



Leading the Innovation drive to creating sustainable solutions

ANNUAL REPORT 2020/21





Polyplex Thailand



Polyplex Indonesia



Polyplex USA



Polyplex Turkey

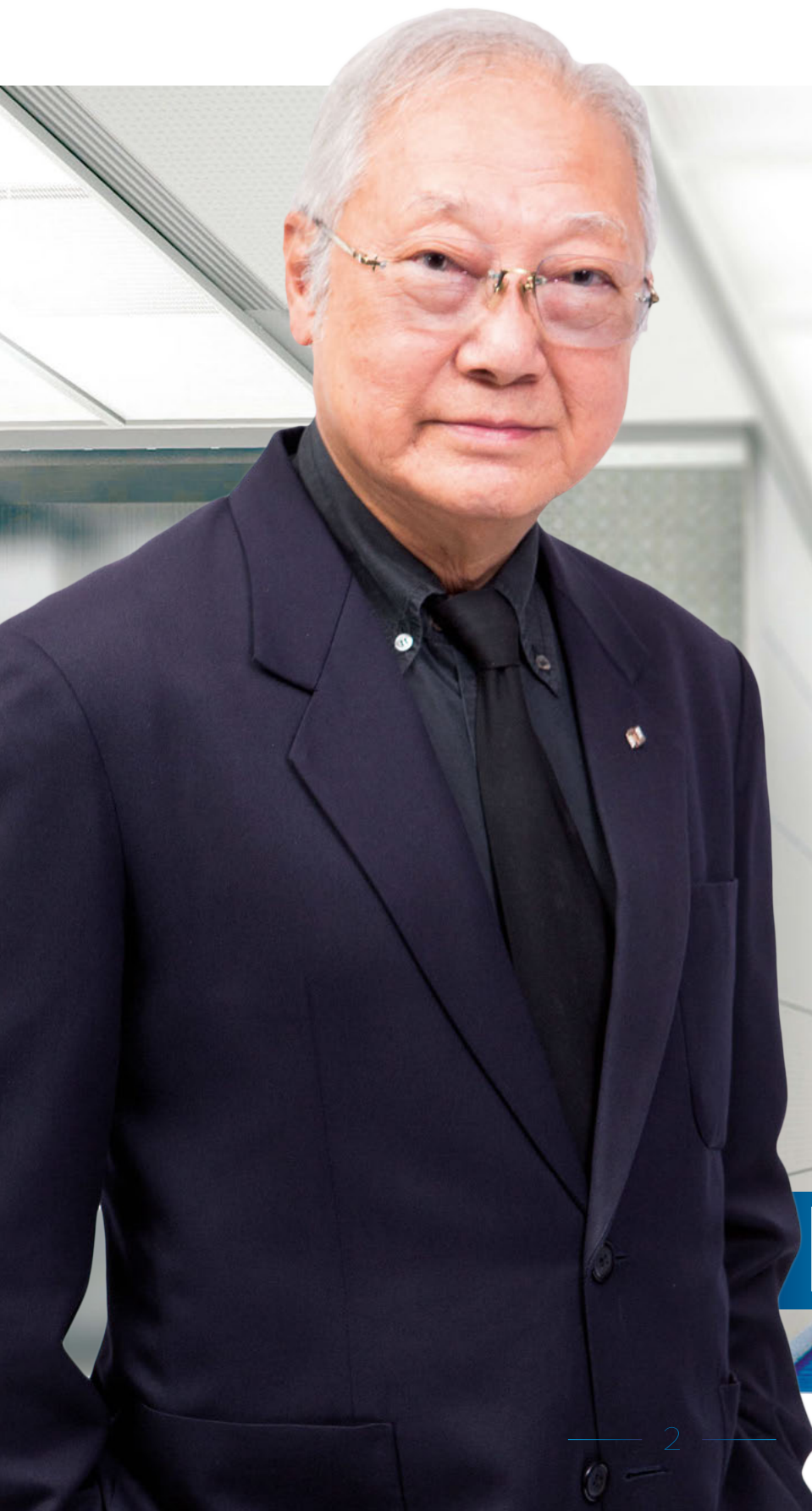
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Investors can study the additional information of the company from the Annual Registration Statement Form 56-1 as shown in SEC website www.sec.or.th or the Company website www.polyplexthailand.com



Message From the Chairman



Mr. Manu Leopaïrote
Chairman-Board and Audit Committee

Dear Valued Shareholders,

The year gone by was undoubtedly an exceptional one, with the Covid-19 pandemic affecting normal life for extended periods across the globe. At Polyplex, it became our responsibility and highest priority to ensure the health of our employees while securing our business operations. Despite the various challenges posed by this event including global supply chain disruptions, the Company managed to deliver improved results.

The Company's geographically diversified manufacturing and distribution operations, along with its broad-based product portfolio with an increasing share of specialty products, has proven yet again, to be one of its greatest assets, which has not only helped us navigate these difficult times but also enabled the Company to capitalize on the right opportunities. The new Brownfield BOPET film line investment in the USA will help pave the way for Polyplex to consolidate and strengthen its position in North America.

Sales Volumes grew by 17% YoY due to the additional volumes from the new capacity at Indonesia, while Sales Revenue grew to Baht 15.1 Billion, a lower increase of 8% YoY, due to decline in selling prices, in line with the fall in raw material prices. Net profits (after adjusting for the foreign exchange gains) stood at Baht 2.96 Billion, a sharp increase of 64% over previous year.

The coming financial year would see the startup of BOPP Film line in Indonesia, which is slated for Q2. The Company remains confident of being able to be ramp up the new line in a short span of time like the PET Film line, thanks to the strong demand in the local market as well as a common customer base for BOPET & BOPP films. The new investment, along with the proposed expansion in the USA and several other smaller projects in Turkey and Thailand, focused on improving the specialty product portfolio will give a boost to the Company's sales and earnings over the next 2-3 years.

Innovation has been one of our key strengths and differentiators for Polyplex. We have been focusing on the sustainability and circular economy for a long time and ahead of any regulatory developments. The expansion underway at Ecoblue, for recycling post-consumer PET and Polyolefin waste and the investments in chemical recycling capability at Turkey and Thailand demonstrate the Company's continued commitment to Sustainability & Innovation besides Growth.

Keeping in mind the resource requirements to consider any further growth opportunities, the Board has proposed a final dividend of 0.46 THB per share subject to approval of the shareholders. Taken along with the interim dividend of 0.54 THB per share, the total payout for the year is 1.00 THB per share, which is about 30% of the normalized net profit of the company.

The robust and resilient nature of the industry has been re-affirmed by the fact that there was no overall adverse impact of the Covid-19 global pandemic on demand. We continue to remain confident of the long-term health and sustainability of the industry due to sustained growth in demand together with continuing innovations and advent of new and diverse applications consistently.

On behalf of the Board, I would like to thank all the shareholders, business partners and the employees of the Company for their unwavering faith in the Company and its long-term strategy. Your support has been the foundation for our accomplishments, and we look forward to your continued encouragement and engagement in the years to come.



Board of Directors



Mr. Manu Leopaibote
Chairman / Board and Audit Committee



Dr. Virabongsa Ramangkura
Director and Member / Audit Committee



Mr. Shiraz Erach Poonevala
Director and Member / Audit Committee



Mr. Sanjiv Saraf
Vice-Chairman





Mr. Amit Prakash
Managing Director



Mr. Praphad Phodhivorakhun
Director



Mr. Ranjit Singh
Director



Mrs. Sakhi Saraf
Director



Audit Committee Report 2020-21

To the Shareholders of Polyplex (Thailand) Public Co., Ltd.

Following the company's transformation into a public limited company on August 11, 2004, the shareholders' meeting held on September 2, 2004 decided to constitute an Audit Committee comprising of three independent directors with knowledge, expertise and experience in finance & accounting, industry and business. The appointees were Mr. Manu Leopairote (Chairman of the Audit Committee), Dr. Virabongsa Ramangkura and Mr. Shiraz Erach Poonevala.

The Audit Committee performed duties under the delegation of authority set out by the Board of Directors. Among the Audit Committee's responsibilities are to review the quarterly / annual financial results of the company, supervise whether the company was in compliance with the rules and regulations of the Stock Exchange of Thailand (SET) and Securities Exchange Commission (SEC), ensure the transparency of the accounting system, review of internal control systems and promote good corporate governance practices.

In the financial year ended March 31, 2021, a total of five Audit Committee meetings were held.

1. Reviewed and approved the quarterly and yearly financial statements of the company and its subsidiaries to ensure compliance with the generally accepted accounting standards and disclosure of key information before proposing them for the Board's approval as also prior to submission to SEC and SET. After due consideration and discussion, it is the opinion of the Committee that the above-mentioned financial statements are presented fairly in accordance with generally accepted accounting principles and sufficiently disclosed.
2. Reviewed the disclosure of information on transactions between the company and its affiliates or any transactions, which may have been perceived as potentially causing conflicts of interest.
3. Reviewed and monitored the corporate compliance and internal control systems as also risk mitigation measures. The Committee believes that overall the company's internal control systems are adequate.
4. Reviewed the proposal for dividend for FY 2019-20 and recommended to the Board of Directors for their consideration and approval.
5. Reviewed and approved the Annual budget for financial year 2020-21 for the Company and its subsidiaries and recommended to the Board for their consideration and approval
6. Reviewed and approved the proposal for Investment in a new Blown Film line, Offline Coater and Metallizer in Turkey and recommended to the Board for their consideration and approval
7. Reviewed and approved the proposal to invest in Brownfield BOPET film line project in USA and recommended to the Board for their consideration and approval
8. Considered and recommended to the Board of Directors to appoint Mr. Chayapol Suppaserttanon (CPA No. 3972) and/or Ms. Pimjai Manitkajohnkit (CPA No. 4521) and/or Ms. Sumana Punpongsanon (CPA No. 5872) and /or Ms. Rosaporn Decharkom (CPA No. 5659) and/ or Ms. Kirdsiri Kanjanaprakasit (CPA No. 6014) of EY Office Limited as the Company's auditors for the accounting period ending 31 March 2021 with the remuneration of up to Baht 3,785,000



Mr. Manu Leopairote

Board Chairman and Audit Committee Chairman



Dr. Virabongsa Ramangkura

Audit Committee Member



Mr. Shiraz Erach Poonevala

Audit Committee Member

The Board of Directors' Report on its Responsibility to Financial Statements

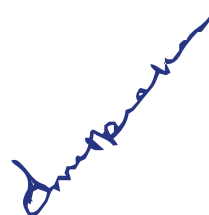
To the Shareholders of Polyplex (Thailand) Public Company Limited

In recognition of its duties and responsibilities and in compliance with good corporate governance principles, the Board of Directors has ensured that the financial statements and financial information appearing in the annual report are accurate, complete and adequate. All material information has been sufficiently disclosed in the Notes to financial statements. The financial statements are in compliance with the generally accepted accounting practices in Thailand and follow accounting standards and practices that are appropriate to the nature of business. To ensure reasonable confidence in using these financial statements, the Board has instituted and maintained internal control systems, subject to periodic review by the Audit committee and reported to the Board.

The company auditor has applied generally accepted auditing standards in auditing the company's financial statements for 2020-21 and is of the view that these financial statements present fairly, in all respects, the financial standing, results of the operations and cash flows for the company, in accordance with generally accepted accounting principles.



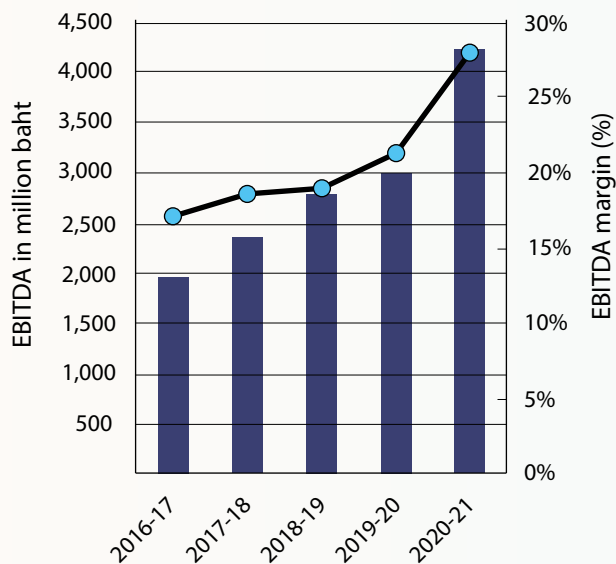
Mr. Manu Leopaibote
Chairman



Mr. Amit Prakash
Managing Director

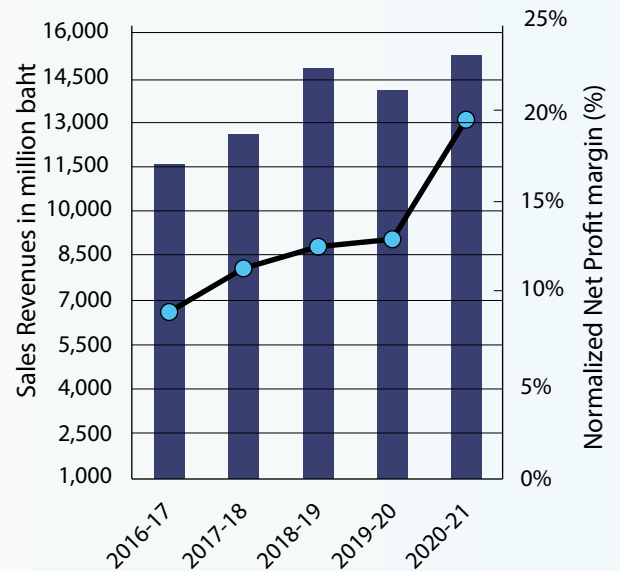
Key Financial Indicators

Normalized EBITDA



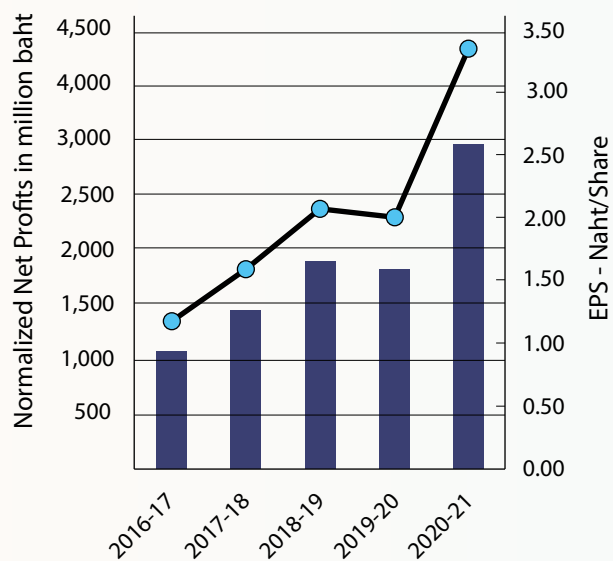
■ Normalized EBITDA - in million Baht#
● EBITDA margin (%)

Sales Revenues



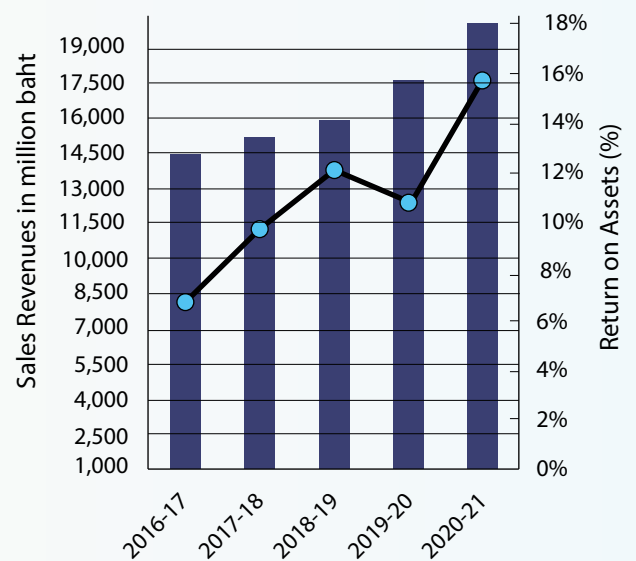
■ Sales Revenue
● Normalized Net Profit margin (%)#

Normalized Net Profits and EPS



■ Normalized Net Profits#
● Normalized EPS

Sales Revenues



■ Total Assets
● Return on assets (%)

Normalized for FX fluctuations in all years and Impairment Reversal gains in 2019-20.

Financial Highlights

Progression (Thousand Baht)	2018-19	2019-20	2020-21
Net Sales	14,746,184	14,050,846	15,144,388
Total Revenues	15,264,047	14,114,025	15,192,545
Gross Profit	3,203,093	3,281,561	4,711,157
Net Profit (Loss)*	1,874,100	1,803,926	2,970,004
Total Assets	15,850,712	17,490,087	20,029,334
Total Liabilities	4,240,523	4,568,369	4,690,194
Shareholder's equity	11,610,189	12,921,718	15,339,140
Financial Ratios*			
Net Profit Margin (%)	12.71%	12.84%	19.52%
Return on Equity (%)	16.97%	15.85%	21.00%
Return on Assets (%)	12.10%	12.68%	15.76%
Per Share Data (Baht)			
No. of shares	900,000,000	900,000,000	900,000,000
Dividend per share (Baht)	0.64	0.65	1.00#
Earnings per share*	2.08	2.00	3.29
Par value	1	1	1

Note: Above figures and ratios are on consolidated basis, including the Company's subsidiaries in USA, Turkey, Indonesia, Singapore, Netherlands and Thailand

* Normalized for FX fluctuations in all years and Impairment Reversal gains in 2019-20.

As proposed by the Board of Directors for consideration and approval in the 2021 Annual General meeting of the Shareholders

General information

2.1

The company	Polyplex (Thailand) Public Company Limited
Stock Exchange of Thailand symbol	PTL
Registered Head office	75/26, Ocean Tower II, 18th Floor, Sukhumvit Soi 19, Kwaeng North Klongtoey, Khet Wattana, Bangkok - 10110
Telephone	(662) 665-2706-8
Facsimile	(662) 665 2705
Factory -1	Siam Eastern Industrial Park, 60/24, Moo 3, Tambol Marbyangporn, Amphur Pluak Daeng, Rayong- 21140
Factory -2	Siam Eastern Industrial Park, 60/91 Moo 3, Tambol Marbyangporn, Amphur Pluakdaeng , Rayong 21140
Factory -3	Siam Eastern Industrial Park, 60/109, Moo 3, Tambol Marbyangporn, Amphur Pluakdaeng , Rayong 21140
Type of Business	Manufacturer of Polyester Thin Film (Plain and Metallized), Polyester Chips, Polyester Thick Film (Plain), Extrusion Coated film, Cast Polypropylene Film (Plain and Metallized), Silicone Coated Film, Blown PP Film, Offline Coated Film and Holographic Film
Company registration number	0107547000729
Telephone	(66) 38 627 074-99
Facsimile	(66) 38 627 070
Website	http://www.polyplexthailand.com
Registered Capital	Baht 900,000,000
Common Shares	900,000,000 shares
Par Value	Baht 1.00 per share
Paid-up Capital	Baht 900,000,000
Number of Employees	1,488 including subsidiaries in Turkey, USA and Indonesia and 738 in Thailand

2.2 Subsidiaries in which the company holds more than 10% share - As at 31st March, 2021

Company Name and Address	Business Type	Registered Capital (shares)	Issued & Paid Up - No. of shares held by the Company	% shareholding	Type of Shares
Polyplex (Singapore) Pte Ltd. 61, Club Street, Singapore-069436	Investment Holding Company	100,000 300,000	100,000 39,100	100% 100%	Common Preference
Polyplex Europa Polyester Film* Sanayi Ve Ticaret A.S. Karamehmet Mah. Avrupa Serbest Bolgesi, 3 Sokak No. 4 Ergene, Tekirdag, TURKEY Karamehmet Mah. Avrupa Serbest Bolgesi, Turkey	Manufacturing Company	1,500,000	1,500,000	100%	Common
Polyplex (Americas) Holding Inc. 251 Little Falls Drive, Wilmington, DE 19808	Investment and Trading & Distribution Company	10,000	9,324	100%	Common
Polyplex USA LLC***		****	\$46,616,500	100%	Common
641 South Lawrence Street, Montgomery, AL 36004	Manufacturing Company				
EcoBlue Limited 60/91, Moo 3 Siam Eastern Industrial Park, Marbyangporn Sub-district, Pluak Daeng District, Rayong, THAILAND	Manufacturing Company	13,765,000	9,153,725	66.5%	Common
Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş# Muhittin Mahallesi, Çetin Emeç Bulvarı, Acun Sokak, Cemil Bayram Apt., No: 7/1 Çorlu/ Tekirdağ_ Turkey	Trading & Distribution Company	20,000	20,000	100%	Common
Polyplex Europe B.V. Zuidplein 126WTC, Toren H, 1077 XV Amsterdam NETHERLANDS	Trading & Distribution Company	30,000	2,000	100%	Common
PT. Polyplex Films Indonesia Jl. Modern Industri XVIII Blok AN No. 7, Nambo Udik, Cikande, Serang Regency, Banten, Indonesia -42186)	Manufacturing Company	54,000	53,999	99.998%	Common

* Indirect holding via PSPL

*** Indirect Holding via Polyplex America Holdings Inc.

**** There are no shares of Polyplex USA LLC. Capital contribution from PAH is termed as Members Unit and it is 100% by PAH.

Indirect holding via Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi

2.3 Other references

- (a) Registrar
Name Thailand Securities Depository Co., Ltd.
Address 93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
Telephone (662) 009-9000
Facsimile (662) 009-9991
- (b) Trustee
N/A
- (c) Auditing Firm
Name EY Office Limited
Address 33rd Floor, Lake Rajada Office Complex,
193/136-137 Rajadapisek road Klongtoey
Bangkok 10110, Thailand
Telephone (662) 264-9090
Facsimile (662) 664 0789-90
Auditors* Mr. Chayapol Suppaserttanon (CPA No. 3972) and/or
Ms. Pimjai Manitkajohnkit (CPA No. 4521) and/or
Ms. Sumana Punpongsanon (CPA No. 5872) and /or
Ms. Rosaporn Decharkom (CPA No. 5659) and/or
Ms. Kirdsiri Kanjanaprakasit (CPA No. 6014)
* Auditors of the company for the FY 2020-21
- (d) Legal Advisors
Name Linklaters (Thailand) Ltd
Address 20th Floor, Capital Tower,
All Seasons Place, 87/1 Wireless Road
Bangkok 10330, Thailand
Telephone (662) 305 8000
Facsimile (662) 305 8010
Contact person Mr. Pichitpon Eammongkolchai
- Name Baker & McKenzie Ltd.
Address 990 Abdulrahim Place, 5th floor and 22nd -25th Floors,
Rama IV Road, Silom, Bangrak
Bangkok 10500, Thailand
Telephone (662) 636-2000
Facsimile (662) 636-2110
Contact person Mr. Theppachol Kosol
- (e) Advisor or manager under management contract
N/A

Policy and Overview of Business Operation

3.1. Vision, Mission, Objective and Strategy of PTL



VALUES

Our core values, enunciated in the acronym

S.C.O.R.E.,

Inspire our internal and external interactions.



SEAMLESSNESS	We leverage synergies across hierarchies, functions and locations.
CARE	We value our people and are committed to their development. We take a long-term approach to all our relationships.
OWNERSHIP & RESPONSIBILITY	We honor our commitments towards internal and external stake-holders.
EXCELLENCE	We stretch ourselves continuously to improve the way we work. We constantly pursue newer and better ideas, processes, products and practices.

3.2. Company Background and Key Developments

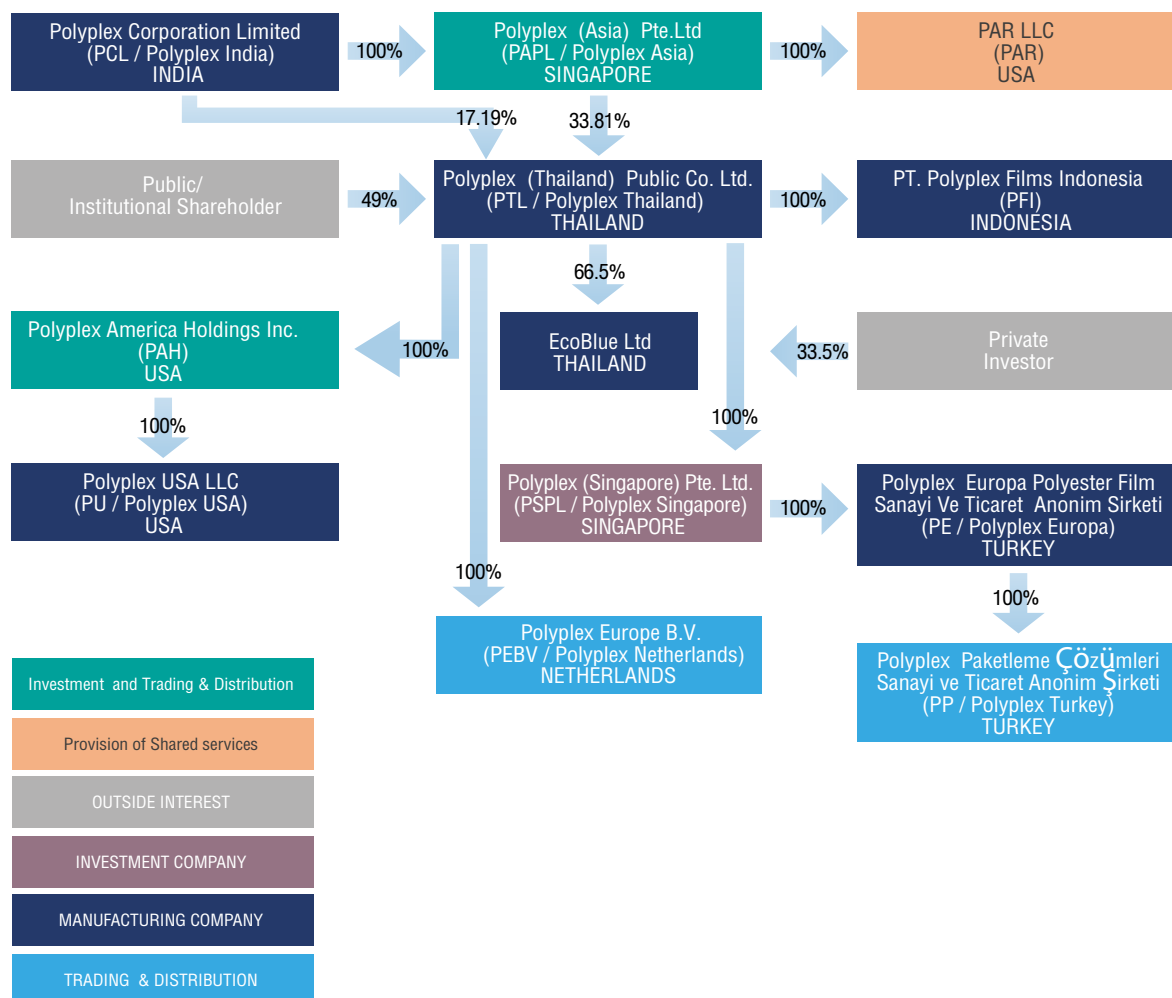
On 26th March 2002 Polyplex Corporation Limited (PCL), a company based in India and listed on the Bombay Stock Exchange and the National Stock Exchange incorporated Polyplex (Thailand) Plc. (“PTL” or “the Company”) as a private company to manufacture and distribute PET Film. The Company’s journey and key developments are outlined as follows:

March 2002	PTL was incorporated by PCL, which is a listed company (on the Bombay Stock Exchange as also National Stock Exchange) in India to set up a greenfield expansion for manufacture of Thin PET film.
April 2003	Thin PET film line 1 start-up - Thailand
November 2003	Thin PET film line 2 start-up - Thailand
August 2004	Registration was completed to transform the Company into a Public company
September 2004	PET Resin Batch plant start-up - Thailand
December 2004	IPO of 240,000,000 shares at the price of Baht 6.90 per share
February 2005	PET Resin Continuous plant start-up - Thailand
August 2005	Metallizer Line 1 start-up - Thailand
December 2005	Thin Pet film line 1 start-up in Turkey, implemented under a 100% subsidiary company Polyplex Europa Polyester Film San ve Ticaret. A.Ş.
January 2006	Acquisition of 80.24% in a Trading Distribution company in USA and renamed it Polyplex (Americas) Inc.
March 2006	Metallizer Line 1 start-up - Turkey
December 2006	PET Resin plant start-up - Turkey
April 2008	Extrusion Coating Line 1 start-up - Thailand
May 2008	Thin PET film line 2 & Metallizer Line 2 start-up - Turkey Metallizer Line 2 start-up - Thailand
September 2009	The Trading company in China - Polyplex Trading (Shenzhen) Co. Ltd was set up as a 100% subsidiary and capital injected through Polyplex (Singapore) Pte Ltd
March 2010	Cast Polypropylene line & Metallizer Line 3 start-up -Thailand
March 2012	Silicone Coating line start-up - Thailand
July 2012	Polyplex USA LLC acquired Metalizing assets from Vacumet Plastics division in Austell, Georgia, USA
August 2012	Set up of a Liaison office in Malaysia
January 2013	Acquired the balance 19.76% from the minority shareholders of Polyplex (Americas) Inc.(PA) USA and merged the Trading company with the manufacturing subsidiary PUL
April 2013	Thin PET Film line 1 start-up in Decatur, USA under a 100% subsidiary company - Polyplex USA LLC
April 2013	Set up a Trading and distribution company in Netherlands - Polyplex Europe B.V, as a 100% subsidiary of the Company
June 2013	Extrusion Coating line 2 start-up - Thailand
September 2013	Set up of a Trading and Distribution Company in Turkey - Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş. as a 100% subsidiary of Polyplex Europa Polyester Film San ve Ticaret. A.Ş.

