separate  
financial statements**

	(in thousand Baht)	
	Increase	Decrease
<b>At 31 March 2020</b>		
Discount rate (1% movement)	(10,210)	11,532
Future salary growth (1% movement)	11,955	(10,792)
<b>At 31 March 2019</b>		
Discount rate (1% movement)	(10,365)	11,738
Future salary growth (1% movement)	10,808	(9,788)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**17 Share capital**

	Par value	2020		2019	
	per share	Number	Amount	Number	Amount
	(in Baht)	(thousand shares / thousand Baht)			
<i>Authorised</i>					
At 1 April of the preceding year					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>At 31 March</b>					
- ordinary shares	1	<u><b>300,000</b></u>	<u><b>300,000</b></u>	<u><b>300,000</b></u>	<u><b>300,000</b></u>
<i>Issued and paid-up</i>					
At 1 April of the preceding year					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>At 31 March</b>					
- ordinary shares	1	<u><b>300,000</b></u>	<u><b>300,000</b></u>	<u><b>300,000</b></u>	<u><b>300,000</b></u>

*Share premium*

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

**18 Reserves**

*Appropriations of profit and/or retained earnings*

**Legal reserve**

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

As at 31 March 2020 and 2019, the Company’s legal reserve was equal to 10% of authorised share capital.

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**19 Segment information**

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

*Geographical segments*

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

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

*Geographical information*

	<b>Revenues</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Thailand	5,424,627	6,181,046
Japan	1,050,421	1,129,864
Indonesia	413,662	443,679
Vietnam	220,430	337,492
Malaysia	135,975	199,185
Other countries	248,637	258,949
<b>Total</b>	<b>7,493,752</b>	<b>8,550,215</b>

*Major customers*

For the year ended 31 March 2020, the Company has revenue from two major customers in the amount of Baht 1,246.3 million and Baht 1,128.8 million, respectively (*For the year ended 31 March 2019: Baht 1,648.6 million and Baht 1,279.6 million, respectively*).

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**20 Employee benefit expenses**

		<b>Consolidated and separate</b>	
		<b>financial statements</b>	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
Wages and salaries		339,191	329,082
Defined benefit plans	16	11,947	39,538
Defined contribution plans		7,982	7,461
Others		27,151	25,400
<b>Total</b>		<b><u>386,271</u></b>	<b><u>401,481</u></b>

*Defined contribution plans*

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



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**21 Expenses by nature**

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Included in cost of sales of goods:</i></b>				
Changes in inventories of finished goods	266,724	11,041	266,724	11,041
Raw materials and consumables used	4,114,105	5,110,350	4,114,105	5,110,350
Depreciation and amortisation	237,277	214,066	237,277	214,066
Employee benefit expenses	246,895	257,141	246,895	257,141
Utility expenses	368,897	453,137	368,897	453,137
Others	244,808	252,451	244,808	252,451
<b>Total</b>	<b><u>5,478,706</u></b>	<b><u>6,298,186</u></b>	<b><u>5,478,706</u></b>	<b><u>6,298,186</u></b>
<b><i>Included in distribution costs:</i></b>				
Transportation	147,544	143,697	147,544	143,697
Others	1,809	2,146	1,809	2,146
<b>Total</b>	<b><u>149,353</u></b>	<b><u>145,843</u></b>	<b><u>149,353</u></b>	<b><u>145,843</u></b>
<b><i>Included in administrative expenses:</i></b>				
Employee benefit expenses	139,376	144,340	139,376	144,340
Technical assistance and consultancy	206,077	210,363	206,077	210,363
Rental expenses	8,140	12,387	8,140	12,387
Others	48,548	49,415	48,468	49,283
<b>Total</b>	<b><u>402,141</u></b>	<b><u>416,505</u></b>	<b><u>402,061</u></b>	<b><u>416,373</u></b>

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**22 Income tax expense**

<i>Income tax recognised in profit or loss</i>	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Current tax expense		437,455	458,332	437,455	458,332
Deferred tax expense (income)	13	17,661	(8,814)	17,661	(8,814)
<b>Total income tax expense</b>		<b>455,116</b>	<b>449,518</b>	<b>455,116</b>	<b>449,518</b>

<i>Income tax recognised in other comprehensive income</i>	<b>Consolidated financial statements</b>					
	2020			2019		
	<i>(in thousand Baht)</i>					
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Currency translation differences	(290,521)	-	(290,521)	(245,736)	-	(245,736)
Share of other comprehensive income of associates	(53,629)	-	(53,629)	(4,280)	-	(4,280)
Defined benefit plan actuarial losses	-	-	-	(5,875)	1,175	(4,700)
<b>Total</b>	<b>(344,150)</b>	<b>-</b>	<b>(344,150)</b>	<b>(255,891)</b>	<b>1,175</b>	<b>(254,716)</b>

<i>Income tax recognised in other comprehensive income</i>	<b>Separate financial statements</b>					
	2020			2019		
	<i>(in thousand Baht)</i>					
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Defined benefit plan actuarial losses	-	-	-	(5,875)	1,175	(4,700)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,875)</b>	<b>1,175</b>	<b>(4,700)</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
	2020		2019	
	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>
Profit before tax		<u>2,849,381</u>		<u>3,034,392</u>
Income tax using the Thai corporation tax rate	20	569,876	20	606,878
Income not subject to tax		-		(30,168)
Share of profit from investments in associates		(114,774)		(127,479)
Expenses not deductible for tax purposes		82		335
Additional expense deductions allowed		(91)		(75)
Others		23		27
<b>Total</b>	<b>18</b>	<b>455,116</b>	<b>15</b>	<b>449,518</b>

