

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

Financial statements for the year ended
31 March 2023
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

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 2023, 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 2023 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 3 and 4 | |
| 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 SOFR+3.5% per annum starting from 1 April 2021 (<i>LIBOR+3.5% per annum before 1 April 2021</i>) and will be repayable in full in June 2026.</p> <p>Per TFRS 9 - Financial Instruments which requires the Group and the Company to recognise 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 matter as 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. |

Dr.



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.

OW



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.

Dr.



- 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, actions taken to eliminate threats or safeguards applied.

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.

(Treerawat Witthayaphalert)

Certified Public Accountant

Registration No. 11464

KPMG Phoomchai Audit Ltd.

Bangkok

29 May 2023

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---|------|----------------------|----------------|----------------------|----------------|
| | | financial statements | | financial statements | |
| | | 31 March | | 31 March | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | (in Baht) | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 5 | 4,999,513,682 | 4,814,661,462 | 4,999,513,682 | 4,814,661,462 |
| Trade accounts receivable | 4, 6 | 2,250,344,045 | 2,080,334,493 | 2,250,344,045 | 2,080,334,493 |
| Other receivables | | 273,332,638 | 81,236,902 | 273,332,638 | 81,076,049 |
| Inventories | 7 | 2,644,280,317 | 2,622,105,370 | 2,644,280,317 | 2,622,105,370 |
| Total current assets | | 10,167,470,682 | 9,598,338,227 | 10,167,470,682 | 9,598,177,374 |
| Non-current assets | | | | | |
| Investments in associates | 8 | 9,207,115,499 | 7,774,679,994 | 770,364,083 | 770,364,083 |
| Investments in subsidiary | 9 | - | - | - | - |
| Other non-current financial assets | 10 | 230,423,311 | 116,839,015 | 230,423,311 | 116,839,015 |
| Long-term loan to related party | 4 | 5,897,080,571 | 5,728,843,308 | 5,897,080,571 | 5,728,843,308 |
| Long-term interest receivable | 4 | 4,157,575,457 | 3,437,992,426 | 4,157,575,457 | 3,437,992,426 |
| Property, plant and equipment | 11 | 1,018,427,571 | 1,079,432,277 | 1,018,427,571 | 1,079,432,277 |
| Deferred tax assets | 19 | 96,559,221 | 117,903,572 | 99,129,927 | 120,474,278 |
| Advance for purchase of machinery and equipment | | 74,861,408 | 596,315 | 74,861,408 | 596,315 |
| Refundable income tax | | 94,877,195 | - | 94,877,195 | - |
| Other non-current assets | | 1,920,053 | 3,649,959 | 1,920,053 | 3,649,959 |
| Total non-current assets | | 20,778,840,286 | 18,259,936,866 | 12,344,659,576 | 11,258,191,661 |
| Total assets | | 30,946,310,968 | 27,858,275,093 | 22,512,130,258 | 20,856,369,035 |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of financial position

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|-----------------------|----------------------------------|-----------------------|
| | | 31 March | | 31 March | |
| Liabilities and equity | Note | 2023 | 2022 | 2023 | 2022 |
| <i>(in Baht)</i> | | | | | |
| Current liabilities | | | | | |
| Trade accounts payable | 4, 12 | 2,445,520,725 | 2,271,575,011 | 2,445,520,725 | 2,271,575,011 |
| Other payables | 4, 13 | 202,170,422 | 191,379,324 | 202,170,422 | 191,088,121 |
| Current portion of lease liability | | 810,952 | - | 810,952 | - |
| Current tax payable | | - | 184,608,834 | - | 184,608,834 |
| Derivatives liabilities | 22 | 20,595,693 | 36,036,574 | 20,595,693 | 36,036,574 |
| Total current liabilities | | 2,669,097,792 | 2,683,599,743 | 2,669,097,792 | 2,683,308,540 |
| Non-current liabilities | | | | | |
| Lease liability | | 1,550,961 | - | 1,550,961 | - |
| Non-current provisions for employee benefits | 14 | 139,775,302 | 151,668,571 | 139,775,302 | 151,668,571 |
| Total non-current liabilities | | 141,326,263 | 151,668,571 | 141,326,263 | 151,668,571 |
| Total liabilities | | 2,810,424,055 | 2,835,268,314 | 2,810,424,055 | 2,834,977,111 |
| 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 | 15 | 30,000,000 | 30,000,000 | 30,000,000 | 30,000,000 |
| Unappropriated | | 28,991,311,868 | 25,430,647,959 | 18,449,127,156 | 16,859,631,504 |
| Other components of equity | | (2,115,424,955) | (1,667,641,180) | (7,420,953) | (98,239,580) |
| Total equity | | 28,135,886,913 | 25,023,006,779 | 19,701,706,203 | 18,021,391,924 |
| Total liabilities and equity | | 30,946,310,968 | 27,858,275,093 | 22,512,130,258 | 20,856,369,035 |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of income

| | | Consolidated | | Separate | |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | financial statements | | financial statements | |
| | | Year ended 31 March | | Year ended 31 March | |
| | Note | 2023 | 2022 | 2023 | 2022 |
| | | (in Baht) | | | |
| Revenue | | | | | |
| Revenue from sales | 16 | 12,839,028,622 | 10,328,022,500 | 12,839,028,622 | 10,328,022,500 |
| Dividend income | 4, 8 | - | - | 25,491,000 | 25,491,000 |
| Interest income | 4 | 743,708,169 | 341,255,790 | 743,708,169 | 341,255,790 |
| Net foreign exchange gain | | 486,558,147 | 656,918,322 | 486,558,147 | 656,918,322 |
| Other income | | 54,425,744 | 9,108,904 | 54,425,744 | 9,108,904 |
| Total revenue | | 14,123,720,682 | 11,335,305,516 | 14,149,211,682 | 11,360,796,516 |
| Expenses | | | | | |
| Cost of sales of goods | 4, 18 | 10,948,114,720 | 7,912,432,599 | 10,948,114,720 | 7,912,432,599 |
| Distribution costs | 18 | 293,862,447 | 268,195,390 | 293,862,447 | 268,195,390 |
| Administrative expenses | 4, 18 | 315,566,168 | 295,602,001 | 315,566,168 | 295,602,001 |
| Total expenses | | 11,557,543,335 | 8,476,229,990 | 11,557,543,335 | 8,476,229,990 |
| Profit from operating activities | | 2,566,177,347 | 2,859,075,526 | 2,591,668,347 | 2,884,566,526 |
| Finance costs | 4 | (156,436) | (36,897) | (156,436) | (36,897) |
| Share of profit of associates | | | | | |
| accounted for using equity method | 8 | 1,996,659,257 | 2,000,351,816 | - | - |
| Profit before income tax expense | | 4,562,680,168 | 4,859,390,445 | 2,591,511,911 | 2,884,529,629 |
| Tax expense | 19 | 513,541,446 | 572,066,386 | 513,541,446 | 572,066,386 |
| Profit for the year | | 4,049,138,722 | 4,287,324,059 | 2,077,970,465 | 2,312,463,243 |
| Basic earnings per share (in Baht) | 20 | 13.50 | 14.29 | 6.93 | 7.71 |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of comprehensive income