October 2013	Thick PET Film line & Blown PP film line start-up -Thailand
December 2013	Recycling plant start-up in Thailand, implemented under a new subsidiary - EcoBlue Limited
February 2014	PET resin plant start-up - Thailand (For Thick film)
March 2014	Offline coater start-up - Turkey
October 2014	Set up of a Liaison office in Korea
October 2014	PET Resin plant start-up - USA
October 2014	Metalliser Line 4 start-up - Thailand
January 2015	Metalliser Line 3 start-up - Turkey
January 2015	Disposal to Indorama Netherlands B.V, of 100% stake held in Polyplex Resins Sanayi ve Ticaret A.S (PR) by its wholly owned subsidiary Polyplex Europa Polyester Film San ve Ticaret. A.Ş. (PE), Turkey and its parent company Polyplex (Asia) Pte Ltd (PAPL), [67% held by PE and 33% held by PAPL]
April 2016	Increase in Share Capital and Rights offering of 100 million Ordinary shares in the ratio of 1 new share for every 8 existing shares, at an Issue price of Baht 6.40/share approved in the Extra Ordinary General Meeting of shareholders
May 2016	Rights Offering fully subscribed including oversubscriptions and Baht 640 million capital successfully raised
October 2017	Set up of PT Polyplex Films Indonesia as a 99.995% subsidiary of Polyplex (Thailand) Plc and Equity of IDR 202. 5 billion was injected in November 2017
May 2018	Equity of IDR 135 billion was injected
July 2018	Blown film line 2 start-up - Thailand
August 2018	Metallizer start-up - USA
August 2018	Board of PTL approved the liquidation of the Trading company in China
August 2018	Set up of a Representative Office in Japan to expand our market reach and further strengthen our market positioning in this premium market
June 2019	Board approved the proposal to set up a BOPP film line in Indonesia at an Investment cost of USD 65 million (including working capital)
November 2019	Thin PET line 1 & Metallizer Line 1 start-up - Indonesia
January 2020	Offline Coater start up - Thailand
March 2020	Holography Line start up - Turkey
March 2020	PET Resin plant start-up - Indonesia
March 2020	Board approved the Project to set up a state-of-the-art Post consumer-waste recycling line at Ecoblue Limited at a Capital cost of 12 million USD. The Board subsequently approved a proposal to enhance the scope of the project to include recycled PP (rPP) in addition to the earlier scope to have recycled PET (rPET).
June 2020	Completion of Liquidation of the Trading Company in China
September 2020	Board approved a Brownfield BOPET Thin Film project at the subsidiary in USA at a Capital cost of 83 million USD.
January 2021	Blown film line 3 start-up - Thailand
January 2021	Holography line start-up - Thailand
March 2021	Batch Resin line start up - Turkey

3.3. Shareholding structure

The Group Shareholding structure as at 31st March, 2021 as follows:



Note: The Trading company in China – Polyplex Shenzhen (Trading) Co Ltd has been liquidated in June 2020, since the Company is able to ship the limited volumes of Specialty film sales to China market through direct shipments from the manufacturing locations and saw no major benefit of retaining Trading operations in China. We continue to have our own Local sales representative based in China to increase our volumes in the Specialty segment.

MANUFACTURING COMPANIES

Polyplex Corporation Limited | PCL / Polyplex India | INDIA

Incepted in 1988, PCL has been in the plastics manufacturing and distributing business for over 30 years. Not only is it one of the major producers and distributors of Polyester film in India but globally it has the 6th largest capacity for PET film. Listed in both the Bombay Stock Exchange as well as the National Stock Exchange in India, its paid-up capital is INR 319.7 million (approximately Bt. 133.9 million)

Holding Information: The aggregate of its indirect and direct shareholding in the Company is 51% of PTL's paid up capital

Market Segmentation Policy: Given that both PCL and PTL and its subsidiaries overlap in business segments and operate in both the domestic and export markets, the Group has developed an equitable policy for distribution of markets. Factors such as product range, delivered cost to customer, supply lead times and preferential duty access are among those considered for this purpose.

Investment Related Policy: The Group has further developed a policy regarding future investments in polyester film or related areas between PTL and its parent company. Investments in India/SAARC regions would be decided and made by PCL and its other subsidiaries (excluding the Company), while investments in all other countries would be made by PTL or its subsidiaries

Polyplex Europa Polyester Film Sanayi Ve Tikaret Anonim Sirketi (PE / Polyplex Europa) | TURKEY

PSPL had incorporated a 100% owned subsidiary company, PE in Turkey for setting up a Greenfield polyester film plant to cater to the European and other proximate markets. The commercial operations started in December, 2005 with the start-up of the first thin PET film line

The issued and paid up capital of PE, including Additional Contribution from PSPL, as of March 31, 2021 stands at Euro 8.8 million

Polyplex USA LLC | (PU / Polyplex USA) | USA

Polyplex USA LLC, Decatur, Alabama, was established in FY 2011-12 as a 100% subsidiary of PAH. This is the first manufacturing base of Polyplex in USA. The thin PET film line has started commercial production in April, 2013 and the PET Resins plant project commenced commercial production in October 2014. The members' contribution which represents the paid-up capital as on 31st March'21 is USD 46.2 million

PT Polyplex Films Indonesia | (PFI / Polyplex Indonesia) | INDONESIA

In October, 2017, PT. Polyplex Films Indonesia (PT PFI) was established with an Authorized and Registered Share Capital of IDR 540 billion. PT PFI is owned 99.99% by PTL and 1 share is held by Mr. Amit Prakash, to comply with a regulatory requirement in Indonesia, of having a minimum of 2 shareholders

The Thin PET line start-up was in November 2019 and the resin plant in March 2020

In June 2019, The PTL board additionally approved the investment into a BOPP line in Indonesia the start-up of which is expected in Q2 of 2021-22

As at 31st March, 2021, the Called up and Paid up Share capital of PT PFI is IDR 540 billion

EcoBlue Ltd. | THAILAND

In 2013, Polyplex has made an investment to provide sustainable solutions for film-based process waste was one of its first major steps towards this direction. The operations have been implemented in Thailand, under a subsidiary called Ecoblue Limited (EB). Polyplex currently owns 66.5% stake in this subsidiary, balance being held by a minority shareholder who is also the Managing Director of the Company.

In March, 2020, the PTL Board has approved an Investment into a state-of-art Recycling facility and subsequently, the Board also approved a proposal to enhance the scope of the project to include recycled PP (rPP) in addition to the earlier scope to have recycled PET (rPET). The start-up of which is expected in Q3 of 2021-22.

As at 31st March, 2021 the Paid-up Capital of EB is Baht 137.65 million.

INVESTMENT AND TRADING AND DISTRIBUTION

Polyplex Asia (PTE Ltd.) | (PAPL / Polyplex Asia) | SINGAPORE

PAPL, a 100% subsidiary of PCL, established in 2004, is a major shareholder of the Company, holding 33.81% as on March 31, 2021

Polyplex America Holdings Inc. | (PAH) | USA

In FY 2011-12, PTL invested in setting up a 100% Investment and Trading & Distribution Company in USA. PAH has further invested in Polyplex (USA) LLC, a manufacturing facility. The issued and paid up capital of PAH (including the Additional Paid-In Capital) as on 31st March'2021 is USD 46.62 million

INVESTMENT COMPANY

Polyplex Singapore Pte Ltd. | (PSPL Polyplex Singapore) | SINGAPORE

PSPL, a 100% subsidiary of PTL, was established as a wholly owned investment company in 2004. The investments in Polyplex Europa (PE) and the trading company in China (PTSL) were made via this entity. The issued and paid up capital of PSPL (including Preference Share Capital) as of March 31, 2021 stands at Euro 9.14 million

TRADING AND DISTRIBUTION

Polyplex Paketleme Cozumleri Sanayi Ve Tikaret Anonim Sirketi (PP / Polyplex Europa) | TURKEY

In FY 2013-14, Polyplex Europa Polyester Film Sanayi ve Ticaret Anonim Şirketi (PE) had established a company in Turkey, named Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş. holding 100% of its share capital. This company is mainly engaged in trading of PET Film, PET chips and other products of the Company. The Registered Share capital of this company is TRY 100,000 as of March 31, 2021, which has been fully called and paid up.

Polyplex Europe B.V. | (PEBV / Polyplex Netherlands) | NETHERLANDS

Polyplex Europe B.V was established in April 2013 as a 100% subsidiary of Polyplex (Thailand) Plc. The registered capital is 3 million Euro of which Euro 0.2 million has been called and paid up till 31st March'21. This company is mainly engaged in the warehousing and distribution of different products of the Company in the European market.

3.4. Group Capacities

Manufacturing Base and Production Capacity

Products (Unit: MT)			Thailand	Turkey	USA	Indonesia	Total PTL	Polyplex Group
Raw Material	PET Resin	Normal*	106,050	75,850	86,000	73,000	340,900	418,500
		Recycled	43,000	-	-	-	43,000	43,000
Plastic Film	Base Film	PET Thin	42,000	58,000	81,000	48,000	229,000	284,000
		PET Thick	28,800	-	-	-	28,800	28,800
		BOPP	-	-	-	60,000	60,000	95,000
		CPP	10,000	-	-	-	10,000	10,000
		Blown PP	13,645	4,392	-	-	18,037	18,037
	Downstream Value Added Films	Coated (Million Sqm.)	985	320	-	-	1,305	1,562
		Metalized	21,700	17,700	9,250	18,000	66,650	103,950
		Holography	960	480	-	-	1,440	5,520

* For captive PET Film production

Note: The capacity includes upcoming projects

Nature of Business

Company Overview

The Company offers a wide range of plastic films across various substrates - PET (thin & thick), BOPP, CPP and Blown PP/PE. These films are used not only in flexible packaging but also in several diverse industrial applications like tapes, labels, thermal lamination, imaging and graphics, photo-voltaic, construction, and optical applications. Within the substrates, Polyplex Group has sixth largest global capacity for Polyester Thin (PET) films.

PET film is a high-performance film with a unique combination of qualities such as high tensile strength, durability, heat resistance, good gas-barrier properties, dimensional stability, chemical inertness, clarity and recyclability. This product versatility matched with a wide and growing range of applications negates any dependence on any particular product or application.

Downstream businesses like metallizing, silicone coating, extrusion coating, holography and offline chemical coating have enabled Polyplex to offer products for a variety of applications - general packaging, specialty packaging, electrical, liners, roofing and a whole gamut of other industrial applications. The Blown PP lines in Thailand have helped expand the product line of the downstream silicone coating business.

Flexible packaging provides unmatched value as compared to rigid packaging by consuming lower raw material owing to being light weight, occupies less shelf space, generates relatively less waste and is the most cost-effective method for packaging. Better packaging not only improves the shelf life of products but is also essential for improving product appeal in a competitive consumer goods industry.

The Company believes that its unique model of on-shore, offshore and near-shore business locations in combination with its other strengths including customer relationship, access & intimacy and wide offering of specialty, innovative and value-added products shall continue to be the key enablers for outperformance and earnings stability.

There is an increasing concern by all stakeholders & environmental groups on usage of plastics. Flexible packaging provides sustainability benefits in several ways which include resource efficiency, reduced material to landfill, high product to package ratio, lower carbon footprint throughout the life cycle of packaging among many others. The Company continuously strives to work on providing sustainable solutions (products, processes) as a commitment towards sustainable environment. The Company's recycling unit in Thailand - Ecoblue Limited, which was set up way back in 2013, much before global environmental concerns heightened and governments started implementing various measures to address this concern, provides sustainable solutions for film-based process waste was its first major step towards this direction. There is a Project underway at Ecoblue for recycling hard to recycle materials such as post-consumer PET and PP based materials.

PET film is made from Polyester resin (chips), which in turn is produced from Purified Terephthalic Acid (PTA) and Mono - Ethylene Glycol (MEG). The Company produces its own PET resin which not only provides cost advantages but also helps in maintaining consistent quality of its film and supports new product development by adding the required additives at the PET Resin stage.

4.1. Revenue Structure

PTL's consolidated sales value classified by regions is shown below:

CONSOLIDATED Customers	2018-19		2019-20		2020-21	
	Bt. Million	%	Bt. Million	%	Bt. Million	%
Exports						
Asia	3,162.70	20.72	2,990.64	21.17	2,847.20	18.74
North America	2,404.06	15.75	2,534.77	17.95	2,922.57	19.24
Europe	3,511.09	23.00	3,005.33	21.28	2,952.31	19.43
Others	374.91	2.46	548.73	3.88	987.76	6.50
Total exports	9,452.77	61.93	9,079.46	64.28	9,709.84	63.91
Domestic sales						
- PTL (Thailand)	858.16	5.62	814.33	5.77	783.40	5.16
- PE (Turkey)	950.81	6.23	978.97	6.93	952.29	6.27
- PUL (USA)	2,637.57	17.28	2,502.24	17.72	2,230.38	14.68
- PFI (Indonesia)	-	-	283.48	2.01	977.18	6.43
Total Domestic sales	4,446.54	29.13	4,579.01	32.42	4,943.25	32.54
Sale of chips/others ¹	846.88	5.55	392.37	2.78	491.30	3.23
Total sales revenues	14,746.18	96.61	14,050.85	99.48	15,144.39	99.68
Other revenues ²	517.86	3.39	73.85	0.52	48.16	0.32
Grand total	15,264.05	100.00	14,124.70	100.00	15,192.54	100.00

Note:

1) Sale of chips/others includes both domestic and export sales.

2) Includes Exchange gain (if any), Export Incentive, interest received, etc.

4.2. Business Goals

The Company vision is to be the leader and preferred provider of flexible packaging solutions globally. Consistency in quality, best-in-class after sales services, excellence in innovation and global presence through its geographically diversified manufacturing set up in 5 countries and Trading & distribution / Sales representative set up in all other key markets, are just some of the strengths and areas of focus for the Company to help realize this vision.

To this end the Company will continue building trusted, strong partnerships with Customers, Vendors, Employees and Communities where it functions to be able to create long term growth and value for its shareholders.

4.3. Promotion certificates of PTL

S.No	Certificate No.	Type of business	Date granted
1.	1321(2)/2545	PET film	20-May-2002
2.	1287/(2)/2546	PET film and PET Resin	11-Jun-2003
3.	1159(2)/2548	Metallized Films	22-Feb-2005
4.	1261(2)/2550	Thermal Lamination Films	14-Mar-2007
5.	1044(2)/2551	Metallized Films	10-Jan-2008
6.	1110(2)/2552	CPP film (Plain and Metallized CPP)	4-Feb-2009
7.	1719(2)/2553	Silicone Coated Film / Blown PP	14-July-2010
8.	1705(2)/2555	Thermal Lamination Film (Line 2)	12-May-2012
9.	1827(2)/2555	PET Thick Film and PET Resin	21-May-2012
10.	1357(2)/2557	Metallized Films	20-March-2014
11.	61-0672-1-18-1-0	Blown Film	11-June-2018
12.	63-1153-1-00-1-0	Blown Film	20-Oct-2020
13.	64-0281-1-00-1-0	PET Resin	16-Mar-2021

4.4. Business Operations by Each Product Line including Product Descriptions, Characteristics and Applications

SARAFIL

Sarafil base films are suitable for a range of applications with its inherent properties of being clear, transparent, flexible and with high Tensile strength and modulus with high heat resistance.

The key product line of Polyplex continues to be its Sarafil range of plastic films which are base films manufactured by using petrochemical raw materials like PET (Polyester) resin and PP (polypropylene) resin. Polyplex has an inhouse captive capacity for all PET resin requirements.



BOPET FILMS

They are clear, flexible, transparent or translucent material produced from PET polymer, a linear, thermoplastic polyester resin. PET film is a high-performance plastic film and is generally more expensive than other plastic films with several unique properties that are required for various end-uses. PET film has certain inherent desirable qualities such as high tensile strength, durability, heat resistance, good gas-barrier properties, dimensional stability, chemical inertness and clarity. PET film is available commercially in a range of widths, thicknesses and properties depending upon the needs of end users. It can be made as a single layer or can be coextruded with other co-polymers into a multilayer film encompassing the desired characteristics of each material. The distinct physical properties of the various types of PET film can be imparted into the product either during the polymerization of the PET resin, by the addition of chemicals such as slip modifiers (surface modifiers) or color additives, or subsequently during the PET film production process where various surface finishes may also be imparted by externally treating the films' surface(s). The biaxial orientation of the PET film makes it suitable for such applications as food packaging, electrical insulation, and printing sheets by increasing the product's crystallinity and thereby improving its tensile strength, heat resistance, and gas-barrier properties.

BOPET - Thin Film

All these years, Polyplex was predominantly operating only in thin PET films. The largest application of thin PET films is flexible packaging.

On back of state-of-the-art Thin film line capabilities and several downstream investments, Polyplex offers a wide range of products both for flexible packaging and industrial applications. Products offered impact the end use in many different ways such as aesthetics, functional performance, durability, strength, ease of processing, cost efficiency, productivity, reducing carbon foot print, meeting bio content guidelines etc.

Below is a list of few products from the large product basket of Polyplex Thin films

Plain	Corona Treated	Chemically Coated
Transparent Barrier	Heat sealable	Green Wrap (Confectionary PET)
Antiskid PET	Thermoformable PET	Straight Tear PET
Peelable Sealable PET	Shrink Sleeve PET	Carton Lamination PET
Matte	White	Ultra Clear
UV Stabilized PET	Metallized	

BOPET - Thick Industrial

Polyplex thick PET film segment with a thickness range of 23 to 350 μ . Thick PET film is suitable for various Display, PV, Electrical and Industrial applications. Sarafil Thick film is produced with strict quality and cleanness norms:

- Cleanroom condition for super clear PET films (Class 1000/10000)
- Low MD shrinkage (<1.0%) capability
- Web inspection and Auto web cleaning at TDO outlet

Below is a list of few products in Thick films

Graphic Application	Window Film Application
Electrical & Electronic Application	General Industrial Application
PV Application	



BOPP FILMS

Sarafil BOPP films are transparent bi-oriented polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

Like BOPET film, BOPP is also a biaxially oriented film with good mechanical and physical properties. It is a clear, flexible, transparent or translucent material produced from PP polymer, a linear, thermoplastic polypropylene resin. BOPP film is available commercially in a range of widths, thicknesses and properties depending upon the end use requirements. The subsidiary in Indonesia is implementing a project for BOPP film which is expected to start-up in Q2 of 2021-22.

Key characteristics of BOPP films are:

- Good surface gloss
- Good hot tack & seal strength
- Good slip & anti-static
- Good moisture barrier
- Good surface treatment retention
- Good machinability
- Good mechanical properties

Below is a list of few products in BOPP films

Transparent - Non Heat Sealable	Transparent - Heat Sealable
Transparent - Metallizable	Metallized - High Barrier
Metallized- Holographic	White Opaque
Pearl White	Matte
Specialty BOPP	Metallized Holographic

CPP FILMS

Sarafil CPP films are transparent cast polypropylene films designed to offer high performance, great appearance and easy converting for flexible packaging and other applications.

CPP films are also produced from a combination of various grades of PP polymer. Various constructions of CPP are available (multi-layer options) which are used to cater to several applications in specialty packaging, as a sealant layer in conjunction with other plastic substrates for packaging of food products, twist wrap usage in candies, etc.

Key characteristics of CPP films are:

- High Clarity and Gloss
- Higher seal strength
- Good hot tack strength
- Good anchoring of inks and adhesive to Treated Surface
- Good machinability on Packaging line
- Resistance to grease and oil
- Good resistance to tears & puncture
- Good moisture barrier
- Low static properties

BLOWN PP/PE FILMS

Sarafil BLOWN PP and PE film are available in a wide variety of features and properties used in specialty flexible and other applications.

BLOWN PP, another variant of PP based film are used in pressure sensitive applications.

Another variant of PP based film; this film would be silicone coated either on one or two sides for usage as a carrier film for pressure sensitive applications. Available in various colors, this kind of PP film is mainly used in the peel & stick waterproofing membranes where low release property at very high temperature is required. The Blown PP film is a niche product requiring specialized assets with unique flatness and low shrinkage requirements to enable optimum film processing on a variety of coating machines.



SUSTAINABLE FILMS

Sustainable Films - Polyplex sustainable range of films aim to reduce the carbon footprint for a greener earth.

Key characteristic of sustainable films are:

- Source Reduction
- Low GHG emission
- Biodegradable
- Bio-Based
- Post-consumer Recycle (PCR) Content

HOLOGRAPHIC FILMS

- Sarafil Holographic range of films are PET and BOPP base film with a wide range of design and features for use in Brand protection, Aesthetic, Decoration, Packaging, and Gift Wrap applications.

Holography film is widely used for brand protection, increases the brand value and protects against counterfeiting of the end products by making it completely holographic.

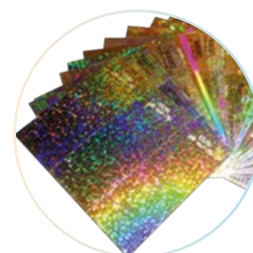
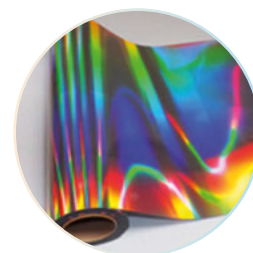
The film gives the product that perfect shine and highlights its brand looks.

- Brand Protection
- Aesthetic Appeal
- Decorative Packaging
- Premium Packaging

Sarafil Holographic films are available with both:

- Seamless and
- With Shim lines

Holographic Patterns are created by way of an embossing process which can provide a remarkable 3-D effect and/or spectral (rainbow) coloring. The embossing process is akin to cutting tiny grooves into the film's surface at various angles and in different shapes. These micro-embossed grooves cause the "diffraction" of normal white light into stunning spectral color.



SARALAM

The Saralam range of extrusion coated film products cater to a variety of end use such as thermal lamination products like book covers, identity cards, etc besides carton lamination, wide format commercial films, etc.

Saralam films are extrusion coated with adhesive resins like LDPE or EVA to make lamination films which cater to applications like Thermal Lamination of documents or printed media, Reflective Insulation, Flexible packaging intermediates and Rigid packing using printed corrugated carton board. Polyplex can offer a range of BOPP, BOPET and Nylon based extrusion coated films.

BOPET thermal lamination films are used to get some properties which are typical in polyester like a high gloss and high stiffness. A wide variety of PET thermal lamination films is available in a range of

thickness from 25mic to 250mic. Other key features of PET thermal lamination films include High bond strength, UV coating on the surface and high tensile strength. Applications of these films are increasing each day. Some main applications are Costly brochures, Catalogues, Menu cards, Mark sheets, Maps, Publicity material, etc.

Metallized BOPET lamination films cater to two very important industries - Reflective Insulation in the construction industry, also termed as “Roof Insulation” and “Carton Lamination”, in the Offset Printing industry. Metallized lamination films are gaining strong grounds in the following applications:

- In **UV OFFSET PRINTING**: For its advantages to offer higher press productivity, superior adhesion to paper/ board lamination, as a process saving tool & most important to print houses, as a “TIME” saving tool
- In **ROOF INSULATION**: As an economical lamination substitute and a highly user-friendly material, to very high cost Aluminum foils.

BOPP films have a wide range of aesthetics and hence it is easily possible to have various looks of laminating films. Main features of BOPP thermal lamination films are higher yield (m2 per kgs) in the same cost with comparison to some other films like BOPET films, reasonable strength for lamination purpose, excellent gloss, high transparency, good moisture barrier and good chemical resistance. Typical applications of BOPP thermal lamination films include Textbook covers, Brochures, Leaflets, Sweet boxes, Cosmetics, Shopping bags, Diaries.


Reflective Insulation Film	Decorative Lamination Film
Polyester Thermal Lamination Film-Thin gauge	Polyester Thermal Lamination Film-Thick gauge
Polypropylene Thermal Lamination Film	Nylon Thermal Lamination Film
MegaBond Nylon Thermal Lamination Film	MegaBond Polyester Thermal Lamination Film
MegaBond Polypropylene Thermal Lamination Film	Zafira UV Polyester Thermal Lamination Film



SARACOTE

The Saracote range of silicone coated films (PET/PP) is designed to provide an excellent carrier to pressure sensitive material. The typical applications are in labels, tapes, roofing shingles and peel & stick underlayments

Silicone coated films are widely used in pressure sensitive adhesive applications as a carrier film. Polyplex offers a wide variety of film thicknesses with custom release levels to suit individual application needs. These REACH compliant films provide excellent silicone anchorage, smooth silicone lay down and flat release profile both at various de-lamination speeds and a wide range of temperatures. With products across clear, colored, metallized and matte category, Polyplex offers one or two-sided coated films using both 100% solids and solvent-based technologies. Custom printing and slitting are also offered as a part of the total solution.

Release Liner-Labels	Release Liner-Speciality	Shingle Roofing Tape	
Release Film Liner	Primer Coated Liner	Release Liner - Electronic Industry	

The segmental break-up of revenue (PTL Consolidated) from Film sales [Plain (Thin & Thick) & Metallized PET films, Offline Coated films, Thermal Lamination films, Silicone Coated Films, CPP film and Blown films are as follows:

CONSOLIDATED SALES Segment	2018-19		2019-20		2020-21	
	Bt. Mn	%	Bt. Mn	%	Bt. Mn	%
Packaging Use	8,186.91	58.90	9,426.92	69.02	10,341.04	70.57
Industrial Use	5,651.24	40.66	4,088.32	29.93	4,312.05	29.43
Electrical Use	61.16	0.44	143.24	1.05	-	-
Total Film Sales	13,899.30	100.00	13,658.48	100.00	14,653.09	100.00

Note:

Sales of all types of films have been segregated above, depending on end use application of each type of product sold.

4.5. Business Strategy

Over the years, Polyplex has been working towards developing a strategy which would enable it to become one of the Leading One-stop Innovative plastic film suppliers, the preferred Global Packaging Solution providers, offering a wide range of plastic films.

Key elements of the Business strategy are:

- Focus on expanding the product basket and high value add sales through down-stream and side-stream investments but without losing sight of cost structure. Follow a plant in plant concept where we excel both in specialty focus as well as cost efficiency.
- Continually upgrade technical and R&D capabilities along with necessary equipment capability to augment strategy of Innovation and improve value add product portfolio with Time to Market and affordable product being the corner stone

- Attain cost leadership by way of capacity expansion through debottlenecking existing assets or investing in new high productivity lines and vertical integration. Backward integration into the manufacturing of its own PET chips at all the manufacturing locations has helped strengthened the cost structure, in addition to maintaining the quality of input resin and hence of final product. On the other hand, down-stream investments in metallizing and coating have not only helped in expanding the product portfolio but also reducing the cost of such products in comparison of stand-alone production of same thereby making them affordable for customers
- Continued focus on improvement in cost efficiency through Kaizens including debottlenecking and energy saving/ efficient investments
- To build strong global delivery capabilities with a judicious mix of on-shore, near-shore and off-shore strategy.
- Capture high growth markets and build good customer relationship. The new BOPET film capacity at Polyplex Indonesia, commissioned in November 2019 and fully ramped up in 2020, is considered as the most cost competitive line in the group, being the world's fastest and widest line with highest capacity in the region and will enable us to capture the demand growth in all key regional markets.
- The new BOPET film line announced for US will help consolidate our position in US market, reducing our cost of operations and helping serve our customers promptly with local production of not only standard films but also wide range of special films which are planned to be produced on existing line once the new line is operative in H2 of 2022-23.
- Concentric and related diversification to bring stability in earnings. The Brownfield BOPP film project under implementation at Indonesia and the other downstream smaller investments in Silicone Coated film, Holographic film, Blown film and Offline coated film at Thailand and Turkey help reinforce this strategy.
- Consolidate market position through our strong presence in all the key geographies either through a manufacturing or a distribution/ liaison office set-up. The wide network of distributors and agents has helped the Company to gain access to all key markets of the world and ensure a geographically diversified customer portfolio of about 2000 customers in over 75 countries and hence, there is no significant exposure or dependency on any single large customer or group.
- Systems are created and strengthened to enhance cross-learning and sharing best practices/ benchmarking across various units and businesses of the Group to enhance efficiency and synergy.
- Focus on sustainability initiatives including development of new sustainable products using higher recycled content and also to adopt, sustainable processes.
 - Lead the way for circular economy through chemical recycling. Capacity expansion for the same implemented in Turkey and underway at Thailand, taking the total capacity of rPET resin to more than 30 KTPA globally. This makes the company ready and prepared to meet the growing demand for 70% to 100% PCR content PET films using in-house chemical recycling facilities
 - The setting up of a recycle plant in Thailand in 2013, under its subsidiary Ecoblue Limited, for providing sustainable solution for film-based process waste was the Company's first step towards the Green Initiative. A new state of the Art recycling facility is coming up at this subsidiary to recycle hard to recycle PET/ PP based materials and would cater to high end applications in PET Bottles, Polyester Filament Yarn and support brand owners meet their sustainability targets.
 - Availability of films to support mono-PET film structures with a possibility of having high PCR content is a big step in this direction.

4.6 Distribution Channel

The Company distributes its products to both domestic and overseas markets, with main focus put on the latter.

The product distribution is being made directly to the end users using its own marketing arms in USA, Turkey and Netherlands, its Representative offices in Korea and Japan, Own Sales Representatives in China, Malaysia, Vietnam and Philippines, as well as commission agents across the globe. The indirect channel is mainly through distributors in designated areas. The sales through distributors and commission agents help support and even boost the sale volumes as these distributors and agents are in close proximity of the target markets, hence allowing for closer service provision to the customers with rapid delivery, and also better market penetration to access small customers.

