

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

Financial statements for the year ended

31 March 2021

and

Independent Auditor's Report

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 2021, 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 2021 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 and interest receivables</i>	
Refer to Notes 4 and 6	
The key audit matter	How the matter was addressed in the audit
<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 (<i>SOFR+3.5% per annum starting from 1 April 2021</i>) and will be repayable in full in June 2026.</p> <p>For accounting periods beginning on or after 1 April 2020, the Group and the Company adopted the TFRS 9 - Financial Instruments which requires the Group and the Company to recognize impairment loss of the long-term loan to related party and interest receivables based on expected credit loss.</p> <p>As the long-term loan and interest receivables balances 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"> • read the loan agreements, obtained confirmation, and tested the interest receivables to assess whether the calculation was consistent with the conditions stipulated in the long-term loan agreement; • examined the evidence supporting management's consideration to assess the appropriateness of consideration process and key assumptions and information that management of the Group and the Company used in considering expected credit loss; • made inquiries of management and obtained related documents to understand the process by which management has derived the estimated future cash flows of associate; • evaluated the assumptions and methodologies underpinning the estimated cash flows; • performed retrospective review by comparing estimated cash flows prepared by management in the previous year against the actual financial performance; • performed sensitivity analysis on growth rate and discount rate; • considered the adequacy of the disclosure of the financial statements.

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.

(Orawan Chunchakitsai)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
25 May 2021

Birla Carbon (Thailand) Public Company Limited

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 March		31 March	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	7	4,646,819,071	4,600,902,402	4,646,819,071	4,600,861,087
Trade accounts receivable	6, 8	1,042,120,482	1,069,255,910	1,042,120,482	1,069,255,910
Other receivables	6	42,106,841	81,457,536	41,960,686	81,325,855
Inventories	9	1,319,267,567	475,432,565	1,319,267,567	475,432,565
Current portion of long-term loan to related parties	6	-	4,750,000	-	4,750,000
Derivatives assets	24	-	69,673,862	-	69,673,862
Total current assets		7,050,313,961	6,301,472,275	7,050,167,806	6,301,299,279
Non-current assets					
Investments in associates	10	5,638,429,037	5,163,283,589	770,364,083	770,364,083
Investments in subsidiary	11	-	-	-	-
Other non-current financial assets	12	97,914,028	239,476,991	97,914,028	239,476,991
Long-term loan to related parties	6	5,389,683,911	5,629,577,193	5,389,683,911	5,629,577,193
Long-term interest receivables	6	2,920,103,117	2,705,645,770	2,920,103,117	2,705,645,770
Property, plant and equipment	13	1,178,203,870	1,351,445,390	1,178,203,870	1,351,445,390
Intangible assets		1,216,053	6,080,263	1,216,053	6,080,263
Deferred tax assets	21	123,582,260	75,831,172	126,152,966	78,401,878
Advance for purchase of machinery and equipment		933,097	13,751,487	933,097	13,751,487
Other non-current assets		2,426,751	2,339,750	2,426,751	2,339,750
Total non-current assets		15,352,492,124	15,187,431,605	10,486,997,876	10,797,082,805
Total assets		22,402,806,085	21,488,903,880	17,537,165,682	17,098,382,084

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

Birla Carbon (Thailand) Public Company Limited

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 March		31 March	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Liabilities and equity					
Current liabilities					
Trade accounts payable	6, 14	1,087,402,271	801,333,763	1,087,402,271	801,333,763
Other payables	6, 15	186,736,051	183,882,247	186,471,458	183,640,544
Current portion of lease liabilities	6	1,590,575	4,952,242	1,590,575	4,952,242
Current tax payable		153,671,156	271,611,206	153,671,156	271,611,206
Derivatives liabilities	24	25,679,294	-	25,679,294	-
Total current liabilities		1,455,079,347	1,261,779,458	1,454,814,754	1,261,537,755
Non-current liabilities					
Lease liabilities	6	-	1,590,575	-	1,590,575
Non-current provisions for employee benefits	16	138,870,888	137,006,980	138,870,888	137,006,980
Total non-current liabilities		138,870,888	138,597,555	138,870,888	138,597,555
Total liabilities		1,593,950,235	1,400,377,013	1,593,685,642	1,400,135,310
Equity					
Share capital:					
Authorised share capital (300,000,000 ordinary shares, par value at Baht 1 per share)		300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital (300,000,000 ordinary shares, par value at Baht 1 per share)		300,000,000	300,000,000	300,000,000	300,000,000
Share premium:					
Share premium on ordinary shares		930,000,000	930,000,000	930,000,000	930,000,000
Retained earnings					
Appropriated					
Legal reserve	17	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		21,392,886,048	20,716,465,789	14,796,730,409	14,438,246,774
Other components of equity		(1,844,030,198)	(1,887,938,922)	(113,250,369)	-
Total equity		20,808,855,850	20,088,526,867	15,943,480,040	15,698,246,774
Total liabilities and equity		22,402,806,085	21,488,903,880	17,537,165,682	17,098,382,084

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	
		2021	2020	2021	2020
<i>(in Baht)</i>					
Revenue					
Revenue from sales	18	5,134,393,584	7,493,752,479	5,134,393,584	7,493,752,479
Dividend income	6, 10	-	-	25,491,000	27,515,088
Interest income	6	356,440,457	517,324,112	356,440,457	517,324,112
Net foreign exchange gain		-	289,910,883	-	289,940,368
Other income		4,690,268	5,396,180	4,690,268	5,396,180
Total revenue		5,495,524,309	8,306,383,654	5,521,015,309	8,333,928,227
Expenses					
Cost of sales of goods	6, 20	3,754,435,889	5,635,327,858	3,754,435,889	5,635,327,858
Distribution costs	6, 20	147,676,098	149,353,136	147,676,098	149,353,136
Administrative expenses	6, 20	239,846,323	245,519,664	239,846,323	245,438,914
Net foreign exchange loss		486,006,605	-	485,966,651	-
Total expenses		4,627,964,915	6,030,200,658	4,627,924,961	6,030,119,908
Profit from operating activities		867,559,394	2,276,182,996	893,090,348	2,303,808,319
Finance costs	6	(263,189)	(670,719)	(263,189)	(670,719)
Share of profit of associates					
accounted for using equity method	10	343,467,578	573,868,367	-	-
Profit before income tax expense		1,210,763,783	2,849,380,644	892,827,159	2,303,137,600
Tax expense	21	174,343,524	455,116,154	174,343,524	455,116,154
Profit for the year		1,036,420,259	2,394,264,490	718,483,635	1,848,021,446
Basic earnings per share (in Baht)	22	3.45	7.98	2.39	6.16