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | Year ended 31 March | | Year ended 31 March | |
| | | 2023 | 2022 | 2023 | 2022 |
| | | (in Baht) | | | |
| Profit for the year | | 4,049,138,722 | 4,287,324,059 | 2,077,970,465 | 2,312,463,243 |
| Other comprehensive income | | | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating foreign operations | | (193,314,158) | 141,640,401 | - | - |
| Total items that will be reclassified subsequently to profit or loss | | (193,314,158) | 141,640,401 | - | - |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | | |
| Gain on investments in equity instruments designated at fair value through other comprehensive income | 10 | 113,523,284 | 18,763,487 | 113,523,284 | 18,763,487 |
| Gain (loss) on remeasurements of defined benefit plans | 14 | 8,156,484 | (11,952,685) | 8,156,484 | (11,952,685) |
| Income tax relating to items that will not be reclassified to profit or loss | 19 | (24,335,954) | (1,362,161) | (24,335,954) | (1,362,161) |
| Share of other comprehensive income (expense) of associates, net of tax | 8 | (345,288,244) | 19,737,828 | - | - |
| Total items that will not be reclassified subsequently to profit or loss | | (247,944,430) | 25,186,469 | 97,343,814 | 5,448,641 |
| Other comprehensive income (expense) for the year, net of tax | | (441,258,588) | 166,826,870 | 97,343,814 | 5,448,641 |
| Total comprehensive income for the year | | 3,607,880,134 | 4,454,150,929 | 2,175,314,279 | 2,317,911,884 |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

| | | Consolidated financial statements | | | | | | | |
|---|--|-----------------------------------|---------------|---------------|---|-----------------|---|----------------------------------|----------------|
| | | Retained earnings | | | Other components of equity | | | | |
| | | | | | Gain (loss) on investments in equity instruments designated at fair value | | | | |
| | | | | | Translating foreign operations (in Baht) | | | | |
| | | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | | Share of other comprehensive income of associates | Total other components of equity | Total equity |
| Year ended 31 March 2022 | | | | | | | | | |
| Balance at 1 April 2021 | | 300,000,000 | 930,000,000 | 30,000,000 | 21,392,886,048 | (1,787,133,679) | 56,353,850 | (1,844,030,198) | 20,808,855,850 |
| Transaction with owners, recorded directly in equity | | | | | | | | | |
| Dividends to owners of the Company | | 21 | - | - | (240,000,000) | - | - | - | (240,000,000) |
| Total transactions with owners, recorded directly in equity | | - | - | - | (240,000,000) | - | - | - | (240,000,000) |
| Comprehensive income for the year | | | | | | | | | |
| Profit | | - | - | - | 4,287,324,059 | - | - | - | 4,287,324,059 |
| Other comprehensive income | | - | - | - | (9,562,148) | 141,640,401 | 19,737,828 | 176,389,018 | 166,826,870 |
| Total comprehensive income for the year | | - | - | - | 4,277,761,911 | 141,640,401 | 19,737,828 | 176,389,018 | 4,454,150,929 |
| Balance as at 31 March 2022 | | 300,000,000 | 930,000,000 | 30,000,000 | 25,430,647,959 | (1,645,493,278) | 76,091,678 | (1,667,641,180) | 25,023,006,779 |

The accompanying notes form an integral part of the financial statements.

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

| Consolidated financial statements | | | | | | | | | |
|---|------|----------------------------------|---------------|----------------------------|----------------|--|--|---|----------------------------------|
| | Note | Retained earnings | | Other components of equity | | | | | |
| | | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Translating foreign operations (in Baht) | Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income | Share of other comprehensive income (expense) of associates | Total other components of equity |
| Year ended 31 March 2023 | | | | | | | | | |
| Balance at 1 April 2022 | | 300,000,000 | 930,000,000 | 30,000,000 | 25,430,647,959 | (1,645,493,278) | (98,239,580) | 76,091,678 | (1,667,641,180) |
| | | | | | | | | | 25,023,006,779 |
| Transaction with owners, recorded directly in equity | | | | | | | | | |
| Dividends to owners of the Company | 21 | - | - | - | (495,000,000) | - | - | - | (495,000,000) |
| Total transactions with owners, recorded directly in equity | | - | - | - | (495,000,000) | - | - | - | (495,000,000) |
| Comprehensive income for the year | | | | | | | | | |
| Profit | | - | - | - | 4,049,138,722 | - | - | - | 4,049,138,722 |
| Other comprehensive income | | - | - | - | 6,525,187 | (193,314,158) | 90,818,627 | (345,288,244) | (441,258,588) |
| Total comprehensive income for the year | | - | - | - | 4,055,663,909 | (193,314,158) | 90,818,627 | (345,288,244) | 3,607,880,134 |
| Balance as at 31 March 2023 | | 300,000,000 | 930,000,000 | 30,000,000 | 28,991,311,868 | (1,838,807,436) | (7,420,953) | (269,196,566) | 28,135,886,913 |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

| | Separate financial statements | | | | | |
|--|-------------------------------|---------------|---------------|--|---------------|----------------|
| | Retained earnings | | | Other components of equity | | |
| | | | | Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income | | Total equity |
| | Issued and paid share capital | Share premium | Legal reserve | Unappropriated | | |
| | <i>(in Baht)</i> | | | | | |
| Year ended 31 March 2022 | | | | | | |
| Balance at 1 April 2021 | 300,000,000 | 930,000,000 | 30,000,000 | 14,796,730,409 | (113,250,369) | 15,943,480,040 |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Distributions to owners</i> | | | | | | |
| Dividend | - | - | - | (240,000,000) | - | (240,000,000) |
| Total distributions to owners | - | - | - | (240,000,000) | - | (240,000,000) |
| Comprehensive income for the year | | | | | | |
| Profit | - | - | - | 2,312,463,243 | - | 2,312,463,243 |
| Other comprehensive income | - | - | - | (9,562,148) | 15,010,789 | 5,448,641 |
| Total comprehensive income for the year | - | - | - | 2,302,901,095 | 15,010,789 | 2,317,911,884 |
| Balance at 31 March 2022 | 300,000,000 | 930,000,000 | 30,000,000 | 16,859,631,504 ⁽¹⁾ | (98,239,580) | 18,021,391,924 |

(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 form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Statement of changes in equity

| | Separate financial statements | | | | | |
|---|-------------------------------|---------------|---------------|-------------------------------|--|----------------|
| | Retained earnings | | | Other components of equity | | |
| | Issued and paid share capital | Share premium | Legal reserve | Unappropriated | Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income | Total equity |
| | <i>(in Baht)</i> | | | | | |
| Year ended 31 March 2023 | | | | | | |
| Balance at 1 April 2022 | 300,000,000 | 930,000,000 | 30,000,000 | 16,859,631,504 | (98,239,580) | 18,021,391,924 |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Distributions to owners</i> | | | | | | |
| Dividend | - | - | - | (495,000,000) | - | (495,000,000) |
| Total distributions to owners | - | - | - | (495,000,000) | - | (495,000,000) |
| Comprehensive income for the year | | | | | | |
| Profit | - | - | - | 2,077,970,465 | - | 2,077,970,465 |
| Other comprehensive income | - | - | - | 6,525,187 | 90,818,627 | 97,343,814 |
| Total comprehensive income for the year | - | - | - | 2,084,495,652 | 90,818,627 | 2,175,314,279 |
| Balance at 31 March 2023 | 300,000,000 | 930,000,000 | 30,000,000 | 18,449,127,156 ⁽¹⁾ | (7,420,953) | 19,701,706,203 |

