

**Birla Carbon (Thailand)
Public Company Limited (formerly “Thai
Carbon Black Public Company Limited”)
and its Subsidiary**

Financial statements for the year ended

31 March 2019

and

Independent Auditor’s Report

Independent Auditor's Report

**To the Shareholders of Birla Carbon (Thailand) Public Company Limited
(Formerly “Thai Carbon Black Public Company Limited”)**

Qualified 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 2019, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, 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 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Qualified Opinion

The Group has an 29.99% equity interest in an associate, Aditya Birla Chemicals (Thailand) Limited (“ABCT”), with a carrying value of THB 4,026 million and Baht 510 million in the consolidated and separate financial statements, respectively. The auditor of ABCT qualified her opinion on the financial statements of ABCT for the year ended 31 December 2018 regarding the valuation of a long-term loan to a related party granted by ABCT amounting to USD 315 million, equivalent to Baht 10,141 million, because of the significant operating losses and capital deficit of the related party as at and for the year ended 31 March 2018. The auditor of ABCT was unable to obtain sufficient and appropriate audit evidence to satisfy herself regarding the value of those investments. Consequently, she was unable to determine whether and to what extent any adjustments were required to the carrying value of the long-term loans to that related party. I was therefore unable to determine whether and to what extent any adjustments are required to the carrying value of the investment in ABCT in the consolidated and separate financial statements.

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

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.

If, based on the work I will perform, I conclude that there is a material misstatement of this other information, I am required to report that fact. However, as described in the *Basis for Qualified Opinion* section above, I was unable to obtain sufficient appropriate evidence about the carrying amount of the Company's investment in ABCT as at 31 March 2019. Accordingly, if management prepares the other information based on these financial statements, I will be unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

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

<i>Valuation of long-term loan to related party</i>	
Refer to Note 3 and 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 LIBOR+3.5% per annum and will be repayable in full in July 2021.</p> <p>As the long-term loan balance and the accrued interest are material and involved judgment in estimating the recoverability, I considered this to be the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • read the loan agreements, obtained confirmation, and tested the accrued interest to assess whether the calculation was consistent with the conditions stipulated in the long-term loan agreement; • 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 Group's and the Company's disclosure in accordance with Thai Financial Reporting Standards.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

(Orawan Chuhakitpaisan)

Certified Public Accountant

Registration No. 6105

KPMG Phoomchai Audit Ltd.

Bangkok

27 May 2019

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary
Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	1,722,202,032	381,347,746	1,722,056,005	381,184,884
Short-term deposits at financial institutions	6	1,489,541,220	645,700,000	1,489,541,220	645,700,000
Trade accounts receivable	4, 7	1,203,567,691	1,168,632,687	1,203,567,691	1,168,632,687
Other receivables	4	74,364,840	61,039,715	74,220,241	60,909,487
Inventories	8	896,680,138	1,102,320,914	896,680,138	1,102,320,914
Current portion of long-term loan to related parties	4	4,750,000	-	4,750,000	-
Total current assets		5,391,105,921	3,359,041,062	5,390,815,295	3,358,747,972
Non-current assets					
Investments in associates	9	4,961,090,969	4,599,194,732	770,364,083	770,364,083
Investments in subsidiary	10	-	-	-	-
Other long-term investments	11	239,081,061	1,596,481,061	239,081,061	1,596,481,061
Long-term loan to related parties	4	5,485,367,312	5,371,080,519	5,485,367,312	5,371,080,519
Long-term interest receivables	4	2,178,143,025	1,701,256,467	2,178,143,025	1,701,256,467
Property, plant and equipment	12	1,497,185,461	1,318,808,355	1,497,185,461	1,318,808,355
Intangible assets		10,944,473	15,808,683	10,944,473	15,808,683
Deferred tax assets	13	93,491,832	83,503,179	96,062,539	86,073,885
Advance for purchase of machinery and equipment		1,221,395	-	1,221,395	-
Other non-current assets		2,647,952	2,472,769	2,647,952	2,472,769
Total non-current assets		14,469,173,480	14,688,605,765	10,281,017,301	10,862,345,822
Total assets		19,860,279,401	18,047,646,827	15,671,832,596	14,221,093,794

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 March		31 March	
Liabilities and equity		2019	2018	2019	2018
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	4, 14	772,817,667	1,175,160,835	772,817,667	1,175,160,835
Other payables	4, 15	379,959,032	362,227,117	379,699,563	362,104,880
Current tax payable		196,224,199	73,215,186	196,224,199	73,215,186
Derivatives liabilities		6,554,489	273,457	6,554,489	273,457
Total current liabilities		1,355,555,387	1,610,876,595	1,355,295,918	1,610,754,358
Non-current liabilities					
Non-current provisions for employee benefits	16	136,311,350	98,515,093	136,311,350	98,515,093
Total non-current liabilities		136,311,350	98,515,093	136,311,350	98,515,093
Total liabilities		1,491,866,737	1,709,391,688	1,491,607,268	1,709,269,451
Equity					
Share capital:					
Authorised share capital	17	300,000,000	300,000,000	300,000,000	300,000,000
Issued and paid-up share capital		300,000,000	300,000,000	300,000,000	300,000,000
Share premium:					
Share premium on ordinary shares	17	930,000,000	930,000,000	930,000,000	930,000,000
Retained earnings					
Appropriated					
Legal reserve	18	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		18,703,608,692	16,427,714,917	12,920,225,328	11,251,824,343
Other components of equity	18	(1,595,196,028)	(1,349,459,778)	-	-
Total equity		18,368,412,664	16,338,255,139	14,180,225,328	12,511,824,343
Total liabilities and equity		19,860,279,401	18,047,646,827	15,671,832,596	14,221,093,794

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary
Statement of income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Revenue					
Revenue from sales	19, 23	8,550,215,142	7,323,611,452	8,550,215,142	7,323,611,452
Dividend income	4, 9, 11	47,291,550	48,576,503	72,782,550	76,278,608
Interest income	4	512,435,674	392,973,077	512,435,674	392,973,077
Net foreign exchange gain		143,189,843	-	143,193,276	-
Other income		5,192,278	4,100,925	5,192,278	3,815,687
Total revenue		9,258,324,487	7,769,261,957	9,283,818,920	7,796,678,824
Expenses					
Cost of sales of goods	4, 21	6,298,186,381	5,088,242,823	6,298,186,381	5,088,242,823
Distribution costs	4, 21	145,843,064	148,552,121	145,843,064	148,552,121
Administrative expenses	4, 21	416,504,577	393,464,349	416,373,364	406,086,757
Net foreign exchange loss		-	455,058,315	-	455,051,218
Finance costs		796,472	206,433,715	796,472	206,433,715
Total expenses		6,861,330,494	6,291,751,323	6,861,199,281	6,304,366,634
Share of profit of associates					
Associates	4, 9	637,397,637	1,027,491,447	-	-
Total		637,397,637	1,027,491,447	-	-
Profit before income tax expense		3,034,391,630	2,505,002,081	2,422,619,639	1,492,312,190
Tax expense	22	449,518,448	223,182,489	449,518,448	220,611,783
Profit for the year		2,584,873,182	2,281,819,592	1,973,101,191	1,271,700,407
Basic earnings per share (in Baht)	24	8.62	7.61	6.58	4.24