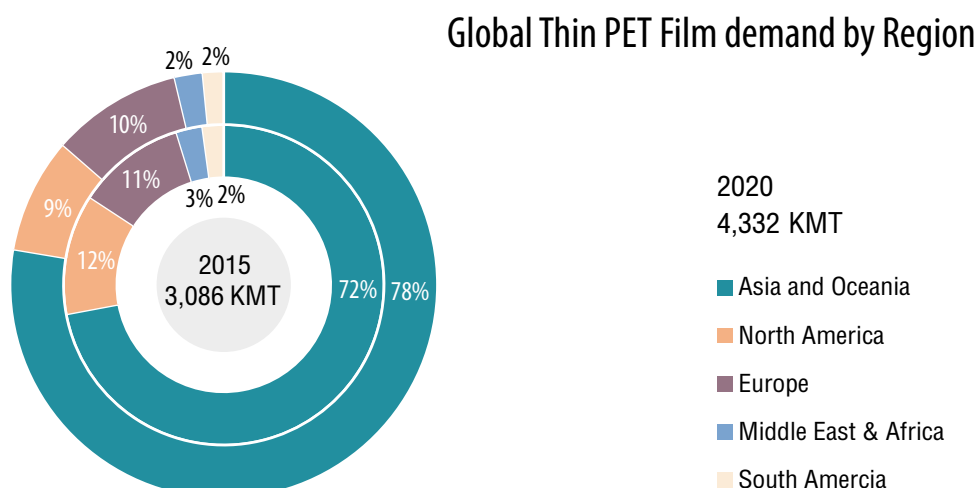
Value of total film sales to end users and distributors are as follows. Sales made through commission agents are included in 'End Users' segment.

CONSOLIDATED SALES Customers	2018-19		2019-20		2020-21	
	Bt. million	%	Bt. Million	%	Bt. Million	%
End Users	10,091.68	72.61	9,371.92	68.62%	10,000.27	68.25%
Distributors	3,807.62	27.39	4,286.56	31.38%	4,652.82	31.75%
Total	13,899.30	100.00	13,658.48	100.00	14,653.09	100.00

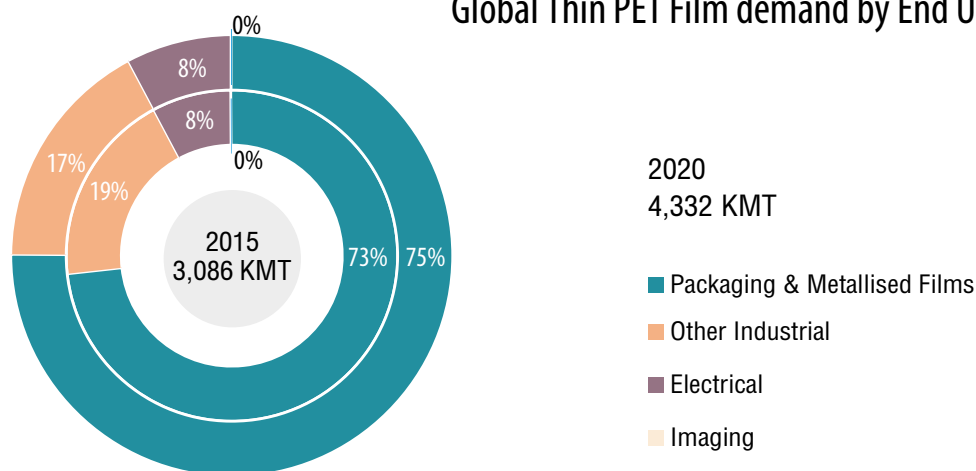
4.7 Markets and competitive environment

4.7.1 Global Demand and supply

Thin PET Film



Global Thin PET Film demand by End Use



Source: Company estimates from Industry /Market study reports

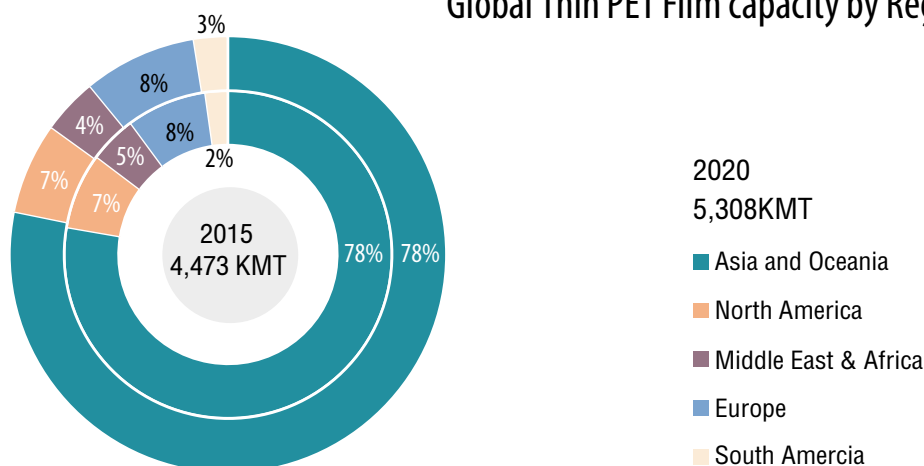
As is evident from above graph, the largest application of thin PET films is flexible packaging, which accounts for about 75% of the Global Thin PET film demand. Better packaging not only helps to retain the aroma and freshness of the food content packed but also improves the shelf life of the products. It is also essential for improving product appeal in packaging of food and non-food - personal care & hygiene products in today's highly competitive consumer goods industry. Flexible packaging also plays a key role in source reduction on the principle of 'use less waste in the first place' which has ensured higher-than-GDP growth in the flexible packaging industry across the globe. PET film, being a higher-end substrate within packaging, has historically grown more rapidly than other substrates, growing at an average of about 5-7% per annum, globally.

Demand in packaging is quite resilient as it relates to consumption of food products and consumer staples which are to a large extent non-discretionary in nature. The historic trend of demand growth is expected to continue in the long term and also in the near future, despite impact on global economies from the prolonged Covid-19 pandemic. The pandemic has increased consumer concerns on food safety and personal hygiene which has further given a boost to the already healthy growth rates in demand of packaging films. These concerns around food safety and personal care & hygiene are expected to continue and stay long after the pandemic is over.

An increase in the purchasing power, coupled with the changing life style of people in the developing countries has brought with it a substantial increase in the per capita consumption of packaging material. As a result of this, Asia is the largest market for Thin PET films with more than three-fourth of the films produced globally being consumed in this region. Within Asia, China and India are the largest consumers. At the same time, per capita consumption of packaging material in developing countries is still very low as compared to the mature markets. The key drivers of demand growth in these regions are the increase in the share of organized sector, increasing consumerism, changing demographics and the resulting need for better and more convenient packaging.

A similar trend is also evident on the supply-side with more than three-fourth of the Global capacities being located in Asia. Most of the new capacity in Thin film is also focused on the packaging segment, with an emphasis on high productivity and low operating costs. The high speed and productivity of the new technology 10.6 meter width lines (similar to the Indonesia line of Polyplex) are expected to increase the cost competitiveness of the key players and may result in closure of some old and inefficient lines which are unable to compete.

Global Thin PET Film capacity by Region



The steady growth in demand over the past few years is reflected in the improved industry CUF and margins. Companies with consistent quality products, continued focus on improving cost efficiency, diversified product portfolio including specialty products in their portfolio, access to international customers and a superior supply chain model stand a better chance of participating in the market growth and improving/maintaining their margins above the industry averages.

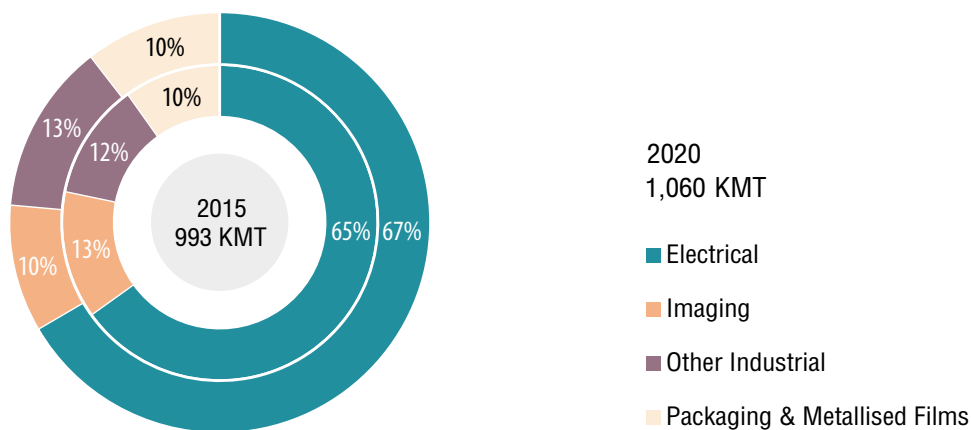
Thick PET Film

Electrical and Industrial are the key segments in Thick film industry. In the last few years the demand of Thick PET film has been growing at a CAGR of about 4-5%.

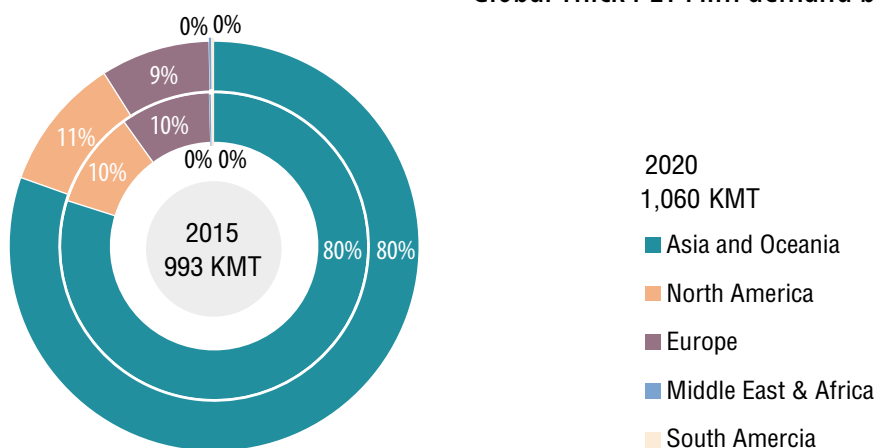
New innovations and usage new applications in the Electrical segments (like Flat Screen panel, PV solar cells, Lithium Ion Battery for Electric Vehicle -EV segment etc) have been driving the growth in the recent few years and would help this industry to continue to grow at a healthy CAGR of about 4-6% in the long term, although there is a temporary contraction in demand due to the impact of Covid-19 pandemic and the demand of thick PET film declined by 8% in 2020. The most pronounced downturn is seen in the countries like China, Japan, and South Korea which have highest exposure to Electrical & Electronic and Industrial end use segments. Average growth in thick film demand is forecasted to be around 4-6% p.a. Flexible electronics' applications, Solar PV cells and Electric Vehicle segment (EV) are expected to be growth engines for Thick and industrial segments in years to come. For Polyplex, since we have with only 1 Thick film line at Thailand, we choose to cater to a wide range of specialty focused applications and remain confident of keeping the line fully utilized at all times, irrespective of the industry CUF levels. This would also help generate better margins help bring about stability to our earnings.

Due to high quality standards required by optical thick film customers, manufacturers targeting this sector face higher levels of wastage due to defects, and therefore the saleable output of thick film lines is often poor relative to thin film lines. As a result, thick film lines often operate at less than 75% utilization levels.

Global Thick PET Film demand by end use



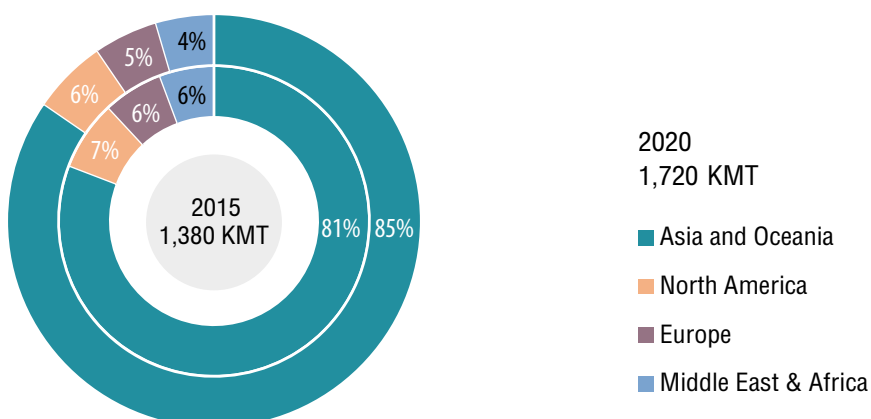
Global Thick PET Film demand by Region



Source: Company estimates from Industry /Market study reports

Similar to Thin Film industry, the additions in the capacity of Thick PET film has mostly been done mainly by countries within Asia like China, South Korea and Japan, resulting is Asia having 85% of the Global capacities.

Global Thick PET Film capacity by Region



Source: Company estimates from Industry /Market study reports

4.7.2 Industry Situation

Global competition

Due to the consistent and healthy growth in demand for the past few decades, the BOPET film industry has attracted new investments globally, by incumbent players as well as few new entrants. This has, in the recent few years, led to a structural change in the industry. The erstwhile majors owing to their higher operating cost structures have chosen to concentrate on niche technology-oriented segments like films for Optical applications, solar panels and specific high-end applications within packaging. The competition in the Flexible Packaging segment is hence limited to few other players including Polyplex who have scaled up their operations over the years and have strategically distributed their manufacturing presence globally in order to diversify the geographical risk and be closer to the target markets. Polyplex has also been able to successfully enter the vacuum created by the erstwhile majors' exit from the flexible packaging segment, especially on product development and innovation front. With its strong in-house R&D capabilities, Polyplex continues to lead the new product development and innovation drive in this industry.

Despite the new capacity additions, the Industry still remains quite fragmented with the top player having only 7% capacity share and the top 10 players accounting for just 45% capacity share.

Producer	% Capacity - 2020
Jiangsu Shuangxing Color Plastic New Materials	7.5%
Uflex Industries	6.5%
Jiangsu Sanfangxiang Group Co. Ltd	5.3%
Toray Advanced Film Co., Ltd	4.8%
Hengli Group	4.4%
Polyplex Corporation	4.2%
SRF Polyester	3.8%
Rongsheng Petrochemical Co Ltd	3.3%
Jindal Poly Films Ltd	2.9%
Billion Industrial Holdings Ltd	2.7%

As is evident from the above table, Polyplex group with its well spread out manufacturing facilities in India, Thailand, Turkey, USA and the latest one in Indonesia, is one of the major players and has attained preferred supplier status in the industry.

Domestic competition

Thailand's PET film market is of small scale as compared to the global PET film market. As per our estimates, demand of PET film (thin & thick) in Thailand is approximately 55,000-60,000 tons per year with growth rate for next few years expected to be about 2-3% p.a. PTL has principally focused on Thin PET film since its inception in Thailand and started with one PET film line, within nine months set up a second line as well. Over the years, PTL has had several other capacity expansions in downstream and side stream businesses. It is presently having the second largest capacity in Thin BOPET.

The film production capacities of the various plastic film producers in Thailand as at 31st March 2021 are as follows:

Production line (tons per year)	Thai Film Industrials Plc.	A.J. Plast. Plc.	SRF Industries Limited	PTL*
BOPP film	103,000	132,000		-
PET Thin film	-	62,000	72,500	48,000
PET Thick Film				30,146
CPP film (incl. CPP metallized film)	3,500	16,000		16,114
BOPA film	-	30,000		-
Metallized film	4,800	23,500	12,000	23,800
Blown Film				15,920
Total	111,000	263,500	84,500	133,980
Thermal Lamination film	-	-		365 mn Sqm
Silicone Coated Film				816.48 Mn Sqm
Offline Coated Film				70 Mn Sqm

Source: Form 56-1/Industry sources

* PTL capacities are as approved by BOI (for projects promoted by BOI). For actual attainable capacities, please refer table below, under section 'Production Capacity'

** Combined capacity p.a. as approved by BOI for CPP plain and metallized film

Conclusion on PET film industry

The demand supply situation in global PET thin has improved during the past couple of years. This has resulted in overall improvement in the industry CUF in 2020 to 82%. However, the CUF in Thick Film has been declining in last 2 years and was at 60% in 2020, mainly due to decline in demand for certain applications in the electrical and industrial segments on account of the impact on global economies and reduction in consumer spending due to the Covid pandemic.

Levels of 80-90% are considered high and close to the full machinery capacity. In practice, some producers produce lower than the nameplate capacity being constrained by older assets while some produce with capacity utilization even higher than 100% of the nameplate capacity using new and modern machinery and based on their long-time expertise and experience.

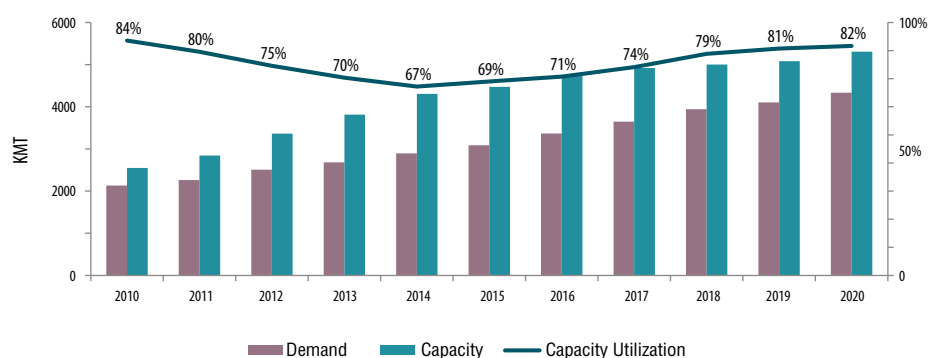
The year 2020 witnessed start-up of some new BOPET lines, mostly by incumbent players in different parts of the world and was absorbed quickly without affecting the demand supply balance significantly as demand for Thin PET film remained strong & resilient even during the pandemic.

There are new capacities totaling to about 1.8 million tons, slated to be added over next 2-3 years which is about a CAGR of 6.5% p.a as against a historic CAGR of 5-7% p.a in demand. Out of the overall expected capacity additions in Thin film, about 56% will be in China and balance capacities are mostly in India and few in rest of the globe. The Covid 19 situation might result in delays in the start-up of some of these new capacities, due to restrictions on movement of technicians from the machinery supplier and help to spread out the capacities over a longer period of time. Nevertheless, due to the healthy demand growth expected, especially in the Flexible packaging, the new capacities are not expected to be too disproportionate, although temporary market disruptions may be felt, as and when each new line starts up.

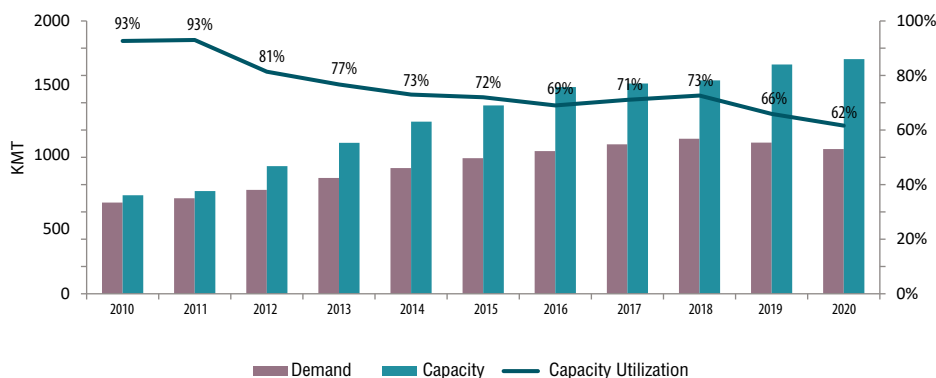
The Company believes that its well-distributed manufacturing operations, diversified product portfolio with an increasing share of Specialty films, quality consistency, international customer base, customer relationship, access & intimacy, efficient supply chain and a strong Balance Sheet will allow it to grow profitably and withstand industry volatilities better as compared to Industry peers.

The trend of global capacity utilization for Thin and Thick PET film for last 10 years is as under:

Global Thin Plain PET Film



Global Thick Plain PET Film



Source: Company estimates from Industry/Market study reports

Despite the rising demand for PET film, it is not easy for new entrants to compete with the existing players. This is because, it is an industry, that needs high levels of know-how, skills and expertise to ensure the exact product size, standard and specifications required by the customers. Project management skills are also needed to enhance efficiency and cost effectiveness that will lead to competitiveness against other producers.

Polyplex group has accumulated over 30 years' experience in the PET film industry. It has been strengthened with consistent expansion in production capacity. Its management is highly competent. Delivery of products is efficient by having geographically distributed production bases and a widely spread sales and distribution network that allow for easy access to the customers.

The emphasis on the countries with high demand growth potential, production and cost effectiveness and concentrating on business segments such as packaging, industrial and electrical segments which have recorded healthy growth all along has contributed to the Polyplex group becoming one of the leading global producers and preferred supplier of thin PET film.

Trade defense risk

Trade defense measures (Anti-dumping duties, countervailing duties, safeguard measures etc) are imposed to protect local producers against unfairly traded or subsidized imports. Anti-dumping duties are imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of similar products in the respective exporting country. Countervailing duties are tariffs levied on imported products to offset the impact of subsidies applicable for exporters in those nations. Such tariff measures increase prices of imported products, usually rendering exporters uncompetitive.

PET Film: International trade in PET film has been subject to trade defense measures for more than three decades through the imposition of anti-dumping duties and countervailing duties. The important markets adopting this measure are the EU, the US, Korea, Indonesia and Brazil.

A summary of the AD/CVD duties applicable in the major export markets of PET Films are as under:

Country of Import	Duty (AD+CVD) applicable on Polyplex	Other Countries on whom AD/CVD applicable	Other Countries Duty Rates (AD+CVD) Excluding Polyplex (Min-Max)
USA	13.75%(PCL)	India [#]	7.22% - 65.59%
		China	31.24% - 76.72%
		Taiwan [#]	0% - 4.48%
		UAE	4.05% - 70.75%
Brazil	0.26(\$/Kg) (PCL) 0.067(\$/Kg) (PE)	India [#]	0.00 (\$/Kg) - 0.93 (\$/Kg)
		Turkey	0.65 (\$/Kg)
		UAE	0.44 (\$/Kg) - 0.58 (\$/Kg)
		Mexico	1.01 (\$/Kg)
		Egypt [#]	0.26-0.48 (\$/Kg)
		China [#]	0.65 (\$/Kg)
		Bahrain	0.48 (\$/Kg) 0.12 (\$/Kg)
Korea	34.90% (PCL) 3.67% (PTL)	Peru	
		India	34.90%
		Thailand	3.68% - 3.71%
		Taiwan	8.68%
		UAE	7.98% - 60.95%
Indonesia	8.5% (PCL) 2.20% (PTL)	China	13.51% - 36.98%
		India [#]	4.00% - 8.50%
		China [#]	2.60% - 10.60%
		Thailand [#]	5.40% - 7.10%
Turkey	21.61%(PCL)	India	4.25% - 21.61%

[#] Sunset review ongoing

The company is undertaking all the safeguards to insulate against the risk arising out of anti-dumping duties and other protective barriers imposed by the importing countries. Polyplex's strategy of having a geographically diversified manufacturing set up has protected it from such trade barriers and helped retain its competitive positioning over the years. As a local producer in many countries, it is also evaluating actions for protection against unfairly traded or subsidized imports from other countries.

BOPP Film: The key markets imposing trade defense measures in case of BOPP films are Indonesia, Vietnam, Korea, Pakistan etc. The brownfield expansion in Indonesia which is expected to start in Q2 of 2021-22 may have some impact on exports to Korea. On the other hand, the Indonesian market is protected against imports from other key exporting countries like Thailand, China, Malaysia & Vietnam.

PET Film Resin: In case of PET Film Resin, there are not many trade defense measures across the globe except the safeguard duties imposed by Turkey on imports from Korea.

Outlook for the PET film industry:

- Global demand for Thin PET films is expected to grow at a CAGR of about 5-6% pa over the next few years and for Thick PET films is forecasted to be around 4-6% p.a., driven mainly by electronics applications.
- The capacity additions of approximately 1.8 million MT over next 2-3 years, in Thin BOPET film (including China), is mostly by incumbent industry players and is not considered as too disproportionate when compared to the historic growth rates in demand. Delay in start-up of some of these new lines due to Covid19 may help to spread out the capacities over a longer period of time.
- The industry could see closure of some old lines which cannot compete with the new high speed and cost-efficient lines.
- The manufacturers of the new lines would also work towards diversifying their product range and expanding their market reach, although this will be a slow process given the nature of applications and tedious customer qualification timelines.
- Industry is stepping into competitive era which would see survival of the fittest. Key differentiators would be Product basket, Cost of production, Debt leverage and Cash reserves.
- Older and inefficient film lines, especially in Europe, China and Indonesia may eventually shutdown due to their inability to compete with the new high capacity lines.

4.8 Manufacturing of product

4.8.1 Production

a) Production capacity

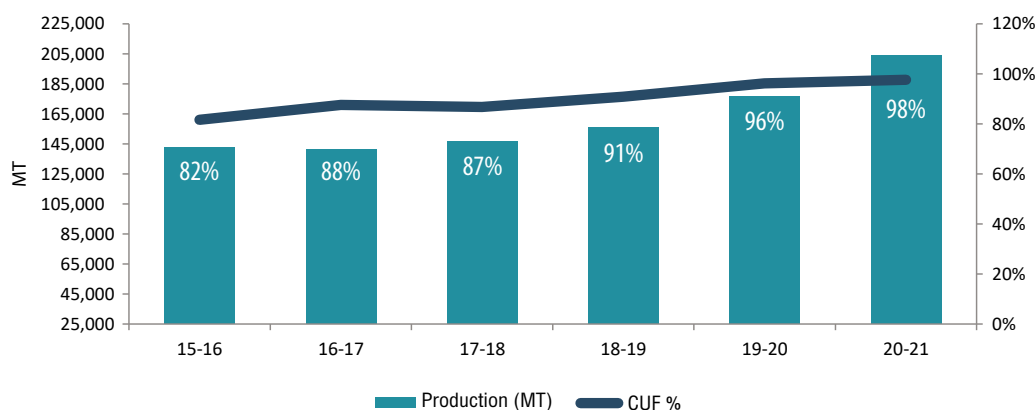
Capacity of PTL and its subsidiaries is as follows:

Products (Unit: MT)		Thailand	Turkey	USA	Indonesia	Total PTL	Polyplex Group
PET Resin	Normal*	106,050	75,850	86,000	73,000	340,900	418,500
	Recycled	43,000	-	-	-	43,000	43,000
Base Film	PET Thin	42,000	58,000	81,000	48,000	229,000	284,000
	PET Thick	28,800	-	-	-	28,800	28,800
	BOPP	-	-	-	60,000	60,000	95,000
	CPP	10,000	-	-	-	10,000	10,000
	Blown PP	13,645	4,392	-	-	18,037	18,037
Downstream Value Added Films	Coated (Million Sqm.)	985	320	-	-	1,305	1,562
	Metalized	21,700	17,700	9,250	18,000	66,650	103,950
	Holography	960	480	-	-	1,440	5,520

Note: Capacities mentioned above include ongoing project and these are attainable capacities. For BOI approved capacities of the Company, please refer table above under section 'Domestic competition'.

The capacity utilization rates for the Plain PET film lines (Thin +Thick) of PTL (Consolidated) are as follows:

PET Film (Thin + Thick) Production & Capacity Utilization - Consolidated



Capacity and Production of any new line is included in above graphs for proportionate period, since start of commercial production

Improved CUF has been possible due to continuing efforts by the Company in debottlenecking its existing capacities

4.8.2 Major raw materials

PET resin

PET Resin (polyethylene terephthalate resin) is the major raw material in the production process for PET films. It has been the strategy of Polyplex to produce its own Resins at all the manufacturing locations. Accordingly, every location has its own Resin plant with sufficient capacity to meet its requirement.

Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG):

The major raw materials for PET resin production are purified terephthalic acid (PTA) and mono ethylene glycol (MEG). To ensure uninterrupted procurement of raw materials the Company has currently tied up with local suppliers for PTA and MEG for PTL. In Turkey, the company procures bulk of PTA & MEG from 2-3 global suppliers through long term / yearly contracts and also explores spot opportunities for some part of the business as and when the market conditions are favorable to leverage on the surplus situation on these raw materials from time to time. The subsidiary in USA and in Indonesia are largely procuring their requirements from local suppliers.

The company enters into Annual contracts as per which 100% of the company's requirements would be supplied as per the specified price formula throughout the contractual period(s).

Major Raw materials for the Extrusion Coated Film production:

Apart from PET film, which comes mostly from the company's in house production and imports from the group company (at Arm's length pricing), the major raw materials for the Extrusion Coated film production are BOPP base film and Coating chemicals such as LDPE and EVA. All these are sourced from various manufacturers / traders from within Thailand as well as imports from within the region.

Major Raw materials for the Cast Polypropylene Film production:

The major raw materials for the Cast Polypropylene film production are Homo Polymer and Co-Polymer. Homopolymer is being procured locally while Co-Polymer is sourced from imports within the region and from middle-east / India.