(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 form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows

| | <i>Note</i> | Consolidated | | Separate | |
|--|-------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | | financial statements | | financial statements | |
| | | Year ended 31 March | | Year ended 31 March | |
| | | 2023 | 2022 | 2023 | 2022 |
| <i>(in Baht)</i> | | | | | |
| <i>Cash flows from operating activities</i> | | | | | |
| Profit for the year | | 4,049,138,722 | 4,287,324,059 | 2,077,970,465 | 2,312,463,243 |
| <i>Adjustments for reconcile profit to cash receipts (payments)</i> | | | | | |
| Depreciation | | 182,431,316 | 179,614,667 | 182,431,316 | 179,614,667 |
| Loss on (reversal of) inventories devaluation | 7 | 5,536,024 | (31,345,496) | 5,536,024 | (31,345,496) |
| Dividend income | 8 | - | - | (25,491,000) | (25,491,000) |
| Interest income | | (743,708,169) | (341,255,790) | (743,708,169) | (341,255,790) |
| Finance costs | | 156,436 | 36,897 | 156,436 | 36,897 |
| Unrealised gain on exchange rate | | (349,631,347) | (592,907,448) | (349,761,697) | (592,895,537) |
| Unrealised (gain) loss on derivatives | | (15,440,881) | 10,357,280 | (15,440,881) | 10,357,280 |
| Gain on disposal of property, plant and equipment | | (450,305) | (1,374,004) | (450,305) | (1,374,004) |
| Share of profit of associates, net of tax | 8 | (1,996,659,257) | (2,000,351,816) | - | - |
| Provisions for employee benefits | 14 | 11,919,873 | 14,608,598 | 11,919,873 | 14,608,598 |
| Tax expense | 19 | 513,541,446 | 572,066,386 | 513,541,446 | 572,066,386 |
| | | 1,656,833,858 | 2,096,773,333 | 1,656,703,508 | 2,096,785,244 |
| <i>Changes in operating assets and liabilities</i> | | | | | |
| Trade accounts receivable | | (174,146,612) | (1,035,789,460) | (174,146,612) | (1,035,789,460) |
| Other receivables | | (169,423,237) | (39,636,316) | (169,584,090) | (39,621,617) |
| Inventories | | (27,710,971) | (1,271,492,307) | (27,710,971) | (1,271,492,307) |
| Other non-current assets | | 1,729,906 | (1,223,208) | 1,729,906 | (1,223,208) |
| Trade accounts payable | | 183,257,694 | 1,177,887,108 | 183,257,694 | 1,177,887,108 |
| Other payables | | 10,141,646 | (1,062,235) | 10,432,849 | (1,088,845) |
| Net cash generated from operating | | 1,480,682,284 | 925,456,915 | 1,480,682,284 | 925,456,915 |
| Employee benefit paid | 14 | (15,656,658) | (13,763,600) | (15,656,658) | (13,763,600) |
| Tax paid | | (796,019,077) | (536,812,181) | (796,019,077) | (536,812,181) |
| Net cash from operating activities | | 669,006,549 | 374,881,134 | 669,006,549 | 374,881,134 |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Statement of cash flows

| | <i>Note</i> | Consolidated | | Separate | |
|---|-------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | | financial statements | | financial statements | |
| | | Year ended 31 March | | Year ended 31 March | |
| | | 2023 | 2022 | 2023 | 2022 |
| <i>(in Baht)</i> | | | | | |
| <i>Cash flows from investing activities</i> | | | | | |
| Interest received | | 79,481,966 | 13,459,250 | 79,481,966 | 13,459,250 |
| Dividend received | 8 | 25,491,000 | 25,491,000 | 25,491,000 | 25,491,000 |
| Acquisition of property, plant and equipment | | (116,505,418) | (70,339,655) | (116,505,418) | (70,339,655) |
| Advance for purchase of machinery and equipment | | (74,861,408) | (596,315) | (74,861,408) | (596,315) |
| Proceeds from sale of property, plant and equipment | | 557,264 | 1,497,606 | 557,264 | 1,497,606 |
| Increase in other long-term deposits at financial institution | | (61,013) | (161,500) | (61,013) | (161,500) |
| Net cash used in investing activities | | (85,897,609) | (30,649,614) | (85,897,609) | (30,649,614) |
| <i>Cash flows from financing activities</i> | | | | | |
| Interest paid | | (156,436) | (36,897) | (156,436) | (36,897) |
| Dividends paid | 21 | (495,460,703) | (242,772,363) | (495,460,703) | (242,772,363) |
| Payment of lease liabilities | | (194,717) | (1,590,576) | (194,717) | (1,590,576) |
| Proceeds from borrowings | | - | 10,000,000 | - | 10,000,000 |
| Repayment of borrowings | | - | (10,000,000) | - | (10,000,000) |
| Net cash used in financing activities | | (495,811,856) | (244,399,836) | (495,811,856) | (244,399,836) |
| Net increase in cash and cash equivalents, | | | | | |
| before effect of exchange rates | | 87,297,084 | 99,831,684 | 87,297,084 | 99,831,684 |
| Effect of exchange rate changes on cash and cash equivalents | | 97,555,136 | 68,010,707 | 97,555,136 | 68,010,707 |
| Net increase in cash and cash equivalents | | 184,852,220 | 167,842,391 | 184,852,220 | 167,842,391 |
| Cash and cash equivalents at 1 April | | 4,814,661,462 | 4,646,819,071 | 4,814,661,462 | 4,646,819,071 |
| Cash and cash equivalents at 31 March | | 4,999,513,682 | 4,814,661,462 | 4,999,513,682 | 4,814,661,462 |
| <i>Supplemental disclosure of cash flows information</i> | | | | | |
| Net change in payables for purchases of | | | | | |
| machinery and equipment | | (1,875,206) | (8,477,871) | (1,875,206) | (8,477,871) |

The accompanying notes form an integral part of the financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| Note | Contents |
|-------------|--|
| 1 | General information |
| 2 | Basis of preparation of the financial statements |
| 3 | Significant accounting policies |
| 4 | Related parties |
| 5 | Cash and cash equivalents |
| 6 | Trade accounts receivable |
| 7 | Inventories |
| 8 | Investments in associates |
| 9 | Investments in subsidiary |
| 10 | Other non-current financial assets |
| 11 | Property, plant and equipment |
| 12 | Trade accounts payable |
| 13 | Other payables |
| 14 | Non-current provisions for employee benefits |
| 15 | Legal reserve |
| 16 | Segment information |
| 17 | Employee benefit expenses |
| 18 | Expenses by nature |
| 19 | Income tax |
| 20 | Earnings per share |
| 21 | Dividends |
| 22 | Financial instruments |
| 23 | Capital management |
| 24 | Commitments with non-related parties |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 29 May 2023.

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 (38.02% 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 2023 and 2022 are given in notes 8 and 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies, described in note 3 have been applied consistently to all periods presented in these financial statements.

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 that are described in note 3 are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

3 Significant accounting policies

(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.

Subsidiary is entity 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 subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Associates are those 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 in the consolidated financial statements. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. 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.

(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. Dividend income is recognised in profit or loss on the date on which the Company’s right to receive payment is established. Gains and losses on disposal of the investments are recognised in profit or loss.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(c) *Foreign currencies*

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 (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss)

Foreign operations

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

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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(d) Financial instruments

(d.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or 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. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs 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 and any gain or loss on derecognition are recognised in profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, 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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(d.2) Derecognition and offset

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.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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.

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 takes action such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

(d.5) Write offs

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.

(d.6) Interest

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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents 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. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find the ECLs rates. 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.

(g) *Inventories*

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. 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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

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 on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and 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 life are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(j) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of the office building, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(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.

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.

An impairment loss of asset 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) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

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 by a qualified actuary using the projected unit credit method.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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.

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.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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.

(m) 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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(n) 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.

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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(o) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods 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.