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary
Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 March		Year ended 31 March	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Profit for the year		2,584,873,182	2,281,819,592	1,973,101,191	1,271,700,407
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(245,736,250)	(52,132,612)	-	-
Share of other comprehensive income of associates, net of tax	9	-	1,724,375	-	-
Total items that will be reclassified subsequently to profit or loss		(245,736,250)	(50,408,237)	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Share of other comprehensive income of associates, net of tax	9	(4,279,201)	(2,501,250)	-	-
Loss on remeasurements of defined benefit plans	16, 22	(5,875,257)	(4,825,390)	(5,875,257)	(4,825,390)
Income tax relating to items that will not be reclassified to profit or loss	13, 22	1,175,051	965,078	1,175,051	965,078
Total items that will not be reclassified subsequently to profit or loss		(8,979,407)	(6,361,562)	(4,700,206)	(3,860,312)
Other comprehensive expense for the year, net of tax		(254,715,657)	(56,769,799)	(4,700,206)	(3,860,312)
Total comprehensive income for the year		2,330,157,525	2,225,049,793	1,968,400,985	1,267,840,095

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

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

		Consolidated financial statements							
		<u>Retained earnings</u>			<u>Other components of equity</u>				
	<i>Note</i>	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Share of other comprehensive income of associates	Total other components of equity	Total equity
<i>(in Baht)</i>									
Year ended 31 March 2018									
Balance at 1 April 2017		300,000,000	930,000,000	30,000,000	14,392,256,887	(1,299,548,782)	497,241	(1,299,051,541)	14,353,205,346
Transaction with owners, recorded directly in equity									
Dividends to owners of the Company	25	-	-	-	(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		-	-	-	2,281,819,592	-	-	-	2,281,819,592
Other comprehensive income		-	-	-	(6,361,562)	(52,132,612)	1,724,375	(50,408,237)	(56,769,799)
Total comprehensive income for the year		-	-	-	2,275,458,030	(52,132,612)	1,724,375	(50,408,237)	2,225,049,793
Balance as at 31 March 2018		300,000,000	930,000,000	30,000,000	16,427,714,917	(1,351,681,394)	2,221,616	(1,349,459,778)	16,338,255,139

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary

Statement of changes in equity

Consolidated financial statements

	Note	Retained earnings			Other components of equity			Total equity	
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Share of other comprehensive income of associates		Total other components of equity
<i>(in Baht)</i>									
Year ended 31 March 2019									
Balance at 1 April 2018		300,000,000	930,000,000	30,000,000	16,427,714,917	(1,351,681,394)	2,221,616	(1,349,459,778)	16,338,255,139
Transaction with owners, recorded directly in equity									
Dividends to owners of the Company	25	-	-	-	(300,000,000)	-	-	-	(300,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(300,000,000)	-	-	-	(300,000,000)
Comprehensive income for the year									
Profit		-	-	-	2,584,873,182	-	-	-	2,584,873,182
Other comprehensive income		-	-	-	(8,979,407)	(245,736,250)	-	(245,736,250)	(254,715,657)
Total comprehensive income for the year		-	-	-	2,575,893,775	(245,736,250)	-	(245,736,250)	2,330,157,525
Balance as at 31 March 2019		300,000,000	930,000,000	30,000,000	18,703,608,692	(1,597,417,644)	2,221,616	(1,595,196,028)	18,368,412,664

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary

Statement of changes in equity

	Note	Separate financial statements			Total equity
		Issued and paid-up share capital	Share premium	Retained earnings Legal reserve Unappropriated (in Baht)	
Year ended 31 March 2018					
Balance at 1 April 2017		300,000,000	930,000,000	30,000,000 10,223,984,248	11,483,984,248
Transactions with owners, recorded directly in equity					
Dividends to owners of the Company	25	-	-	- (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		-	-	- 1,271,700,407	1,271,700,407
Other comprehensive income		-	-	- (3,860,312)	(3,860,312)
Total comprehensive income for the year		-	-	- 1,267,840,095	1,267,840,095
Balance at 31 March 2018		300,000,000	930,000,000	30,000,000 11,251,824,343	12,511,824,343

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary

Statement of changes in equity

	Note	Separate financial statements			Total equity
		Issued and paid-up share capital	Share premium	Retained earnings Legal reserve Unappropriated (in Baht)	
Year ended 31 March 2019					
Balance at 1 April 2018		300,000,000	930,000,000	30,000,000	11,251,824,343
Transactions with owners, recorded directly in equity					
Dividends to owners of the Company	25	-	-	-	(300,000,000)
Total transactions with owners, recorded directly in equity		-	-	-	(300,000,000)
Comprehensive income for the year					
Profit		-	-	-	1,973,101,191
Other comprehensive income		-	-	-	(4,700,206)
Total comprehensive income for the year		-	-	-	1,968,400,985
Balance at 31 March 2019		300,000,000	930,000,000	30,000,000	12,920,225,328 ⁽¹⁾

(1) To comply with the requirements of Foreign Business Act license, an amount of Baht 510 million is required to be maintained as a minimum amount of unappropriated retained earnings.

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary
Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
<i>Note</i>		2019	2018	2019	2018
		<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the year		2,584,873,182	2,281,819,592	1,973,101,191	1,271,700,407
<i>Adjustments for reconcile profit to cash receipts</i>					
Depreciation and amortisation		214,065,573	190,013,666	214,065,573	190,013,666
Losses on inventories devaluation	8	7,093,200	14,581,391	7,093,200	14,581,391
Dividend income	9, 11	(47,291,550)	(48,576,503)	(72,782,550)	(76,278,608)
Interest income		(512,435,674)	(392,973,077)	(512,435,674)	(392,973,077)
Finance costs		796,472	112,508,031	796,472	112,508,031
Amortisation of deferred transaction costs		-	93,925,684	-	93,925,684
Unrealised (gain) loss on exchange rate		(83,595,010)	363,145,750	(83,589,960)	363,156,562
Unrealised loss (gain) on derivatives		6,281,032	(107,614,454)	6,281,032	(107,614,454)
Loss (gain) on disposal of property, plant and equipment		197,634	(886,931)	197,634	(886,931)
Impairment loss on investment in subsidiary	10	-	-	-	12,853,530
Share of profit of associates, net of tax	4, 9	(637,397,637)	(1,027,491,447)	-	-
Provisions for employee benefits	16	39,538,203	12,071,312	39,538,203	12,071,312
Tax expense	22	449,518,448	223,182,489	449,518,448	220,611,783
		<u>2,021,643,873</u>	<u>1,713,705,503</u>	<u>2,021,783,569</u>	<u>1,713,669,296</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(32,245,531)	(278,284,812)	(32,245,531)	(278,284,812)
Other receivables		5,337,036	119,397,124	5,351,407	119,425,762
Inventories		198,547,576	(350,042,677)	198,547,576	(350,042,677)
Other non-current assets		(175,183)	361,800	(175,183)	361,800
Trade accounts payable		(439,417,152)	507,487,536	(439,417,152)	507,487,536
Other payables		<u>(76,700,719)</u>	<u>157,770,118</u>	<u>(76,837,951)</u>	<u>157,647,880</u>
Net cash generated from operating		1,676,989,900	1,870,394,592	1,677,006,735	1,870,264,785
Employee benefit paid	16	(7,617,203)	(11,396,232)	(7,617,203)	(11,396,232)
Tax paid		<u>(335,323,037)</u>	<u>(262,290,667)</u>	<u>(335,323,037)</u>	<u>(262,290,667)</u>
Net cash from operating activities		<u>1,334,049,660</u>	<u>1,596,707,693</u>	<u>1,334,066,495</u>	<u>1,596,577,886</u>