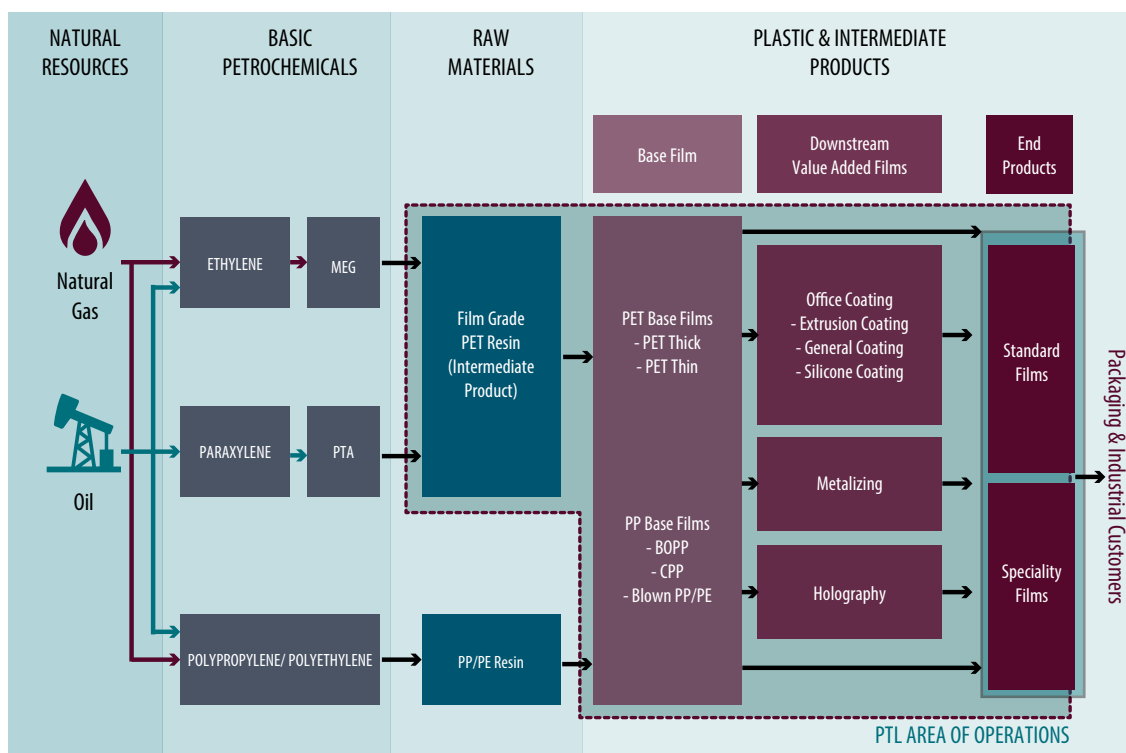
Major Raw materials for the Silicone Coated Film production:

For the Silicone Coating line, the main raw material is PET film which is transferred from the Company's in-house production and also imported from the Group companies (at Arm's length pricing). Silicone and other chemicals are being imported from USA and Europe from leading suppliers.

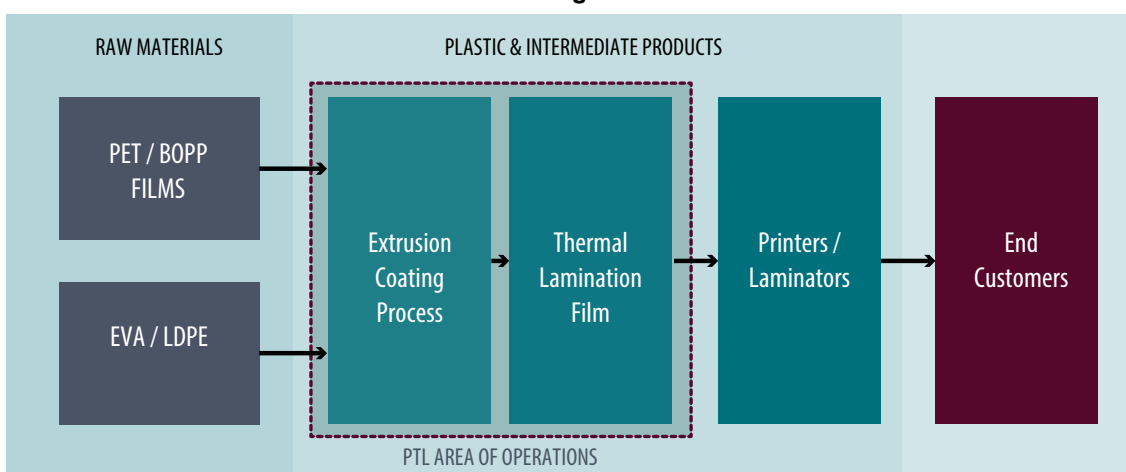
Major Raw materials for the Blown PP Film production:

For Blown PP film line, the main raw material is PP resins (Homopolymer, Co-Polymer and PP Color master batches). These are sourced from local suppliers as well as imports from within this region.

The value chain for the Company's PET, CPP & Blown PP film business is depicted below:



The value chain for Thermal Lamination film is given below:



4.8.3 Impact on the environment

There is minimal impact on environment caused from the polyester film production process since PET in both film and resins are generally recyclable. Also, the Company being on the forefront of this issue, has developed a few products with post-consumer recycling content of up to 90%. The Company's subsidiary in Thailand, Ecoblue Limited is investing in a state-of-the-art recycling line dedicated for hard to recycle materials such as mixed plastic laminates, coated films, label matrix, printed PP & HDPE waste. The Group also has a dedicated R&D center whose main focus is to work collaboratively with customers and help provide innovative and sustainable solutions such as down gauging of film, create mono material substrate etc. The Group is an active member of international forums and associations working in this direction.

For its existing Polyester resin line and the upcoming new line, it has received the required EIA approval and submits regular reports required as per EIA approval to the concerned authorities.

The Company has been following best practices relating to the environment, health and safety and has been diligently following the guidelines that have been set out as per the following certifications:

Management System International Standards	PTL-Thailand	PE - Turkey	PU - USA	PFI – Indonesia	Ecoblue Limited
Quality Management System (ISO 9001:2015)	Certified since 2004	Certified since 2006	Certified since 2018	Certified since 2020	Certified since May 2021
Environment Management system (ISO 14001:2015)	Certified since 2004	Certified since 2009	Certified since 2018	Certified since 2020	-
Occupational health & safety management system (OHSAS 18001:2007/ ISO 45001:2018)	Certified since 2008	Certified since 2009		Certified since 2020	-
Food Safety Management System (ISO 22000:2005 / BRC-IOP/ FSSC-V5)	Certified since 2009 (ISO 22000) and FSSC 22000 V4.1 since 2020	Certified since 2006 (BRC-IOP)	Certified since March 2021	Under Implementation and expected by Q3 2021-22	-
Energy Management System (ISO 50001:2011)	Under implementation and expected by Q4 2021-22	Certified since 2014		Under Implementation and expected by Q3 2021-22	-
Global Recycled Standard Certification	-	-	-	-	Certified since 2020
Letter of No Objection (LNO) for Food Contact Applications (U.S. Food & Drug Administration)	-	-	-	-	Certified since 2019
IMS (IMS (Interstate Milk Shippers) Certification	-	-	Certified since 2020	-	-
RCS (Recycled Claim Standard) Certification for RPET Resin and Film	Certified since May 2021	-	-	-	-

Risk Factors

Before deciding to invest in the shares of the Company, investors should prudently consider the information about risk factors described in this section and all information contained herein. Apart from the said risk factors, there could still be other unpredictable risks that may adversely impact the Company's operating results.

The key risk factors are:

5.1. Competition and Business Volatility Risks

Polyplex's business is quite diversified not only geographically but also in terms of customer concentration as well as product portfolio which provides significant stability to earnings and reduces the risk to a great extent.

Thin PET film, constituting 65% of consolidated sales, remains the core business for the Company and a sizeable quantity is directed towards higher value-added downstream product-lines like silicon coating, extrusion coating, holography, and general-purpose offline coating. These downstream businesses tend to be benefited when margins in Thin PET film business is low because end pricing remains largely stable. Further, the Company continues to focus on increasing sales of specialty products as well as industrial products to further mitigate the volatility and competition risks which is also evident from historical performance.

The industry margin in standard PET film hinges on Value Addition "VA" (i.e. difference between the PET film price and the prices of PTA and MEG which are the major raw materials). Whenever the demand supply balance favors the suppliers, VA usually widens as Suppliers are able to hold on to selling prices even if there is a decline in input raw material prices. On the contrary, if PET film supply is larger than market demand, the film prices tend to decline, hence narrowing VA levels as Suppliers are unable to adjust the Selling prices on a timely basis, to pass on the entire impact of increase in input raw material prices to the customers.

The thin PET film industry is prone to margin fluctuation primarily driven by bunching of capacity additions, while demand growth remains consistent and impact on margins could vary across regions depending upon extent of new capacities and nature of competition. A geographically diversified operation helps mitigating the risk significantly.

Further the industry is not as volatile as commodity due the very nature of the product. A few characteristics of the product which differentiates it from other commodity products are as follows:

- PET film is almost always made to order and so, the production is not with an intention to stock but intended to cater to a specific customer requirement.
- The product is often produced with different surface treatment (plain, corona or inline coated) and/or different processing conditions to provide varying mechanical / other properties in the finished film for various end use applications. Many a times, variations in input resin (which we produce in-house at all the locations) is also required to suit target applications or develop new ones.
- Other than above important features, the specification of product in terms of thickness, width and length are generally unique to each customer
- If we take all these factors into considerations, the number of SKU's for the Company would be running into tens of thousands

The industry utilization rates have improved significantly in the last 3-4 years with constant demand growth. 2020 witnessed start-up of some new lines, mostly by incumbent players in different parts of the world and were absorbed quickly without affecting the demand supply balance significantly. There are several more lines which are slated to start in the next 2-3 years. Most of these lines are in India and China and are by incumbent players. The prolonged Covid-19 pandemic might cause some delays in the start-up of these capacities and could even result in some cancellations. In a hyper competitive market scenario, the industry may also see likely closure of some old and inefficient lines which may not be economically viable when compared to the high capacity and cost competitive contemporary lines.

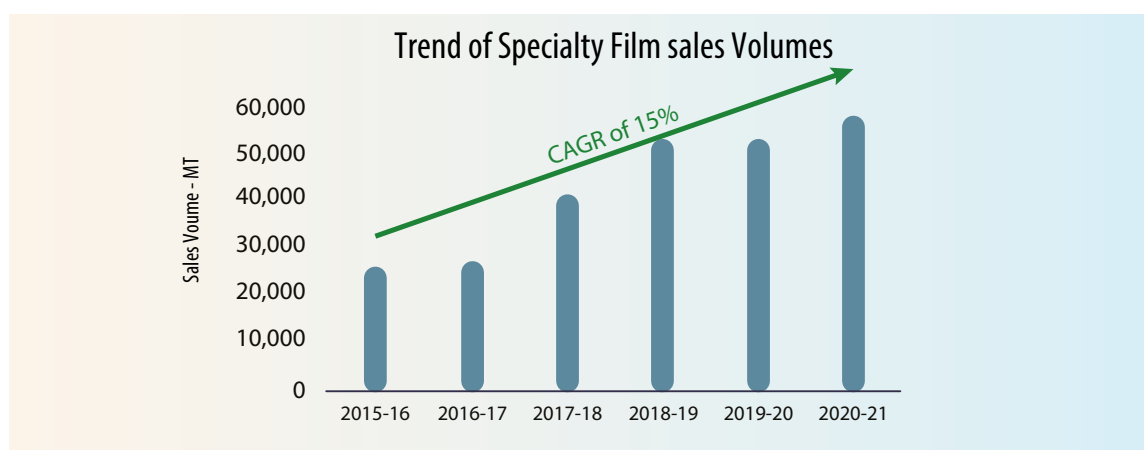
The industry volatility for the standard products has also become somewhat damped over the last 4-5 years due to a host of factors including more rational behavior by industry participants, lenders, sponsors besides institutional changes, especially in Asia on new lending norms, bankruptcy laws, etc.

The other base films businesses like Thick PET films, BOPP films, CPP and Blown PP films are inherently less volatile due to variety of factors as mentioned below:

- Exposure to Industrial end use segments where end product prices are relatively stable
- Market dynamics are dependent upon country / regional factors like in the BOPP and CPP businesses, long haul trades are not possible due to potential quality related issues as well as proliferation of capacities across the world
- Captive usage where significant part of the current production volume is consumed in-house
- Limited market participation like in Thick PET films where bulk of the consumption is in Far East countries like Japan, Korea, Taiwan and China

To mitigate such risks, the Company has taken several steps:

- With high productivity levels and consistently higher than industry CUF, cost control measures and a diversified product range with continued focus on enhancing Specialty films, Polyplex believes it has a well-designed and robust business model which helps moderate the volatility in its earnings.
- A geographically well spread manufacturing presence and broad-based product offering, comprising of different substrates of plastic films, including Specialty films helps to maintain a balanced sales portfolio and mitigate the risk of over dependency on a single product and single market.
- To counter the impact of volatility and margin fluctuations in the Standard Films business, Polyplex has, over the last 3-5 years diversified its product portfolio to significantly increase its share of high value-added segment (HVAS) or Specialty films segment. The Specialty Film segment comprises of those product types which are a specialty either from the production/process perspective and/or application/customer perspective and are usually higher and stable margin sales. Given evolving product portfolio, market needs and entry barriers, the Company periodically revisits and redefines the methodology for determining the Specialty film sales according to the changing nature of the applications and its key differentiations in comparison to standard films and vis-à-vis the competition.



- Regular and judicious investments in metallizing/ downstream coating and side-stream investments in blown PP/PE capacities helps Polyplex continuously innovate on product offerings to its customers and further improve the mix of HVA film in its sales.
- Investments to upgrade and modify the older lines further helps in reorienting the product mix towards specialty and enabling production of standard products on the higher productivity newer lines thereby optimizing costs
- Increased focus on new product development and sustainable solutions through R&D, in addition to having a strong technical services team is a further differentiator between Polyplex and its competition.

5.2. Risks relating to uncertainty in prices of the product and raw material

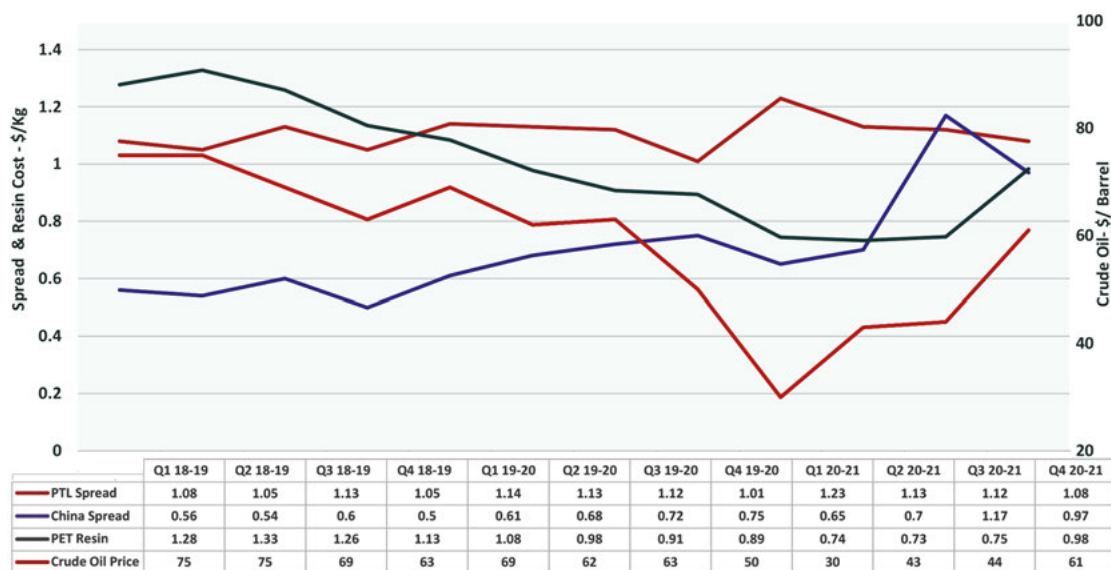
The basic raw material for production of PET film is PET resin, which in turn is produced from Purified Terephthalate Acid (PTA) and Mono Ethylene Glycol (MEG). Being byproducts of the petro-chemical chain, the prices of PTA & MEG are impacted by Global crude oil prices, apart from demand-supply within its own industry.

Since the cost of resin is the single largest component of the total production cost of Polyester film, any adverse fluctuations in the PET resin input prices may impact the Company's operating margins depending upon the ability of the Company to pass on the same to its customers. As selling prices are usually negotiated on a monthly / quarterly basis, in a balanced demand supply situation, the Company is usually able to adjust the selling prices for the standard products following any changes in the PET resin cost and other operating costs, although this happens usually with a time lag varying from 1-3 months depending on the region and prevailing market conditions. The price and margins on the HVA products tend to be more stable and counter cyclical.

The below graph helps to analyze the correlation between crude oil prices and VA of PET films. Any movement in the raw material prices is generally passed on to the end customers, albeit with some time lag of 1-3 months. More importantly, with the diverse product mix and increasing proportion of HVA film sales, Polyplex has much better ability to maintain relatively stable overall VA over a longer period of time, which is reflected in the consistently higher VA levels as compared to standard film VA prevailing in China. In Q3 & Q4 20-21, the China VA seems to be an aberration as demand for PET Film suddenly spiked early October due to pent up downstream demand arising out of impact of COVID-19, further compounded by low inventory in the pipeline.

Stability of crude oil at any particular level usually helps in improving business sentiment and enables all the players in the entire supply chain to overcome uncertainty caused by crude oil volatility. Given the diverse product offering at PTL and the fairly good mix of HVA products, PTL's VA remains higher in comparison to industry VA (China) of standard PET films and the Company continues to improve its HVA product portfolio by making new investments to improve its HVA production capabilities.

PTL Vs China Spread



Source: Industry reports and Company Information

The Company monitors world and local input price trends carefully and determines its procurement plans accordingly. Also, unpredictable price movements of raw materials affect all industry participants and thus does not put Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors. The prices of downstream products like Off-line coated, silicone-coated and extrusion coated films are less susceptible to changes in raw material prices and thus helps to counter the volatility in the standard films. Similar factors are at play in the inputs required for the Polypropylene (PP) based CPP/Blown films used in flexible packaging. However, the industrial end use films - Thick PET films, Coated PET films and some of PP based films are more stable in pricing and margins

5.3. Risk associated with reliance on only a few raw material suppliers

The 2 major raw materials for the BOPET film production are PTA and MEG, which are well traded commodities, and are available from a variety of manufacturers across the world. At all its manufacturing locations, the Company sources its major raw materials either locally and/or through imports, based on pricing and other commercial considerations such as delivery lead time/ inventory carrying levels etc. The Company usually enters into yearly contracts for the supply of its major raw material so as to ensure its availability. Some of these contracts have a supply guarantee clause to ensure that the supplies remain uninterrupted for a reasonable period of time in case of any unforeseen circumstances. In any case, these are well traded commodities and availability is usually not an issue. The company also maintains sufficient safety stock, for PTA/MEG as well as PET Resin to take care of any contingency. As far as the pricing is concerned, since it is formula based linked to certain standard international benchmark indices, there is high degree of transparency.

For the other downstream coated films and PP based films, apart from PET film which is transferred from the Company's in-house production and also imported from third parties or other group companies at arm's length pricing, the other major raw materials are relatively insignificant in value terms and sourced from various manufacturers / traders locally as well as imports.

5.4. Risk from environmental regulatory measures

All the production lines of PTL, except for the Polyester resin line, do not require any environmental impact assessment (EIA). For its existing Polyester Resin line, the Company has the required clearance from the regulatory authorities and utmost care is taken to ensure compliance to the same. For the upcoming Batch PET resin line, the Company has already received the EIA approval and the Project is expected to be successfully commissioned in Q3 of 2021-22.

For the new project in Indonesia as well as in the existing production lines in USA and Turkey, the Company has received the necessary environmental licenses and/or approvals required for our industry.

5.5. Risk from competition from existing manufacturers and entry of new players

With consistently rising demand and healthy growth potential, the PET film industry attracts new investments from time to time from existing large manufacturers who are well-established companies with long experience in this industry, as well as medium to small producers and sometimes new entrants with capability to accommodate investment in PET film plants and machinery. Few new capacities have already started up last year in various regions and have had no material adverse impact on the market situation or the margins of most players, including Polyplex, as can also be seen from the financial performance for the year. Most of the new capacities coming up in next 2-3 years are also mostly by incumbent players in India and China. Given the prolonged Covid-19 situation, some of these capacities might be delayed, deferred or even cancelled. There could also be likely closure of some old and inefficient lines which may not be economically viable when compared to the new high productive assets like the one commissioned by the Company in Indonesia. Overall, despite the past volatile history of this industry, it continues to remain an attractive industry with strong fundamentals and a steady demand growth with Polyester film finding many new applications every few years.

Compared to other players, Polyplex's lower cost of production, established quality and technical services, geographically diversified manufacturing presence, wide range of products and applications and global market reach are some of key factors which make Polyplex one of the leading and preferred players in this industry and it remains confident of being able to outperform the industry peers.

The Company has been continuously evaluating other growth options in PET film / value added products / related areas like CPP / BOPP / Blown film/ Silicone Coated Films at all existing manufacturing locations in Turkey/Thailand/US/ Indonesia, while also carefully evaluating growth options in other new locations / new product lines. The BOPP line under construction in Indonesia is another step towards diversifying the product portfolio and becoming a one stop solution for all packaging film needs of our customers. Similarly, company pursues a strategy of being "one stop shop" for several industrial applications line PV, Labels, Construction etc.

5.6. Risk from trade barrier measures

Trade barrier measures imposed by various countries are broadly of two major types:

- a) Anti-dumping (AD): An anti-dumping duty can be imposed on imports if the ex-factory prices of such imported products are proved to be lower than the local selling prices of the similar products in the countries of the exporters. The important markets adopting this measure in the past few years on BOPET film are the European Union, USA, Korea, Indonesia, Turkey and Brazil. In order to protect the domestic economy from Covid-19 impact, Turkey imposed additional custom duties of 40% till 31st December 2020 and 10% thereafter on all countries excluding those with FTA's and Custom Union.

The key markets imposing trade defense measures on imports of BOPP films are Indonesia, Vietnam, Korea, Pakistan etc. The brownfield expansion in Indonesia which is expected to start in Q2 2021-22 may have some impact on its exports to Korea. On the other hand, the Indonesian market is protected against imports from other key exporting countries like Thailand, China, Malaysia & Vietnam.

In case of PET Film Resin, there are not many trade defense measures across the globe except the safeguard duties imposed by Turkey on imports from all countries which is in force for three years effective November 2020.

- b) **Anti-subsidy:** A countervailing duty (CVD) can be imposed if the government or any government agency provides any benefits or privileges specifically to any company or exporter of such country.

Such tax measures cause higher import duty on the goods produced and exported from the targeted countries and hence may find it difficult to compete with the products of the rivals with lower duty applicable. For manufacturers like Polyplex, who have a diversified manufacturing base across multiple locations, such trade defense measures can be an opportunity if anti-dumping duties are levied against imports from some of the countries.

The company is taking all safeguards to insulate against the risk arising out of anti-dumping duties and other protective barriers imposed by the importing countries. A geographically well-diversified manufacturing presence and end-to-end product portfolio like ours will help mitigate the adverse fall-out of such an action, if any. The local manufacturing presence in USA, Europe and now in Indonesia, helps the Company to take advantage of such trade barriers levied by these countries against imports from Asian countries.

5.7. Risks from future projects

The major risks associated with any new Projects are as below:

- **Market Risk:** Since Polyplex has a global reach and an extensive marketing and distribution network, the Company does not foresee any major risk in developing markets for its products, even for the new upcoming BOPP film line in Indonesia, where the Company can leverage on customer synergies and become a single source preferred supplier for all the flexible packaging film needs of its customers.
- **Competition Risk:** The Company believes that its cost structure would be globally very competitive and it has the widest product range which is one of the major advantages to gain an edge over some of the existing producers/new entrants.
- **Project Implementation risk:** Due to the experienced Projects team at Polyplex, the Company remains confident of successful implementation of new projects on time and within Budgeted costs except for un-foreseen circumstances. The BOPP Project at Indonesia is on schedule and expected to start commercial operations within Q2 of 2021-22.
- **Funding Risk:** For large projects, the Company takes long term Debt to the extent of 65-75% of the Project cost and the balance is funded out of internal accruals. Based on the good relationship with existing banks and the low gearing ratio, the Company is quite confident of raising the required financing for any new future projects at competitive terms and conditions. For the BOPP project in Indonesia, the Company has contracted a term loan of USD 25 million (or Euro equivalent) and the balance is being funded out of Equity / Quasi-equity investment. For the brownfield BOPET film line project in USA, although most of the Project cost is intended to be funded out of internal accruals of the Company and Cash surplus within the group, the Company is also evaluating creating a bank loan option for up to USD 25 Million to care of any unforeseen situation such as Project cost overrun etc.

- **Currency Risk:** For any new project, the currency of borrowing is decided, based on the projected operational cash flows of the project. The currency which has the maximum surplus in the operational cash flows is chosen to be the currency for the loan. If there are multiple currencies of surplus in operations, the Company may also consider borrowing in more than 1 currency (USD and/or Euro), depending on the currency exposure in the Project cost. This helps to create a natural hedge for the Project expense as well as the loan repayments, as and when the repayments start. The company also has internal FX guidelines to cover net exposure of Project costs, in various currencies by booking appropriate forward contracts, so that the risk on the initially estimated overall Project cost, on account of currency fluctuations is minimized.

Apart from all the Project specific risks and their mitigation plans as discussed above, the Company would also like to mention here that the overall Project risk of any new Project is covered by taking appropriate Insurance policies to cover various risks such as Erection and Construction all risks, Marine risks, Loss of Profit coverage due to delay in Project Start-up etc.

5.8. Risk from dependence on the parent company

As at 31st March, 2021, Polyplex Corporation Ltd. (PCL), through direct and indirect shareholding, controls 51% of the paid-up shares in the Company.

Over the years, the Company successfully implemented a program for reducing the dependence on expatriates by increasing the proportion of local Thai staff in operating/managerial positions and has been managing the production and operations efficiently thereafter. The Company's present management team is composed of experienced key personnel in production, marketing, distribution and accounting/finance. It has thus been able to run the business on its own without too much reliance on the parent company.

PTL's business operations are independent from PCL with respect to public offering of equity, borrowing of loans, and other investments in the future. The parent company need not request any approval from any government bodies except for reporting of significant events to two stock exchanges where it is listed, namely Mumbai Stock Exchange and National Stock Exchange.

The Company is confident that there will be no conflict of business interest between PCL and PTL on account of the following:

- It is Polyplex's policy in business operation that there is an equitable distribution of business between the various manufacturing units aligned to efficient servicing of customers.
- The investment in PTL and its subsidiaries is significant as compared to PCL's own assets and hence considered to be the flagship company of the Polyplex Group. As such, the success of PTL is very critical for PCL.

5.9. Risk from Sponsor Group holding about 51% of total shares

PTL's major shareholder is PCL (As of March 31, 2021 the promoter Mr. Sanjiv Saraf and related parties control 50.97% in PCL), holding 17.19%, and Polyplex (Asia) Pte. Ltd. ("PAPL") which is wholly owned by PCL, holding 33.81%, thus in aggregate holding 51% of PTL paid-up common shares of Bt. 900 million. Thus, in matters that require a three-fourths majority vote of shareholders, the minority shareholders can successfully oppose corporate actions undertaken or supported by the majority shareholders. However, the parent company will continue to play a vital role in determining the Company's policy and strategic direction setting. PCL is on the Stock Exchanges in India and abides by the Corporate Governance regulations prevailing for listed companies in India.

5.10. Foreign exchange risk

Most of PTL's products, i.e. about 75-85%, are for exports, which are mostly denominated in US dollars and Euro. As against this, raw material (PTA & MEG) prices are linked to the US dollar, although their payments are done in Thai Baht and there are Long term loan related interest payments/loan repayments in USD and Euro. On a standalone basis, the company as at March 31st '21 had USD loan of about 0.1 million and Euro loan of about 101 million borrowed over the past few years from the Turkey subsidiary for the investment in Indonesia, repayment including prepayment of bank term loans and working capital loans. There are some expenses which are in Thai Baht, i.e. locally procured raw materials, packing materials, salaries, utilities and other administrative expenses which have to be settled by income from domestic sales and from the surplus income from USD/Euro exports. Thus, broadly speaking, PTL has a net surplus US dollar and Euro position on the trade front, which can be hedged somewhat against repayment/ interest payment on its long-term loans. To the extent possible, the company has been trying to create a natural hedge to mitigate the risk from currency fluctuations. On an ongoing basis, the company also takes forward covers, to cover the net surplus exposure in USD and Euro.

Similarly, the Company's subsidiary in Turkey has a net surplus Euro currency whereas they have certain payments in the local currency, which is hedged from time to time by taking appropriate forward covers.

The subsidiary in USA mainly has USD revenues and USD payments, so there is a natural hedge. The US subsidiary has also taken some inter-co loans from Polyplex Europa (PE) for supporting its financing requirements. These loans are Euro denominated and the O/S amount of the loan at 31st March, 2021 was Euro 46.8 million.

The subsidiary in Indonesia had contracted Long term debt of USD 55 million (or Euro equivalent) for its BOPET project and USD 25 million for the upcoming BOPP project. The outstanding of BOPET loan until 31st March, 2021 is Euro 28.5 million Euro and USD 18.6 million. Apart from this, they have also borrowed inter-company debt of Euro 43 million from the Group company in Turkey to support its project financing and working capital requirement. The Company has exports to Europe and US and in Euro and USD currencies respectively, which will be used to naturally hedge against Loan repayment/ interest payments.

However, the Company continues to be exposed to unrealized FX fluctuation impact as the forex loans need to be restated at the period end exchange rate, in line with the applicable accounting standard and this can create sharp swings in the reported profitability of the Company. But the Company considers it prudent to plan its cashflows and forex risk management based on the principles of natural hedging. As such, it continues to focus on improving the operational performance, rather than trying to protect the unrealized FX fluctuation impact as the purpose of borrowing loans in foreign currency and the natural hedge from export earnings would be defeated if the forex loans are swapped to local currency, merely to eliminate the risk of unrealized FX fluctuation on the loan restatements and to achieve more stability in reported earnings. In order to provide a better assessment of operational performance, the Company has been normalizing the impact of the FX fluctuation, while reporting the performance to shareholders and while considering the Net profits for dividend payout.