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	
		2021	2020	2021	2020
(in Baht)					
Profit for the year		1,036,420,259	2,394,264,490	718,483,635	1,848,021,446
Other comprehensive income					
<i>Items that will be reclassified subsequently</i>					
<i>to profit or loss</i>					
Exchange differences on translating foreign operations		100,805,243	(290,521,278)	-	-
Share of other comprehensive income of associates, net of tax	10	-	(2,221,616)	-	-
Total items that will be reclassified		100,805,243	(292,742,894)	-	-
subsequently to profit or loss					
<i>Items that will not be reclassified subsequently</i>					
<i>to profit or loss</i>					
Loss on investments in equity instruments designated at fair value through other comprehensive income	3, 12	(7,037,851)	-	(7,037,851)	-
Income tax relating to items that will not be reclassified to profit or loss	21	1,407,570	-	1,407,570	-
Share of other comprehensive income of associates, net of tax	10	56,353,850	(51,407,393)	-	-
Total items that will not be reclassified		50,723,569	(51,407,393)	(5,630,281)	-
subsequently to profit or loss					
Other comprehensive expense					
for the year, net of tax		151,528,812	(344,150,287)	(5,630,281)	-
Total comprehensive income for the year		1,187,949,071	2,050,114,203	712,853,354	1,848,021,446

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							
		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>							
Year ended 31 March 2020									
	Balance at 1 April 2019	300,000,000	930,000,000	30,000,000	18,703,608,692	(1,597,417,644)	2,221,616	(1,595,196,028)	18,368,412,664
Transaction with owners, recorded directly in equity									
	Dividends to owners of the Company	23	-	-	(330,000,000)	-	-	-	(330,000,000)
Total transactions with owners, recorded directly in equity									
		-	-	-	(330,000,000)	-	-	-	(330,000,000)
Comprehensive income for the year									
	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)
Total comprehensive income for the year									
		-	-	-	2,342,857,097	(290,521,278)	(2,221,616)	(292,742,894)	2,050,114,203
Balance as at 31 March 2020		300,000,000	930,000,000	30,000,000	20,716,465,789	(1,887,938,922)	-	(1,887,938,922)	20,088,526,867

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

	Other components of equity											
	Retained earnings		Loss on								Total equity	
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations (in Baht)	Share of other comprehensive income of associates	Share of other comprehensive income of associates	Loss on investments in equity instruments designated at fair value through other comprehensive income	Total other components of equity			
Year ended 31 March 2021												
Balance at 31 March 2020	300,000,000	930,000,000	30,000,000	20,716,465,789	(1,887,938,922)	-	-	(107,620,088)	(1,887,938,922)	20,088,526,867		20,088,526,867
Impact of changes in accounting policies	-	-	-	-	-	-	-	(107,620,088)	-	(107,620,088)		(107,620,088)
Balance at 1 April 2020 - restated	300,000,000	930,000,000	30,000,000	20,716,465,789	(1,887,938,922)	(107,620,088)	(107,620,088)	(1,887,938,922)	(1,887,938,922)	19,980,906,779		19,980,906,779
Transaction with owners, recorded directly in equity												
Dividends to owners of the Company	-	-	-	(360,000,000)	-	-	-	-	-	-		(360,000,000)
Total transactions with owners, recorded directly in equity	-	-	-	(360,000,000)	-	-	-	-	-	-		(360,000,000)
Comprehensive income for the year												
Profit	-	-	-	1,036,420,259	-	-	-	-	-	-		1,036,420,259
Other comprehensive income	-	-	-	-	100,805,243	(5,630,281)	56,353,850	151,528,812	151,528,812	151,528,812		151,528,812
Total comprehensive income for the year	-	-	-	1,036,420,259	100,805,243	(5,630,281)	56,353,850	151,528,812	151,528,812	1,187,949,071		1,187,949,071
Balance as at 31 March 2021	300,000,000	930,000,000	30,000,000	21,392,886,048	(1,787,133,679)	(113,250,369)	56,353,850	(1,844,030,198)	(1,844,030,198)	20,808,855,850		20,808,855,850

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

Birla Carbon (Thailand) Public Company Limited

Statement of changes in equity

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

(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	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<i>Cash flows from operating activities</i>					
Profit for the year		1,036,420,259	2,394,264,490	718,483,635	1,848,021,446
<i>Adjustments for reconcile profit to cash receipts</i>					
Depreciation and amortisation		210,392,360	237,277,016	210,392,360	237,277,016
Losses on (reversal of) inventories devaluation	9	966,957	(11,412,604)	966,957	(11,412,604)
Dividend income	10	-	-	(25,491,000)	(27,515,088)
Interest income		(356,440,457)	(517,324,112)	(356,440,457)	(517,324,112)
Finance costs		263,189	670,719	263,189	670,719
Unrealised loss (gain) on exchange rate		402,976,509	(291,751,043)	402,986,286	(291,761,414)
Unrealised loss (gain) on derivatives		95,353,156	(76,228,351)	95,353,156	(76,228,351)
Loss (gain) on disposal of property, plant and equipment		297	(618,022)	297	(618,022)
Share of profit of associates, net of tax	10	(343,467,578)	(573,868,367)	-	-
Provisions for employee benefits	16	16,676,539	11,946,989	16,676,539	11,946,989
Tax expense	21	174,343,524	455,116,154	174,343,524	455,116,154
		1,237,484,755	1,628,072,869	1,237,534,486	1,628,172,733
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		32,983,968	142,639,958	32,983,968	142,639,958
Other receivables		33,169,867	(20,869,318)	33,184,341	(20,882,236)
Inventories		(844,801,959)	432,660,177	(844,801,959)	432,660,177
Other non-current assets		(87,001)	308,202	(87,001)	308,202
Trade accounts payable		271,472,797	24,668,892	271,472,797	24,668,892
Other payables		3,832,980	(89,533,237)	3,810,090	(89,515,471)
Net cash generated from operating		734,055,407	2,117,947,543	734,096,722	2,118,052,255
Employee benefit paid	16	(14,812,631)	(11,251,359)	(14,812,631)	(11,251,359)
Tax paid		(311,722,071)	(362,068,486)	(311,722,071)	(362,068,486)
Net cash from operating activities		407,520,705	1,744,627,698	407,562,020	1,744,732,410