*Reconciliation of effective tax rate*

	<b>Separate financial statements</b>			
	2020		2019	
	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>
Profit before tax		<u>2,303,138</u>		<u>2,422,620</u>
Income tax using the Thai corporation tax rate	20	460,628	20	484,524
Income not subject to tax		(5,503)		(35,266)
Expenses not deductible for tax purposes		82		335
Additional expense deductions allowed		(91)		(75)
<b>Total</b>	<b>20</b>	<b>455,116</b>	<b>19</b>	<b>449,518</b>

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**23 Earnings per share**

*Basic earnings per share*

The calculations of basic earnings per share for the year ended 31 March 2020 and 2019 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
<b><i>Profit attributable to ordinary shareholders</i></b>				
<b><i>for the year ended 31 March</i></b>				
Profit attributable to equity holders				
of the Company	<u>2,394,264</u>	<u>2,584,873</u>	<u>1,848,021</u>	<u>1,973,101</u>
Number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>7.98</u></b>	<b><u>8.62</u></b>	<b><u>6.16</u></b>	<b><u>6.58</u></b>

**24 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)
<b>2019</b>				
Annual dividend	30 July 2019	August 2019	<u>1.10</u>	<u>330</u>
<b>2018</b>				
Annual dividend	24 July 2018	August 2018	<u>1.00</u>	<u>300</u>

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

*Financial risk management policies*

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

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

*Capital management*

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

*Interest rate risk*

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

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

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**Consolidated and separate financial statements**

	Effective Interest Rates (% per annum)	Maturity period		Total
		Within 1 year (in thousand Baht)	After 1 year but within 5 years	
<b>At 31 March</b>				
<b>2020</b>				
Loan to related parties	1.80 - 4.70	<u>4,750</u>	<u>5,629,577</u>	<u>5,634,327</u>
<b>2019</b>				
Loan to related parties	1.80 - 6.11	<u>4,750</u>	<u>5,485,367</u>	<u>5,490,117</u>

**Foreign currency risk**

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

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>United States Dollars</b>				
Cash and cash equivalents	2,272,348	650,534	2,272,348	650,534
Short-term deposits at financial institutions	-	1,489,541	-	1,489,541
Trade accounts receivable	219,288	319,721	219,288	319,721
Other receivables	2,428	411	2,428	411
Advance for purchase of machinery and equipment	13,751	-	13,751	-
Long-term loan to related party	5,623,461	5,472,700	5,623,461	5,472,700

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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>United States Dollars (continued)</i>				
Long-term interest receivables	2,705,646	2,178,143	2,705,646	2,178,143
Trade accounts payable	(624,458)	(607,148)	(624,458)	(607,148)
Other payables	<u>(52,486)</u>	<u>(90,048)</u>	<u>(52,486)</u>	<u>(90,048)</u>
<b>Gross statement of financial position exposure</b>	<b>10,159,978</b>	<b>9,413,854</b>	<b>10,159,978</b>	<b>9,413,854</b>
Currency forwards	<u>69,674</u>	<u>(6,554)</u>	<u>69,674</u>	<u>(6,554)</u>
<b>Net exposure</b>	<b><u>10,229,652</u></b>	<b><u>9,407,300</u></b>	<b><u>10,229,652</u></b>	<b><u>9,407,300</u></b>
 <i>Euro</i>				
Other receivables	8,598	2,741	8,598	2,741
Trade accounts payable	(47,618)	(30,658)	(47,618)	(30,658)
Other payables	<u>(10,257)</u>	<u>(35,876)</u>	<u>(10,257)</u>	<u>(35,876)</u>
<b>Gross statement of financial position exposure</b>	<b><u>(49,277)</u></b>	<b><u>(63,793)</u></b>	<b><u>(49,277)</u></b>	<b><u>(63,793)</u></b>

***Credit risk***

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, management does not anticipate material losses from its debt collection.

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*Liquidity risk*

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

*Fair values of financial assets and liabilities*

The fair values of short-term and current portion of financial assets and liabilities are taken to approximate the carrying value due to their short-term maturity of these financial instruments.

The fair values of long-term loans carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

Derivative assets with carrying amount of Baht 69.7 million as at 31 March 2020 (*31 March 2019: Derivative liabilities of Baht 6.6 million*) are taken at fair value determined as level 2 based on broker quotes.



**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**  
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**26 Commitments and contingent liabilities with non-related parties**

	<b>Consolidated and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
Machinery and equipment	-	20,966
<b>Total</b>	<b>-</b>	<b>20,966</b>
<b><i>Non-cancellable operating lease commitments</i></b>		
Within 1 year	2,217	3,732
1 - 5 years	2,788	1,838
<b>Total</b>	<b>5,005</b>	<b>5,570</b>
<b><i>Other commitments</i></b>		
Bank guarantees for electricity use <i>(for own performance)</i>	13,548	13,548
<b>Total</b>	<b>13,548</b>	<b>13,548</b>

***Operating lease agreements***

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

***Bank guarantee and letter of credit***

As at 31 March 2020, 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)*.

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**27 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which relevant to the Group's operations, expected to have material 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:

<b>TFRS</b>	<b>Topic</b>
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*

**(a) *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 TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.