5.11. Interest rate risk

As of March 31, 2021, the Company's outstanding long-term bank loans on a consolidated basis were Euro 28.5 million and USD 18.7 million whereas outstanding short-term loans were Baht 650 million. The USD loans have floating LIBOR based interest rates and the Euro loans have floating EURIBOR based rates. Apart from the above, the Company in Thailand and the subsidiaries in Indonesia and USA have inter-company loans from the Turkey subsidiary totaling to Euro 190.8 million, which gets eliminated in consolidation. Pricing of these loans are on Arms' length basis, linked to Floating EURIBOR rates. The floating interest rate may put the Company at a risk of rising financial cost if the interest rates move up. There are various reasons for interest rate changes like economic growth, inflation expectations and unemployment, among others. All these factors are external and uncontrollable. However, the company has been constantly monitoring the interest rates and will evaluate interest rate swaps for converting the liability into fixed rates, if considered beneficial.

5.12. Risk from overlap of products and markets

The product portfolio of PCL, PTL, PE, PFI and PUL is quite similar. In order to mitigate the risk from overlapping of products and markets, Polyplex has also evolved an equitable policy for distribution of markets, between its Indian, Thailand, Turkey, Indonesian and USA operations based on the several factors like product range, delivered cost to customer, supply lead times and preferential duty access. Based on the same, PTL & PFI would mainly serve South East Asia, Asia Pacific, China, and Australia & New Zealand. PCL would serve South Asia. Turkey operations will mainly cater to Europe, Africa and CIS/Russian markets.

The new line in Indonesia, although planned mainly to cater to the domestic market, is currently also exporting some volumes to Korea, Japan, Europe and USA, depending on the Pricing, material availability, delivered cost to customer, preferential duty access etc. The US manufacturing entity would mainly focus on North American market. Certain markets which are basically spot markets such as Middle East, South America etc may be serviced by either of the supply locations depending on the availability of the product and other factors such as capacity availability etc.

The Polyplex Group also has a policy on future investments in polyester film / related areas between the Company and its parent company. Investments in India/SAARC region would be decided and made by PCL and its other subsidiaries (excluding the Company) while investments in Thailand / ASEAN region as well as other countries would be in all likelihood be made by PTL or the subsidiaries in which the Company has a major stake. The above is subject to availability of Investible cash / ability to borrow debt by the existing / preferred Company as per the policy. In line with this Investment policy, the latest investment in Indonesia is fully owned by PTL.

5.13. Credit risks

Credit risk of customers is another significant risk for any business. Credit risk refers to the risk of non-payment by debtors. This risk increases in case of unsecured or open payment terms. The Company manages the risk by adopting appropriate credit control policies and procedures. The Company has a well-defined and robust internal credit management system to monitor unsecured sales. The Company also has a global credit insurance cover to secure non-payment risks of customers. As such, most of the sales, which are on credit are secured either through a Letter of credit issued by the customer or secured under credit insurance coverage. The Company also takes extra caution in selection of any new customers and granting of credit.

5.14. Risk from regulatory measures or drive against use of plastics

Globally, there are increasing concerns on the usage of plastics in general due to low rates of recycling of post-consumer waste and lack of efficient collection and sorting systems. The ongoing Covid-19 crisis has however resulted in a re-think on the benefits of plastics in general and may also re-orient thinking on recycling strategies and solutions.

Within various forms of packaging, flexible packaging is held to be a relatively environmental friendly form of packaging due to its lower packaging weight to product ratio with a significantly lower carbon footprint (GHG emission), etc. However, its recyclability is an issue arising from technical challenges and lack of efficient & economic collection mechanism for post-consumer waste. This has led to regulatory measures like banning the use of single use plastics, implementing levies and mandating recyclability. However, there is a general acceptance and understanding on advantages of flexible packaging and, therefore a complete ban on multilayer flexible packaging is unlikely as is the case with other single use plastics. In addition, all the stakeholders in the value chain including brand owners, converters, plastic manufacturers, etc. are working together on various fronts e.g. higher recycled content, improved collection system, achieving higher recyclability by changing the structure, etc.

Governments around the world and the industry at large are focusing on developing economical models for collection, sorting and reuse/ recycling of post-consumer plastic waste.

To facilitate the same, there is an increasing trend towards Extended Producer Responsibility (EPR) measures to fund such initiatives. Additionally, several industry Groups and Organizations like CEFLEX, Ellen MacArthur Foundation etc, are actively pursuing the sustainability agendas simultaneously.

The Industry is working on multiple fronts to provide sustainable solutions such as:

- Higher rPET content in packaging
- Single substrate packaging solutions
- Higher Bio content or Bio sourced solutions
- Several alternative usages of plastic waste being pursued like conversion to fuel oil, incineration, road construction, etc.

Being a complex issue, each industry participant is challenged with both threats as well as opportunities. Polyplex Group has been one of few companies working on sustainability initiatives for a long time. It has become members of organizations like PETCORE, CEFLEX etc and actively participates in various initiatives in this direction at a global forum. The Company had invested in a Recycling arm in Thailand, Ecoblue Limited, in 2013 which focuses on recycling post-consumer as well as post-industrial plastic waste for varied applications. The Company has recently launched a few products with post-consumer recycling (PCR) content of up to 90%. This Company is investing in a state-of-the-art recycling line dedicated for hard to recycle materials such as mixed plastic laminates, coated films, label matrix, printed PP & HDPE waste. The Group also has a dedicated R&D center whose main focus is to work collaboratively with customers and help provide innovative and sustainable solutions such as down gauging of film, create mono material substrate etc.

As per Industry experts, given the advantage of BOPET film in flexible packaging, there are currently no viable alternatives to PET film in this segment. Further, any new alternative would take few years' time to be established and to gain acceptance in the Industry and hence, there is no major threat to this industry in the medium term i.e. next 3-5 years. In any case, the multi country manufacturing and sales base of the Company will help reduce the extent of risk of any adverse development in any particular country / region.

5.15 Covid-19 Related risks

The impact of the pandemic on the PET film industry stems from expected fall in disposable income worldwide due to reduction in economic activities/higher unemployment levels and lockdowns in some or other parts of the world. The prolonged Covid-19 pandemic may result in a reduction in the demand for discretionary items in both the packaging and industrial segments. These would include expensive snacks/boutique products etc. and white goods, mobile devices, LED/LCD devices and the automotive segment, thereby leading to a reduction in demand for the films used in these segments. However, given the relatively lower exposure of Polyplex to the Industrial and Electrical segment and also its presence and active participation in a wide range of industrial applications, Polyplex will not be impacted by temporary drop in demand of these segments. Increased demand of health and personal protection/hygiene related products such as face shields will help alleviate the stress on CUF and margins.

On the other hand, consumer staples, which make up approximately 70% of Polyplex's business, has seen stable to elevated demand. In developed economies such as Japan, Korea, Europe and US - there is an increase in demand for films going into flexible packaging, as consumers gravitate towards more packaged goods to avoid inherent risk of contamination in the fresh food segment. Even in developing economies, people have become more health conscious and prefer to buy packed products rather than those which are sold loose. Demand for personal care and hygiene products has gone up and is expected to be at elevated levels in years to come, which will lead to increase in demand for flexible packaging of which PET film is an integral component.

Future Projects

The company currently has following ongoing projects:

6.1. Brownfield BOPP Project at PT. Polyplex Films Indonesia

In June, 2019 the Board approved an investment in a BOPP (Biaxially Oriented Polypropylene Film) film project in Indonesia, co-located with its ongoing investment in a PET film line on existing surplus land.

Project Details

1. Total capital investment is about 52.5 million USD
2. State of the art, high output 10.4-meter-wide, multi-layer, BOPP line with machine configuration designed to produce various specialty products in addition to standard films
3. Stated capacity of about 60,000 TPA
4. USD 25 million of Long term Debt funding tied up and balance to be managed out of Equity and internal accruals within the Group.
5. Project start up expected by Q2 of 2021-22

About the project and Rationale

There are three main face substrates (BOPP, BOPET and Nylon) which are used in flexible packaging based on the product packed and packaging machines used. Out of these three, BOPP has largest demand globally which is ~9 million tons per year and more than twice that of Thin PET film and finds its unique space along with other substrates due to its differentiated properties as given below

	Content resistance			Pinhole resistance	Boiling Resistance	Flavor Barrier	O2 Barrier	Heat Resistance
	Acid	Alkali	Alcohol					
BOPP	Excellent	Excellent	Good	Good	Poor	Poor	Very Poor	Very Poor
BOPET	Good	Poor	Excellent	Poor	Excellent	Excellent	Poor	Excellent
Nylon	Very Poor	Good	Poor	Excellent	Excellent	Good	Good	Good

The global growth rate in BOPP film industry is expected to be 4%-5% and provides an opportunity for the Company to grow in a familiar industry. Besides growth in demand specially in Asia, commonality of customers with BOPET in flexible packaging, low cost of operations due to co-location and high productive line in SEA, coupled with global sales and distribution network provides further substance to the overall project. The investment is also in line with the Company's strategy to broad base the product portfolio, to offer a better value proposition by being the preferred one stop supplier to meet the entire flexible packaging films' needs of the customers and to diversify the risk without losing sight of cost and production efficiencies.

The concerns around sustainability and circulation economy has led to banning of certain type of plastics (like single use package) and/or targeting a higher % of recyclable content in the end product. With proposed investment in BOPP, the Company would also be able to actively participate in the development around Mono material laminate structures based on Olefinic (PP/PE) films.

6.2. Recycling Project at Ecoblue Limited, Thailand

In March, 2020 the Board approved an investment in a state-of-the-art recycling facility at Ecoblue Limited, the subsidiary in Thailand, in which the Company holds 66.5% stake and balance is held by a minority shareholder. Subsequently, the Board approved a proposal to enhance the scope of the project to include recycled PP (rPP) in addition to the earlier scope to have recycled PET (rPET).

Project Details

1. Total capital investment is about 18 million USD
2. Stated capacity of about 25,000 TPA
3. USD 12 million of Long-term Debt funding tied up and balance to be managed out of Equity and internal accruals within the Group.
4. Project start up expected within Q3 2021-22

About the project and Rationale

Growing the recycling business is an important step towards sustainability not just for the company but the industry as a whole. EcoBlue has been at the forefront of providing sustainable solutions to the problems of plastic waste. With more and more countries' Governments playing an active role in setting out expectations on the sustainability front, leading Brand Owners have come out with clear strategies and shown commitment to their goal of increasing the recycled contents in their products over the next few years. These commitments from Consumer Product Companies both for packaging and apparels cannot be met with the existing recycling capacities. This sets the environment for recyclers with high quality standards and certifications to be able to operate and compete v/s unorganized players.

Over the last 2-3 years, EcoBlue has modified one of its existing extrusion lines with which it has successfully been able to develop a high quality rPET grade called 3D Pure which is being used to replace virgin materials in applications like PET film, Filament Yarn and Bottles. Based on the success in qualification of 3D Pure, Ecoblue has ventured into a larger Project for Post-consumer bottles recycling for both PET & Polyolefin (PO) based material, for the same high-end applications to meet the demands of Consumer Product Companies. This project demonstrates Ecoblue's commitment towards sustainability. With this project, the company would be positioned amongst the leading recycling companies in the region.

6.3. Brownfield BOPET Film line Project at Polyplex USA LLC, USA.

In September, 2020 the Board approved an investment in a BOPET (Biaxially Oriented Polyethylene Terephthalate Film) film project in USA, co-located with its existing facilities on the available surplus land.

Project Details

1. Total Capital investment is about 83 million USD
2. BOPET Thin Film Line of 10.6 metres width & design speed of 650 metres / minute with an annual installed capacity of 50,000 TPA
3. De-bottleneck the capacity of existing PET Resin line from 58,000 TPA to 86,000 TPA to take care of the enhanced captive needs with the new investment in PET film
4. Funding of the Project proposed through a judicious mix of internal accruals of the US subsidiary and Inter-company loans from the Turkey subsidiary and Bank borrowings, as maybe required.
5. Project start up expected by H2 2022-23.

Project Rationale:

By implementing the Brownfield BOPET Thin film project in USA, the company would have certain benefits as given below:

- North America has a large domestic PET Film market which is highly dependent on imports.
- There have been no major investments made in USA in this industry over the last 2-4 years and no known upcoming capacities. Hence, there is an attractive opportunity to capture the demand growth being an on-shore supplier and increase our market share by leveraging on Polyplex's existing marketing capabilities, customer relationships and long-term experience of servicing this market
- Develop a competitive cost structure with an optimum combination of 2 BOPET lines along with backward integration into captive PET resin manufacture. The proposed new line being world's highest output PET film line will significantly enhance the overall cost competitiveness as compared to other domestic suppliers as well as Off-shore suppliers.
- Advantages of being an onshore supplier as compared to an off-shore supplier:
 1. Proximity to customers leads to reduced cycle time, faster deliveries and is clearly a source of differentiation in the eyes of the customer,
 2. Mitigate the risk of trade barriers such as Anti-Dumping duties/CVD which is a common threat in this industry.
 3. Increased preference for Local Supply chain due to:
 - a. Geo political uncertainties
 - b. COVID 19 related uncertainties and supply disruptions
 - c. Supply chain logistical challenges
 - d. Increased protectionist outlook

6.4. Other Capital Expenditure

Apart from the BOPP project in Indonesia, BOPET Film line project in USA and the Recycling line at EcoBlue Limited, the Company is also investing in several smaller projects to either improve the HVAS portfolio or production efficiency. The total capital outlay in such projects in future is about 43-45 million USD, which will be expended over the next 6-12 months. These projects will be funded out of the internal cash generations of the Company and are expected to start operations within this year.



As an ongoing effort to improve productivity, reduce wastages, conserve energy, develop new products and enhance quality control, PTL and its subsidiaries undertake several small/medium capital expenditures on the basis of cost benefit analysis. The total outlay over the next 12 months for such projects is estimated at about 8-10 million USD which also includes insurance spares and miscellaneous equipments for upkeep of the machinery.

Legal Dispute

NONE

Shareholding Structure

8.1. Shareholding Structure

8.1.1. Securities

PTL's Registered capital at 31st March, 2021 was Baht 900 million and Paid-up capital was Baht 900 million, divided into 900 million ordinary shares each of Bt. 1 par value.

The shareholding structure of PTL as on 31st March 2021 is:

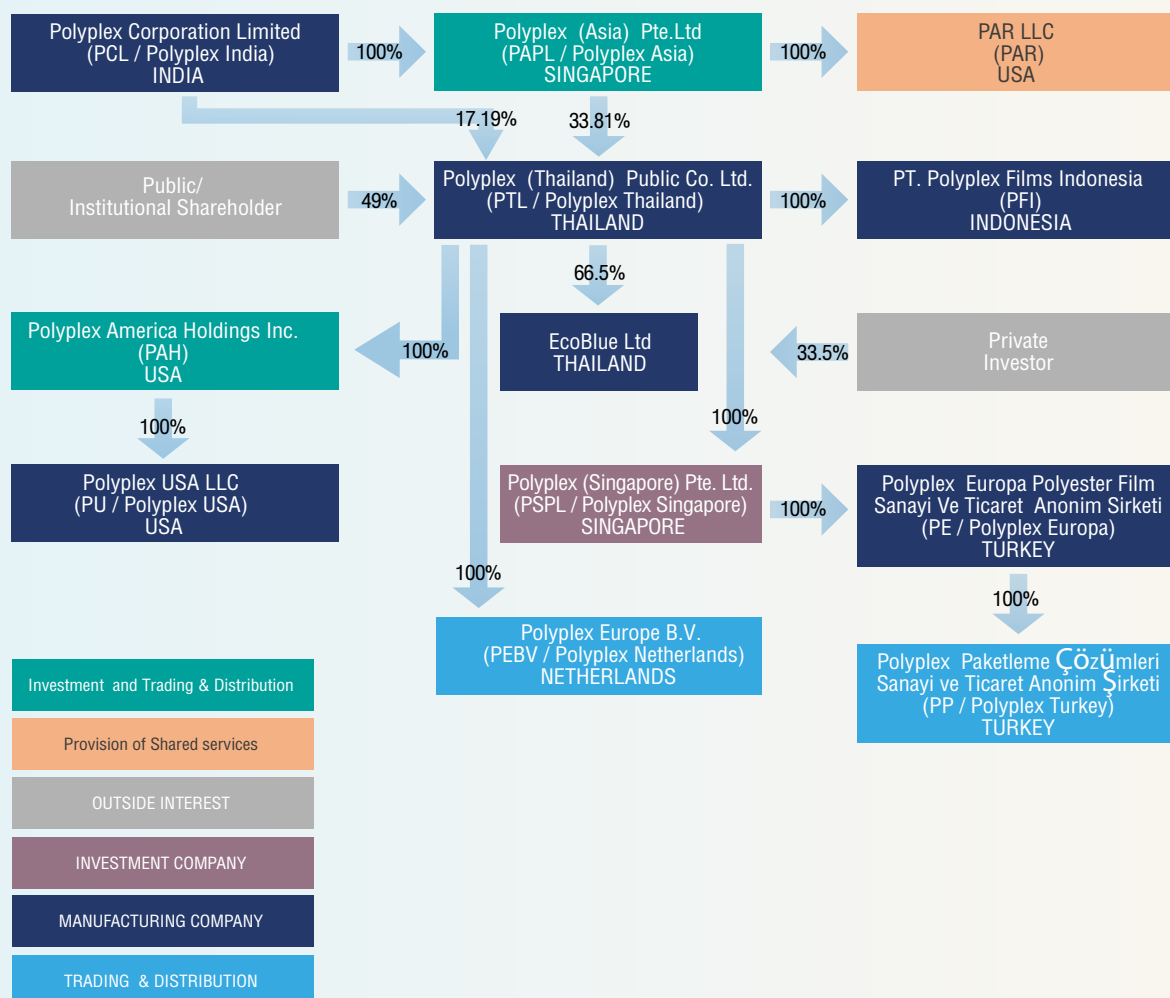
Category	Shares	%
Polyplex Group	459,000,000	51.00
Institution – Thai	48,535,290	5.39
Institution – Foreign	40,290,629	4.48
Retail – Thai	351,867,718	39.10
Retail – Foreign	306,363	0.03
TOTAL	900,000,000	100.00

PCL's shareholding structure as of March 31, 2021 is shown as below:

Name	%
Promoter/Sponsor Group	50.97
Institutional investors	14.44
Indian public (Non-Institutional Investors)	30.63
Other shareholders	3.96
Grand total	100.00

PAPL is 100% held by PCL and together PAPL and PCL hold 51% of PTL.

8.2. Group shareholding structure



Note: The Trading company in China – Polyplex Shenzhen (Trading) Co Ltd was liquidated in June 2020

8.3. Top 10 Shareholders in PTL as at 31, March 2021:

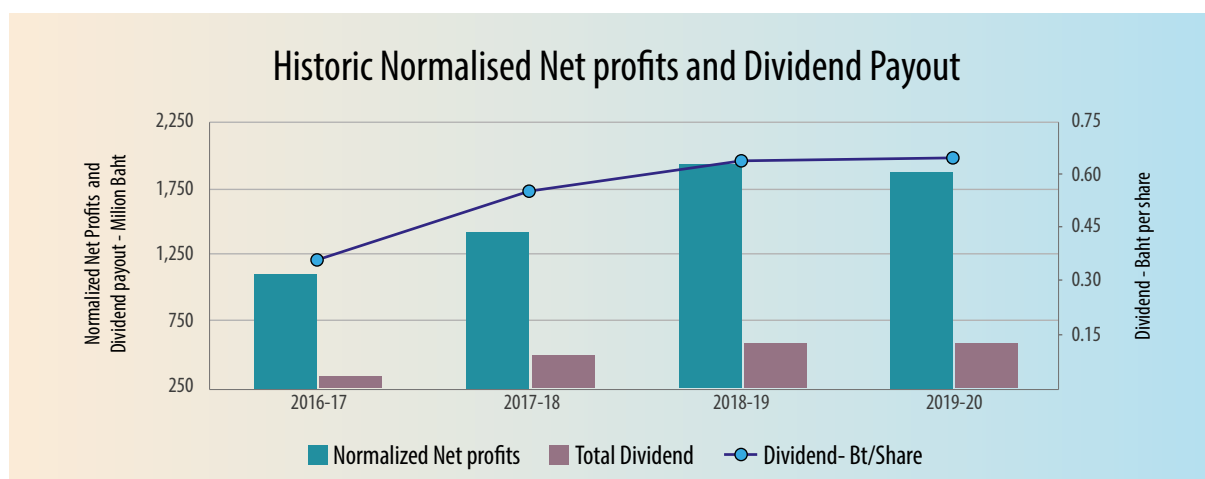
Shareholder Name	Number of shares	% Holding
POLYPLEX (ASIA) PTE LTD.*	304,290,882	33.810%
POLYPLEX CORPORATION LTD.*	154,709,118	17.190%
Thai NDVR Co.,Ltd.	45,689,790	5.077%
Mr. Piyawat Chartpitak	44,986,000	4.998%
Mr. Paiwan Chatpitak	44,980,000	4.998%
Mrs. Yuwarad Chusakul	44,830,000	4.981%
Mr. Paisarn Chatpitak	36,710,000	4.079%
Mr. Sunchai Udomratchatavanich	20,130,000	2.237%
Miss Patraporn Chusakul	16,243,100	1.805%
THE BANK OF NEW YORK MELLON	14,354,600	1.595%

* Sponsor shareholders in PTL

Dividend payment policy

As per the dividend policy stated in the prospectus, dividend is paid out at rate of about 40% of the annual net profit, taking into account economic conditions, growth plans, future deployment opportunities, the Company's financial position and liquidity and subject to the approval by the shareholders.

The historic trend of Normalized Net Profit[#] and the Dividend declared/paid for past few years is as under:



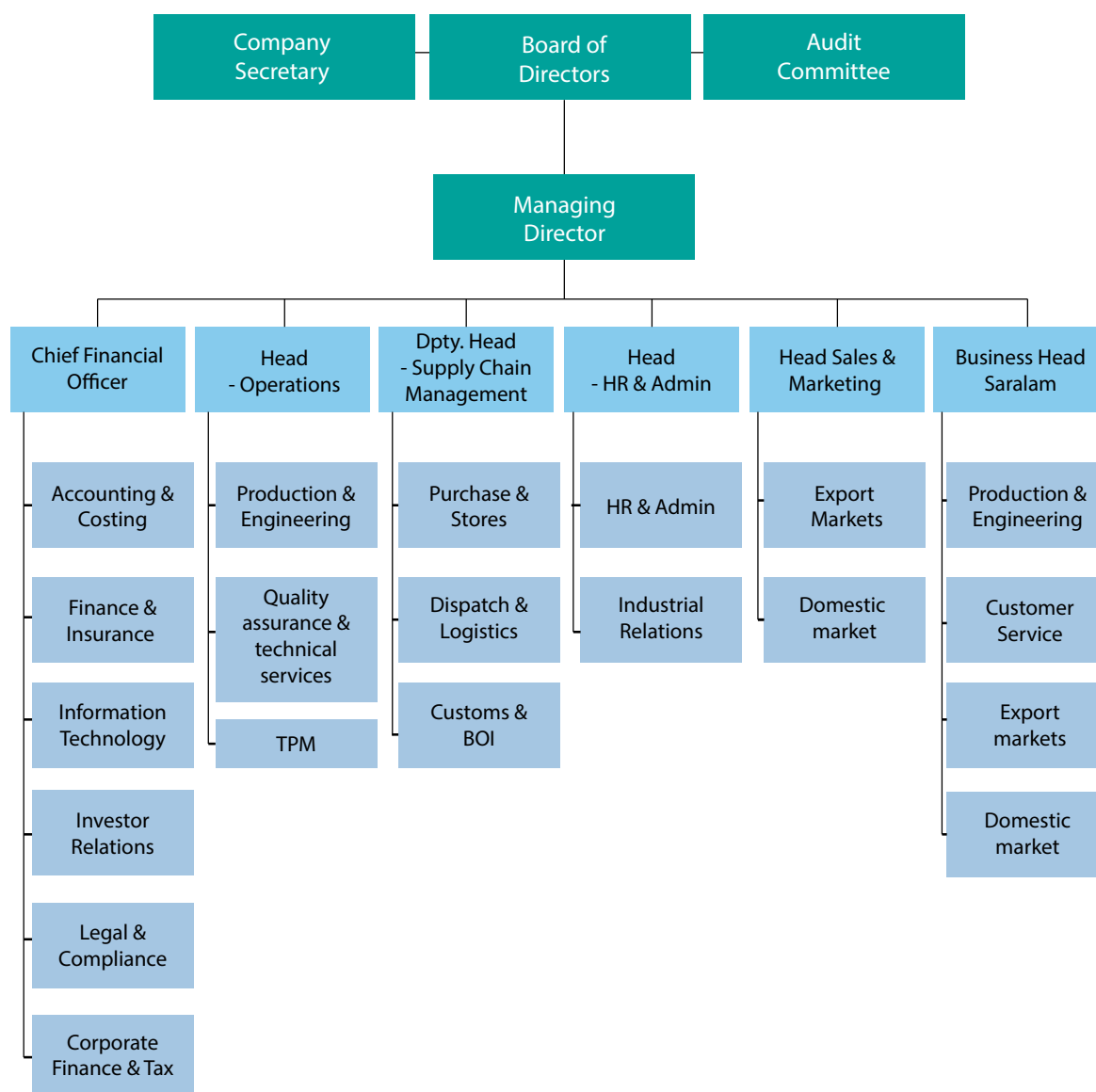
Normalized for forex fluctuations and one-time exceptional items such as Impairment reversal

	Normalized Net profits	Total Dividend	Dividend - Bt/Share
2016-17	1,091	324	0.36
2017-18	1,410	495	0.55
2018-19	1,918	576	0.64
2019-20	1,871	585	0.65

For the year 2020-21, the Board has proposed an annual dividend of Bt 1.00/ share or total payout of Bt 900 million, which is a payout of 30% on Normalized profits of the Company (after adjusting the impact of Unrealized Forex Losses). Since Bt 0.54/ share or total of Bt 486 million has been paid as Interim dividend in December, 2020, the balance of Bt 0.46/share or total of Bt 414 million is proposed to be paid as Final dividend, subject to shareholder approval in the 2021 Annual General Meeting of shareholders.

Management structure

The Organization structure as at 31st May, 2021 is as under:



PTL has a board of directors and an audit committee. There is a provision to appoint other need-based committees as may be appointed by the shareholders or the board of directors from time to time. The board members and executive officers are qualified persons with complete qualifications as per Section 68 of the Public Limited Companies Act B.E. 2535 and as per the Notification of the Securities and Exchange Commission (SEC) No. KorJor. 12/2543 Re: Application for Permission and Permission to Sell Newly Issued Shares dated March 22, 2000.

Details of the board of directors and other committees are as follows:

10.1. Board of Directors

As of May 31, 2021, PTL's Board of Directors is composed of eight members as follows:

1.	Mr. Manu Leopairote	Board chairman and Audit Committee Chairman
2.	Dr. Virabongsa Ramangkura	Director (and Audit Committee member)
3.	Mr. Shiraz Erach Poonevala	Director (and Audit Committee member)
4.	Mr. Sanjiv Saraf*	Director & Vice-Chairman
5.	Mr. Praphad Phodhivorakhun	Director
6.	Mr. Ranjit Singh	Director
7.	Mr. Amit Prakash #	Managing Director
8.	Mrs. Sakhi Saraf	Director

* Position changed from Managing Director to Vice-Chairman w.e.f. 22 May, 2020

Appointed as Managing Director w.e.f. 22 May, 2020

Mrs. Supritha Pai Kasturi is the secretary to the Board of Directors

Authorized signatories

Any one of the three authorized signatories, namely Mr. Sanjiv Saraf, Mr. Amit Prakash and Mrs. Sakhi Saraf are empowered to sign with the Company's seal affixed.

Power and duties of the board of directors (the Board)

The Board of Directors has the powers, duties and responsibilities to faithfully and prudently conduct the operations of the Company in accordance with the Company's objectives and Articles of Association, applicable laws and resolutions of the shareholders' meetings, for the benefit of the Company. A summary of the substantial duties and responsibilities of members of the Board of Directors is set out below:

1. to hold the annual general meeting of shareholders within 4 months from the close of the accounting period;
2. to call the meeting of the Board of Directors at least once every calendar quarter;
3. to arrange for the preparation and submission of the audited Statement of Financial Position and Income and Loss statement at the end of each accounting period to the shareholders' meeting for its consideration and approval;
4. to authorize any one or several directors to perform any action on behalf of the Board of Directors under the supervision of the Board of Directors, or granting the power-of-attorney to such designated director(s) to perform any action within the specified time as the Board of Directors may think fit; provided, however, that the Board of Directors has the sole discretion to revoke or modify such designated director or power-of-attorney as the Board of Directors may think fit.