Contract balances

Contract liabilities are the obligation to transfer goods to the customer. The contract liabilities are recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(p) 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 it relates 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 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 subsidiary 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 the separate financial statements.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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.

(q) *Earnings per share*

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

(r) *Related parties*

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

(s) *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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

4 Related parties

Relationships with subsidiary and associates are described in note 8 and 9. Other related parties which 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 |
| Columbian International Chemicals Corporation | Georgia | 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 Egypt S.A.E. | Egypt | Same ultimate parent company |
| Birla Carbon India Private Limited | India | Same ultimate parent company |
| 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. |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| <i>Significant transactions with related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|-----------|--|-----------|
| <i>Year ended 31 March</i> | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| Associates | | | | |
| Interest income | 640,900 | 328,624 | 640,900 | 328,624 |
| Dividend income | - | - | 25,491 | 25,491 |
| Purchase of goods | - | 71 | - | 71 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefit | 58,602 | 50,940 | 58,602 | 50,940 |
| Other related parties | | | | |
| Sales of goods | - | 159,832 | - | 159,832 |
| Cost reduction from sales of electricity and steam generated from manufacturing process | 381,542 | 448,275 | 381,542 | 448,275 |
| Expenses charged to related parties | 53,268 | 54,236 | 53,268 | 54,236 |
| Purchase of goods | 9,061,252 | 5,971,318 | 9,061,252 | 5,971,318 |
| Expenses charged by related parties | 148,129 | 155,739 | 148,129 | 155,739 |
| Royalty expense | 88,467 | 6,826 | 88,467 | 6,826 |
| Rental expense | 1,980 | - | 1,980 | - |
| Finance cost | - | 29 | - | 29 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

Balances as at 31 March 2023 and 2022 with related parties were as follows:

| | Consolidated | | Separate | |
|---|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Trade accounts receivable</i> | | | | |
| Other related parties | 105,030 | 80,732 | 105,030 | 80,732 |
| Less allowance for expected credit loss | - | - | - | - |
| Net | 105,030 | 80,732 | 105,030 | 80,732 |
| <i>Other receivables</i> | | | | |
| Other related party | 2,555 | - | 2,555 | - |
| Less allowance for expected credit loss | - | - | - | - |
| Net | 2,555 | - | 2,555 | - |
| <i>Long-term loans to and interest receivables</i> | | | | |
| Associate | | | | |
| Long-term loan to | 5,897,081 | 5,728,843 | 5,897,081 | 5,728,843 |
| Interest receivables | 4,157,575 | 3,437,992 | 4,157,575 | 3,437,992 |
| Total | 10,054,656 | 9,166,835 | 10,054,656 | 9,166,835 |
| Less allowance for expected credit loss | - | - | - | - |
| Net | 10,054,656 | 9,166,835 | 10,054,656 | 9,166,835 |

Movements during the year ended 31 March 2023 and 2022 of long-term loan to related party were as follows:

| <i>Long-term loans to</i> | Interest rate | Consolidated and separate financial statements | |
|----------------------------------|----------------------|---|------------------|
| | | 2023 | 2022 |
| | <i>(% per annum)</i> | <i>(in thousand Baht)</i> | |
| <i>Associate</i> | SOFR+3.5 | | |
| At 1 April of the preceding year | | 5,728,843 | 5,389,684 |
| Unrealised gain on exchange rate | | 168,238 | 339,159 |
| At 31 March | | 5,897,081 | 5,728,843 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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 on monthly basis and payable along with the final repayment of the loan. The amendment agreement was effective from 1 April 2021.

| | Consolidated | | Separate | |
|--------------------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | financial statements | | financial statements | |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Trade accounts payable</i> | | | | |
| Other related parties | <u>1,959,174</u> | <u>2,006,963</u> | <u>1,959,174</u> | <u>2,006,963</u> |
| Total | <u>1,959,174</u> | <u>2,006,963</u> | <u>1,959,174</u> | <u>2,006,963</u> |
| <i>Other payables</i> | | | | |
| Other related parties | <u>31,130</u> | <u>12,592</u> | <u>31,130</u> | <u>12,592</u> |
| Total | <u>31,130</u> | <u>12,592</u> | <u>31,130</u> | <u>12,592</u> |

Significant agreements with related parties

As at 31 March 2023, the Group had the following significant agreements with related parties.

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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

Royalty agreement

During the period, the Company entered into a renewed 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 years being effective on the renewed agreement date which will expire on 31 March 2025.

5 Cash and cash equivalents

| | Consolidated | | Separate | |
|----------------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | financial statements | | financial statements | |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 7 | 4 | 7 | 4 |
| Cash at banks – current accounts | 4,272 | 18,321 | 4,272 | 18,321 |
| Cash at banks – savings accounts | 16,614 | 12,450 | 16,614 | 12,450 |
| Fixed deposit | <u>4,978,621</u> | <u>4,783,886</u> | <u>4,978,621</u> | <u>4,783,886</u> |
| Total | <u>4,999,514</u> | <u>4,814,661</u> | <u>4,999,514</u> | <u>4,814,661</u> |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

6 Trade accounts receivable

| | <i>Note</i> | Consolidated and separate financial statements | |
|------------------------|-------------|---|------------------|
| | | 2023 | 2022 |
| | | <i>(in thousand Baht)</i> | |
| Related parties | | | |
| Within credit terms | | 99,821 | 80,732 |
| Overdue: | | | |
| 1-30 days | | - | - |
| 31-60 days | | - | - |
| 61-180 days | | - | - |
| More than 180 days | | 5,209 | - |
| | 4 | 105,030 | 80,732 |
| Other parties | | | |
| Within credit terms | | 2,023,028 | 1,977,956 |
| Overdue: | | | |
| 1-30 days | | 115,875 | 21,232 |
| 31-60 days | | 6,411 | 414 |
| | | 2,145,314 | 1,999,602 |
| Total | | 2,250,344 | 2,080,334 |

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

7 Inventories

| | Consolidated and separate financial statements | |
|--|---|------------------|
| | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | |
| Finished goods | 273,615 | 272,001 |
| Raw materials | 962,869 | 1,049,043 |
| Factory supplies and spare parts | 179,619 | 165,073 |
| Goods in transit | 1,241,183 | 1,143,458 |
| Total | 2,657,286 | 2,629,575 |
| Less allowance for inventories deterioration | (13,006) | (7,470) |
| Net | 2,644,280 | 2,622,105 |
| Inventories recognised in 'cost of sales of goods': | | |
| - Cost | 10,942,579 | 7,943,778 |
| - Write-down to (reversal of) allowance for inventories deterioration | 5,536 | (31,345) |
| Net | 10,948,115 | 7,912,433 |

8 Investments in associates

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|--------------------------------------|-----------|----------------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | (in thousand Baht) | | | |
| Associates | | | | |
| At 1 April of the preceding year | 7,774,680 | 5,638,429 | 770,364 | 770,364 |
| Share of net profits of associates | 1,996,659 | 2,000,352 | - | - |
| Share of other comprehensive income | | | | |
| (expense), net of tax | (345,288) | 19,738 | - | - |
| Dividend income | (25,491) | (25,491) | - | - |
| Currency translation differences | (193,445) | 141,652 | - | - |
| At 31 March | 9,207,115 | 7,774,680 | 770,364 | 770,364 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

During the year ended 31 March 2023, there were no acquisitions and disposals of investments in associates.