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

Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”) and its Subsidiary
Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 March		Year ended 31 March	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>					
(Increase) decrease in short-term deposits					
at financial institutions		(839,224,191)	1,987,300,000	(839,224,191)	1,987,300,000
Proceeds from redemption of other long-term investments	11	1,357,400,000	-	1,357,400,000	-
Interest received		41,804,506	48,385,304	41,804,506	48,385,304
Dividend received	9, 11	72,782,550	76,278,608	72,782,550	76,278,608
Acquisition of property, plant and equipment		(294,820,302)	(77,260,431)	(294,820,302)	(77,260,431)
Advance for purchase of machinery and equipment		(1,221,395)	-	(1,221,395)	-
Proceeds from sale of property, plant and equipment		-	1,353,255	-	1,353,255
Proceeds from repayment of long-term loans					
to related parties	4	1,583,333	-	1,583,333	-
Long-term loans to related parties	4	(19,000,000)	-	(19,000,000)	-
Acquisition of other long-term investments	11	-	(15,876,900)	-	(15,876,900)
Net cash from investing activities		319,304,501	2,020,179,836	319,304,501	2,020,179,836
<i>Cash flows from financing activities</i>					
Interest paid		(796,472)	(115,500,406)	(796,472)	(115,500,406)
Dividends paid	15, 25	(298,523,168)	(238,936,448)	(298,523,168)	(238,936,448)
Proceeds from borrowings		1,378,500,000	-	1,378,500,000	-
Repayment of borrowings		(1,378,500,000)	(3,376,483,670)	(1,378,500,000)	(3,376,483,670)
Net cash used in financing activities		(299,319,640)	(3,730,920,524)	(299,319,640)	(3,730,920,524)
Net increase (decrease) in cash and cash equivalents,					
before effect of exchange rates		1,354,034,521	(114,032,995)	1,354,051,356	(114,162,802)
Effect of exchange rate changes on cash and cash equivalents		(13,180,235)	-	(13,180,235)	-
Net increase (decrease) in cash and cash equivalents		1,340,854,286	(114,032,995)	1,340,871,121	(114,162,802)
Cash and cash equivalents at 1 April		381,347,746	495,380,741	381,184,884	495,347,686
Cash and cash equivalents at 31 March		1,722,202,032	381,347,746	1,722,056,005	381,184,884
<i>Non-cash transactions</i>					
Payables for purchases of machinery and equipment		149,669,182	56,713,381	149,669,182	56,713,381
Accrued dividend		7,896,418	6,419,586	7,896,418	6,419,586

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

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These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 27 May 2019.

1 General information

Birla Carbon (Thailand) Public Company Limited, “the Company”, is incorporated in Thailand and has its registered office and factory 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 was listed on the Stock Exchange of Thailand in 1990.

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

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 2019 and 2018 are given in notes 9 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

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New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition a number of new and revised TFRS are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 28.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Derivatives	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (m)

(c) *Functional and presentation currency*

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

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 March 2020 is included in the following notes:

Note 16 Measurement of defined benefit obligations: key actuarial assumptions

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group’s Audit Committee.

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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entirety measurement.

Further information about the assumptions made in measuring fair values is included in note 26 *financial instruments*

3 Significant accounting policies

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

(a) Basis of consolidation

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

Subsidiaries

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

Associates

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

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

Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

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Foreign operations

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

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

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

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

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

(c) *Derivatives*

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

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

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

(d) *Cash and cash equivalents*

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

(e) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Inventories*

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

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

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

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(g) Investments

Investments in subsidiary and associates

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

Investments in equity securities

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

Disposal of investments

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

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

(h) Property, plant and equipment

Recognition and measurement

Owned assets

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

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

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

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

Subsequent costs

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

Depreciation

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

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

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

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

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

(i) Intangible assets

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

Subsequent expenditure

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

Amortisation

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

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

Computer software	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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(j) Impairment

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

(k) Interest-bearing liabilities

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

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(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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Other long-term employee benefits

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

Short-term employee benefits

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

(n) Provisions

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

(o) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

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Dividend income

Dividend income is recognised in profit or loss on the date the Group’s right to receive payments is established.

Interest and other income

Interest and other income are recognised in profit or loss as they accrue.

(p) Finance costs

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

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

(q) Lease payments

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

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

Determining whether an arrangement contains a lease

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

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

(r) *Income tax*

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

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

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

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

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

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

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

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

(s) *Earnings per share*

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

(t) *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.

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4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiary and associates are described in note 9 and 10. Relationships with key management and other related parties 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 India Private Limited	India	Same ultimate parent company
Birla Carbon U.S.A., Inc.	U.S.A	Same ultimate parent company
Birla Carbon Egypt S.A.E.	Egypt	Same ultimate parent company
Aditya Birla Sciences Co., Ltd.	India	Same ultimate parent company
Birla Carbon Europe GmbH	German	Same ultimate parent company
Birla Carbon Korea Co., Ltd.	South Korea	Same ultimate parent company
Birla Carbon Brasil Ltda.	Brazil	Same ultimate parent company
Columbian International Chemicals Corporation	Georgia	Same ultimate parent company

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Name of entities	Country of incorporation / nationality	Nature of relationships
Birla Carbon Italy S.R.L.	Italy	Same ultimate parent company
Swiss Singapore Overseas Enterprises Pte. Ltd.	Singapore	Same ultimate parent company
Aditya Birla Management Corporation Pvt. Ltd.	India	Same ultimate parent company
Birla Carbon Spain, S.L.U.	Spain	Same ultimate parent company
Birla Carbon China (Jining) Co., Ltd.	China	Same ultimate parent company
Sevalco Ltd.	United Kingdom	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.