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	
		2021	2020	2021	2020
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
Decrease in short-term deposits at financial institutions		-	1,489,541,220	-	1,489,541,220
Interest received		38,736,191	87,079,523	38,736,191	87,079,523
Dividend received	10	25,491,000	27,515,088	25,491,000	27,515,088
Acquisition of property, plant and equipment		(26,654,317)	(182,019,843)	(26,654,317)	(182,019,843)
Advance for purchase of machinery and equipment		(933,097)	(12,530,092)	(933,097)	(12,530,092)
Proceeds from sale of property, plant and equipment		1,328,538	714,953	1,328,538	714,953
Proceeds from repayment of long-term loans					
to related parties	6	10,866,667	6,550,000	10,866,667	6,550,000
Increase in long-term deposits at financial institution	12	-	(395,930)	-	(395,930)
Net cash from investing activities		48,834,982	1,416,454,919	48,834,982	1,416,454,919
<i>Cash flows from financing activities</i>					
Interest paid		(263,189)	(670,719)	(263,189)	(670,719)
Dividends paid	23	(359,266,097)	(329,481,308)	(359,266,097)	(329,481,308)
Payment of lease liabilities		(4,952,243)	(5,269,246)	(4,952,243)	(5,269,246)
Proceeds from borrowings		-	256,000,000	-	256,000,000
Repayment of borrowings		-	(256,000,000)	-	(256,000,000)
Net cash used in financing activities		(364,481,529)	(335,421,273)	(364,481,529)	(335,421,273)
Net increase in cash and cash equivalents,					
before effect of exchange rates		91,874,158	2,825,661,344	91,915,473	2,825,766,056
Effect of exchange rate changes on cash and cash equivalents		(45,957,489)	53,039,026	(45,957,489)	53,039,026
Net increase in cash and cash equivalents		45,916,669	2,878,700,370	45,957,984	2,878,805,082
Cash and cash equivalents at 1 April		4,600,902,402	1,722,202,032	4,600,861,087	1,722,056,005
Cash and cash equivalents at 31 March		4,646,819,071	4,600,902,402	4,646,819,071	4,600,861,087
<i>Non-cash transactions</i>					
Payables for purchases of machinery and equipment		40,893,866	42,606,942	40,893,866	42,606,942
Accrued dividend		9,149,014	8,415,110	9,149,014	8,415,110

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

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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 25 May 2021.

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, 16th 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 2021 and 2020 are given in notes 10 and 11.

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.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 April 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

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The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and disclosed impact from change to significant accounting policy in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

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

(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. Relevant information is included in the following notes:

Note 5	Impact of COVID-19;
Note 6	Measurement of ECL allowance for long-term loans to related party and interest receivables;
Note 16	Key actuarial assumptions;
Note 21	Recognition of deferred tax assets: availability of future taxable profit which deductible temporary differences can be utilized; and
Note 24	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

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3 Change in accounting policy

From 1 April 2020, the Group and the Company has initially applied TFRS - Financial instruments standards.

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

(a) TFRS - Financial instruments standards

The Group and the Company has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to other components of equity on 1 April 2020. Therefore, the Group and the Company did not adjust the information presented for the year ended 31 March 2020. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4. The impact from adoption of TFRS – Financial instruments standards are as follows:

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

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

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

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

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

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

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4 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.

Interests in equity-accounted investees

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

The Group recognised investments in associates 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 equity-accounted investees, until the date on which significant influence ceases.

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 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.

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(b) *Investments in subsidiary and associates*

Investments in subsidiary and associates in the separate financial statements are measured at cost less allowance for impairment losses. Gains and losses on disposal of the investments are recognised in profit or loss.

(c) *Foreign currencies*

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (2020: *other long-term investments*).

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 at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

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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.

(d) Financial instruments

Accounting policies applicable from 1 April 2020

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables see note 8) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method or FVTPL. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.
Equity investments measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(d.2) Derecognition and offsetting

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss .

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Accounting policies applicable before 1 April 2020

Investments in equity securities

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Derivatives

Derivatives were recognised when they were exercised .

(e) Cash and cash equivalents

Cash and cash equivalents 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.

(f) Trade accounts receivable

A trade 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 trade receivable is measured at transaction price less allowance for expected credit loss (2020: allowance for doubtful accounts which is determined based on an analysis of payment histories.) Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

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(g) 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.

(h) Property, plant and equipment

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.

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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 when 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 of buildings and equipments, which comprises the cost of an asset, or other amount substituted for cost, less its residual value, and recognised in profit or loss using a straight-line basis over the estimated useful lives of each component of an asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. No depreciation is provided on freehold land or assets under construction.

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

(i) *Intangible assets*

Intangible assets that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

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Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value, and 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. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The estimated useful lives are as follows:

Computer software	5 years
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(j) *Impairment of financial assets other than trade accounts receivables*

Accounting policies applicable from 1 April 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and loan commitments issued which are not measured at FVTPL.

The Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 April 2020

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 exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

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(k) Impairment of non-financial assets

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 in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

The recoverable amount is the greater of the asset's 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.

Impairment losses of assets recognised in prior periods 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.

(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.

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Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which 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 OCI. 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.

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(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. The unwinding of the discount is recognised as a finance cost.