For this purpose, the Board of Directors may authorize the Executive Committee, if any, to conduct any activities within the specified scope of work, duties and responsibilities of the Executive Committee. No authorization will entitle the Executive Committee to consider and approve the transaction which may cause a conflict of interest between the Executive Committee or any related person or interested person as the one party and the Company or its subsidiary companies as the other party. However, an exception is granted where the transaction conforms to the approved policies and rules of the Board of Directors;

5. to determine the goals, prospects, policies, business plans and budgets of the Company, and to ensure that the management work performed by the Executive Committee, if any complies with the set policies. However, the Board of Directors needs to obtain the resolution of the shareholders' meeting before entering into certain legal transactions, for instance, increase or reduction of capital, issue of bonds, sale or transfer of all or any substantial parts of the Company's businesses to any third party, purchase or acceptance of transfer of other businesses, amendment to the Memorandum of Association, and so on.
The Board of Directors is also responsible for ensuring the Company's compliance with the securities and exchange law and rules of the SET, for instance, rules concerning the entry into connected transactions and concerning purchase or sale of substantial assets, including any law governing the Company's business;
6. to review the management structure and appoint the Executive Committee, General Manager and any subcommittees, as it deems appropriate;
7. to ensure that the Company's performance follows the business plans and budgets at all times;
8. to refrain from conducting any similar or competitive business, participating as partner in an ordinary partnership or partner with unlimited liability in a limited partnership or director in a private company or in any other firm, company or corporation operating the business similar to or in competition with the Company, regardless of whether for his/her own benefit or for others' benefit. However, an exception is granted where the director provides notice to the shareholders' meeting in advance of his/her effective appointment as director of the Company; and
9. to notify the Company without delay of the event of likelihood that the director may have direct or indirect interests as a result of (i) the Company's entry into any agreement; and (ii) his/her increased or decreased holding of shares or bonds in the Company or its subsidiary companies.

Role and Responsibility of Chairman of the Board

The Chairman plays a pivotal leadership role in ensuring that the Board work effectively.

The key roles of the Chairman are:

1. Acting as Chair at the Board's and Shareholders' meetings.
2. Ensuring that Board members receive accurate, timely, and sufficient information for Board meetings.
3. Providing independent advice to the management and Board.
4. Ensuring the participation of the executives, non-executives and independent directors in the Board's decision processes and activities.
5. Ensuring the whole Board plays a constructive part in developing and determining the Company's strategy and objectives.

10.2. Audit Committee

The Company's Audit Committee comprises of:

1.	Mr. Manu Leopairote	Audit Committee Chairman
2.	Dr. Virabongsa Ramangkura	Audit Committee member
3.	Mr. Shiraz Erach Poonevala	Audit Committee member

Mrs. Supriha Pai Kasturi is the secretary to the Audit Committee.

Power and duties of the Audit Committee

1. to review the sufficiency, credibility and objectivity of the financial reporting of the Company by coordinating with the external auditors and management responsible for preparing the quarterly and yearly financial reports. The Audit Committee may suggest issues or matters to be included for review or audited by the external auditors during its audit of the Company;
2. to review the adequacy and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors (if any);
3. to review compliance with the Securities and Exchange Acts, Regulations of the SET, and any other relevant laws;
4. to consider and advise on the appointment of the external auditor including the audit fee, taking into account the creditability of the external auditor, the adequacy of its resources, the firm's audit engagements, and the experience of its supervisory and professional staff; as well as to have a meeting with the external auditor, as and when required, without the presence of the Executive directors or any other member of the management team.
5. to review the connected transactions and ensure proper compliance with all the relevant SEC/SET regulations and also to ensure adequate disclosures or conflict-of-interest disclosures;
6. to take care of any other matters assigned to it by the Board of Directors, such as reviewing the Company's financial and risk management policies, reviewing compliance with the Code of Corporate Conduct of the management, and reviewing with the company's management, all important reports which must be disclosed to the public according to the law (e.g. Management Discussion and Analysis (MD&A), etc.);
7. to report the activities of the Audit Committee in the company's annual report, which must be signed by the chairman of the Audit Committee, and to express in such annual report the Audit Committee's opinion on (i) the accuracy and completeness of the procedures for the preparation of the report and information disclosure, (ii) the sufficiency of the internal control system of the Company, (iii) opinion on the suitability of the external auditor and appointment for another term, (iv) the number of Audit committee meetings held in the previous year and the attendance of each member in such meetings, (v) opinion on the connected transactions and any transactions that may lead to conflict of interest (vi) the compliance by the Company with rules and regulations of SET, SEC and other applicable laws, and report on any information that the shareholders and investors should be aware of under the scope of power of the duty that has been assigned by the Board of Director;
8. to report the performance of the Audit Committee to the Board of Directors at least once every calendar quarter; and
9. to express its opinion on the performance, appointment, removal and determination of remuneration of the internal auditor, if any.

10.3. Management

PTL's senior management during 2020-21* consisted of eight persons as below:

S.No	Name	Position
1.	Mr. Amit Prakash #	Managing Director
2.	Mr. Ramesh Gupta	Business Head - SARALAM division
3.	Mr. Santhosh Kumar Singh	Head - Operations
4.	Mr. Ashish Ghosh	Head - Sales & Marketing
5.	Mr. Ashutosh Kumar Agarwal*	Chief Financial Officer
6.	Mr. Akshay Sudhir Jog	Deputy Head - Supply Chain Management
7.	Mr. Torsak Rittidech ##	Head - HR and Safety
8.	Mrs. Sakhi Saraf	Director & Head of Investor Relations & Corporate Communication

- * The Chief Financial officer (CFO) was transferred to Indonesia as the CFO of the Indonesia subsidiary, under which the Greenfield PET film project was implemented in 2019, but he continues to be the CFO for Thailand operations as well.
- # Mr. Amit Prakash has been appointed as the new Managing Director w.e.f. 22 May, 2020 to replace Mr. Sanjiv Saraf's whose position has been changed from Managing Director to Vice-Chairman w.e.f. 22 May, 2020.
- ## Appointed as new Head - HR & Safety in January 2021 to replace the previous HR head who retired.

Power and duties of Managing Director

1. to monitor and supervise the day-to-day business operations and management of the Company.
2. to undertake or perform duties in line with the policy, plan and budget approved by the board of directors and Audit Committee of the Company.
3. to perform as the authorized person of the Company in administering the business in line with the objective, regulations, policy, rules, stipulations, orders and resolutions of the meeting of the Board and/or resolutions of the meeting of shareholders.
4. to appoint and manage the performance of the working committees to ensure benefit and efficiency as well as transparency in management, and be authorized to appoint and/or assign any person to specifically perform on his behalf. Such delegation of power and authority shall come under the purview of such certain authorization letter and/or comply with the regulations, stipulations or orders issued by the board of directors and/or the Company.
5. to determine mission, objectives, framework and policy of the Company for optimum benefit of the organization.
6. to follow up and assess the Company's operational results on a regular basis to cope with both internal and external risks.
7. to consider and approve expenditure spending in the normal course of business operations
8. to consider the recruitment and employment of personnel as well as transfer, rotation across functional lines/departments/divisions, or termination of employment of personnel, and determine rate of wages, remuneration, bonus and welfare package relating to personnel.
9. to issue orders, regulations, announcements and memorandum to ensure the operations come out in line with the policy and for the benefit of the Company as well as to maintain discipline in the organization.
10. to perform any other duties as occasionally assigned by the Board of Directors

Power to approve any transactions (i) which may cause a conflict of interest with the Company or its subsidiary; or (ii) in which the interests of the Managing Director or other interested person may be in conflict with the Company or its subsidiary, under the applicable rules and regulations of the SET, do not fall within the scope of the powers and authorities of the Managing Director to act at his/her own discretion or to designate any person to act on his/her behalf. Typically, these transactions need the consideration and approval of the Board of Directors and/or the shareholders' meeting in accordance with the Articles of Association of the Company and subject to applicable laws.

10.4. Role of Company Secretary

The Company has appointed Mrs. Supritha Pai Kasturi as the Company Secretary. She is a qualified Chartered Accountant from the Institute of Chartered Accountants of India and has the requisite knowledge and experience to perform this function. She also performs the role of the Secretary to the Board of Directors and to the Audit Committee.

Responsibilities of Company Secretary:

- Arrange the Board of Directors' Meetings, Audit Committee Meetings and the Shareholders' Meeting in accordance with the relevant laws and regulations.
- Prepare the Agenda/ supporting documents for the above meetings and ensure that the same is circulated to the concerned members, at least a week in advance of the meeting date, to allow sufficient time to review the documents.

- Prepare the Minutes of all the above Meetings and monitor subsequent compliance with the resolutions of those Meetings.
- Ensure that disclosures of information to regulatory agencies (SET/SEC and other relevant regulatory agencies) are made in accordance with the applicable laws and regulations.
- Execute any additional duties assigned by the Board of Directors from time to time

10.5. Selection of members of the board of directors, independent directors and the audit committee

The Company has no Nomination Committee to select and nominate any persons to be appointed as directors of the Company. In this regard, the Board will undertake the selection process, taking into account the experience, expertise and competency of the prospective persons and the qualifications required as per the criteria prescribed in the Public Limited Companies Act B.E. 2535 and as announced by the SEC and relevant agencies, as also the provisions of Articles of Association of the company. Nomination will be made at the shareholders' meeting and election made under the procedures prescribed in the Company's regulations as below:

I) Selection of members of the Board of Directors

- The Company is required to have a board of directors consisting of at least 5 persons. The board of directors must elect one of their members to be the Chairman and may elect another member to be a Vice-Chairman and any other positions as they see fit. At least one-half of the directors must reside in Thailand.
A director need not be a shareholder of the company.
- A meeting of shareholders must elect the directors in accordance with the following procedures and rules:
 - Each shareholder has one vote for each share held;
 - Each shareholder may exercise the votes in electing one or more persons to be the directors but the votes are indivisible; and
 - The person who obtains the highest votes will be elected as a director in respective order according to the required number of directors, but if two or more persons obtain equal votes, the Chairman must exercise a casting vote.
- At every general meeting of shareholders, one-third (1/3) of the directors, or if it is not a multiple of three, then number nearest to one-third (1/3) must retire from office.
- There must be a drawing by lots to determine the directors retiring on the first and second years following the registration of the company. In each subsequent year, the directors who occupy the position for the longest period must retire.

A retiring director is eligible for re-election.

II) Selection of members of the Audit Committee/Independent Director

Audit Committee is composed of at least three independent directors with an office term of 2 years. The Company has a policy to select and nominate Audit Committee / Independent director in compliance with the SEC Notification no. KorJor. 12/2543 regarding application for and approval of offering of newly issued shares, with each of whom to have the following qualifications:

- Hold shares not exceeding 5% of the total shares with voting rights of the Company, an affiliated company, a subsidiary company, an associated company or a juristic person that may have conflict of interest,
- Not be an employee or a staff member or an advisor who receives a regular salary or a person with controlling power of the Company, an affiliated company, a subsidiary company, an associated company or a juristic person that may have conflict of interest,

- c) Not be a person having blood relation or legal relation in the manner of being any family member or spouse thereof of the executives, the major shareholders, the persons with controlling power or any persons to be nominated to the managerial positions or the persons with controlling power of the Company or a subsidiary company.
- d) Have no business relation with the Company, an affiliated company, a subsidiary company, an associated company or any juristic person that may have conflict of interest in the manner that may hinder the use of individual's independent judgment, and have no other nature that will hinder the individual's provision of independent opinions relating to the Company's operations.

In addition, at least one independent director appointed as an Audit Committee member must have sufficient knowledge and experience in finance and accounting areas so that he/she can review the reliability of the financial statements. Other qualifications must also be taken into account, comprising business experience, expertise in the field related to the business and ethical qualifications, to ensure maximum benefits to the Company.

The appointment of Audit Committee members is subject to the same criteria and procedures as those in the appointment of directors of the Board. The vacating Audit Committee member upon completion of his/her office term of 2 years may be re-appointed by the Board of Directors for another term. In the event that there is a vacancy on the grounds other than the completion of office term, the Board shall select and appoint the person who possesses the required qualifications to fill the vacancy to complete the number of the Audit Committee members as prescribed by the Board. The newly appointed Committee member shall be in the office only for the remaining period of the office term of the vacating member.

10.6. Remuneration for management

a. Monetary remuneration

Directors

Before the transformation into a public company, PTL had five directors. These directors did not receive any meeting allowance from the Company. Since transformation into a Public Company in 2004, the Company has 8 Directors on the board.

For the FY 2020-21, The actual remuneration paid to the Independent Directors is Baht 5,400,000 as against the amount approved in the Shareholder meeting of Baht 5,400,000.

Details of the same are given under:

S.No	Name of Director	Amount Approved (Baht p.a)	Actual Paid (Baht p.a)
1	Mr. Manu Leopaiprote	Baht 1,800,000	Baht 1,800,000
2	Dr. Virabongsa Ramangkura	Baht 1,200,000	Baht 1,200,000
3	Mr. Praphad Phodhivorakhun	Baht 1,200,000	Baht 1,200,000
4	Mr. Shiraz Erach Poonevala	Baht 1,200,000	Baht 1,200,000

In addition to the above remuneration, meeting sitting fees of Baht 10,000 per meeting attended has been paid to the Audit Committee members, which is as per the amount proposed and approved in the Shareholder meeting in July 2020.

For the FY 2021-22, it is proposed to fix a remuneration of Baht 100,000 per month, to all the independent directors as mentioned below:

1. Mr. Manu Leoparote
2. Dr. Virabongsa Ramangkura
3. Mr. Praphad Phodhivorakhun
4. Mr. Shiraz Erach Poonevala

Mr. Manu Leoparote, in his capacity as the Chairman of the Board of Directors and the Chairman of the Audit Committee would be entitled to an additional remuneration of Baht 25,000 per month, for each role.

For the Audit Committee, each member would be entitled to a sitting fee of Baht 10,000 per meeting attended.

The above remuneration package, to the Independent directors and Audit committee members, would be proposed to the Shareholder meeting to be held in July 2021 for their consideration and approval.

The remuneration details of the senior management, including 1 executive director of PTL is as below:

Remuneration (In '000 Baht)	2018-19	2019-20	2020-21
Number of executives	8*	8*	8*
Salaries (In '000' Baht)	16,916	14,993	15,143
Bonus and Others (In '000' Baht)	18,864	20,570	22,114
Total	35,780	35,563	37,257

* Including some persons for part of the year only

b. Other remuneration

Directors None

Executives None

10.7. Personnel

As of March 31, 2021, PTL had a total workforce of 738 persons, 731 of whom are personnel at the plant in Rayong Province and 7 at the head office in Bangkok. The Company also has 32 expatriates, 3 of whom are at the head office in Bangkok and the balance in Rayong.

S.No	Department	March 2019	March 2020	March 2021
1.	Executives	8*	8*	8*
2.	Production, Quality Assurance & Technical services	506	543	566
3.	Commercial, IT, Personnel & Admin.	33	29	30
4.	Supply Chain Management	135	133	134
	Total	682	713	738

*Excluding persons who were for part of the year

Employee (non-executive) remuneration

Remuneration (In '000 Baht)	2018-19	2019-20	2020-21
No. of employees	674	705	730
Salaries & Wages	211,523	227,882	230,698
Overtime pay	32,654	36,838	38,979
Bonus	38,017	40,237	55,515
Provident fund*	6,658	7,450	8,386
Others	91,240	94,180	80,612
Total	380,092	406,587	414,190

*The Company started contributing to the provident fund since September 2004 and depending on the length of service of the Employee, company's contribution is now in the range of 4-7%.

There has been no labor dispute for the past years.

HRD Policy

The company realizes the importance of its staff as they are valuable assets and play a major role in the success and growth of the company. Therefore, it has a policy to develop the efficiency, knowledge and skills of its staff at all levels by having well organized training programs on a periodic basis. Training programs are designed to improve various aspects of work life like technical competence, quality assurance, team building, and enhancement of leadership skills, time management skills, safety awareness, basic firefighting etc thereby improving the quality of the working life of the employees. In the past year, a total of 13,566 hours of training was imparted to our employees in Thailand and at the overseas subsidiaries. Feedback of employees participating in such trainings is taken in order to help improvement of quality of seminars and trainings to be conducted in future.

Corporate Governance

Corporate governance

11.1. Policy on Corporate governance

Polyplex realizes the significance of good corporate governance and makes every effort to implement the Corporate Governance principles laid down by the Stock Exchange of Thailand. The company has firm belief in transparency, accountability and ethical conduct in carrying out its operations. The Company adopts strict internal controls and audits in recognition of their importance. It also has several risk management policies, keeping in mind a good relationship and business ethic towards business partners, shareholders and all concerned parties.

11.2. Rights of shareholders

The Company recognizes the importance of equal rights of all shareholders and considers all the shareholders as owners of the Company irrespective of the percentage of shares owned.

The Company has a policy to report to shareholders regularly on progress of operations, either directly or through the Stock Exchange of Thailand or through information on its website after listing.

The Company believes in providing a fair opportunity to minority shareholders and had invited the Shareholders to propose agenda items before the AGM for a period of over 60 days. Such notification to the shareholders was informed via SET website and posted on the Company's website on February 23, 2021. The notification clearly mentioned the procedure and criteria for exercising the rights of the shareholders to propose the Agenda for the 2021 Annual General meeting of shareholders. The Company has not received any proposal from any shareholder and the same was notified to the Board for considering the Agenda for the AGM at their meeting held on 24 the May 2021.

Shareholders will be given twenty one advance notice of all shareholder meetings, including the meeting agenda and related information. The shareholders would be encouraged to participate in the general meetings and their views and comments would be noted and followed up.

The shareholders also have the following rights which are exercised in the Annual Shareholding meetings:

- Re-appointment of Directors retiring by rotation and approval of the Director remuneration
- Approval of Auditor appointment and remuneration
- Approval of dividend payment

11.3. Rights of stakeholders

Polyplex has always provided equal importance to the requirements of all its stakeholders as under:

- **Personnel:** Company considers all its personnel to be valuable assets, critical to the success and growth of the organization. The Company is committed to providing a quality oriented work environment, with special emphasis on safety, along with fair and equitable remuneration. Apart from basic salary, Performance linked Bonus, Provident Fund contribution and Social Security Contribution, the Company also provides certain other benefits to its employees such as Overtime pay, Housing Allowance, Transport Allowance, Telephone allowance, Medical Insurance, Life Insurance coverage etc.
- **Business partners:** It has always been the policy of Polyplex to develop long standing and growing relationships with all its business partners based on mutual benefit and guided by good business ethics. The company values the long-standing relationship with its business partners, whether it is the banks that support the trade finance and project financing requirements of the Company, or the strong Distributors/ Agent network across various parts of the globe, which help in market development and ensure smooth continuity of the business operations for the company.
- **Competitors:** Polyplex always abides by the framework of fair competition and would work towards market development and growth to the mutual benefit of the industry.
- **Creditors:** To abide by the loan covenants and provide all information about the progress of the Company to its creditors as may be required for smooth business dealings.
- **Customers:** Polyplex is committed to creating customer satisfaction by ensuring consistency in the quality of its products and offering value proposition through its wide network, technical support and local sales personnel at each location. Polyplex has successfully adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging substrate solutions to reassert its environmental commitment and continually strive to manufacture sustainable products which can gain global acceptance.
- **Shareholders:** Polyplex strives to conduct its business in a transparent and efficient manner with a view to constantly strive for improvement in operational efficiency and to enhance shareholder value. New project investments are evaluated prudently to ensure good returns and increase value to the shareholders.
- **Community/Society:** Polyplex realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and the society and also by compliance of applicable laws and regulations relating to the same. The company periodically organizes Blood donation camps and encourages employees to donate blood. Apart from this, the Company also contributes donations (cash and kind), from time to time, to organizations engaged in various community services.

In response to the Covid-19 pandemic, the Company has made some monetary and non-monetary contributions (Face shields/ Food packets distribution) at all the countries it operates, so as to support the fight against this pandemic.



11.4. Shareholders' meetings

The Company endeavors to organize the shareholders' meeting with equitable treatment for all participants and in strict accordance with legal procedures, from meeting invitations, proxy form for those who are unable to attend the meeting, and distribution of meeting documents to inform all concerned of the meeting agendas. It is ensured that the meeting venue and time is convenient and the meeting session allows adequate time for shareholders to ask questions on business operations or voice their opinion.

11.5. Leadership and vision

The Board of Directors is the forum for review of plans, vision, strategies and key policies. Elaborate budgets have been formulated for all functional areas in the Company and a system of Key Result Areas (KRAs) has also been implemented for each department and individual as also at the corporate level to align interests and priorities across the organization. The Board of Directors would play a leading role in regular review of the actual operations vis-à-vis budgets.

11.6. Conflict of interest

The policy is based on the principle that any decision to be made by personnel at all levels in business operations must be in the best interest of the Company. It is the duty of all personnel to avoid any transactions and/or dealings which could result in financial losses to the Company and result in personal monetary benefit. The Audit Committee is entrusted to watch over and review the internal controls and audit function to ensure their efficiency and also ensure adequate disclosures to be made as per the SEC/SET guidelines.

11.7. Business ethics

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility.

11.8. Whistle Blower Policy

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company's Board has in February 2015, approved a Whistle Blower Policy which aims at encouraging its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. This policy aims to provide an avenue for employees who observe an unethical practice (whether or not a violation of law), to approach the Whistleblower Committee, which consists of 4 members, who are key functional heads of the organization and who will report to the Audit Committee about any complaints received by them.

11.9. Check and balance by non-executive directors

As at 31st May 2021, the Company has altogether eight directors as detailed below:

Status	Executive Directors	Non-Executive Directors	Audit Committee
Shareholders' representative Directors	2	2	-
Independent Directors	-	1	3

11.10. Integration or delegation of title and authority

The Chairman of the Board of Directors is an independent director and is also the Chairman of the Audit Committee. Independent directors constitute 50% of the Board of Directors and thus composition of the Board would ensure fair and effective management monitoring. The Managing Director is the CEO in charge of day-to-day operations and has specified powers with certain key decisions requiring approval by the Board of Directors.

11.11. Remuneration for directors and executives

The remuneration of the Board of Directors and the Audit Committee is proposed to the Shareholder meeting for their consideration and approval. The Managing Director's remuneration is fixed by the Board of Directors in discharge of duties as the CEO of the Company. The remuneration of the management is open for review by the shareholders who may set the appropriate policies and guidelines on this matter.

11.12. Board meetings

The meetings of the Board of Directors are usually convened at least once every quarter to review the operations / quarterly financial results and other matters. There were five Board meetings conducted during the FY 2020-2021.

Attendance of directors is as follows:

Name	Position	Attendance*
Mr. Manu Leopairote	Board Chairman & Audit Committee Chairman	5/5
Dr. Virabongsa Ramangkura	Director & Audit Committee member	5/5
Mr. Shiraz Erach Poonevala	Director & Audit Committee member	5/5
Mr. Sanjiv Saraf*	Managing Director	5/5
Mr. Ranjit Singh	Director	3/5
Mr. Praphad Phodhivorakhun	Director	0/5
Mr. Ashish Kumar Ghosh#	Director	1/1
Mr. Amit Prakash##	Managing Director	4/4
Mrs. Sakhi Saraf	Director	5/5

* The attendance is including participation by Directors via Zoom teleconferencing facility as well.

Resigned w.e.f 22nd May, 2020

For meetings attended after appointment w.e.f 22nd May, 2020

11.13. Supporting committees or sub-committees

The Board of Directors has recommended and shareholders have approved an Audit Committee consisting of three independent directors. The Audit Committee members have the requisite qualifications under the relevant SET rules & guidelines. The powers and allocation of work have been clearly defined by the shareholders and include review of internal control systems, review of financial reports, connected transaction or transaction involving conflict of interest. The term of the Audit committee is 2 years and may be renewed by the Board of Directors every 2 years. There were 5 Audit committee meetings held in FY 2020-21 and attendance of the members is as under:

Name	Position	Attendance
Mr. Manu Leopairote	Board Chairman & Audit Committee Chairman	5/5
Dr. Virabongsa Ramangkura	Director & Audit Committee member	5/5
Mr. Shiraz Erach Poonevala	Director & Audit Committee member	5/5

11.14. Internal control and audit system

The Board of Directors exercises control through setting of annual budgets and operational objectives, periodical review of which is done from time to time. Meanwhile, the Audit Committee oversees the internal controls and audit in the Company and suggests measures for improvement.

11.15. Board of Directors' report

The Board of Directors is responsible for the Company's financial statements. As a part of the annual report, the directors have commented on the financial results of the Company.

11.16. Relationship with investors

The Company places significance on the timely disclosure of accurate information to its shareholders and investors. It participates in the SET Opportunity day every quarter and conduct Analysts Meetings to disseminate information about the Company and its operations to investors and analysts. The company also organizes factory visit for the shareholders, analysts and potential investors. As regards investor relations, the Company has a well-developed IR section in the company website. The Investors/ Analysts can also register their e-mail ID's and receive an IR alert message, when any information is updated on the Company's website. Further information regarding the Company may be obtained by contacting at tel. +66 26652706 - 8.

11.17. Measures to prevent use of internal information for executives' personal benefit

The Company is cognizant of the need for supervision of usage of internal company information by its directors and management for their own benefit. The directors and management who come to possess internal company information are not permitted to buy or sell the securities of the Company for a specified period prior to its announcement of operating results. In addition, the Company secretary announces a Trading Window Closure period to the global employees of the Polyplex group, for a specified period prior to announcement of operating results and employees are strictly prohibited from trading in the Company's share during this Window Closure period.

Corporate Social Responsibility

12.1 Ethical Business practices

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility.

12.2 Anti –Corruption and Bribery

Polyplex has a code of conduct for all personnel who emphasize observance of ethical practices, honesty and accountability. Responsibility towards all stakeholders and external agencies is encouraged in order to foster a good corporate culture and social responsibility. In its meeting held on 10th February, 2015, the Board of Directors have approved an Anti-corruption and Bribery Policy, to ensure that any of its personnel do not engage in unethical business practices of any kind, for deriving personal benefits. This policy has been implemented at Thailand and all the overseas subsidiaries of the Company.

12.3 Fair Labor practices

Company considers all its personnel to be valuable assets, critical to the success and growth of the organization. The Company is committed to providing a quality oriented work environment, with special emphasis on safety, along with fair and equitable remuneration. Apart from basic salary, Performance linked Bonus, Provident Fund contribution and Social Security Contribution, the Company also provides certain other benefits to its employees such as Overtime pay, Housing Allowance, Transport Allowance, Telephone allowance, Medical Insurance, Life Insurance coverage etc.

12.4 Responsibility towards customers

Polyplex is committed to creating customer satisfaction by ensuring consistency in the quality of its products and offering value proposition to its global customer base.

12.5 Caring for the Environment

Polyplex realizes the importance of caring for the environment. As a sustainability initiative, it had invested in a project to recycle and provide sustainable solutions for film-based process waste and the project started commercial operations in December, 2013 in Thailand, under the Company's subsidiary - EcoBlue Limited. Over the years, the subsidiary has successfully commissioned few more recycling lines and has also modified one of its existing extrusion lines with which it has successfully been able to develop a high quality rPET grade called 3D Pure which is being used to replace virgin materials in applications like PET film, Filament Yarn and Bottles. A Project for a state-of-the-art post-consumer waste recycling line for recycling of PET & Polyolefin (PO) based waste material is underway and expected to start commercial operations in Q3 of 2021-22.

The company has also taken other specific steps in this regard as under:

- a) Conservation of resources (energy, water etc)
- b) Reduction in wastages
- c) Support circular economy and global sustainability initiatives
 - rPET
 - Recycling Project at the subsidiary - Ecoblue Limited
 - Chemical Recycling capacity expansion in Thailand and Turkey
 - Bio PET films
 - Mono-PET structures
 - Participation in industrywide initiative to build Sorting and collection stream for flexible packaging

12.6 Social and Community Development

Polyplex realizes and cares for the safety of society, environment and quality of life of people. It places priority on activities relating to the community and the society and also by compliance of applicable laws and regulations relating to the same. The company periodically organizes Blood donation camps and encourages employees to donate blood. Apart from this, the Company also contributes donations (cash and kind), from time to time, to organizations engaged in various community services.

Internal Controls

At the audit committee meeting of PTL held on May 24, 2021 with all the three audit committee members attending, the committee assessed PTL's internal control by means of making inquiries with its management. Based on the assessment of PTL's internal control system in five aspects, namely organization and environment, risk management, control of the executives' operation, information technology system & information communication and follow-up system, the Audit Committee viewed that PTL has adequate internal control with regard to the making of transaction with its major shareholders, directors, executives, or persons connected with the above mentioned persons.

The board considered that the Company's adequate and appropriate internal control and follow-up of the operations would be able to safeguard its assets against any illegitimate use by the executives.

Connected Transactions

14.1 A summary of the connected transactions between PTL and the connected parties during the past three years is as follows:

Party having conflict of interest	Relationship	Description of transaction	Pricing policy	Transaction Amount (Million THB)		
				2018-19	2019-20	2020-21
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	PCL made advance payments on behalf of the Company and its subsidiaries for administrative expenses, which were mainly traveling/visa expenses of employees, employees' family, etc. The Company has given the appropriate accounting treatment to these expenses and/or collected these amounts from the employees and paid them back to PCL.	The price of the transaction between PCL and the Company was a normal price in general business practice and was the price as actually paid by PCL in advance for the Company without any extra charge by PCL.	7	3	5
Polyplex Corporation Ltd. (PCL)	PCL is the Company's major shareholder, owning directly and indirectly the 51% of the Company's share capital and the two parties have common directors.	Purchase of Raw material – Polyester Chips and Polyester Film by all the subsidiaries of PTL including PTL	As per Transfer Pricing policy of PCL (Study done by EY Office and TNMM [Transactional Net Margin] Method recommended for Transfer pricing	508	445	464
Mrs. Sakhi Saraf & Mrs. Gauri Gidwani	Daughters of Vice Chairman of the Board - Mr. Sanjiv Saraf	Salary	As per Employment contract	1.3	2.2	4.4
Mr. Pranay Jain	Managing Director and Minority Shareholder of Subsidiary - Ecoblue Limited	Dividend	As approved by the Shareholders' meeting of Ecoblue Limited	1.8	0.9	-

14.2. Necessity and reasonableness of the connected transaction

The connected transaction involved the advance payments made by PCL on behalf of the Company and its subsidiaries for administrative expenses. The Company and its subsidiaries have given the appropriate accounting treatment to these expenses and paid them back to PCL. The reimbursement of advances/expenses was to PCL was at the actual prices incurred without any extra charge by PCL.