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

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

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

<i>Year ended 31 March</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
Interest income	451,969	354,727	451,969	354,727
Dividend income	-	-	25,491	27,702
Purchase of goods	-	107	-	107
Key management personnel				
Interest income	106	-	106	-
Key management personnel compensation				
Short-term employee benefit	<u>29,345</u>	<u>39,186</u>	<u>29,345</u>	<u>39,186</u>
Total key management personnel compensation	<u>29,345</u>	<u>39,186</u>	<u>29,345</u>	<u>39,186</u>
Directors’ remuneration	<u>3,437</u>	<u>3,337</u>	<u>3,437</u>	<u>3,337</u>
Other related parties				
Dividend income	-	11,387	-	11,387
Cost reduction from sales of electricity and steam generated from manufacturing process	319,445	325,945	319,445	325,945
Expenses charged to related parties	77,273	67,235	77,273	67,235
Purchase of goods	1,425,535	1,715,033	1,425,535	1,715,033
Expenses charged by related parties	47,676	93,808	47,676	93,808
Royalty expense	107,181	70,966	107,181	70,966
Rental expenses	3,240	3,240	3,240	3,240

Significant agreements with related parties

As at 31 March 2019, the Group had the following significant agreements with related parties.

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Intercompany services agreement

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

Royalty agreement

In April 2018, the Company entered into a royalty agreement with a related party, in which such related party agreed to support the Company with research and development program for new carbon black grades and improved carbon black production process by allowing the Company to use technical information and patent rights. The Company has agreed to pay royalty fee at the rate of 4.5% (31 March 2018: 3%) of net sale less actual cost of feedstock and selling expenses. The term of this agreement is for 3 year being effective on the agreement date.

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

<i>Trade accounts receivable – related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related party	54,300	56,783	54,300	56,783
Total	54,300	56,783	54,300	56,783

<i>Other receivables – related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	4,835	2,092	4,835	2,092
Total	4,835	2,092	4,835	2,092

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<i>Interest receivables – related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associate	<u>2,178,143</u>	<u>1,701,256</u>	<u>2,178,143</u>	<u>1,701,256</u>
Total	<u>2,178,143</u>	<u>1,701,256</u>	<u>2,178,143</u>	<u>1,701,256</u>

<i>Long-term loan to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associate	5,472,700	5,371,081	5,472,700	5,371,081
Key management personnel				
Current portion	4,750	-	4,750	-
Non-current portion	<u>12,667</u>	<u>-</u>	<u>12,667</u>	<u>-</u>
Total	<u>17,417</u>	<u>-</u>	<u>17,417</u>	<u>-</u>
Total	<u>5,490,117</u>	<u>5,371,081</u>	<u>5,490,117</u>	<u>5,371,081</u>

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

<i>Long-term loan to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 April of the preceding year	5,371,081	5,911,495	5,371,081	5,928,832
Unrealised loss on exchange rate	101,619	(557,751)	101,619	(557,751)
Share of net profit of an associate	<u>-</u>	<u>17,337</u>	<u>-</u>	<u>-</u>
At 31 March	<u>5,472,700</u>	<u>5,371,081</u>	<u>5,472,700</u>	<u>5,371,081</u>

<i>Key management personnel</i>				
At 1 April of the preceding year	-	-	-	-
Increase (repayable in 48 monthly installments)	19,000	-	19,000	-
Decrease	<u>(1,583)</u>	<u>-</u>	<u>(1,583)</u>	<u>-</u>
At 31 March	<u>17,417</u>	<u>-</u>	<u>17,417</u>	<u>-</u>

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Loan to associate

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

<i>Trade accounts payable – related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	36,408	834,947	36,408	834,947
Total	36,408	834,947	36,408	834,947

<i>Other payables – related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties	85,532	144,718	85,532	144,718
Total	85,532	144,718	85,532	144,718

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	194	482	194	482
Cash at banks – current accounts	8,167	115,966	8,021	115,803
Cash at banks – savings accounts	77,463	264,900	77,463	264,900
Fixed deposit	1,636,378	-	1,636,378	-
Total	1,722,202	381,348	1,722,056	381,185

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6 Short-term deposits at financial institutions

As at 31 March 2019, the Company had short-term deposit at a local financial institution, amounting to Baht 1,490 million (*31 March 2018: Baht 646 million*), which was bearing interest at the rate of 3.02% per annum (*31 March 2018: 2.41% per annum*) and matured in May 2019.

7 Trade accounts receivable

		Consolidated and separate financial statements	
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
Related party	4	54,300	56,783
Other parties		1,149,268	1,111,850
Total		1,203,568	1,168,633
<i>Less</i> allowance for doubtful accounts		-	-
Net		1,203,568	1,168,633
Bad and doubtful debts expense for the year		-	-

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Aging analyses for trade accounts receivable were as follows:

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Related party		
Within credit terms	54,300	56,783
	54,300	56,783
<i>Less</i> allowance for doubtful accounts	-	-
	54,300	56,783
 Other parties		
Within credit terms	1,108,790	1,056,886
Overdue:		
Less than 3 months	40,478	54,964
	1,149,268	1,111,850
<i>Less</i> allowance for doubtful accounts	-	-
	1,149,268	1,111,850
 Net	1,203,568	1,168,633

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

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8 Inventories

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Finished goods	402,893	413,934
Raw materials	418,341	539,064
Factory supplies and spare parts	124,707	142,148
Goods in transit	-	49,343
	<u>945,941</u>	<u>1,144,489</u>
<i>Less</i> allowance for inventories deterioration	<u>(49,261)</u>	<u>(42,168)</u>
Net	<u>896,680</u>	<u>1,102,321</u>
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	6,291,093	5,073,662
- Write-down to net realisable value	<u>7,093</u>	<u>14,581</u>
Total	<u>6,298,186</u>	<u>5,088,243</u>

9 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Associates				
At 1 April of the preceding year	4,599,195	3,669,641	770,364	770,364
Share of net profits of associates	637,397	1,010,154	-	-
Share of other comprehensive income, net of tax	(4,279)	(777)	-	-
Dividend income	(25,491)	(27,702)	-	-
Currency translation differences	<u>(245,731)</u>	<u>(52,121)</u>	<u>-</u>	<u>-</u>
At 31 March	<u>4,961,091</u>	<u>4,599,195</u>	<u>770,364</u>	<u>770,364</u>

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During the year ended 31 March 2019, there were no acquisitions and disposals of investments in associates.

Investments in equity-accounted investees as at 31 March 2019 and 2018, and dividend income from those investments for the years then ended, were as follows:

Type of business	Country of incorporation	Ownership interest	Consolidated financial statements									
			Paid-up capital		Cost		Equity		Dividend income			
			2019	2018	2019	2018	2019	2018	2019	2018		
		(%)					<i>(in thousand Baht)</i>					
Associates												
P.T. Indo Liberty Textiles	Textiles manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	336,286	300,763	-	2,211
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	4,026,145	3,737,457	25,491	25,491
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	20.59	308,870	308,870	<u>63,596</u>	<u>63,596</u>	<u>598,660</u>	<u>560,975</u>	-	-
Total							<u>770,364</u>	<u>770,364</u>	<u>4,961,091</u>	<u>4,599,195</u>	<u>25,491</u>	<u>27,702</u>

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

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As at 31 March 2019, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,473 million (*31 March 2018: USD 173 million, equivalent to Baht 5,371 million*), and interest receivables of USD 69 million, equivalent to Baht 2,178 million (*31 March 2018: USD 55 million, equivalent to Baht 1,701 million*).