Investments in equity-accounted investees as at 31 March 2023 and 2022, and dividend income from those investments for the years then ended, were as follows:

| Associates | Type of business | Country of operation | Ownership interest | | Paid-up capital | | Cost | | Equity | | Dividend income | |
|---|------------------------|----------------------|--------------------|-------|-----------------|-----------|----------------|----------------|------------------|------------------|---------------------------|---------------|
| | | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | | | (%) | | | | | | | | <i>(in thousand Baht)</i> | |
| P.T. Indo Liberty Textiles | Textiles manufacturing | Indonesia | 40.00 | 40.00 | 515,664 | 515,664 | 196,948 | 196,948 | 296,906 | 303,426 | - | - |
| Aditya Birla Chemicals (Thailand) Limited | Chemical manufacturing | Thailand | 29.99 | 29.99 | 1,700,000 | 1,700,000 | 509,820 | 509,820 | 5,877,704 | 5,369,963 | 25,491 | 25,491 |
| Indigold Carbon (Mauritius) Limited | Investment holding | Mauritius | 20.59 | 20.59 | 308,870 | 308,870 | 63,596 | 63,596 | 3,032,505 | 2,101,291 | - | - |
| Total | | | | | | | 770,364 | 770,364 | 9,207,115 | 7,774,680 | 25,491 | 25,491 |

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 2023

| | Separate financial statements | | | | | | | | | | | |
|--|-------------------------------|------|-----------------|------|------|------|------------|------|---------------|------|-----------------|------|
| | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income | |
| | | | | | | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | (in thousand Baht) | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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 |
|---|----------------------------|----------------|--|-------------------|--|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| | <i>(in thousand Baht)</i> | | | | | | |
| Revenue | 4,298,697 | 4,674,560 | 24,294,945 | 23,406,904 | 59,363,037 | 44,170,099 | 87,956,679 |
| Net profit (loss) | (52,820) | 95,939 | 3,045,943 | 3,202,328 | 5,352,684 | 4,872,300 (*) | 8,345,807 |
| Other comprehensive income (loss) | 36,521 | 36,127 | (1,269,353) | 30,498 | (823,795) | 672,466 | (2,056,627) |
| Total comprehensive income (loss) | (16,299) | 132,066 | 1,776,590 | 3,232,826 | 4,528,889 | 5,544,766 | 8,909,658 |
| Attributable to non-controlling interests | - | - | (1,475) | 340 | 6,232 | 10,466 | 4,757 |
| Attributable to investee's shareholders | (16,299) | 132,066 | 1,778,065 | 3,232,486 | 4,522,657 | 5,534,300 | 6,284,423 |
| Current assets | 1,401,895 | 1,304,118 | 9,977,948 | 9,717,354 | 18,047,813 | 15,963,392 | 29,427,656 |
| Non-current assets | 2,357,308 | 2,258,553 | 19,817,865 | 18,110,371 | 33,916,030 | 30,037,161 | 56,091,203 |
| Current liabilities | (1,430,384) | (1,794,781) | (7,673,002) | (8,624,102) | (10,261,548) | (10,513,955) | (19,364,934) |
| Non-current liabilities | (1,586,553) | (1,009,325) | (2,502,684) | (1,275,087) | (26,268,351) | (24,571,077) | (30,357,588) |
| Net assets | 742,266 | 758,565 | 19,620,127 | 17,928,536 | 15,433,944 | 10,915,521 | 35,796,337 |
| Attributable to non-controlling interests | - | - | 20,857 | 22,332 | 705,894 | 710,127 | 726,751 |
| Attributable to investee's shareholders | 742,266 | 758,565 | 19,599,270 | 17,906,204 | 14,728,050 | 10,205,394 | 35,069,586 |
| | | | | | | | 28,870,163 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| | P. T. Indo Liberty Textiles | Aditya Birla Chemicals (Thailand) Limited | Indigold Carbon (Mauritius) Limited | Total |
|--|-----------------------------|--|--|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Group interest in net asset of investee | | | | |
| as of 1 April of the preceding year | 303,426 | 250,600 | 2,101,291 | 5,638,429 |
| Total comprehensive income (expense) | | | | |
| attributable to the Group | (6,520) | 533,231 | 931,215 | 2,161,742 |
| Dividends received during the year | - | (25,491) | - | (25,491) |
| Carrying amount of interest in investee | | | | |
| at 31 March | 296,906 | 303,426 | 3,032,506 | 7,774,680 |

(*) During the year ended 31 March 2022, the Brazilian Supreme Court's was issued the final decision in relation to clarification the methodology that the Brazilian tax players should use to record the indirect tax credit which most of Brazilian tax players including a Brazilian subsidiary of the Group's associate have been litigating on such claims. Therefore, there is non-recurring income in relation to the recovery of the indirect tax credits and associated interested from prior years to be used to offset future indirect tax liabilities of US\$ 49 million or approximate to Baht 1,599 million, sharing of profit of this non-recurring income which attributable to the Group is about Baht 319 million.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

9 Investments in subsidiary

Investments in subsidiary as at 31 March 2023 and 2022 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 | |
|-----------------------------------|----------------------|--------------------|------|-----------------|--------|---------------|---------------|-----------------|-----------------|---------------|----------|-----------------|----------|
| | | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | | (in thousand Baht) | | | | | | | | | | | |
| Direct subsidiary | | | | | | | | | | | | | |
| Birla Carbon Mexico, S.A. DE C.V. | Carbon manufacturing | 98 | 98 | 12,854 | 12,854 | 12,854 | 12,854 | (12,854) | (12,854) | - | - | - | - |
| Total | | | | | | 12,854 | 12,854 | (12,854) | (12,854) | - | - | - | - |

As at 31 March 2023 and 2022, a subsidiary is in process of liquidation.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

10 Other non-current financial assets

| | <i>Note</i> | Consolidated and separate financial statements | |
|---|-------------|---|-----------------------|
| | | 2023 | 2022 |
| | | <i>(in thousand Baht)</i> | |
| Long-term deposits at financial institution | | 16,495 | 16,434 |
| Other non-marketable equity securities | 22 | <u>213,928</u> | <u>100,405</u> |
| Total | | <u>230,423</u> | <u>116,839</u> |

Long-term deposits at a financial institution

As at 31 March 2023, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (*31 March 2022: Baht 16 million*), which was bearing interest at the rate of 0.38% per annum (*31 March 2022: 0.38% per annum*) and matured in March 2024.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

11 Property, plant and equipment

| Consolidated and separate financial statements | | | | | | | |
|--|--|--|--|---|----------|---|-------|
| | | | | Furniture, fixtures and office equipment | Vehicles | Assets under construction and installation | Total |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Notes to the financial statements

For the year ended 31 March 2023

| | Consolidated and separate financial statements | | | | | | |
|---|--|-----------------------------|-------------------------|--|---------------|--|---------------------------|
| | Land | Buildings and constructions | Machinery and equipment | Furniture, fixtures and office equipment | Vehicles | Assets under construction and installation | Total |
| | | | | | | | <i>(in thousand Baht)</i> |
| Depreciation | | | | | | | |
| At 1 April 2021 | - | 593,162 | 4,273,963 | 24,455 | 12,187 | - | 4,903,767 |
| Depreciation charge for the year | - | 21,768 | 152,613 | 2,991 | 1,026 | - | 178,398 |
| Disposal | - | (11,950) | (48,150) | (381) | (1,623) | - | (62,104) |
| As at 31 March 2022 and 1 April 2022 | - | 602,980 | 4,378,426 | 27,065 | 11,590 | - | 5,020,061 |
| Depreciation charge for the year | - | 19,768 | 158,125 | 3,141 | 1,397 | - | 182,431 |
| Disposal | - | - | (2,175) | (913) | (3,173) | - | (6,261) |
| As at 31 March 2023 | - | 622,748 | 4,534,376 | 29,293 | 9,814 | - | 5,196,231 |
| Net book value | | | | | | | |
| At 31 March 2022 | | | | | | | |
| Owned assets | 138,533 | 174,360 | 749,100 | 7,205 | 1,950 | 8,284 | 1,079,432 |
| | 138,533 | 174,360 | 749,100 | 7,205 | 1,950 | 8,284 | 1,079,432 |
| At 31 March 2023 | | | | | | | |
| Owned assets | 138,533 | 154,805 | 618,726 | 5,923 | 7,019 | 91,078 | 1,016,084 |
| Right-of-use asset | - | 2,344 | - | - | - | - | 2,344 |
| | 138,533 | 157,149 | 618,726 | 5,923 | 7,019 | 91,078 | 1,018,428 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 March 2023 amounted to Baht 4,193 million (2022: Baht 4,010 million).