The connected transaction also involved the advance payments made by the Company and its subsidiaries on behalf of PCL for administrative expenses, which were later reimbursed by PCL.

During the year, the connected transaction also involved some purchases of Raw materials i.e. Polyester Chips and Polyester Film from PCL, which were made considering Arm's Length Pricing as per Transfer Pricing guidelines. There is a payment of Salary to Mrs. Sakhi Saraf, who was appointed as the Head of Investor Relations and Corporate Communications in November, 2017 and was also appointed as a Director in the Company w.e.f 15th May, 2019 and Mrs. Gauri Gidwani, who was appointed as an Inside Market Specialist at Polyplex USA LLC in March 2020. The remuneration package to Mrs. Sakhi Saraf and Mrs. Gauri Gidwani, daughters of Mr. Sanjiv Saraf, the Vice-Chairman of the Board, is in their capacity as an Employee and is also on Arm' length basis as considered and approved by the Board of PTL.

14.3. Measures or procedures for approval of the connected transaction

The audit committee of PTL has examined the connected transaction described in the table above and viewed that it is in accordance with the normal business practice. For all normal business transactions in the future such as purchase and sale of material, reimbursement of expenses, the Company can undertake the transactions and inform the audit committee and the Board of Directors on a quarterly basis.

For any other future connected transactions, which are not normal business transactions, the Company will assign the concerned units to gather the relevant information and provide it to the audit committee to be used as a basis for its consideration on those transactions as to whether they are consistent with the normal business practice and the market price. The Company would ensure that it follows the applicable regulations of the SEC and SET in this regard. The audit committee has to consider and inform the board of directors for the approval. The directors who have a conflict of interest may not partake in the giving of comments on those connected transactions.

14.4. Policy for potential connected transactions

For any connected transactions that may take place in the future, the Company has a policy to set appropriate conditions on the said transactions based on the reasons and necessity of the Company. The connected transactions performed over the past period were advance payments, made for expenses such as visa, travel ticket expenses etc. There were no extra charges by the parent company regarding such cost and expenses. In performing any future connected transactions, Company's board of directors will comply with the law governing securities and exchange and the regulations, notifications and orders of the Stock Exchange of Thailand, as well as the regulations regarding disclosure of information about connected transactions and acquisition or disposal of core assets of companies or subsidiary companies according to the accounting standards defined by the Institute of Certified Accountants and Auditors of Thailand.

Where the connected transaction involves any person who may have a conflict of interest, the Company will arrange for the audit committee to give opinion on the necessity and appropriateness of that transaction. In case the audit committee has no expertise in any such transaction, the Company will have an independent expert or its external auditor provide opinion on that transaction to be used as a basis of decision-making by the board of directors or the shareholders, as the case may be. The Company will disclose such connected transactions in the notes to the financial statements duly audited by its external auditor.

Financial Position and Operational performance

Financial statements

Auditor

Year	Name of auditor	CPA no.	Auditing firm
2020/21 (April 1, 2020-Mar 31,2021)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2019/20 (April 1, 2019-Mar 31,2020)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2018/19 (April 1, 2018-Mar 31,2019)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2017/18 (April 1, 2017-Mar 31,2018)	Mr. Chayapol Supasethnon	3972	EY Office Limited
2016/17 (April 1, 2016-Mar 31,2017)	Mr. Chayapol Supasethnon	3972	EY Office Limited

Auditor's report

For the year ended 31st March, 2021 and all the past years (except for the year ended 31st March, 2020 where the Auditor has given an unqualified opinion with an emphasis of matters related to the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions), the Auditors have given an unqualified opinion that the financial statements were fairly presented and prepared in accordance with generally accepted accounting principles.

The Consolidated financial statements of last 3 years latest being the year ended on 31st March 2021, have been given for the purpose of comparison and for the appreciation of the change in revenues and profitability over the years.

Polyplex (Thailand) Public Company Limited
Statement of Financial Position

Unit: Bt. 000's

	2018/19 April-March		2019/20 April-March		2020/21 April-March	
	Amount	%	Amount	%	Amount	%
Assets						
<u>Current Assets</u>						
Cash and cash equivalents	855,993	5.40	1,204,346	6.89	1,719,861	8.59
Current investments	13,178	0.08	-	-	-	-
Accounts receivable	2,119,816	13.37	2,411,112	13.79	2,267,684	11.32
Inventories	2,338,040	14.75	2,353,854	13.46	2,887,121	14.41
Other current assets	389,142	2.46	396,223	2.27	498,221	2.49
Total Current Assets	5,716,169	36.06	6,365,536	36.40	7,372,888	36.81
<u>Non-Current Assets</u>						
Restricted bank deposits	64,414	0.41	9,743	0.06	10,910	0.05
Land, premises and equipment-net	9,526,866	60.10	10,706,220	61.21	11,720,628	58.52
Intangible assets-net	5,399	0.03	4,471	0.03	3,696	0.02
Deferred Tax asset	150,168	0.95	76,541	0.44	15,961	0.08
Advance payment for purchases of assets	370,657	2.34	311,466	1.78	561,673	2.80
Other non current assets	17,040	0.11	16,110	0.09	343,578	1.72
Total Non-current Assets	10,134,543	63.94	11,124,551	63.60	12,656,447	63.19
Total Assets	15,850,712	100.00	17,490,087	100.00	20,029,334	100.00
Liabilities & Shareholders' Equity						
<u>Current Liabilities</u>						
Trade and other Payables	1,146,892	7.24	1,185,815	6.78	1,410,187	7.04
Long-term loans-due within one year	420,639	2.65	147,295	0.84	252,734	1.26
Current portion of Lease agreements	-	-	-	-	5,804	0.03
Short-term loans from financial institutions	1,595,522	10.07	906,628	5.18	650,000	3.25
Income tax payable	2,558	0.02	26,245	0.15	82,933	0.41
Other current liabilities	440,688	2.78	587,713	3.36	583,173	2.91
Total current liabilities	3,606,297	22.75	2,853,697	16.32	2,984,831	14.90
<u>Non-current Liabilities</u>						
Long-term loans-net of amount due within one year	594,230	3.75	1,506,020	8.61	1,361,610	6.80
Liabilities under Lease agreements	-	-	-	-	12,552	0.06
Provision for long-term employee benefits	39,995	0.25	55,742	0.32	52,822	0.26
Deferred Tax Liabilities	-	-	152,910	0.87	268,011	1.34
Other Non- Current Liabilities	-	-	-	-	10,369	0.05
Total Liabilities	4,240,522	26.75	4,568,368	26.12	4,690,194	23.42
Shareholders Equity						
<u>Issued & Paid-up Share Capital</u>						
Ordinary shares	900,000	5.68	900,000	5.15	900,000	4.49
Premium on ordinary shares	1,908,450	12.04	1,908,450	10.91	1,908,450	9.53
Other components of shareholders' equity	(1,338,186)	(8.44)	(1,207,430)	(6.90)	(1,042,999)	(5.21)
Legal Reserve	96,000	0.61	96,000	0.55	96,000	0.48
Retained earnings (deficits)	10,012,304	63.17	11,190,252	63.98	13,415,695	66.98
Total Shareholders' Equity	11,578,568	73.05	12,887,272	73.68	15,277,145	76.27
Minority Interest	31,622	0.20	34,447	0.20	61,995	0.31
Total Liabilities and Shareholders' Equity	15,850,712	100.00	17,490,087	100.00	20,029,334	100.00

Polyplex (Thailand) Public Company Limited
Statement of Income

Unit: Bt. 000's

	2018/19 April-March		2019/20 April-March		2020/21 April-March	
	Amount	%	Amount	%	Amount	%
Revenues						
Net sales	14,746,184	96.61	14,050,846	99.48	15,144,388	99.53
Gain on Foreign exchange and derivatives	450,287	2.95	-	-	13,311	0.09
Other income	67,576	0.44	73,851	0.52	58,291	0.38
Total Revenues	15,264,047	100.00	14,124,697	100.00	15,215,990	100.00
Expenses						
Cost of sales	11,543,091	75.62	10,769,285	76.24	10,433,231	68.57
Selling and distribution expenses	825,879	5.41	761,616	5.39	970,867	6.38
Administrative expenses	409,173	2.68	466,196	3.30	507,304	3.33
Loss on Foreign exchange and derivatives	-	-	311,096	2.20	-	-
Reversal of impairment of property, plant and equipment	-	-	(310,248)	(2.20)	-	-
Total Expenses	12,778,143	83.71	11,997,946	84.94	11,911,402	78.28
Profit (loss) before interest expenses	2,485,904	16.29	2,126,751	15.06	3,304,588	21.72
Finance costs	(112,052)	(0.73)	(66,361)	(0.47)	(61,447)	(0.40)
Tax Expense	(41,290)	(0.27)	(253,597)	(1.80)	(270,671)	(1.78)
Net profit (loss) after income tax	2,332,563	15.28	1,806,794	14.59	2,972,470	21.31
Net loss (Profit) of minority interest	(8,176)	(0.05)	(3,717)	(0.03)	(2,465)	(0.02)
Net profit (loss)	2,324,387	15.23	1,803,077	14.56	2,970,004	21.30
Add/(Less): Forex Loss/ (Gain)	(450,287)	(2.95)	311,096	2.20	(13,311)	(0.09)
Add/ (Less): Exceptional losses/ (Gains)	-	-	(310,248)	(2.20)	-	-
Normalized Profit (Loss)	1,874,100	12.28	1,803,926	14.57	2,956,693	21.21
Earnings (losses) per share (Bt.)						
- On reported profit basis	2.58	-	2.00	-	3.30	-
Earnings (losses) per share (Bt.)						
- On normalized profit basis	2.08	-	2.00	-	3.29	-

Polyplex (Thailand) Public Company Limited
Cash Flow Statement

Unit : Bt. 000's

	2018/19 April-March	2019/20 April-March	2020/21 April-March
Cash flow from operating activities			
Profit before tax	2,373,853	2,060,391	3,243,140
<u>Adjustments to reconcile profit of net cash provided by operating activities</u>			
Depreciation and amortization	756,081	862,893	929,914
Doubtful debts (doubtful debts recovery)	(4,159)	(3,191)	32
Actuarial losses	-	1,634	-
Decrease of inventories to net realisable value (reversal)	19,731	15,825	(9,364)
Interest Expense	106,858	56,922	61,447
Unrealized losses (gains) on foreign exchange	(405,707)	378,779	17,455
Long-term employee benefit expense	4,888	11,401	3,580
Losses (gains) on sale and write off of property, plant and equipment	903	2,236	4,180
Impairment loss on property, plant and equipment	-	(310,248)	-
Interest Income	(16,883)	(20,494)	(23,445)
<u>Profit (Loss) from operation before changes in operating assets and liabilities</u>	2,835,564	3,056,147	4,226,939
<u>Operating assets (increase) decrease</u>			
Accounts receivable	(109,642)	(217,672)	83,265
Inventories	(246,388)	(30,592)	(525,143)
Other current assets	(185,663)	(633)	44,348
Other non-current assets	(5,576)	930	(82,242)
Accounts payable	23,436	(10,685)	217,940
Other current liabilities	92,494	97,676	29,203
Payment of long-term employee benefits	(4,318)	(2,048)	(4,853)
Income tax paid	(41,726)	(30,786)	(42,817)
Cash flow provided from (used in) operating activities	2,358,181	2,862,338	3,946,640
<u>Cash flow from Investing activities</u>			
Decrease (Increase) in restricted bank deposits	(55,344)	54,671	(1,167)
Decrease (increase) in current investments	(8,678)	13,178	(381,526)
Decrease/ (increase) in advance payment for purchases of assets	(123,520)	59,191	(250,207)
Increase (decrease) in accounts payable for purchases of fixed assets	(11,765)	54,610	(712)
Purchases of property, plant and equipment	(1,319,448)	(1,854,742)	(1,862,447)
Proceeds from sales of property, plant and equipment	9,136	2,256	9,944
Increase in intangible assets	(801)	(218)	(119)
Cash received from interest	18,102	20,558	22,665
Net cash used in investing activities	(1,492,318)	(1,650,496)	(2,463,569)
<u>Cash flow from financing activities</u>			
Interest Paid	(108,316)	(80,225)	(66,768)
Increase (Decrease) in short term loans from financial institutions	(80,322)	(688,894)	(256,628)
Increase (decrease) in long-term loans from financial institutions	(400,267)	602,115	(34,768)
Dividend payment	(613,784)	(621,892)	(747,000)
Cash paid to non-controlling interests of subsidiaries			25,083
Payments of lease liabilities			(5,052)
Cash provided from financing activities	(1,202,689)	(788,896)	(1,085,132)
Currency Translation changes	(137,294)	(74,593)	117,577
Increase in cash and cash equivalents	(474,121)	348,353	515,515
Cash and cash equivalents at the beginning of period (April 1)	1,330,114	855,993	1,204,346
Cash and Cash equivalents at the end of period (March 31)	855,993	1,204,346	1,719,861

Polyplex (Thailand) Public Company Limited
Financial Ratios

		2018-19	2019-20	2020-21
		April-March	April-March	April-March
<u>Liquidity Ratios</u>				
Current ratio	(time)	1.59	2.23	2.47
Quick ratio	(time)	0.83	1.27	1.34
Cash flow current ratio	(time)	0.66	0.89	1.35
Receivable current ratio	(time)	7.16	6.20	6.47
Avg. debt collection period	(day)	50.28	58.04	55.61
Inventory turnover period	(time)	18.46	14.30	11.18
Avg. selling period	(day)	19.50	25.17	32.20
Payable current ratio	(time)	10.11	9.23	8.04
Loan repayment period	(day)	35.61	38.99	44.79
Cash cycle	(day)	34.18	44.22	43.02
<u>Profitability Ratios</u>				
Gross profit margin	(%)	21.72%	23.35%	31.11%
Operating profit margin	(%)	13.35%	14.62%	21.35%
Other profit margin	(%)	2.95%	0.00%	0.09%
Cash to profit margin	(%)	94.86%	134.53%	119.43%
Net profit margin	(%)	15.23%	12.77%	19.52%
Return on equity	(%)	21.04%	14.74%	21.09%
<u>Efficiency Ratios</u>				
Return on assets	(%)	15.00%	10.82%	15.83%
Return on fixed assets	(%)	33.14%	26.35%	34.78%
Asset turnover	(time)	0.99	0.85	0.81
<u>Financial Policy Ratios</u>				
Debt to equity ratio	(time)	0.37	0.35	0.31
Interest coverage ratio	(time)	22.46	50.83	64.92
Commitment coverage ratio (cash basis)	(time)	1.01	1.53	1.49
Pay out ratio *	(%)	30%	31%	30%

* Payout ratio is on normalized profits. For FY 2020-21 as proposed by Board of Directors for Shareholder consideration and approval.

Management Discussion and Analysis

16.1 Operational performance

The key highlights of the year's performance are as follows:

Description	Unit of measure	FY 2019-20	FY 2020-21	YoY
Sales Volumes (Film sales)	MT	186,819	219,014	17.2% ▲
Sales Value	Million Baht	14,051	15,144	7.8% ▲
Normalized EBITDA	Million Baht	2,990	4,221	41% ▲
Normalized EBITDA margin	%	21.2%	27.9%	659 bps ▲
Normalized PAT	Million Baht	1,804	2,957	64% ▲
Normalized EPS	Baht/ Share	2.00	3.29	64% ▲

During the year under review, the Company was able to deliver significantly better financial results due to declining raw material prices in its core business of BOPET films and favorable market situation which helped to hold on to selling prices for a longer than normal period, thereby enhancing margins. Apart from this, the Company's strategy of continued focus on Specialty product segment and start-up of few smaller projects in this segment at Turkey and Thailand helped bolster growth in overall profitability.

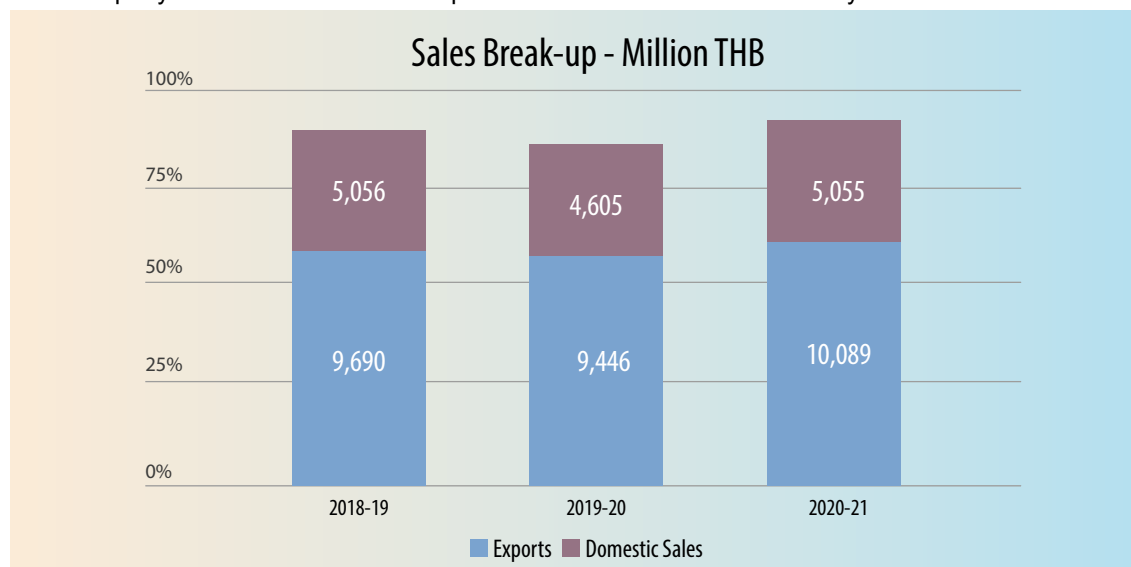
The new line in Indonesia was fully ramped up and contributed to sales volume growth as well as improvement in profitability.

TOTAL REVENUES

Sales Revenue:

Consolidated Sales revenue of the company has increased from Baht 14,050.85 million to Baht 15,144.38 million, an increase of Baht 1,093.5 million or 7.8%. The increase in Sales revenue is mainly due to overall higher sales volumes (increased by 18% YoY) on account of additional volumes from the ramp-up of the new line in Indonesia. The Sales value, however, increased only by about 8% due to lower average sales realization owing to decline in the input raw material prices compared to previous year.

The Company's Sales revenue from Exports and Domestic sales for last 3 years is as below:



Other Income:

Other income has decreased by Bt 15.6 million or 26.7% mainly due to lower insurance claim income, and lower export subsidies income partly offset by higher interest income at Turkey subsidiary on deployment of its surplus funds into Bonds/ Funds and higher interest income on bank deposits at Indonesia subsidiary.

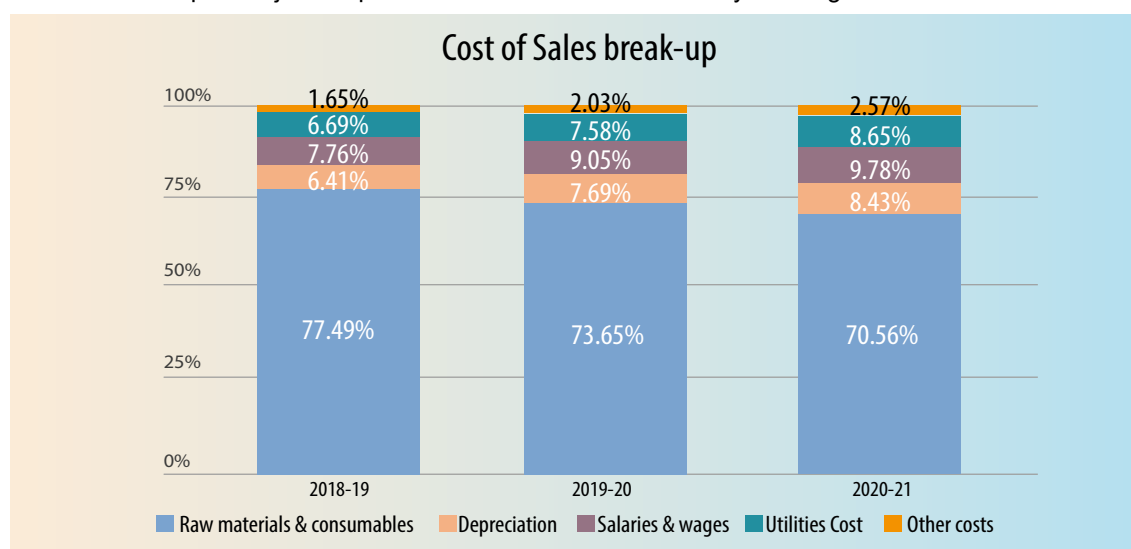
TOTAL EXPENSES

The key elements of the Company's cost structure are raw materials, packing, electricity & fuel, depreciation, staff cost, selling & administrative expenses and finance costs.

The company recorded total consolidated expenses of Baht 11,911.40 million being a decrease over corresponding year by Baht 86.5 million or 0.72%.

The cost of sales has decreased by Baht 336.05 million or 3.12% mainly due to decline in raw material prices, partly offset by higher volumes including volumes from the full ramp up of new line in Indonesia

A broad break-up of major components of Cost of sales of last 3 years is given below:



Higher selling expenses was mainly due to the impact of full ramp up of Indonesia operations and also due to a sharp increase in outbound freight expenses due to global shortage of containers pushing up freight rates. This is partially offset by lower commission on sales and savings on account of lower foreign travel expenses at almost all the locations.

Higher admin expenses are mainly due to higher expenses at Thailand and subsidiaries for professional consultations, warehouse handling and transportation charges and higher depreciation on office equipment, vehicles and Right of Use (ROU) assets.

There is a net Exchange gain in this year as against Exchange loss in previous year, mainly due to unrealized gains on restatements of forex loans Indonesia on account of appreciation of IDR against Euro as well as USD. This is partly offset by unrealized loss on restatement of Euro loans at Thailand and USA on account of depreciation of THB and USD against Euro. There is a Gain on derivatives this year as compared to Loss on Derivatives in previous year due to the mark-to-market fluctuations on open Forward contracts at period end.

Net financial charges

The consolidated finance costs during the year were Baht 61.44 million, a decrease of Baht 4.91 million or 7.40% over corresponding year.

Finance costs are lower due to decline in interest rates and also due to lower debt levels at Thailand and US subsidiary. This is partly offset by higher term loan interest at the subsidiary in Indonesia, due to Interest expenses for full FY as compared to only few months in previous year, since it commenced commercial operations in November 2019.

Corporate Income Tax

The Consolidated Corporate Income tax expense in this year is Baht 270.67 million, as increase of Bt 17.07 million or 6.73% as compared to the corresponding year. The increase in tax expense is mainly due to higher profit at Thailand as well as subsidiaries and includes current tax as well as impact of deferred tax accounting.

Profit margins – Gross Profit, Operating Profit and Net profit ratios

On Consolidated basis, the gross margin and operating margin have improved compared to previous year due to the benefit from declining raw material prices and overall better operational performance due to improvement in market sentiments.

16.2 Financial status

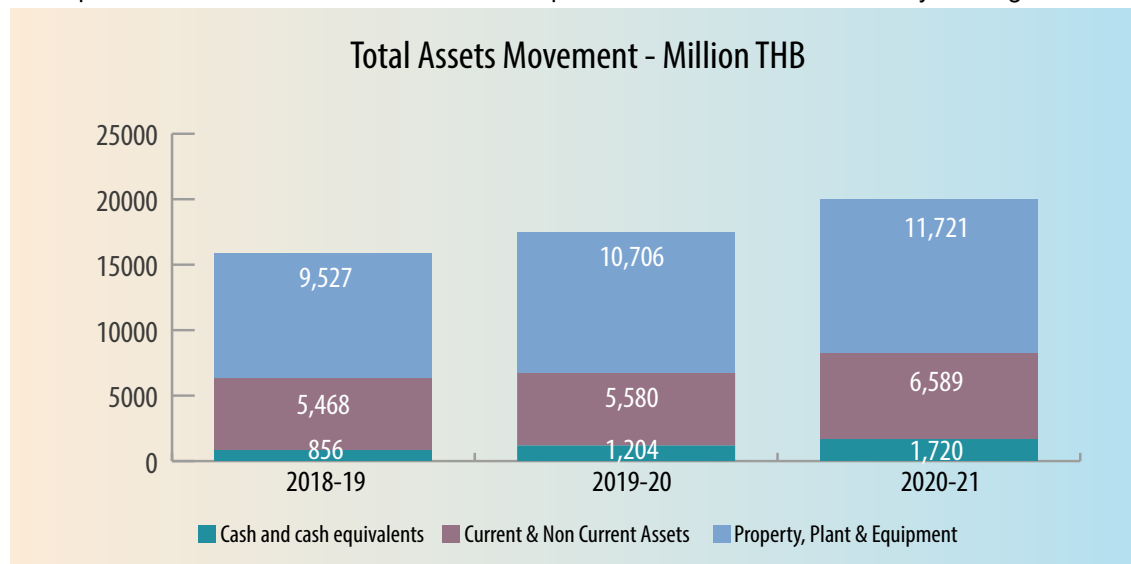
As at 31 March, 2021, there has been a 4.1% appreciation of THB against the USD (approx. THB 1.33/USD) and 2.1% depreciation against the Euro (approx. THB 0.75/Euro) and 7.8% depreciation against IDR (approx. 0.155 per 1000 Rupiah) as compared to the exchange rate on 31 March 2020, so the translation of the Company's subsidiaries' Statement of Financial Position has resulted in net translation gains of Baht 159.9 million.

TOTAL ASSETS

As on 31st March 2021, The Company's consolidated total assets were Baht 20,029 million, higher by 14.52% as compared to Baht 17,490 million in the previous year.

The main components of Total Assets are Cash & Cash Equivalents, Current assets and non-current assets, Property, Plant & Equipment's.

A comparison of the movement in the various components of total assets over last 3 years is given below:



The major movement in assets during the year:

Current assets:

- Current assets have gone up by Bt 1,007.3 million or 15.8% compared to March 2020.
- Increase in cash and cash equivalents is mainly due to net cash generated from operations.
- Decrease in Trade Receivables is mainly due to reduction in overdues compared to March 2020, partly offset by higher sales.
- Increase in Inventories is mainly due to higher finished goods, raw material (including Goods-in-transit) and Stores and spares inventory.
- Increase in Other current assets is mainly due to increase in Derivative assets (MTM Gain on the Forwards contracts) and Investments of surplus funds in Bonds and Bond funds. This increase is partly offset by other current assets such as lower advances payment for purchase of goods, decrease in Input tax refundable and decrease in receivables for raw material price adjustment.

Non-current assets:

- The restricted bank deposit at the Indonesia subsidiary is in respect of a letter of guarantee issued by a local bank to a vendor
- Increase in Property Plant & Equipment (net block) is mainly due to the Project/ Normal CAPEX at Thailand and the subsidiaries partly offset by the depreciation charged during the year.
- Decrease in Deferred tax asset is mainly due to partial reversal at Thailand on account of utilization of Tax losses to offset the current year profits and also due to net impact of Deferred tax accounting at the subsidiaries.
- Increase in Advances for purchase of fixed assets is due to additional advances paid for the ongoing projects at the subsidiaries partially offset by lower advances at Thailand due to adjustment of advances against machinery deliveries.
- Increase in other non-current assets is mainly due to investment of surplus funds by the Turkey subsidiary into financial instruments (Bonds/ Mutual fund units) and also due to the increase in Input tax refundable at the Indonesia subsidiary. Due to the nature of the taxes paid and the time taken for refund, the same has been classified as non-current in current period.

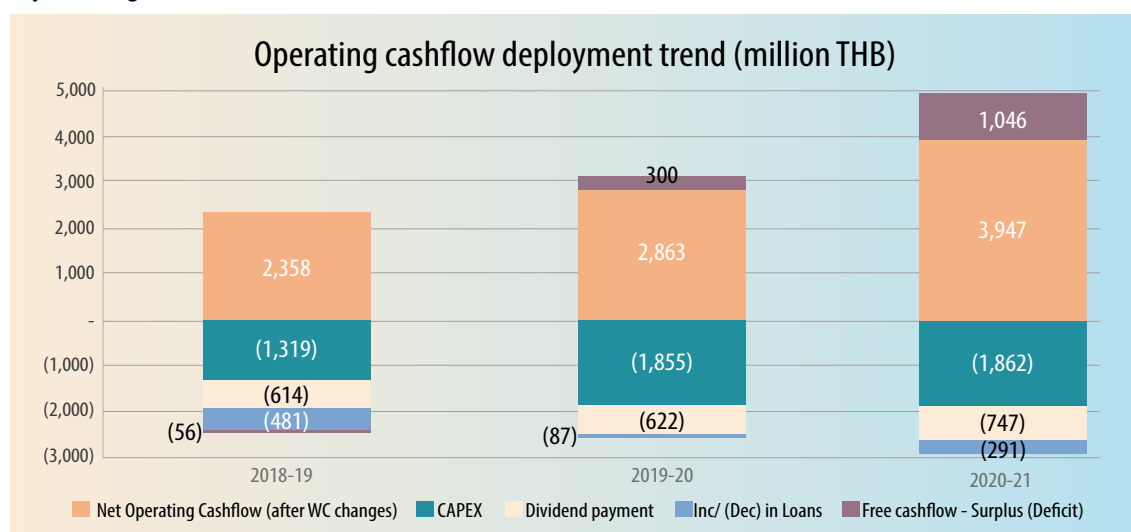
Return on assets

The return on assets is 15.83% as compared to 10.82% during previous year. The increase is on account of the significant improvement in Net profits this year. There is also an increase in the overall Asset base of the Company by about Bt 2.8 billion due to the increase in current assets on account of start-up of Indonesia operations and higher Property, Plant & Equipment due to the investment in project in Indonesia and other normal Capex additions in Thailand and other subsidiaries.