(o) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

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The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit or loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the instrument or until the fair value level is transferred or the transaction is closed out.

(p) 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.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

(q) Other income

Other income, which comprises dividend, interest income and others is generally recognised based on accrual basis, except for dividend income which is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(r) Interest

Accounting policies applicable from 1 April 2020

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

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Accounting policies applicable before 1 April 2020

Interest income is recognised in profit or loss at the rate specified in the contract. Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(s) Income tax

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

Current tax is recognised in respect of 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 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 and joint ventures 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

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

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(t) *Earnings per share*

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 period.

(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.

(v) *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. Unallocated items comprise mainly.

5 *Impact of COVID-19 outbreak*

COVID-19 pandemic is still on going, while vaccines for COVID-19 are being rolled out during 2021. Due to uncertainty of the situation in 2020, the Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 in preparing the financial statements for the year ended 31 March 2020 by excluding COVID-19 situation in impairment indicator for property, plant and equipment. The guidance already expired on 31 December 2020.

Subsequent to 31 March 2021, the COVID-19 pandemic still continues as increasingly affected cases were found and spread all over Thailand. 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.

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6 Related parties

Relationships with subsidiary and associates are described in note 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
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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Name of entities	Country of incorporation / nationality	Nature of relationships
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:

Transactions	Pricing policies
Purchase of goods	With reference to market price
Interest income	LIBOR+3.5% per annum (<i>SOFR</i> +3.5% <i>per annum starting from 1 April 2021</i>) and 1.8% per annum
Dividend	According to the declaration
Cost reduction from sales of electricity generated from manufacturing process	With reference to market price
Expenses charged to/by related parties	Actual cost
Royalty expense	4.5% of net sale less actual cost of feedstock and selling expenses

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<i>Significant transactions with related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
<i>Year ended 31 March</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Associates				
Interest income	322,855	444,021	322,855	444,021
Dividend income	-	-	25,491	27,515
Purchase of goods	1,067	84	1,067	84
Expenses charged by related parties	539	734	539	734
Key management personnel				
Interest income	94	191	94	191
Key management personnel compensation				
Short-term employee benefit	39,240	38,283	39,240	38,283
Total key management personnel compensation	39,240	38,283	39,240	38,283
Directors' remuneration	3,582	3,407	3,582	3,407
Other related parties				
Cost reduction from sales of electricity and steam generated from manufacturing process	326,016	339,472	326,016	339,472
Expenses charged to related parties	3,570	83,416	3,570	83,416
Purchase of goods	1,822,462	1,216,897	1,822,462	1,216,897
Expenses charged by related parties	82,534	52,199	82,534	52,199
Royalty expense	69,862	94,963	69,862	94,963
Finance cost	205	390	205	390

Significant agreements with related parties

As at 31 March 2021, 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 unless the profits before taxes are 4% or less of the revenues. 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:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Trade accounts receivable</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related party	67,668	84,999	67,668	84,999
Less allowance for expected credit loss (2020: allowance for doubtful accounts)	-	-	-	-
Net	<u>67,668</u>	<u>84,999</u>	<u>67,668</u>	<u>84,999</u>

	Consolidated		Separate	
	financial statements		financial statements	
<i>Other receivables</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>4,763</u>	<u>17,031</u>	<u>4,763</u>	<u>17,031</u>
Total	<u>4,763</u>	<u>17,031</u>	<u>4,763</u>	<u>17,031</u>

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	Consolidated		Separate	
	financial statements		financial statements	
<i>Long-term loans to and interest receivables</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Associate				
Long-term loan to	5,389,684	5,623,461	5,389,684	5,623,461
Interest receivables	<u>2,920,103</u>	<u>2,705,646</u>	<u>2,920,103</u>	<u>2,705,646</u>
Total	<u>8,309,787</u>	<u>8,329,107</u>	<u>8,309,787</u>	<u>8,329,107</u>
Key management personnel				
Long-term loan to				
Current portion	-	4,750	-	4,750
Non-current portion	<u>-</u>	<u>6,116</u>	<u>-</u>	<u>6,116</u>
Total	<u>-</u>	<u>10,866</u>	<u>-</u>	<u>10,866</u>
Less allowance for expected credit loss (2020: allowance for doubtful accounts)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>8,309,787</u>	<u>8,339,973</u>	<u>8,309,787</u>	<u>8,339,973</u>

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

	Interest rate	Consolidated and separate financial statements	
		2021	2020
<i>Long-term loans to</i>			
	(% per annum)	<i>(in thousand Baht)</i>	
<i>Associate</i>	LIBOR+3.5		
At 1 April of the preceding year		5,623,461	5,472,700
Unrealised (loss) gain on exchange rate		<u>(233,777)</u>	<u>150,761</u>
At 31 March		<u>5,389,684</u>	<u>5,623,461</u>
<i>Key management personnel</i>	1.8		
At 1 April of the preceding year		10,867	17,417
Decrease		<u>(10,867)</u>	<u>(6,551)</u>
At 31 March		<u>-</u>	<u>10,866</u>

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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. On 18 March 2021, the Company entered into an amendment agreement to extend the repayment date to June 2026, with an interest rate at SOFR+3.5% per annum. The interest shall be compounded at the end of the respective interest period and payable along with the final repayment of the loan. The amendment agreement will be effective from 1 April 2021.