The Company has no pledged assets as at 31 March 2023 (2022: nil) as collateral against credit facilities received from financial institutions.

12 Trade accounts payable

| | | Consolidated and separate financial statements | |
|-----------------|-------------|---|------------------|
| | <i>Note</i> | 2023 | 2022 |
| | | <i>(in thousand Baht)</i> | |
| Related parties | 4 | 1,959,174 | 2,006,963 |
| Other parties | | 486,347 | 264,612 |
| Total | | 2,445,521 | 2,271,575 |

13 Other payables

| | | Consolidated financial statements | | Separate financial statements | |
|---|-------------|--|----------------|--|----------------|
| | <i>Note</i> | 2023 | 2022 | 2023 | 2022 |
| | | <i>(in thousand Baht)</i> | | | |
| Related parties | 4 | 31,130 | 12,592 | 31,130 | 12,592 |
| Others | | | | | |
| Other payables for machinery and equipment | | 50,753 | 49,372 | 50,753 | 49,372 |
| Accrued bonus expenses | | 31,330 | 35,134 | 31,330 | 35,134 |
| Accrued for legal claim | | 17,386 | 17,386 | 17,386 | 17,386 |
| Accrued service fee | | 26,916 | 25,913 | 26,916 | 25,913 |
| Dividends payables | | 5,916 | 6,377 | 5,916 | 6,377 |
| Others | | 38,739 | 44,605 | 38,739 | 44,314 |
| | | 171,040 | 178,787 | 171,040 | 178,496 |
| Total | | 202,170 | 191,379 | 202,170 | 191,088 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

14 Non-current provisions for employee benefits

| | Consolidated and separate financial statements | |
|--|---|----------------|
| | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | |
| Statement of financial position | | |
| Non-current provision obligations for: | | |
| Post-employment benefits | 91,386 | 133,734 |
| Other long-term employee benefits | 48,389 | 17,935 |
| Total | 139,775 | 151,669 |
| <i>For the year ended 31 March</i> | | |
| Statement of comprehensive income: | | |
| Recognised in profit or loss: | | |
| Post-employment benefits | 10,386 | 13,331 |
| Other long-term employee benefits | 1,533 | 1,278 |
| Total | 11,919 | 14,609 |
| Recognised in other comprehensive income: | | |
| Actuarial (gain) loss recognised during the year | (8,156) | 11,953 |

Post-employment benefits

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

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| | Consolidated and separate | |
|--|----------------------------------|-----------------|
| | financial statements | |
| | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | |
| <i>Present value of non-current provision obligations</i> | | |
| At 1 April of the preceding year | 151,669 | 138,871 |
| <i>Recognised in profit or loss:</i> | | |
| Current service cost | 8,985 | 10,423 |
| Interest on obligation | 2,934 | 4,186 |
| | 11,919 | 14,609 |
| <i>Recognised in other comprehensive income:</i> | | |
| Actuarial (gain) loss | | |
| - Financial assumptions | (8,156) | 11,953 |
| - Experience adjustment | - | - |
| | (8,156) | 11,953 |
| Benefits paid | (15,657) | (13,764) |
| | (15,657) | (13,764) |
| At 31 March | 139,775 | 151,669 |

| | Consolidated and separate | |
|---|----------------------------------|-------------|
| | financial statements | |
| | 2023 | 2022 |
| | <i>(%)</i> | |
| <i>Principal actuarial assumptions</i> | | |
| Discount rate | 2.52 - 2.84 | 1.58 - 1.86 |
| Future salary growth | 8.00 | 8.00 |
| Staff turnover rate | 0.00 - 4.00 | 0.00 - 4.00 |

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

At 31 March 2023, the weighted-average duration of the defined benefit obligations was 11 years (2022: 11 years).

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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.

| <i>Effect to the defined benefit obligation at 31 March</i> | Consolidated and separate financial statements | | | |
|--|---|----------|------------------------------|----------|
| | 1% increase in assumption | | 1% decrease in assumption | |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| Discount rate | (9,666) | (10,639) | 10,819 | 11,978 |
| Future salary growth | 10,163 | 11,019 | (9,300) | (10,038) |

15 Legal reserves

Section 116 of the Public Limited Companies Act B.E. 2535 (1992) 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 2023 and 2022, the Company’s legal reserve was equal to 10% of authorised share capital.

16 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. Timing of revenue recognition is at a point of time.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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

Geographical information

| | Revenues | |
|-----------------|---------------------------|--------------------------|
| | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | |
| Thailand | 9,086,203 | 7,804,380 |
| Japan | 1,174,169 | 956,368 |
| Indonesia | 606,636 | 591,061 |
| Vietnam | 529,383 | 258,204 |
| Philippines | 489,734 | 221,132 |
| Malaysia | 393,938 | 273,811 |
| Canada | 205,001 | - |
| Australia | 176,563 | 126,103 |
| Other countries | 177,402 | 96,964 |
| Total | <u>12,839,029</u> | <u>10,328,023</u> |

Major customers

For the year ended 31 March 2023, the Company has revenue from two major customers in the amount of Baht 1,489.5 million and Baht 1,280.7 million, respectively *(For the year ended 31 March 2022: Baht 1,405.6 million and Baht 1,383.5 million, respectively)*.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

17 Employee benefit expenses

| | | Consolidated and separate | |
|-----------------------------------|-------------|----------------------------------|----------------|
| | | financial statements | |
| | <i>Note</i> | 2023 | 2022 |
| <i>(in thousand Baht)</i> | | | |
| Wages and salaries | | 366,880 | 347,383 |
| Defined benefit expenses | 14 | 10,386 | 13,331 |
| Defined contribution plans | | 8,040 | 7,748 |
| Other long-term employee benefits | 14 | 1,534 | 1,278 |
| Others | | 19,382 | 23,196 |
| Total | | 406,222 | 392,936 |

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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

18 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 | |
| | 2023 | 2022 | 2023 | 2022 |
| | (in thousand Baht) | | | |
| <i>Included in cost of sales of goods:</i> | | | | |
| Changes in inventories of finished goods | (43,070) | (62,546) | (43,070) | (62,546) |
| Raw materials and consumables used | 9,973,099 | 7,101,185 | 9,973,099 | 7,101,185 |
| Utility expenses | 90,135 | 36,778 | 90,135 | 36,778 |
| Employee benefit expenses | 256,213 | 249,653 | 256,213 | 249,653 |
| Depreciation and amortisation | 182,431 | 179,615 | 182,431 | 179,615 |
| Technical assistance and consultancy | 260,233 | 153,546 | 260,233 | 153,546 |
| Others | 229,074 | 254,202 | 229,074 | 254,202 |
| Total | 10,948,115 | 7,912,433 | 10,948,115 | 7,912,433 |
| <i>Included in distribution costs:</i> | | | | |
| Transportation | 290,162 | 266,871 | 290,162 | 266,871 |
| Others | 3,700 | 1,324 | 3,700 | 1,324 |
| Total | 293,862 | 268,195 | 293,862 | 268,195 |
| <i>Included in administrative expenses:</i> | | | | |
| Employee benefit expenses | 150,009 | 143,283 | 150,009 | 143,283 |
| Technical assistance and consultancy | 91,474 | 98,054 | 91,474 | 98,054 |
| Rental expenses | 10,594 | 13,963 | 10,594 | 13,963 |
| Others | 63,489 | 40,302 | 63,489 | 40,302 |
| Total | 315,566 | 295,602 | 315,566 | 295,602 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