For the year ended 31 March 2019, the Group’s share in total comprehensive income of Indigold amounted to a gain of Baht 38 million (*31 March 2018: a gain of Baht 578 million*). Starting from the quarter that ended 30 September 2014, the Group’s share in accumulated total comprehensive loss of Indigold exceeded the carrying amount of the investment in shares. Since that quarter, the excess loss is adjusted to the loan investment in Indigold. Future reversals of losses are firstly be applied to the loan investment to the extent that such loss is previously applied against this loan investment and subsequently recognised in the investment in shares. In the separate financial statements of the Company, the investment in Indigold, in equity interest and loan receivable, is carried at cost.

During the year ended 31 March 2018, the excess loss previously adjusted to the loan investment in Indigold was fully reversed due to gain position in share of total cumulative comprehensive income. Therefore, the share of profits had been recognised in the investment in shares of Indigold.

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	Ownership interest		Paid-up capital		Cost		Separate financial statements				Dividend income	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(<i>%)</i>						<i>(in thousand Baht)</i>					
Associates												
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	-	196,948	196,948	-	2,211
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	-	-	509,820	509,820	25,491	25,491
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-	63,596	63,596	-	-
Total					<u>770,364</u>	<u>770,364</u>	<u>-</u>	<u>-</u>	<u>770,364</u>	<u>770,364</u>	<u>25,491</u>	<u>27,702</u>

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

	P.T. Indo Liberty Textiles		Aditya Birla Chemicals (Thailand) Limited		Indigold Carbon (Mauritius) Limited		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Revenue	4,090,637	4,117,924	17,880,432	17,107,561	38,751,517	34,102,200	60,722,586	55,327,685
Net profit (loss)	74,235	(107,136)	931,028	1,444,801	1,356,492	3,268,002	2,361,755	4,605,667
Other comprehensive income	1,791	3,317	110,347	65,560	(1,264,955)	(167,794)	(1,152,817)	(98,917)
Total comprehensive income	76,026	(103,819)	1,041,375	1,510,361	91,537	3,100,208	1,208,938	4,506,750
Attributable to non-controlling interests	-	-	(6,239)	(7,544)	(91,489)	291,503	(97,728)	283,959
Attributable to investee’s shareholders	76,026	(103,819)	1,047,614	1,517,905	183,026	2,808,705	1,306,666	4,222,791
Current assets	1,268,295	1,092,603	7,237,099	7,726,248	17,463,033	15,624,020	25,968,427	24,442,871
Non-current assets	2,374,987	2,335,806	14,407,295	8,524,276	23,085,114	23,884,519	39,867,396	34,744,601
Current liabilities	(1,556,297)	(1,572,248)	(4,018,076)	(3,427,537)	(10,829,657)	(8,642,151)	(16,404,030)	(13,641,936)
Non-current liabilities	(1,244,432)	(1,102,415)	(4,162,500)	(315,544)	(25,656,454)	(26,895,889)	(31,063,386)	(28,313,848)
Net assets	842,553	753,746	13,463,818	12,507,443	4,062,036	3,970,499	18,368,407	17,231,688

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	P.T. Indo Liberty Textiles		Aditya Birla Chemicals (Thailand) Limited		Indigold Carbon (Mauritius) Limited		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>							
Attributable to non-controlling interests	-	-	34,074	40,313	1,154,507	1,245,996	1,188,581	1,286,309
Attributable to investee’s shareholders	842,553	753,746	13,429,744	12,467,130	2,907,529	2,724,503	17,179,826	15,945,379
Group interest in net asset of investee as of								
1 April of the preceding year	300,763	377,421	3,737,457	3,292,220	560,975	-	4,599,195	3,669,641
Total comprehensive income attributable to the Group	35,523	(74,447)	314,179	470,728	37,685	560,975	387,387	957,256
Dividends received during the year	-	(2,211)	(25,491)	(25,491)	-	-	(25,491)	(27,702)
Group’s interest in net assets of investee at end of year	336,286	300,763	4,026,145	3,737,457	598,660	560,975	4,961,091	4,599,195
Goodwill	-	-	-	-	-	-	-	-
Carrying amount of interest in investee at 31 March	336,286	300,763	4,026,145	3,737,457	598,660	560,975	4,961,091	4,599,195

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10 Investments in subsidiary

Investments in subsidiary as at 31 March 2019 and 2018 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	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		(%)						<i>(in thousand Baht)</i>					
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)	-	-	-	-

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11 Other long-term investments

	Consolidated and separate	
	financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Long-term deposits at financial institution	15,877	15,877
Other non-marketable equity securities	223,204	1,580,604
Total	239,081	1,596,481

Long-term deposits at a financial institution

As at 31 March 2019, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (31 March 2018: 16 million), which was bearing interest at the rate of 1.25% per annum (31 March 2018: 1.25% per annum) and matured in March 2020.

<i>Other non-marketable equity securities</i>	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cost of investments at 1 April of the preceding year	1,744,358	1,744,358	1,846,560	1,846,560
Redemption during the year	(1,357,400)	-	(1,357,400)	-
Allowance for impairment loss	(163,754)	(163,754)	(265,956)	(265,956)
Carrying amount of investments at 31 March	223,204	1,580,604	223,204	1,580,604

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

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Other non-marketable equity securities as at 31 March 2019 and 2018 and dividend income from these investments for the years then ended were as follows:

	Ownership interest		Currency	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2019	2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(<i>%)</i>												
	<i>(in thousand Baht)</i>												
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	THB	712,500	712,500	223,204	223,204	-	-	223,204	223,204	-	11,387
Alexandria Fiber Co., S.A.E.	14.40	14.40	USD	48,198	48,198	163,754	163,754	(163,754)	(163,754)	-	-	-	-
Blue Bucks Investment Pte. Ltd.	-	-	USD	-	10	-	758,000	-	-	-	758,000	26,273	20,662
Big Banyan Investment Pte. Ltd.	-	-	USD	-	10	-	599,400	-	-	-	599,400	21,019	16,528
Total						386,958	1,744,358	(163,754)	(163,754)	223,204	1,580,604	47,292	48,577

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	Ownership interest		Currency	Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2019	2018		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(<i>%)</i>			<i>(in thousand Baht)</i>									
Thai Acrylic Fiber Co., Ltd.	15.98	15.98	THB	712,500	712,500	223,204	223,204	-	-	223,204	223,204	-	11,387
Alexandria Fiber Co., S.A.E.	14.40	14.40	USD	48,198	48,198	265,956	265,956	(265,956)	(265,956)	-	-	-	-
Blue Bucks Investment Pte. Ltd.	-	-	USD	-	10	-	758,000	-	-	-	758,000	26,273	20,662
Big Banyan Investment Pte. Ltd.	-	-	USD	-	10	-	599,400	-	-	-	599,400	21,019	16,528
Total						489,160	1,846,560	(265,956)	(265,956)	223,204	1,580,604	47,292	48,577

Preference shares of Blue Bucks Investment Pte. Ltd. (25,000,000 shares of USD one each) and preference shares of Big Banyan Investment Pte. Ltd. (20,000,000 shares of USD one each) are non-cumulative, redeemable, non-participative and non-voting preference shares, entitling the Company to receive dividend at a rate of 2.5% per annum, in years in which dividend is declared.