	Consolidated		Separate	
	financial statements		financial statements	
<i>Trade accounts payable</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>673,374</u>	<u>601,786</u>	<u>673,374</u>	<u>601,786</u>
Total	<u>673,374</u>	<u>601,786</u>	<u>673,374</u>	<u>601,786</u>

	Consolidated		Separate	
	financial statements		financial statements	
<i>Other payables</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related parties	<u>22,532</u>	<u>38,905</u>	<u>22,532</u>	<u>38,905</u>
Total	<u>22,532</u>	<u>38,905</u>	<u>22,532</u>	<u>38,905</u>

	Consolidated		Separate	
	financial statements		financial statements	
<i>Lease liabilities</i>	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other related party				
Current portion	1,591	3,034	1,591	3,034
Non-current portion	-	1,591	-	1,591
Total	<u>1,591</u>	<u>4,625</u>	<u>1,591</u>	<u>4,625</u>

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7 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	108	102	108	102
Cash at banks – current accounts	3,643	8,101	3,643	8,060
Cash at banks – savings accounts	8,422	1,286,111	8,422	1,286,111
Fixed deposit	<u>4,634,646</u>	<u>3,306,588</u>	<u>4,634,646</u>	<u>3,306,588</u>
Total	<u>4,646,819</u>	<u>4,600,902</u>	<u>4,646,819</u>	<u>4,600,861</u>

8 Trade accounts receivable

	Consolidated and separate	
	financial statements	
	31 March	31 March
	2021	2020
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	67,668	79,365
Overdue:		
31-60 days	<u>-</u>	<u>5,634</u>
	67,668	84,999
Other parties		
Within credit terms	968,905	972,978
Overdue:		
1-30 days	<u>5,547</u>	<u>11,279</u>
	974,452	984,257
Total	<u>1,042,120</u>	<u>1,069,256</u>

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

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9 Inventories

	Consolidated and separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Finished goods	166,150	160,019
Raw materials	383,787	240,750
Factory supplies and spare parts	135,050	112,512
Goods in transit	<u>673,096</u>	<u>-</u>
	1,358,083	513,281
<i>Less</i> allowance for inventories deterioration	<u>(38,815)</u>	<u>(37,848)</u>
Net	<u>1,319,268</u>	<u>475,433</u>
Inventories recognised in ‘cost of sales of goods’:		
- Cost	3,573,209	5,416,747
- Write-down to (reversal of) net realisable value	<u>967</u>	<u>(11,413)</u>
Net	<u>3,574,176</u>	<u>5,405,334</u>

10 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Associates				
At 1 April of the preceding year	5,163,284	4,961,091	770,364	770,364
Share of net profits of associates	343,468	573,868	-	-
Share of other comprehensive income, net of tax	56,354	(53,629)	-	-
Dividend income	(25,491)	(27,515)	-	-
Currency translation differences	<u>100,814</u>	<u>(290,531)</u>	<u>-</u>	<u>-</u>
At 31 March	<u>5,638,429</u>	<u>5,163,284</u>	<u>770,364</u>	<u>770,364</u>

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During the year ended 31 March 2021, there were no acquisitions and disposals of investments in associates.

Investments in equity-accounted investees as at 31 March 2021 and 2020, and dividend income from those investments for the years then ended, were as follows:

		Consolidated financial statements											
		Ownership interest				Paid-up capital		Cost		Equity		Dividend income	
		2021		2020		2021		2020		2021		2020	
		(in thousand Baht)											
		2021		2020		2021		2020		2021		2020	
		(%)											
Associates	Type of business	Country of operation	Ownership interest	Paid-up capital	Cost	Equity	Dividend income						
P.T. Indo Liberty Textiles	Textiles manufacturing	Indonesia	40.00	515,664	196,948	250,600	-						
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	1,700,000	509,820	4,426,051	25,491						
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	308,870	63,596	961,778	-						
Total				770,364	770,364	5,638,429	25,491						
				770,364	63,596	588,098	-						
				770,364	770,364	5,163,284	27,515						

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 March 2021

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(<i>in thousand Baht</i>)											
Associates												
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	-	196,948	196,948	-	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	-	-
Total			770,364	770,364	770,364	770,364	-	-	770,364	770,364	25,491	27,515

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements For the year ended 31 March 2021

The following table summarizes 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
	2021	2020	2021	2020	2021	2020	
	<i>(in thousand Baht)</i>						
Revenue	2,667,492	3,440,129	15,803,334	15,951,792	27,842,135	33,408,932	46,312,961
Net profit (loss)	(114,017)	(53,452)	612,456	842,289	939,722	1,640,323	1,438,161
Other comprehensive income	(32,376)	13,589	40,446	(8,297)	762,495	(1,741,336)	770,565
Total comprehensive income	(146,393)	(39,863)	652,902	833,992	1,702,217	(101,013)	2,208,726
Attributable to non-controlling interests	-	-	2,501	(14,582)	(112,646)	(49,716)	(110,145)
Attributable to investee's shareholders	(146,393)	(39,863)	650,401	848,574	1,814,863	(51,297)	2,318,871
Current assets	798,564	869,907	6,827,932	6,310,749	11,630,996	12,080,729	19,257,492
Non-current assets	2,153,723	2,387,486	14,937,927	15,129,004	24,296,794	22,821,485	41,388,444
Current liabilities	(1,106,684)	(1,149,214)	(5,713,160)	(4,846,254)	(7,989,415)	(7,975,537)	(14,809,259)
Non-current liabilities	(1,219,104)	(1,311,443)	(1,271,989)	(2,380,689)	(22,567,620)	(23,093,573)	(25,058,713)
Net assets	626,499	796,736	14,780,710	14,212,810	5,370,755	3,833,104	20,777,964
Attributable to non-controlling interests	-	-	21,992	19,492	699,660	976,872	721,652
Attributable to investee's shareholders	626,499	796,736	14,758,718	14,193,318	4,671,095	2,856,232	20,056,312
							17,846,286

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	P. T. Indo Liberty Textiles	Aditya Birla Chemicals (Thailand) Limited	Indigold Carbon (Mauritius) Limited	Total
	2021	2020	2021	2020
Group interest in net asset of investee				
as of 1 April of the preceding year	318,695	336,286	588,098	4,961,091
Total comprehensive income attributable				
to the Group	(68,095)	(15,567)	373,680	229,708
Dividends received during the year	-	(2,024)	-	(27,515)
Carrying amount of interest in investee				
at 31 March	250,600	318,695	961,778	5,638,429
	4,426,051	4,256,491	588,098	5,163,284

(in thousand Baht)

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11 Investments in subsidiary