19 Income tax

| <i>Income tax recognised in profit or loss</i> | Consolidated | | Separate | |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | financial statements | | financial statements | |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| Current tax expense | 516,533 | 567,749 | 516,533 | 567,749 |
| Deferred tax (income) expense | <u>(2,992)</u> | <u>4,317</u> | <u>(2,992)</u> | <u>4,317</u> |
| Total income tax expense | <u>513,541</u> | <u>572,066</u> | <u>513,541</u> | <u>572,066</u> |

| <i>Income tax recognised in other comprehensive income</i> | Consolidated and separate financial statements | | | | | |
|--|--|-----------------|---------------|-----------------|----------------|----------------|
| | 2023 | | | 2022 | | |
| | <i>(in thousand Baht)</i> | | | | | |
| | | Tax | | Tax | | |
| | Before | (income) | Net of | Before | (income) | Net of |
| | tax | expense | tax | tax | expense | tax |
| Other non-marketable equity | | | | | | |
| securities at FVOCI | 113,524 | (22,705) | 90,819 | 18,764 | (3,753) | 15,011 |
| Defined benefit plan | | | | | | |
| actuarial gains (losses) | <u>8,156</u> | <u>(1,631)</u> | <u>6,525</u> | <u>(11,953)</u> | <u>2,391</u> | <u>(9,562)</u> |
| Total | 121,680 | (24,336) | 97,344 | 6,811 | (1,362) | 5,449 |

| <i>Reconciliation of effective tax rate</i> | Consolidated financial statements | | | |
|--|--|-----------------------|-----------|-----------------------|
| | 2023 | | 2022 | |
| | Rate | <i>(in thousand</i> | Rate | <i>(in thousand</i> |
| | (%) | <i>Baht)</i> | (%) | <i>Baht)</i> |
| Profit before tax | | 4,562,680 | | 4,859,390 |
| Share of profit from investments in associates | | <u>(1,996,659)</u> | | <u>(2,000,352)</u> |
| | | <u>2,566,021</u> | | <u>2,859,038</u> |
| Income tax using the Thai corporation tax rate | 20 | 513,204 | 20 | 571,808 |
| Expenses not deductible for tax purposes | | 349 | | 369 |
| Additional expense deductions allowed | | <u>(12)</u> | | <u>(111)</u> |
| Total | 20 | <u>513,541</u> | 20 | <u>572,066</u> |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

Reconciliation of effective tax rate

| | Separate financial statements | | | |
|--|--------------------------------------|-----------------------|-------------|-----------------------|
| | 2023 | | 2022 | |
| | <i>Rate</i> | <i>(in thousand</i> | <i>Rate</i> | <i>(in thousand</i> |
| | <i>(%)</i> | <i>Baht)</i> | <i>(%)</i> | <i>Baht)</i> |
| Profit before tax | | <u>2,591,512</u> | | <u>2,884,530</u> |
| Income tax using the Thai corporation tax rate | 20 | 518,302 | 20 | 576,906 |
| Income not subject to tax | | (5,098) | | (5,098) |
| Expenses not deductible for tax purposes | | 349 | | 369 |
| Additional expense deductions allowed | | <u>(12)</u> | | <u>(111)</u> |
| Total | 20 | <u>513,541</u> | 20 | <u>572,066</u> |

Consolidated financial statements

Deferred tax

At 31 March

| | Assets | | Liabilities | |
|--------------------------------|---------------------------|-----------------------|--------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 98,190 | 117,903 | (1,631) | - |
| Set off of tax | <u>(1,631)</u> | <u>-</u> | <u>1,631</u> | <u>-</u> |
| Net deferred tax assets | <u>96,559</u> | <u>117,903</u> | <u>-</u> | <u>-</u> |

Separate financial statements

| | Assets | | Liabilities | |
|--------------------------------|---------------------------|-----------------------|--------------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 100,761 | 120,474 | (1,631) | - |
| Set off of tax | <u>(1,631)</u> | <u>-</u> | <u>1,631</u> | <u>-</u> |
| Net deferred tax assets | <u>99,130</u> | <u>120,474</u> | <u>-</u> | <u>-</u> |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| Consolidated financial statements | | | | |
|--|--------------------------------|---------------------------|---|---------------------------------|
| | (Charged) / Credited to | | | |
| | At 1 April 2022 | profit or loss | other comprehensive income | At 31 March 2023 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Deferred tax assets</i> | | | | |
| Increase in fair value of | | | | |
| other non-marketable equity securities | 77,751 | - | (22,704) | 55,047 |
| Provision for employee benefits | 30,334 | (747) | - | 29,587 |
| Unrealised loss from derivatives | 7,207 | (3,088) | - | 4,119 |
| Provision for decline in value | | | | |
| of inventories | 1,494 | 1,107 | - | 2,601 |
| Others | 1,117 | 5,719 | - | 6,836 |
| Total | 117,903 | 2,991 | (22,704) | 98,190 |
| <i>Deferred tax liabilities</i> | | | | |
| Provision for employee benefits | - | - | (1,631) | (1,631) |
| Total | - | - | (1,631) | (1,631) |
| Net | 117,903 | 2,991 | (24,335) | 96,559 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| | At 1 April 2022 | Separate financial statements (Charged) / Credited to | | At 31 March 2023 |
|---|-----------------------|--|----------------------------------|------------------------|
| | | 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 |
| Increase in fair value of other non-marketable equity securities | 77,751 | - | (22,704) | 55,047 |
| Provision for employee benefits | 30,334 | (747) | - | 29,587 |
| Unrealised loss from derivatives | 7,207 | (3,088) | - | 4,119 |
| Provision for decline in value of inventories | 1,494 | 1,107 | - | 2,601 |
| Others | 1,117 | 5,719 | - | 6,836 |
| Total | 120,474 | 2,991 | (22,704) | 100,761 |
| <i>Deferred tax liabilities</i> | | | | |
| Provision for employee benefits | - | - | (1,631) | (1,631) |
| Total | - | - | (1,631) | (1,631) |
| Net | 120,474 | 2,991 | (24,335) | 99,130 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| Consolidated financial statements | | | | |
|--|-----------------------|--------------------------------|----------------------------------|------------------------|
| | | <u>(Charged) / Credited to</u> | | |
| | At 1 April 2021 | profit or loss | other comprehensive income | At 31 March 2022 |
| | (in thousand Baht) | | | |
| <i>Deferred tax assets</i> | | | | |
| Increase in fair value of | | | | |
| other non-marketable equity securities | 81,504 | - | (3,753) | 77,751 |
| Provision for employee benefits | 27,774 | 169 | 2,391 | 30,334 |
| Unrealised loss from derivatives | 5,136 | 2,071 | - | 7,207 |
| Provision for decline in value | | | | |
| of inventories | 7,763 | (6,269) | - | 1,494 |
| Others | <u>1,405</u> | <u>(288)</u> | <u>-</u> | <u>1,117</u> |
| Total | <u>123,582</u> | <u>(4,317)</u> | <u>(1,362)</u> | <u>117,903</u> |
| Net | 123,582 | (4,317) | (1,362) | 117,903 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| | At 1 April 2021 | Separate financial statements (Charged) / Credited to | | At 31 March 2022 |
|---|-----------------------|--|----------------------------------|------------------------|
| | | 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 |
| Increase in fair value of other non-marketable equity securities | 81,504 | - | (3,753) | 77,751 |
| Provision for employee benefits | 27,774 | 169 | 2,391 | 30,334 |
| Unrealised loss from derivatives | 5,136 | 2,071 | - | 7,207 |
| Provision for decline in value of inventories | 7,763 | (6,269) | - | 1,494 |
| Others | 1,405 | (288) | - | 1,117 |
| Total | 126,153 | (4,317) | (1,362) | 120,474 |
| Net | 126,153 | (4,317) | (1,362) | 120,474 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