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12 Property, plant and equipment

	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>						
Cost							
At 1 April 2017	138,533	759,260	4,770,814	75,720	15,701	258,850	6,018,878
Additions	-	-	27,865	804	2,694	57,007	88,370
Disposal	-	-	(30,993)	(626)	(3,294)	-	(34,913)
Transfers	-	-	252,834	-	-	(252,834)	-
As at 31 March 2018 and 1 April 2018	138,533	759,260	5,020,520	75,898	15,101	63,023	6,072,335
Additions	-	-	20,121	1,447	-	366,208	387,776
Disposal	-	-	(56,928)	(673)	-	-	(57,601)
Transfers	-	-	62,973	-	-	(62,973)	-
As at 31 March 2019	138,533	759,260	5,046,686	76,672	15,101	366,258	6,402,510

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	Land	Buildings and constructions	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>						
<i>Depreciation</i>							
At 1 April 2017	-	499,400	4,017,119	73,270	13,035	-	4,602,824
Depreciation charge for the year	-	22,139	160,267	874	1,869	-	185,149
Disposal	-	-	(30,993)	(626)	(2,827)	-	(34,446)
As at 31 March 2018 and 1 April 2018	-	521,539	4,146,393	73,518	12,077	-	4,753,527
Depreciation charge for the year	-	20,956	186,201	993	1,052	-	209,202
Disposal	-	-	(56,741)	(663)	-	-	(57,404)
As at 31 March 2019	-	542,495	4,275,853	73,848	13,129	-	4,905,325
<i>Net book value</i>							
At 1 April 2017	<u>138,533</u>	<u>259,860</u>	<u>753,695</u>	<u>2,450</u>	<u>2,666</u>	<u>258,850</u>	<u>1,416,054</u>
At 31 March 2018	<u>138,533</u>	<u>237,721</u>	<u>874,127</u>	<u>2,380</u>	<u>3,024</u>	<u>63,023</u>	<u>1,318,808</u>
At 31 March 2019	<u>138,533</u>	<u>216,765</u>	<u>770,833</u>	<u>2,824</u>	<u>1,972</u>	<u>366,258</u>	<u>1,497,185</u>

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The gross amount of the Group’s fully depreciated plant and equipment that was still in use as at 31 March 2019 amounted to Baht 3,563 million (2018: Baht 3,596 million).

The Company has no pledged assets as at 31 March 2019 (2018: nil) as collateral against credit facilities received from financial institutions.

13 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	93,492	83,503	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	<u>93,492</u>	<u>83,503</u>	<u>-</u>	<u>-</u>

	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	96,063	86,074	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	<u>96,063</u>	<u>86,074</u>	<u>-</u>	<u>-</u>

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

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

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

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	Consolidated financial statements			At 31 March 2018
	At 1 April 2017	(Charged) / Credited to		
		profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
<i>Deferred tax assets</i>				
Provision for impairment of other investments	53,191	-	-	53,191
Provision for employee benefits	18,219	519	965	19,703
Unrealised loss from derivatives	21,578	(21,523)	-	55
Provision for decline in value of inventories	5,517	2,916	-	8,433
Others	2,832	(711)	-	2,121
Total	101,337	(18,799)	965	83,503
<i>Deferred tax liabilities</i>				
Deferred transaction cost	(18,785)	18,785	-	-
Total	(18,785)	18,785	-	-
Net	82,552	(14)	965	83,503

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	Separate financial statements			At 31 March 2018
	At 1 April 2017	(Charged) / Credited to		
		profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
<i>Deferred tax assets</i>				
Provision for impairment of other investments	53,191	-	-	53,191
Provision for impairment of investment in subsidiary	-	2,571	-	2,571
Provision for employee benefits	18,219	519	965	19,703
Unrealised loss from derivatives	21,578	(21,523)	-	55
Provision for decline in value of inventories	5,517	2,916	-	8,433
Others	2,832	(711)	-	2,121
Total	101,337	(16,228)	965	86,074
<i>Deferred tax liabilities</i>				
Deferred transaction cost	(18,785)	18,785	-	-
Total	(18,785)	18,785	-	-
Net	82,552	2,557	965	86,074

14 Trade accounts payable

	<i>Note</i>	Consolidated and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	4	36,408	834,947
Other parties		736,410	340,214
Total		772,818	1,175,161

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15 Other payables

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	4	<u>85,532</u>	<u>144,718</u>	<u>85,532</u>	<u>144,718</u>
Others					
Other payables for machinery and equipment		149,669	56,713	149,669	56,713
Accrued bonus expenses		32,060	44,656	32,060	44,656
Accrued insurance expense		19,125	20,154	19,125	20,154
Accrued service fee		16,163	14,596	16,163	14,596
Accrued consulting fee		15,989	15,703	15,989	15,703
Accrued for legal claim		13,806	13,806	13,806	13,806
Dividends payables		7,896	6,420	7,896	6,420
Others		<u>39,719</u>	<u>45,461</u>	<u>39,460</u>	<u>45,339</u>
		<u>294,427</u>	<u>217,509</u>	<u>294,168</u>	<u>217,387</u>
Total		<u>379,959</u>	<u>362,227</u>	<u>379,700</u>	<u>362,105</u>

16 Non-current provisions for employee benefits

	Consolidated and separate	
	financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Statement of financial position		
Non-current provision obligations for:		
Post-employment benefits	122,591	78,956
Other long-term employee benefits	<u>13,720</u>	<u>19,559</u>
Total	<u>136,311</u>	<u>98,515</u>

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**Consolidated and separate
financial statements**

2019 2018

(in thousand Baht)

For the year ended 31 March

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits	36,949	9,201
Other long-term employee benefits	2,589	2,870
Total	39,538	12,071

Recognised in other comprehensive income:

Actuarial losses recognised in the year	5,875	4,825
Cumulative actuarial losses recognised	15,041	9,166

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.

During the year ended 31 March 2019, the National Legislative Assembly passed a bill amending the Labor Protection Act, and the amendment has become law on 5 April 2019. This change in the law was taken into account in the determination of the provision for the benefits under its retirement plan for employees who were employed by the Company for twenty years or more, without interruption. Those employees are now entitled to receive severance payment upon retirement of 400 days of wages at the most recent rate. As a result of this change, the provision for retirement benefits as at 31 March 2019 as well as past service cost recognised during the year then ended in the consolidated and separate financial statements increased by an amount of Baht 29.49 million.