Investments in subsidiary as at 31 March 2021 and 2020 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	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
		<i>(in thousand Baht)</i>											
Direct subsidiary													
Birla Carbon Mexico, Carbon S.A. DE C.V.	manufacturing	98	98	12,854	12,854	12,854	12,854	(12,854)	(12,854)	-	-	-	-
Total				12,854	12,854	12,854	12,854	(12,854)	(12,854)	-	-	-	-

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
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12 Other non-current financial assets

	<i>Note</i>	Consolidated and separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Long-term deposits at financial institution		16,273	16,273
Other non-marketable equity securities	24	<u>81,641</u>	<u>223,204</u>
Total		<u>97,914</u>	<u>239,477</u>

Long-term deposits at a financial institution

As at 31 March 2021, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (*31 March 2020: Baht 16 million*), which was bearing interest at the rate of 0.50% per annum (*31 March 2020: 0.50% per annum*) and matured in March 2022.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

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Separate financial statements

	Ownership interest		Currency	Paid-up capital		Cost		Impairment		At fair value (2020):		Dividend income	
	2021	2020		2021	2020	2021	2020	2021	2020	2021	2020		
	2021			2020		2021		2020		2021			2020
	(in thousand Baht)												
Thai Acrylic Fiber Co., Ltd.	15.98		THB	712,500		223,204		-		81,641		223,204	
Alexandria Fiber Co., S.A.E.			USD	48,198		265,956		(265,956)					
Total						489,160		(265,956)		81,641		223,204	

(*) Other non-marketable equity securities are measured at fair value as at 1 April 2020 (Note 3).

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13 Property, plant and equipment

Consolidated and separate financial statements

<i>Cost</i>	Assets					Total	
	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles		under construction and installation
At 1 April 2019	138,533	759,260	5,046,686	76,672	15,101	366,258	6,402,510
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)	-
As at 31 March 2020 and							
1 April 2020	138,533	775,151	5,168,755	85,600	14,380	-	6,182,419
Additions	-	16,782	13,410	1,913	-	1,511	33,616
Disposal	-	(2,989)	(78,211)	(52,864)	-	-	(134,064)
As at 31 March 2021	138,533	788,944	5,103,954	34,649	14,380	1,511	6,081,971

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		Consolidated and separate financial statements						Total
		Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation		
		<i>(in thousand Baht)</i>						
Depreciation								
At 1 April 2019	-	542,495	4,275,853	73,848	13,129	-	4,905,325	
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)	
As at 31 March 2020 and 1 April 2020	-	567,854	4,177,788	74,145	11,187	-	4,830,974	
Depreciation charge for the year	-	28,235	173,222	3,071	1,000	-	205,528	
Disposal	-	(2,927)	(77,047)	(52,761)	-	-	(132,735)	
As at 31 March 2021	-	593,162	4,273,963	24,455	12,187	-	4,903,767	
Net book value								
At 31 March 2020								
Owned assets	138,533	201,077	990,967	11,455	3,193	-	1,345,225	
Right-of-use assets	-	6,220	-	-	-	-	6,220	
	138,533	207,297	990,967	11,455	3,193	-	1,351,445	
At 31 March 2021								
Owned assets	138,533	194,287	829,991	10,194	2,193	1,511	1,176,709	
Right-of-use assets	-	1,495	-	-	-	-	1,495	
	138,533	195,782	829,991	10,194	2,193	1,511	1,178,204	

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The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 March 2021 amounted to Baht 3,998 million (2020: Baht 3,422 million).

The Company has no pledged assets as at 31 March 2021 (2020: nil) as collateral against credit facilities received from financial institutions.

14 Trade accounts payable

	Note	Consolidated and separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Related parties	6	673,374	601,786
Other parties		<u>414,028</u>	<u>199,548</u>
Total		<u>1,087,402</u>	<u>801,334</u>

15 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Related parties	6	<u>22,532</u>	<u>38,905</u>	<u>22,532</u>	<u>38,905</u>
Others					
Other payables for machinery and equipment		40,894	42,607	40,894	42,607
Accrued bonus expenses		21,859	20,446	21,859	20,446
Accrued for legal claim		20,186	13,806	20,186	13,806
Accrued consulting fee		15,530	16,415	15,530	16,415
Accrued service fee		13,213	13,695	13,213	13,695
Dividends payables		9,149	8,415	9,149	8,415
Others		<u>43,373</u>	<u>29,593</u>	<u>43,108</u>	<u>29,352</u>
		<u>164,204</u>	<u>144,977</u>	<u>163,939</u>	<u>144,736</u>
Total		<u>186,736</u>	<u>183,882</u>	<u>186,471</u>	<u>183,641</u>

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16 Non-current provisions for employee benefits

	Consolidated and separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Statement of financial position		
Non-current provision obligations for:		
Post-employment benefits	125,121	124,482
Other long-term employee benefits	<u>13,750</u>	<u>12,525</u>
Total	<u>138,871</u>	<u>137,007</u>
 <i>For the year ended 31 March</i>		
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits	14,987	10,762
Other long-term employee benefits	<u>1,689</u>	<u>1,185</u>
Total	<u>16,676</u>	<u>11,947</u>
 Recognised in other comprehensive income:		
Cumulative actuarial losses recognised	<u>15,041</u>	<u>15,041</u>

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.

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<i>Present value of the defined benefit obligations</i>	Consolidated and separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	124,482	122,591
Included in profit or loss:		
Current service cost	11,081	6,909
Interest on obligation	3,906	3,853
	14,987	10,762
Benefits paid by the plan	(14,348)	(8,871)
	(14,348)	(8,871)
At 31 March	125,121	124,482

<i>Principal actuarial assumptions</i>	Consolidated and separate financial statements	
	2021	2020
	<i>(%)</i>	
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.

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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	
	<i>(in thousand Baht)</i>	
	Increase	Decrease
At 31 March 2021		
Discount rate (1% movement)	(9,991)	11,249
Future salary growth (1% movement)	13,074	(11,763)
At 31 March 2020		
Discount rate (1% movement)	(10,210)	11,532
Future salary growth (1% movement)	11,955	(10,792)

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.

17 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 2021 and 2020, the Company’s legal reserve was equal to 10% of authorised share capital.