20 Earnings per share

| | Consolidated | | Separate | |
|--|---|---------------------|-----------------------------|--------------------|
| | financial statements | | financial statements | |
| | 2023 | 2022 | 2023 | 2022 |
| | <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>4,049,139</u> | <u>4,287,324</u> | <u>2,077,970</u> | <u>2,312,463</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) <i>(in Baht)</i> | <u>13.50</u> | <u>14.29</u> | <u>6.93</u> | <u>7.71</u> |

21 Dividends

Details of dividends during 2023 and 2022 are as follows:

| | Approval date | Payment schedule | Dividend rate per share <i>(Baht)</i> | Amount <i>(in million Baht)</i> |
|-----------------|---------------|------------------|---|------------------------------------|
| 2023 | | | | |
| Annual dividend | 26 July 2022 | August 2022 | <u>1.65</u> | <u>495</u> |
| 2022 | | | | |
| Annual dividend | 29 July 2021 | August 2021 | <u>0.80</u> | <u>240</u> |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

22 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, but 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 | | | |
| | | Fair value through profit or loss | Fair value through other comprehensive income | Amortised cost - net | Total | Level 2 | Level 3 | Total |
| | Note | | | | (in thousand Baht) | | | |
| At 31 March 2023 | | | | | | | | |
| Financial assets | | | | | | | | |
| Other non-marketable equity securities | 10 | - | 213,928 | - | 213,928 | - | 213,928 | 213,928 |
| Financial liabilities | | | | | | | | |
| Derivatives liabilities | | 20,596 | - | - | 20,596 | 20,596 | - | 20,596 |
| At 31 March 2022 | | | | | | | | |
| Financial assets | | | | | | | | |
| Other non-marketable equity securities | 10 | - | 100,405 | - | 100,405 | - | 100,405 | 100,405 |
| Financial liabilities | | | | | | | | |
| Derivatives liabilities | | 36,037 | - | - | 36,037 | 36,037 | - | 36,037 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

The following table presents valuation technique of financial instruments measured at fair value in statement of financial position.

| 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

| | Consolidated and separate financial statements | | |
|---|---|--------------------------|----------------|
| | At 1 April | Fair value adjustment | At 31 March |
| <i>Other non-marketable equity securities</i> | | | |
| | <i>(in thousand Baht)</i> | | |
| 2023 | | | |
| <i>Non-current financial assets</i> | | | |
| Other non-marketable equity securities measured at FVOCI | 100,405 | 113,523 | 213,928 |
| Total | 100,405 | 113,523 | 213,928 |
| 2022 | | | |
| <i>Non-current financial assets</i> | | | |
| Other non-marketable equity securities measured at FVOCI | 81,641 | 18,764 | 100,405 |
| Total | 81,641 | 18,764 | 100,405 |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

(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 loan to related parties.

(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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

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:

(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.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

| | Consolidated | | Separate | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | financial statements | | financial statements | |
| | 2023 | 2022 | 2023 | 2022 |
| | (in thousand Baht) | | | |
| United States Dollars | | | | |
| Cash and cash equivalents | 3,653,621 | 3,018,885 | 3,653,621 | 3,018,885 |
| Trade accounts receivable | 590,551 | 412,113 | 590,551 | 412,113 |
| Other receivables | 2,555 | 665 | 2,555 | 665 |
| Advance for purchase of machinery and equipment | 28,049 | 602 | 28,049 | 602 |
| Long-term loan to related party | 5,897,081 | 5,728,843 | 5,897,081 | 5,728,843 |
| Long-term interest receivables | 4,157,575 | 3,437,992 | 4,157,575 | 3,437,992 |
| Trade accounts payable | (2,323,183) | (2,065,172) | (2,323,183) | (2,065,172) |
| Other payables | <u>(1,685)</u> | <u>(1,543)</u> | <u>(1,685)</u> | <u>(1,543)</u> |
| Gross statement of financial position exposure | 12,004,564 | 10,532,385 | 12,004,564 | 10,532,385 |
| Notional amount of forward exchange contracts | <u>(1,335,487)</u> | <u>667,317</u> | <u>(1,335,487)</u> | <u>667,317</u> |
| Net exposure | <u>10,669,077</u> | <u>11,199,702</u> | <u>10,669,077</u> | <u>11,199,702</u> |
| Euro | | | | |
| Trade accounts payable | (39,620) | (4,550) | (39,620) | (4,550) |
| Other payables | <u>-</u> | <u>(39,488)</u> | <u>-</u> | <u>(39,488)</u> |
| Gross statement of financial position exposure | (39,620) | (44,038) | (39,620) | (44,038) |
| Notional amount of forward exchange contracts | <u>14,268</u> | <u>-</u> | <u>14,268</u> | <u>-</u> |
| Net exposure | <u>(25,352)</u> | <u>(44,038)</u> | <u>(25,352)</u> | <u>(44,038)</u> |

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against all other foreign currencies at 31 March 2023 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 | | Separate | |
|---------------------------------|----------|---------------------------|-----------|----------------------|-----------|
| | | financial statements | | financial statements | |
| | | Strengthening | Weakening | Strengthening | Weakening |
| | (%) | <i>(in thousand Baht)</i> | | | |
| <i>As at 31 March 2023</i> | | | | | |
| USD | 1 | 120,046 | (120,046) | 120,046 | (120,046) |
| EUR | 1 | (396) | 396 | (396) | 396 |
| <i>As at 31 March 2022</i> | | | | | |
| USD | 1 | 105,324 | (105,324) | 105,324 | (105,324) |
| EUR | 1 | (440) | 440 | (440) | 440 |

(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.

23 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Birla Carbon (Thailand) Public Company Limited and its Subsidiary
Notes to the financial statements
For the year ended 31 March 2023

24 Commitments with non-related parties

| | Consolidated and separate financial statements | |
|---|---|------------------|
| | 2023 | 2022 |
| | <i>(in thousand Baht)</i> | |
| <i>Capital commitments</i> | | |
| Machinery and equipment | 330,086 | 12,961 |
| Total | 330,086 | 12,961 |
| <i>Non-cancellable operating lease commitments</i> | | |
| Within 1 year | 2,301 | 3,243 |
| After 1 year but within 5 years | 3,806 | 269 |
| Total | 6,107 | 3,512 |
| <i>Other commitments</i> | | |
| Bank guarantees for own performance in the purpose of | | |
| Electricity use | 14,548 | 13,548 |
| Purchase of raw materials and supplies | 695,727 | 1,117,337 |
| Total | 710,275 | 1,130,885 |
| <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 - 3 years.