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Movement in the present value of the defined benefit obligations:

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	78,956	75,429
Included in profit or loss:		
Current service cost	4,940	6,406
Past service cost	29,494	-
Interest on obligation	2,515	2,795
	<u>36,949</u>	<u>9,201</u>
Included in other comprehensive income:		
Actuarial loss	14,303	5,000
	<u>14,303</u>	<u>5,000</u>
Other:		
Benefits paid by the plan	(7,617)	(10,674)
	<u>(7,617)</u>	<u>(10,674)</u>
At 31 March	<u><u>122,591</u></u>	<u><u>78,956</u></u>

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Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Financial assumptions	13,831	1,798
Experience adjustment	472	3,202
Total	14,303	5,000

Other long-term employee benefits

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

Movement in the present value of the other long-term employee benefits:

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	19,559	17,586
Included in profit or loss:		
Current service cost	1,977	2,271
Interest on obligation	612	599
	2,589	2,870
Included in other comprehensive income:		
Actuarial gain	(8,428)	(175)
	(8,428)	(175)
Other:		
Benefits paid by the plan	-	(722)
	-	(722)
At 31 March	13,720	19,559

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Actuarial gains and losses recognised in other comprehensive income arising from:

	Consolidated and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Financial assumptions	(8,150)	(63)
Experience adjustment	(278)	(112)
Total	(8,428)	(175)

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated and separate financial statements	
	2019	2018
	<i>(%)</i>	
Discount rate	2.54 - 2.96	3.05
Future salary growth	9.00	8.28
Staff turnover rate	3.00 - 7.00	3.00 - 7.00

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

Sensitivity analysis

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

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	Consolidated and separate financial statements	
	<i>(in thousand Baht)</i>	
	Increase	Decrease
At 31 March 2019		
Discount rate (1% movement)	(10,365)	11,738
Future salary growth (1% movement)	10,808	(9,788)
At 31 March 2018		
Discount rate (1% movement)	(7,469)	8,465
Future salary growth (1% movement)	8,852	(7,707)

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

17 Share capital

	Par value	2019		2018	
	per share	Number	Amount	Number	Amount
	<i>(in Baht)</i>	<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 April of the preceding year					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
At 31 March					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued and paid-up					
At 1 April of the preceding year					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
At 31 March					
- ordinary shares	1	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

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Share premium

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

18 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

As at 31 March 2019 and 2018, the Company’s legal reserve was equal to 10% of authorised share capital.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

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19 Segment information

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

Geographical segments

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

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

Geographical information

	Revenues	
	2019	2018
	<i>(in thousand Baht)</i>	
Thailand	6,181,046	5,372,127
Japan	1,129,864	756,973
Indonesia	443,679	507,670
Vietnam	337,492	279,791
Malaysia	199,185	134,785
Other countries	258,949	272,265
Total	8,550,215	7,323,611

Major customers

For the year ended 31 March 2019, the Company has revenue from two major customers in the amount of Baht 1,648.6 million and Baht 1,279.6 million, respectively (*For the year ended 31 March 2018: Baht 1,322.7 million and Baht 988.9 million, respectively*).

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20 Employee benefit expenses

	<i>Note</i>	Consolidated and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Wages and salaries		329,082	334,124
Defined benefit plans	16	39,538	12,071
Defined contribution plans		7,461	7,357
Others		25,400	29,940
Total		401,481	383,492

Defined contribution plans

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

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21 Expenses by nature

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

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods	11,041	(134,201)	11,041	(134,201)
Raw materials and consumables used	5,110,350	4,113,799	5,110,350	4,113,799
Depreciation and amortisation	214,066	190,014	214,066	190,014
Employee benefit expenses	257,141	247,021	257,141	247,021
Utility expenses	453,137	424,263	453,137	424,263
Others	252,451	247,347	252,451	247,347
Total	<u>6,298,186</u>	<u>5,088,243</u>	<u>6,298,186</u>	<u>5,088,243</u>
<i>Included in distribution costs:</i>				
Transportation	143,697	144,675	143,697	144,675
Others	2,146	3,877	2,146	3,877
Total	<u>145,843</u>	<u>148,552</u>	<u>145,843</u>	<u>148,552</u>
<i>Included in administrative expenses:</i>				
Employee benefit expenses	144,340	136,471	144,340	136,471
Technical assistance and consultancy	210,363	191,762	210,363	191,762
Rental expenses	12,387	12,142	12,387	12,142
Impairment loss on investment in subsidiary	-	-	-	12,854
Others	49,415	53,089	49,283	52,858
Total	<u>416,505</u>	<u>393,464</u>	<u>416,373</u>	<u>406,087</u>

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22 Income tax expense

Income tax recognised in profit or loss

		Consolidated		Separate	
		financial statements		financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Current tax expense		458,332	223,169	458,332	223,169
Deferred tax expense (income)	13	<u>(8,814)</u>	<u>14</u>	<u>(8,814)</u>	<u>(2,557)</u>
Total income tax expense		<u>449,518</u>	<u>223,183</u>	<u>449,518</u>	<u>220,612</u>

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2019			2018		
	<i>(in thousand Baht)</i>					
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Currency translation differences	(245,736)	-	(245,736)	(52,133)	-	(52,133)
Share of other comprehensive income of associates	(4,280)	-	(4,280)	(777)	-	(777)
Defined benefit plan actuarial losses	<u>(5,875)</u>	<u>1,175</u>	<u>(4,700)</u>	<u>(4,825)</u>	<u>965</u>	<u>(3,860)</u>
Total	<u>(255,891)</u>	<u>1,175</u>	<u>(254,716)</u>	<u>(57,735)</u>	<u>965</u>	<u>(56,770)</u>

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	Separate financial statements					
	2019			2018		
	Before tax	Tax income	Net of tax	Before tax	Tax income	Net of Tax
Defined benefit plan			<i>(in thousand Baht)</i>			
actuarial losses	<u>(5,875)</u>	<u>1,175</u>	<u>(4,700)</u>	<u>(4,825)</u>	<u>965</u>	<u>(3,860)</u>
Total	<u>(5,875)</u>	<u>1,175</u>	<u>(4,700)</u>	<u>(4,825)</u>	<u>965</u>	<u>(3,860)</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2019		2018	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before tax		<u>3,034,392</u>		<u>2,505,002</u>
Income tax using the Thai corporation tax rate	20	606,878	20	501,000
Income not subject to tax		(30,168)		(74,468)
Share of profit from investments in associates		(127,479)		(205,498)
Expenses not deductible for tax purposes		335		2,316
Additional expense deductions allowed		(75)		(158)
Others		<u>27</u>		<u>(9)</u>
Total	<u>15</u>	<u>449,518</u>	<u>9</u>	<u>223,183</u>

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	Separate financial statements			
	2019		2018	
	<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>2,422,620</u>		<u>1,492,312</u>
Income tax using the Thai corporation tax rate	20	484,524	20	298,462
Income not subject to tax		(35,266)		(80,008)
Expenses not deductible for tax purposes		335		2,316
Additional expense deductions allowed		<u>(75)</u>		<u>(158)</u>
Total	19	<u>449,518</u>	15	<u>220,612</u>

23 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act B.E. 2520, the Company has been granted privileges by the Board of Investment relating to the manufacture of carbon black, electricity and steam. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board; and
- (b) exemption from payment of income tax for the operations for a period of 8 years from the date on which the income is first derived from such operations but the amount is not over specified amount; and
- (c) an exemption to include the dividend income from the promoted business in the computation of corporate income tax throughout the period of the Company being granted exemption.