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18 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

	Revenues	
	2021	2020
	<i>(in thousand Baht)</i>	
Thailand	3,713,488	5,424,627
Japan	618,570	1,050,421
Indonesia	237,318	413,662
Vietnam	231,071	220,430
Malaysia	146,778	135,975
Other countries	187,168	248,637
Total	5,134,393	7,493,752

Major customers

For the year ended 31 March 2021, the Company has revenue from two major customers in the amount of Baht 950.3 million and Baht 687.1 million, respectively *(For the year ended 31 March 2020: Baht 1,246.3 million and Baht 1,128.8 million, respectively)*.

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19 Employee benefit expenses

	<i>Note</i>	Consolidated and separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Wages and salaries		308,053	339,190
Defined benefit expenses	16	14,987	10,762
Defined contribution plans		7,808	7,982
Other long-term employee benefits	16	1,689	1,185
Others		19,503	27,152
Total		352,040	386,271

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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20 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:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods	(2,282)	266,724	(2,282)	266,724
Raw materials and consumables used	2,502,815	3,977,765	2,502,815	3,977,765
Utility expenses	468,670	506,671	468,670	506,671
Employee benefit expenses	224,662	246,895	224,662	246,895
Depreciation and amortisation	210,392	237,277	210,392	237,277
Technical assistance and consultancy	171,532	215,463	171,532	215,463
Others	178,647	184,533	178,647	184,533
Total	<u>3,754,436</u>	<u>5,635,328</u>	<u>3,754,436</u>	<u>5,635,328</u>
<i>Included in distribution costs:</i>				
Transportation	146,208	147,544	146,208	147,544
Others	1,468	1,809	1,468	1,809
Total	<u>147,676</u>	<u>149,353</u>	<u>147,676</u>	<u>149,353</u>
<i>Included in administrative expenses:</i>				
Employee benefit expenses	127,378	139,376	127,378	139,376
Technical assistance and consultancy	61,271	49,456	61,271	49,456
Rental expenses	9,670	8,140	9,670	8,140
Others	41,527	48,548	41,527	48,467
Total	<u>239,846</u>	<u>245,520</u>	<u>239,846</u>	<u>245,439</u>

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21 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense	193,782	437,455	193,782	437,455
Deferred tax (income) expense	<u>(19,438)</u>	<u>17,661</u>	<u>(19,438)</u>	<u>17,661</u>
Total income tax expense	<u>174,344</u>	<u>455,116</u>	<u>174,344</u>	<u>455,116</u>

<i>Income tax recognised in other comprehensive income</i>	Consolidated and separate financial statements					
	2021			2020		
	<i>(in thousand Baht)</i>					
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Other non-marketable equity securities at FVOCI	<u>(7,038)</u>	<u>1,408</u>	<u>(5,630)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>(7,038)</u>	<u>1,408</u>	<u>(5,630)</u>	<u>-</u>	<u>-</u>	<u>-</u>

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2021		2020	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before tax		<u>1,210,764</u>		<u>2,849,381</u>
Income tax using the Thai corporation tax rate	20	242,153	20	569,876
Share of profit from investments in associates		(68,694)		(114,774)
Expenses not deductible for tax purposes		910		82
Additional expense deductions allowed		(33)		(91)
Others		<u>8</u>		<u>23</u>
Total	14	<u>174,344</u>	16	<u>455,116</u>

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Reconciliation of effective tax rate

	Separate financial statements			
	2021		2020	
	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in thousand</i> <i>Baht)</i>
Profit before tax		<u>892,827</u>		<u>2,303,138</u>
Income tax using the Thai corporation tax rate	20	178,565	20	460,628
Income not subject to tax		(5,098)		(5,503)
Expenses not deductible for tax purposes		910		82
Additional expense deductions allowed		<u>(33)</u>		<u>(91)</u>
Total	20	<u>174,344</u>	20	<u>455,116</u>

Consolidated financial statements

Deferred tax

At 31 March

	Assets		Liabilities	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Total	123,582	89,766	-	(13,935)
Set off of tax	<u>-</u>	<u>(13,935)</u>	<u>-</u>	<u>13,935</u>
Net deferred tax assets	<u>123,582</u>	<u>75,831</u>	<u>-</u>	<u>-</u>

Separate financial statements

	Assets		Liabilities	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Total	126,153	92,337	-	(13,935)
Set off of tax	<u>-</u>	<u>(13,935)</u>	<u>-</u>	<u>13,935</u>
Net deferred tax assets	<u>126,153</u>	<u>78,402</u>	<u>-</u>	<u>-</u>

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	Consolidated financial statements			
	<u>(Charged) / Credited to</u>			
	At 1 April 2020	profit or loss	other comprehensive income	At 31 March 2021
	<i>(in thousand Baht)</i>			
<i>Deferred tax assets</i>				
Decrease in fair value of other				
non-marketable equity securities	80,096	-	1,408	81,504
Provision for employee benefits	27,401	373	-	27,774
Unrealised loss from derivatives	-	5,136	-	5,136
Provision for decline in value				
of inventories	7,570	193	-	7,763
Others	1,604	(199)	-	1,405
Total	<u>116,671</u>	<u>5,503</u>	<u>1,408</u>	<u>123,582</u>
<i>Deferred tax liabilities</i>				
Unrealised gain from derivatives	(13,935)	13,935	-	-
Total	<u>(13,935)</u>	<u>13,935</u>	<u>-</u>	<u>-</u>
Net	<u><u>102,736</u></u>	<u><u>19,438</u></u>	<u><u>1,408</u></u>	<u><u>123,582</u></u>

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	Separate financial statements			At 31 March 2021
	At 1 April 2020	<u>(Charged) / Credited to</u>		
		profit or loss	other comprehensive income	
	<i>(in thousand Baht)</i>			
<i>Deferred tax assets</i>				
Provision for impairment of investment in subsidiary	2,571	-	-	2,571
Decrease in fair value of other non-marketable equity securities	80,096	-	1,408	81,504
Provision for employee benefits	27,401	373	-	27,774
Unrealised loss from derivatives	-	5,136	-	5,136
Provision for decline in value of inventories	7,570	193	-	7,763
Others	1,604	(199)	-	1,405
Total	119,242	5,503	1,408	126,153
<i>Deferred tax liabilities</i>				
Unrealised gain from derivatives	(13,935)	13,935	-	-
Total	(13,935)	13,935	-	-
Net	105,307	19,438	1,408	126,153

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	Consolidated financial statements		
	(Charged) / Credited to		
	At 1 April		At 31 March
	2019	profit or loss	2020
	<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>			
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
Total	93,492	(3,726)	89,766
<i>Deferred tax liabilities</i>			
Unrealised gain from derivatives	-	(13,935)	(13,935)
Total	-	(13,935)	(13,935)
Net	93,492	(17,661)	75,831

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	Separate financial statements		
	(Charged) / Credited to		
	At 1 April		At 31 March
	2019	profit or loss	2020
		<i>(in thousand Baht)</i>	
<i>Deferred tax assets</i>			
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
Total	96,063	(3,726)	92,337
<i>Deferred tax liabilities</i>			
Unrealised gain from derivatives	-	(13,935)	(13,935)
Total	-	(13,935)	(13,935)
Net	96,063	(17,661)	78,402

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22 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the year ended 31 March 2021 and 2020 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:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit attributable to ordinary shareholders</i>				
<i>for the year ended 31 March</i>				
Profit attributable to equity holders				
of the Company	<u>1,036,420</u>	<u>2,394,264</u>	<u>718,483</u>	<u>1,848,021</u>
Number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Earnings per share (basic) (in Baht)	<u>3.45</u>	<u>7.98</u>	<u>2.39</u>	<u>6.16</u>

23 Dividends

Details of dividends during 2021 and 2020 are as follows:

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

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24 Financial instruments

(a) *Carrying amounts and fair values*

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

		Consolidated and separate financial statements				
		Carrying amount			Fair value	
<i>At 31 March 2021</i>	<i>Note</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost - net	Total	Total
<i>(in thousand Baht)</i>						
Financial assets						
Other non-marketable equity securities	12	-	81,641	-	81,641	81,641
Financial liabilities						
Derivatives liabilities		25,679	-	-	25,679	25,679
					-	-

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	<i>Note</i>	Consolidated and separate financial statements	
		Carrying amount	Fair value
			Level 2
<i>(in thousand Baht)</i>			
<i>At 31 March 2020</i>			
Derivatives assets		69,674	69,674

Financial instruments

Type	Valuation technique
Derivatives assets/liabilities	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Other non-marketable equity instruments	The adjusted net asset value as of the reporting date.

(b) Movement of other non-marketable equity securities

<i>Other non-marketable equity securities</i>	Consolidated and separate financial statements		
	At 1	Fair value	At 31
	April 2020	adjustment	March 2021
<i>(in thousand Baht)</i>			
<i>2021</i>			
<i>Non-current financial assets</i>			
Other non-marketable equity securities measured at FVOCI	88,679	(7,038)	81,641
Total	88,679	(7,038)	81,641

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(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

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(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's trade terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(c.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(c.2) *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.

(c.3) *Market risk*

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

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(c.3.1) 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 utilizes 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.

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	3,716,646	2,272,348	3,716,646	2,272,348
Trade accounts receivable	184,427	219,288	184,427	219,288
Other receivables	4,100	2,428	4,100	2,428
Advance for purchase of machinery and equipment	974	13,751	974	13,751
Long-term loan to related party	5,389,684	5,623,461	5,389,684	5,623,461
Long-term interest receivables	2,920,103	2,705,646	2,920,103	2,705,646
Trade accounts payable	(979,528)	(624,458)	(979,528)	(624,458)
Other payables	<u>(17,170)</u>	<u>(52,486)</u>	<u>(17,170)</u>	<u>(52,486)</u>
Gross statement of financial position exposure	11,219,236	10,159,978	11,219,236	10,159,978
Notional amount of forward exchange contracts	<u>(25,679)</u>	<u>69,674</u>	<u>(25,679)</u>	<u>69,674</u>
Net exposure	<u>11,193,557</u>	<u>10,229,652</u>	<u>11,193,557</u>	<u>10,229,652</u>
<i>Euro</i>				
Other receivables	-	8,598	-	8,598
Trade accounts payable	(1,873)	(47,618)	(1,873)	(47,618)
Other payables	<u>(36,796)</u>	<u>(10,257)</u>	<u>(36,796)</u>	<u>(10,257)</u>
Gross statement of financial position exposure	<u>(38,669)</u>	<u>(49,277)</u>	<u>(38,669)</u>	<u>(49,277)</u>

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Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at 31 March 2021 would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Consolidated financial statements		Separate financial statements	
		Strengthening	Weakening	Strengthening	Weakening
<i>As at 31 March 2021</i>					
USD	1	112,192	(112,192)	112,192	(112,192)

(c.3.2) 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. So the Group has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on financial statements of Group.

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25 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	35,197	-
Total	35,197	-
<i>Non-cancellable operating lease commitments</i>		
Within 1 year	4,424	2,217
1 - 5 years	1,263	2,788
Total	5,687	5,005
<i>Other commitments</i>		
Bank guarantees for electricity use <i>(for own performance)</i>	13,548	13,548
Total	13,548	13,548
<i>Operating lease agreements</i>		

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

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26 Reclassification of accounts

Certain accounts in the 2020 financial statements have been reclassified to conform to the presentation in the 2021 financial statements as follows:

	Before reclassification	2020 Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>For the year ended 31 March</i>			
<i>Consolidated statement of income</i>			
Cost of sales of goods	5,478,706	156,622	5,635,328
Administrative expenses	402,142	<u>(156,622)</u>	245,520
		<u><u>-</u></u>	
 <i>For the year ended 31 March</i>			
<i>Separate statement of income</i>			
Cost of sales of goods	5,478,706	156,622	5,635,328
Administrative expenses	402,061	<u>(156,622)</u>	245,439
		<u><u>-</u></u>	

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