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As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

Summary of revenue and cost reduction from promoted and non-promoted businesses:

	Consolidated and separate financial statements					
	2019			2018		
	Promoted business	Non- promoted business	Total	Promoted business	Non- promoted business	Total
	<i>(in thousand Baht)</i>					
Sales						
Export sales	-	2,369,169	2,369,169	-	1,951,484	1,951,484
Local sales	-	6,181,046	6,181,046	-	5,372,127	5,372,127
Total sales	-	8,550,215	8,550,215	-	7,323,611	7,323,611
Cost reduction from sales of electricity and steam generated from manufacturing process	155,182	763,997	919,179	372,166	553,522	925,688
Total	155,182	9,314,212	9,469,394	372,166	7,877,133	8,249,299

The promotional certificate was expired on 19 September 2018.

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24 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the year ended 31 March 2019 and 2018 were based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	Consolidated		Separate	
	financial statements		financial statements	
<i>Year ended 31 March</i>	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company	<u>2,584,873</u>	<u>2,281,820</u>	<u>1,973,101</u>	<u>1,271,700</u>
Number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Earnings per share (basic) (in Baht)	<u>8.62</u>	<u>7.61</u>	<u>6.58</u>	<u>4.24</u>

25 Dividends

At the annual general meeting of the shareholders of the Company held on 24 July 2018, the shareholders approved the appropriation of dividends of Baht 1.0 per share, amounting to Baht 300 million. The dividends were paid to shareholders in August 2018.

At the annual general meeting of the shareholders of the Company held on 19 July 2017, the shareholders approved the appropriation of dividends of Baht 0.8 per share, amounting to Baht 240 million. The dividends were paid to shareholders in August 2017.

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26 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

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

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

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	Effective Interest Rates (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2019					
Loan to related parties	1.80 - 6.11	<u>4,750</u>	<u>5,485,367</u>	<u>-</u>	<u>5,490,117</u>
2018					
Loan to related parties	5.75	<u>-</u>	<u>5,371,081</u>	<u>-</u>	<u>5,371,081</u>

Foreign currency risk

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

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	650,534	253	650,534	253
Short-term deposits at financial institutions	1,489,541	645,700	1,489,541	645,700
Trade accounts receivable	319,721	252,951	319,721	252,951
Other receivables	411	717	411	717
Long-term loan to related party	5,472,700	5,371,081	5,472,700	5,371,081
Long-term interest receivables	2,178,143	1,701,256	2,178,143	1,701,256

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	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>United States Dollars (continued)</i>				
Trade accounts payable	(607,148)	(1,102,658)	(607,148)	(1,102,658)
Other payables	<u>(90,048)</u>	<u>(87,937)</u>	<u>(90,048)</u>	<u>(87,937)</u>
Gross statement of financial position exposure	9,413,854	6,781,363	9,413,854	6,781,363
Currency forwards	<u>(6,554)</u>	<u>(273)</u>	<u>(6,554)</u>	<u>(273)</u>
Net exposure	<u>9,407,300</u>	<u>6,781,090</u>	<u>9,407,300</u>	<u>6,781,090</u>
<i>Japanese Yen</i>				
Trade accounts payable	<u>-</u>	<u>(28)</u>	<u>-</u>	<u>(28)</u>
Gross statement of financial position exposure	<u>-</u>	<u>(28)</u>	<u>-</u>	<u>(28)</u>
<i>Indian Rupee</i>				
Other receivables	<u>30</u>	<u>25</u>	<u>30</u>	<u>25</u>
Gross statement of financial position exposure	<u>30</u>	<u>25</u>	<u>30</u>	<u>25</u>
<i>Euro</i>				
Other receivables	2,741	3,277	2,741	3,277
Trade accounts payable	(30,658)	(2,519)	(30,658)	(2,519)
Other payables	<u>(35,876)</u>	<u>(48,849)</u>	<u>(35,876)</u>	<u>(48,849)</u>
Gross statement of financial position exposure	<u>(63,793)</u>	<u>(48,091)</u>	<u>(63,793)</u>	<u>(48,091)</u>
<i>British Pound</i>				
Other payables	<u>(336)</u>	<u>-</u>	<u>(336)</u>	<u>-</u>
Gross statement of financial position exposure	<u>(336)</u>	<u>-</u>	<u>(336)</u>	<u>-</u>

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	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Mexican Peso</i>				
Cash and cash equivalents	146	163	-	-
Other current assets	145	130	-	-
Other payables	<u>(259)</u>	<u>(122)</u>	<u>-</u>	<u>-</u>
Gross statement of financial position exposure	<u>32</u>	<u>171</u>	<u>-</u>	<u>-</u>

Credit risk

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

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

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

Liquidity risk

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

Fair values of financial assets and liabilities

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

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

Derivative liabilities with carrying amount of Baht 6.6 million as at 31 March 2019 (*31 March 2018: Baht 0.3 million*) are taken at fair value determined as level 2 based on broker quotes.

27 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	31 March 2019	31 March 2018
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	<u>20,966</u>	<u>8,972</u>
Total	<u>20,966</u>	<u>8,972</u>
<i>Non-cancellable operating lease commitments</i>		
Within one year	3,732	2,517
After one year but within five years	<u>1,838</u>	<u>4,253</u>
Total	<u>5,570</u>	<u>6,770</u>
<i>Other commitments</i>		
Bank guarantees for electricity use (<i>for own performance</i>)	<u>13,548</u>	<u>12,598</u>
Total	<u>13,548</u>	<u>12,598</u>
<i>Operating lease agreements</i>		

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

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Bank guarantee and letter of credit

As at 31 March 2019, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 14 million (*31 March 2018: Baht 13 million*) and outstanding letter of credit issued by the bank to guarantee payments to creditors amounting to USD 28.56 million (*31 March 2018: Nil*).

28 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group’s operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

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(a) *TFRS 15 Revenue from Contracts with Customers*

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management considered the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements that there will be no material impact on the consolidated and separate financial statements in the period of initial application.

(b) *TFRS - Financial instruments standards*

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

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

(c) *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and separate financial statements.

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29 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements as follows:

	Before reclassification	2018 Reclassification	After reclassification
		<i>(in thousand Baht)</i>	
<i>Consolidated statements of financial position</i>			
Other receivables	13,538	47,501	61,039
Other current assets	47,501	<u>(47,501)</u>	-
		<u>-</u>	
<i>Separate statements of financial position</i>			
Other receivables	13,538	47,371	60,909
Other current assets	47,371	<u>(47,371)</u>	-
		<u>-</u>	

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