16.3 Liquidity

In line with the growth in profitability over the last 3 years, the Company has been able to improve the cashflow from its operations and has judiciously deployed it in various project investments and has also optimized the borrowings and finance cost, while distributing fairly good dividends to its shareholders.

The snapshot of cashflow generations and the growth in cash & cash equivalent balances over last 3 years is given below:



- During the year under review, the Company generated cash of Baht 3,947 million in operating activities as per details below:
 1. Cash generated from operating activities (before changes in operating assets and liabilities) was Baht 4,227 million.
 2. The impact of changes in working capital (Outflow of Baht 280 million) is as under:
 - Decrease in Accounts Receivable by Baht 83 million due to lower overdue compared to March 2020 and also due to lower selling prices.
 - Increase in inventories by Baht 525 million due to higher finished goods, raw material (including Goods-in-transit) and Stores and spares inventory.
 - Increase in other current and non-current assets by Baht 37 million.
 - Increase in Accounts Payable by Baht 218 million due to higher unrelated party trade payables, partly offset by lower related trade payables as well as lower unrelated other payables and payable for fixed assets.
 - Payment of long-term employee benefits - Baht 5 million
 - Cash paid for income tax - Baht 43 million
 - Increase in other current liabilities by Baht 29 million due to reduction in advances from customers partly offset by higher expense provisions.

- Net cash used in investing activities is Baht 2,463 million as per details below:
 1. Net additions to fixed assets - Baht 1,862 million.
 2. Baht 1 million increase in the restricted bank deposit
 3. Net increase in Advance and decrease in Accounts payable for fixed assets by Baht 251 million
 4. Increase in current and non-current financial assets - Bt 381 million due to investment of surplus by Turkey subsidiary in Bonds/ Mutual Funds.
 5. Proceeds from sale of property, plant & equipment Bt 10 million
 6. Cash received from Interest - Bt 22 million
- The net cash outflow from financing activities of Baht 1,085 million:
 1. Net decrease in Short term loan - Baht 257 million
 2. Net decrease in Long term loans from banks - Baht 35 million
 3. Dividend paid during the year - Baht 747 million
 4. Cash received from Share subscription in subsidiaries - Baht 25 million
 5. Cash paid for Lease Liabilities - Baht 5 million
 6. Cash paid for interest on term loans and short-term loans - Baht 66 million

The surplus thereof, along with translation adjustment gain of Baht 117 million, and opening balance of Baht 1,204 million has resulted in a net closing balance of Baht 1,720 million.

Liquidity ratio

During the year under review, the current ratio was 2.47 and quick ratio was 1.34. The average debt collection period was 56 days along with Account payables period of 45 days and average selling period of 32 days, resulting in a cash cycle of 43 days as against a cash cycle of 44 days of previous year.

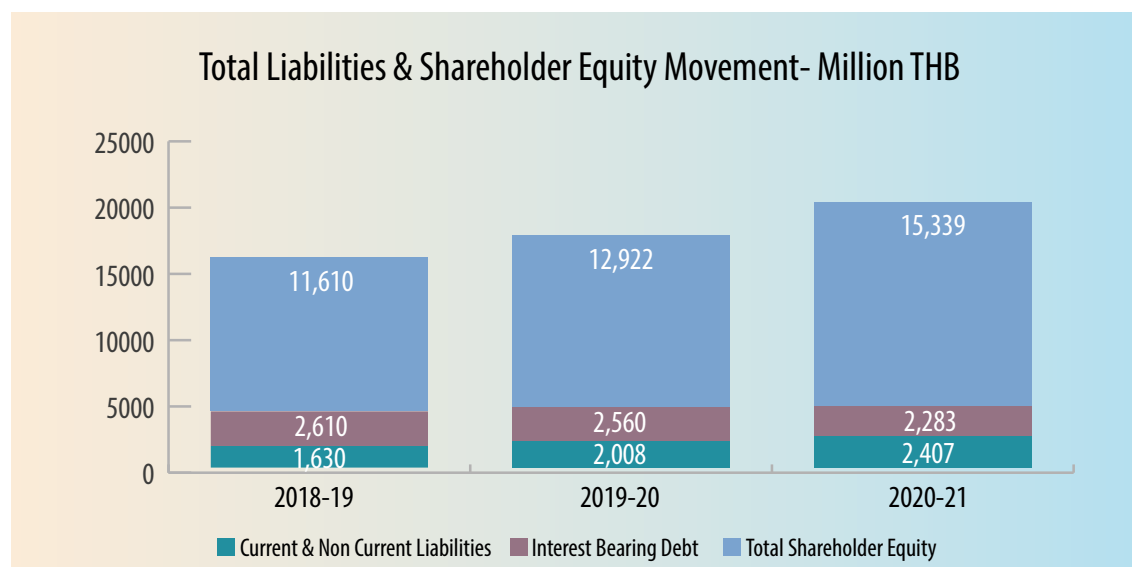
16.4 Sources of funds

Sources of funds consist of long term and short-term loans from financial institutions and shareholders' equity.

TOTAL LIABILITIES

As on 31st March, 2021, consolidated Total liabilities stood at Baht 4,690 million, an increase of 2.67% over Bt 4,568 million of previous year. The key components of total liabilities are Current and Non-Current Liabilities, Interest bearing debt (short/ long-term) and Total Shareholder Equity.

A comparison of the movement in the various components of total liabilities and the growth in Shareholder Equity over last 3 years is depicted below:



The major movements in Liabilities during the year are as under:

Current & Non-Current Liabilities:

- Decrease in short term borrowings is due to repayment of loans at Thailand and the US subsidiary, using cash generated from operations.
- Decrease in trade and other payables is due to lower related and unrelated party trade payables (mainly due to raw material price drop), partly offset by higher unrelated other payables and higher payables for fixed assets.
- Despite increase in borrowings at the subsidiary in Indonesia, there is a reduction in Long term loan balance as due net unrealized gains on the USD and Euro loan restatement during the year and also the repayment of loans at Thailand and Indonesia subsidiary.
- Increase in Income Tax payable is due to Tax liability at Thailand as the brought forward tax losses have been fully utilized.
- Deferred Tax Liabilities is due to the provision made at the US subsidiary
- Decrease in provision for long-term employee benefits is due to lower provision at Thailand due to change in discounting rate used for such valuation.
- Decrease in other current liabilities is mainly due to reduction in advances from customers partly offset by higher expense provisions.
- Increase in other current liabilities is mainly due to increase in bonus and other expense provisions, higher MTM losses on Forward contract, increase in provisions for Employee Benefit Obligation and provisions for quality claims & sales returns as per new accounting standard.
- Lease liabilities are provisions made in line with the new accounting standard - TFRS 16
- Non-current financial liabilities refer to MTM loss on Forward contracts with maturity of more than 1 year (mainly relating to the Projects in US).

Major changes in Shareholder Equity:

- The retained earnings have increased due to the net profits generated during the year, partly offset by Dividend appropriation.
- The increase in other components of equity is mainly due to net exchange translation net gain arising on account of translation of the Euro and IDR denominated balance sheet of the subsidiaries due to the depreciation of Baht against Euro and IDR, partly offset by translation loss on the USD denominated balance sheet due to appreciation of Baht against USD.
- The increase in Non-controlling interests of subsidiaries is due to minority's contribution towards the Share Capital increase and also due to the share of profits generated during the year.

Return on equity

The Return on Equity is 21.09% as compared to 14.74%, higher this year due to the significant improvement in profitability.

The Company has a policy to pay dividend at 40% of consolidated net profits, taking into account economic conditions, growth plans, future deployment opportunities, the Company's financial position and liquidity and subject to the approval by the shareholders.

For the year 2020-21, the Board has recommended a payout of THB 1/share or total payout of THB 900 million, out of which THB 0.54/share of THB 486 million was paid out as Interim dividend in December 2020 and balance of THB 0.46/share or THB 414 million is being proposed as Final dividend, for approval of shareholders in the Annual General meeting in July 2021.

Leveraging & interest coverage ratio

The net debt equity ratio (debt only - short term and long term, including current portion, after netting off cash & cash equivalents and current investments) is 0.04 on a consolidated basis (as compared to 0.11 in previous year end). The improvement is due to increase in retained earnings due to higher profitability and the forex gains on the loan restatement and also the debt repayments over the year, partly offset by the impact of additional debt borrowed at the Indonesia subsidiary.

Debt equity ratio (for total debt, including current + non-current liabilities), is 0.31 on a consolidated basis as compared to 0.35 in the previous year end.

The interest coverage ratio has improved from 32 to 54 times, mainly due to improvement in cash generated from operations and also lower interest expenses due to overall reduction in debt levels and also lower interest rates.

16.5 Main factors which may affect the future operational performance and financial position

The company has delivered improved results in last 2-3 years due to improved market conditions, internal production efficiencies, as well as improvement in product mix with increasing share of specialty films.

The key challenges for the company in the coming year would be the following:

- Timely start-up of all ongoing expansion projects, particularly the brownfield BOPP project in Indonesia, thin PET film line in USA and other smaller projects in Turkey and Thailand dedicated mainly towards improvement of Specialty portfolio.
- To ensure 100% line-fill at all manufacturing locations with a profitable sales mix.
- Decline in demand. While the demand for Industrial - consumer discretionary white goods/ mobile devices/ automobiles etc is susceptible to economic downturns, the Company's exposure to Industrial and Electrical segment is quite limited and the key application for Thin PET films is Flexible packaging of consumer staples, where demand is expected to continue to grow. Further, some new innovative applications such as Solar PV cells and the Electric Vehicle (Lithium Ion Battery) are considered to be the new segments with high growth potential and expected to drive the growth in the Industrial and Electrical segments over next few years.
- Raw material price volatility. Any changes in raw material prices are largely get passed on to the end customers, it happens only with some time lag and may impact the margins in the interim. In any case, volatility in raw material prices is not good, as it dampens the overall business sentiment.
- Volatility of THB and IDR against USD and Euro as well as the movement of Euro against the USD impacts the reported profits of the company. The company is exposed to 2 types of exchange fluctuation risks, one on the operational profits, including the restatement of the foreign currency denominated assets/ liabilities of each entity on a standalone basis and secondly, on the conversion of the subsidiaries' financial statements, which are denominated in USD, Euro and IDR, into THB currency for the purpose of consolidation. While the Company hedges most of its operational foreign currency exposures, the fluctuations on account of restatement of long-term loans cannot be completely hedged. As on 31st March, 2021, the total foreign currency denominated loans at Thailand are Euro 101 million (related party loans) and at USA is USD Euro 46.8 million (related party loan) and at Indonesia is USD 18.6 million and Euro 71.5 million (including related party loans)
- New upcoming capacities (approximately 1.8 million MT over next 2-3 years) in Thin BOPET film (including China) impacting the margins. Most of the new capacities are announced by incumbent industry players and is not considered as too disproportionate when compared to the historic growth rates in demand. Delay in start-up of some of these new lines due to Covid19 may help to spread out the capacities over a longer period of time. In addition, the Industry could witness likely closure of old and inefficient lines which may not be economically viable when compared to the high productive assets like the one installed by the Company in Indonesia.
- Industry is stepping into competitive era where producers with cost efficient production, attractive product basket with high share of specialty products, low leverage and sufficient cash reserves would have an edge over other players.

16.6 Remuneration for auditor/s

1. Audit fee

The Company paid audit fee as below:

- A total of Baht - paid to the auditor/s for the past fiscal year; and
- A total of Baht 2,940,000 paid to the accounting firm the auditor/s work for, or the person or business related to the auditor/s and the accounting firm for the past fiscal year.

2. Non-audit fee

The Company made payment for other services, i.e. examination of compliance with conditions of promotion certificates, and legal and tax advisory services, including BOI and tax audit services, as follows:

- A total of Baht - paid to the auditor/s for the past fiscal year and Baht - payable in the future for the service not yet fully done for the past fiscal year; and
- A total of Baht 185,000 paid to the accounting firm the auditor/s work for, or the person or business related to the auditor/s and the accounting firm for the past fiscal year, and Baht 660,000 payable in the future for the service not yet fully done for the past fiscal year.

Information of the Director and Management

17.1 Information of Director and Management of the Company as on 31.5.2021

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
1.	Mr. Manu Leopaivate	Board Chairman & Audit Committee Chairman	78	<div><div>- Bachelor's degree Economics (Hons.), Thammasat University</div><div>- Master's degree M.Sc. (Econ.), University of Kentucky, USA</div><div>- Ph.D in Business Administration (Honorary), Thammasat University</div><div>- Certificate, Industrial Development, Nagoya, Japan</div><div>- The National Defense College, Class 34</div><div>- Certificate, Thai Institute of Directors (IOD)</div><div>- Directors Certification Program (DCP), Class 30/2003</div><div>- The Role of Chairman Program (RCM), Class 3/2001</div></div>	-	-	Listed Companies on SET		
							2004-Present	Board Chairman & Chairman of the Audit Committee	Polyplex (Thailand) Plc.
							2010-Present	Chairman	ARIP Public Company Limited
							2004-Present	Chairman	Khon Kaen Sugar Industry Public Company Limited
							2011-Present	Chairman	T.M.C Industrial Public Co.Ltd
							2010-Present	Chairman	Jubilee Enterprise Pcl.
							2010-Present	Chairman	SVOA Pcl.
							2004-Present	Chairman	Bangkok Union Insurance Plc.
							2016-Present	Chairman of Audit Committee	TPI PL Power PCL
							2.	Mr. Sanjiv Saraf	Vice Chairman
July 2010 - Present	Vice - Chairman	Polyplex (Thailand) Plc.							
Other organizations									
May 2002 - Present	Chairman	Polyplex Corporation Ltd.							
March 2020 - Present	Director	Polyplex (Asia) Pte. Ltd.							
2004 - June, 2016	Director & Chairman	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi, Turkey							
2011 - March 2017	Director	Polyplex America Holding Inc.							

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
3.	Dr. Virabongsa Ramangkura	Director & Audit Committee member	78	<ul style="list-style-type: none">- Bachelor's degree First Class Honors, B.A. in Political Science, Chulalongkorn University- Master's Degree Economics ,University of Pennsylvania, U.S.A.- Ph.D.(Economics), University of Pennsylvania, U.S.A.- Doctor of Law (Honorary), Webster University, USA	-	-	Listed Companies on SET		
							2004-Present	Director & Audit Committee member	Polyplex (Thailand) Plc.
							1995-Present	Chairman	Double A (1991) Public Co., Ltd.
							2005-Present	Chairman	Finansa Public Co., Ltd.
							2013-Present	Independent Director	Mathichon Public Company Limited
							2004-Present	Advisory Chairman	Areeya Property Public Co., Ltd.
							Other organizations		
							2006-Present	Chairman	South East Asia Energy Co., Ltd.
							2005-Present	Chairman	Bang-Mod Hospital Co., Ltd.
							1995-Present	Director	Advance Paper Co.,Ltd.
							1995-Present	Director	Advance Agro Holding Co.,Ltd.
							1984-Present	Chairman	Thailand Development Research Institute Foundation
							2008-Present	Chairman of the Advisory Board	King Power International Co., Ltd.

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years			Company / Type of Business
							Period	Position		
4.	Mr. Praphad Phodhivorakhun	Director	75	<div><div>- Business Management from Sheffield College of Technology, Sheffield, England.</div><div>- Master Degree Business Administration (MBA), Public Administration (MPA) Ramkhamhaeng University</div><div>- Honorary Doctorate Degree in Business Administration Rajabhat University of Lampang</div></div>	-	-	Listed Companies on SET			
							2004-Present	Director		Polyplex (Thailand) Plc.
							October 1999 - Present	Chairman of Board of Directors		Kang Yong Electric Public Company Limited
							July 1994 - Present	Director		Kulthorn Kirby Public Company Limited
							Aug2008 - Present	Member of Nomination and remuneration committee		Kang Young Electric Public Company Limited
							Other organizations			
							November 1995 - Present	Chairman of Board of Directors		Mitsubishi Electric Kang Yong Wattana Co., Ltd.
							July 1996 - Present	Chairman of Board of directors		Yokohama Rubbers (Thailand) Co., Ltd.
5.	Mr. Shiraz Erach Poonevala	Director & Audit Committee Member	56	<div><div>- Bachelor of Commerce Sydenham College of Commerce, India</div><div>- Master of Commerce Sydenham College of Commerce, India</div><div>- Associate Chartered Accountant Institute of Chartered Accountants of India</div></div>	-	-	Listed Companies on SET			
							2004 - Present	Director & Audit Committee member		Polyplex (Thailand) Pcl.
							February 2013 - Present	Director		Mega Lifesciences Public Company Limited
							Other organizations			
							March 2008 - Present	Director - Investment		G.P. Group of Companies Limited
							May 2016 - May 2020	Director & Audit Committee member		Boutique Corporation Plc

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years			Company / Type of Business
							Period	Position		
6.	Mr. Amit Prakash	Managing Director	51	<div>- Bachelor of Technology in Electronics, Harcourt Butler Technical Institute, KANPUR-INDIA</div> <div>- Master's degree In Marketing, Warwick Business School - U.K</div>	-	-	Listed Companies on SET			
							May 2020 - Present	Managing Director	Polyplex (Thailand) Plc.	
							May 2019 - May 2020	Business Advisor to Managing Director	Polyplex (Thailand) Plc.	
							Other organizations			
							December 2012 - Present	Director	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi	
							September 2013 - Present	Director	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş	
							February 2015 - Present	Director	Polyplex (Singapore) Pte Ltd	
							March 2015 - Present	Director	EcoBlue Limited	
							April 2016 - Present	Director	Polyplex USA LLC	
							April 2016 - Present	Director	Polyplex (America) Holdings Inc.	
							August 2011 - Present	Director	Polyplex (Asia) Pte. Limited.	
							May 2019 - Present	CEO& Executive Director	PT.Polyplex Films Indonesia	

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
7.	Mrs. Sakhi Saraf	Director and Head - Investor Relations and Corporate Communications & Director w.e.f 15th May, 2019	34	<ul style="list-style-type: none">- B.A. International Relations, Brown University- International MBA -IE Business School- Thai Institute of Directors (IOD) - Director Certification Program - DCP Class 284/ 2019	Daughter of Mr. Sanjiv Saraf - Vice Chairman of the Board of Directors	-	Listed Companies on SET		Polyplex (Thailand) Plc
							November 2017	Head - Investor Relations and Corporate Communication and Director w.e.f 15 th May, 2019	
Other organizations									
		October 2014	Project Manager				OMGMOTHER Consulting Ltd.		
		- October 2015	Business Development Specialist (India)				Taboola Thailand Ltd.		
		April 2016	Business Development Specialist (India)						
		- October 2017	Business Development Specialist (India)						
8.	Mr. Ranjit Singh	Director (w.e.f. 15th May, 2019)	64	<ul style="list-style-type: none">- B Tech, Mechanical Engineering, Birla Institute of Technology & Science - INDIA- MBA - Indian Institute of Management, Ahmedabad - INDIA	-	-	Listed Companies on SET		Polyplex (Thailand) Plc
							May 2019	Director	
							- Present		
							Other organizations		
							May 2016	Independent Director	
							- Present		
							November 2012	Managing Director	
							- May, 2015		
							March 2017	Director	
							- Present		
March 2017	Director								
- Present									
May 2019	Director								
- Present									
		Legistify Services Private Limited, India							
		Aspirelabs Accelerator Private Limited, India							
		Shaily Engineering Plastics Limited, India							

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
9.	Mr. Ramesh Gupta	Business Head - SARALAM	54	- B Tech, REC Allahabad, University of Allahabad - INDIA - PGDBM - Marketing, Management development Institute, Gurgaon - INDIA	-	-	Listed Companies on SET January 2013 Business Head Polyplex (Thailand) Plc - Present - SARALAM Other organizations January 2008 General Manager Luminous Power Technologies - June 2010 - Renewable Pvt Ltd Energy July 2010 General Manager Bhilwara Energy Limited - December - Project Management 2012		
10.	Mr. Ashish Ghosh	Head - Sales & Marketing	54	- Bachelor's / Master's Degree in Science - Jiwaji University, Gwalior - INDIA - Master's degree in Business Administration - BIT Ranchi, INDIA	-	-	Listed Companies on SET November 2009 Head - Sales & Marketing Polyplex (Thailand) Plc - Present Other organizations December 1995 AVP - Polyplex Limited - Manufacture of Polyester Film, Nylon Tyre Chord fabric, Engineering plastics - November Marketing Polyplex (Asia) Pte. Limited. 2009 April 2016 Director Polyplex (Singapore) Pte Ltd - Present April 2016 Director EcoBlue Limited - Present		
11.	Mr. Santosh Kumar Singh	Head Operations	47	- Bachelor of Science in Electrical Engineering - Dayalbagh Educational Institute (Deemed University), INDIA	-	-	Listed Companies on SET July 2019 Head Polyplex (Thailand) Plc - Present Operations July 2015 Production Polyplex (Thailand) Plc - June 2019 Manager - Metallizer Other organizations July 2006 Production Polyplex Europa Polyester Film - June 2015 Manager - Metallizer/ Offline Coater July 2006 Metallizer Polyplex Corporation Limited - June 2015 In-charge		

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		Company / Type of Business
							Period	Position	
12.	Mr. Akshay Sudhir Jog	Deputy Head - Supply Chain Management	34	- MBA - Marketing & Finance, XLRI School of Business and Human Resources, INDIA	-	-	Listed Companies on SET		
							July 2019 - Present	Deputy Head - Supply Chain Management	Polyplex (Thailand) Plc
							Sep 2014 - June 2019	Business Analyst	Polyplex (Thailand) Plc
							Other organizations		
							Nov 2011 - Jun 2013	Manager - Products	Idea Cellular Limited, INDIA
							May 2010 - Nov 2011	Assistant Manager - Marketing	Virgin Mobile, INDIA
13.	Mr. Torsak Rittidech	Head - HR & Admin	47	- Bachelor Degree /HROD: National Institute of Development & Administration	-	-	Listed Companies on SET		
							January 2021 - Present	Head - HR & Admin	Polyplex (Thailand) Plc
							Other organizations		
							July 2019 - November 2020	HR Manager	Laris Global Thailand
							March 2013 - July 2019	HR Manager	DTS Draexlmaier Automotive Systems (Thailand) Co., Ltd.
14.	Mr. Ashutosh Kumar Agarwal	Chief Financial Officer	38	- Chartered Accountant - Institute of Chartered Accountant of India - Master Degree: Kanpur University, INDIA - E-Learning - Continuing Accounting Knowledge - CFO Refresher Course - January 2020- Thailand Securities Institute	-	-	Listed Companies on SET		
							July 2017- Present	Chief Financial Officer	Polyplex (Thailand) Plc
							Other organizations		
							June 2016 - 2018	Finance Director	Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi
							October 2017 - Present	Finance Director	PT. Polyplex Films Indonesia
							June 2015 - 2018	Director	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş
							December 2015 - 2018	Director	Polyplex Europe B.V
							June 2008 - June 2015	Head Internal Audit	Polyplex Corporation Limited

S.No	Name-Surname	Position	Age (Years)	Education	Relation among Company	% of Shareholding	Working Experiences in the 5 preceding years		Company / Type of Business
15.	Mrs. Supritha Pai Kasturi	Company Secretary and Sr. Manager - Finance & Accounts	41	- Associate Chartered Accountant - Institute of Chartered Accountants of India	-	-	February 2007 - Present	Company Secretary & Sr. Manager - Finance & Accounts	Polyplex (Thailand) Plc

17.2 Detail of Directors and Management of PTL holding positions in subsidiaries and parent companies - As on 31.5.2021

S.No	Name	The Company	Subsidiary Companies								Parent Company		
			Polyplex (Thailand) Public Company Limited	Polyplex (Singapore) Pte. Ltd. (PSPL)	Polplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (PE)*	Polyplex America Holding Inc. (PAH)	EcoBlue Limited	Polyplex USA LLC. (PU)**	Polyplex Europe B.V (PEBV)	PT. Polyplex Films Indonesia (PT PFI)	Polyplex Paketleme Çözümleri Sanayi ve Ticaret A.Ş (PP)**	Polyplex (Asia) Pte Ltd (PAPL)	Polyplex (Corporation) Limited (PCL)
1.	Mr. Sanjiv Saraf	XX	-	-	-	-	-	-	-	-	-	/	X
2.	Mr. Ranjit Singh	/	-	-	-	-	-	-	-	-	-	-	/
3.	Mr. Ashish Ghosh	///	/	-	-	-	/	-	-	XXX	-	/	-
4.	Mr. Amit Prakash	//	/	-	-	-	-	-	-	I,///	-	-	-
5.	Mr. Ashutosh Kumar Agarwal	///	-	-	-	-	-	-	-	I,///	-	-	-

Remark

X = Chairman XX = Vice Chairman / = Director /// = Managing Director /// = Management XXX Board of Commissioners

* Polyplex (Singapore) Pte. Ltd. is the 100% shareholder of Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi

** Polyplex America Holding Inc. is the 100% shareholder of Polyplex USA LLC, the company under which the PET Thin film project in USA has been implemented

Polyplex (Thailand) Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 March 2021

Independent Auditor's Report

To the Shareholders of Polyplex (Thailand) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Polyplex (Thailand) Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Polyplex (Thailand) Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Polyplex (Thailand) Public Company Limited and its subsidiaries and of Polyplex (Thailand) Public Company Limited as at 31 March 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole. Key audit matter and how audit procedures respond to this matter is described below.

Revenue recognition

The revenue from sales is the significant amount in the statement of comprehensive income and is also the key indicator of business performance on which the users of financial statements focus, and the Company also has a large customer base. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period to verify the occurrence and accuracy of revenue, whether revenue recording was consistent with conditions, and whether it was in compliance with the Company's policy.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 such matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.

I am responsible for the audit resulting in this independent auditor's report.



Chayapol Suppasertanon

Certified Public Accountant (Thailand) No. 3972

EY Office Limited

Bangkok: 24 May 2021

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of financial position
As at 31 March 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	8	1,719,861,368	1,204,345,885	35,394,949	63,464,224
Trade and other receivables	9	2,267,684,449	2,411,111,949	824,713,427	1,148,608,410
Inventories	10	2,887,121,309	2,353,854,227	1,268,613,987	971,827,413
Advance payments for purchases of goods		63,263,640	64,811,812	20,896,661	14,269,620
Input tax refundable		191,658,485	205,974,546	78,323,768	58,040,214
Other current financial assets	11	151,396,070	-	1,755,230	-
Other current assets		91,902,435	125,437,114	17,830,064	53,535,043
Total current assets		7,372,887,756	6,365,535,533	2,247,528,086	2,309,744,924
Non-current assets					
Restricted bank deposits	12	10,910,348	9,742,869	-	-
Investments in subsidiaries	13	-	-	3,244,619,811	2,758,674,586
Property, plant and equipment	14	11,720,628,345	10,706,220,279	3,774,524,285	3,876,477,812
Deferred tax assets	26	15,961,194	76,540,885	15,961,194	73,875,274
Goodwill		3,164,328	3,164,328	-	-
Other intangible assets	15	531,203	1,306,740	-	-
Advance payments for purchases of machinery		561,672,955	311,466,307	7,853,129	27,210,869
Other non-current financial assets	11	245,226,254	-	-	-
Other non-current assets		98,351,955	16,110,032	10,218,424	7,806,106
Total non-current assets		12,656,446,582	11,124,551,440	7,053,176,843	6,744,044,647
Total assets		20,029,334,338	17,490,086,973	9,300,704,929	9,053,789,571

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 March 2021

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	16	650,000,000	906,627,750	640,000,000	874,000,000
Trade and other payables	17	1,410,186,774	1,185,815,051	755,700,284	568,269,951
Current portion of long-term loans from banks	18	252,734,085	147,295,114	3,041,711	29,893,054
Current portion of lease liabilities		5,804,474	-	1,313,731	-
Income tax payable		82,932,767	26,245,268	53,414,382	-
Other current financial liabilities	19	33,615,340	-	26,255,336	-
Other current liabilities		549,557,553	587,713,486	202,492,420	207,762,433
Total current liabilities		2,984,830,993	2,853,696,669	1,682,217,864	1,679,925,438
Non-current liabilities					
Long-term loans from related parties, net of current portion	7	-	-	3,745,443,600	3,412,735,800
Long-term loans from banks, net of current portion	18	1,361,609,706	1,506,019,687	-	-
Lease liabilities, net of current portion		12,551,930	-	1,675,468	-
Provision for long-term employee benefits	20	52,821,904	55,741,734	26,598,699	29,888,650
Deferred tax liabilities	26	268,010,755	152,910,407	-	-
Other non-current financial liabilities	19	9,809,589	-	-	-
Other non-current liabilities		559,031	-	559,031	-
Total non-current liabilities		1,705,362,915	1,714,671,828	3,774,276,798	3,442,624,450
Total liabilities		4,690,193,908	4,568,368,497	5,456,494,662	5,122,549,888

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 March 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
900,000,000 ordinary shares of Baht 1 each		900,000,000	900,000,000	900,000,000	900,000,000
Issued and fully paid					
900,000,000 ordinary shares of Baht 1 each		900,000,000	900,000,000	900,000,000	900,000,000
Share premium		1,908,449,678	1,908,449,678	1,908,449,678	1,908,449,678
Retained earnings					
Appropriated - statutory reserve	21	96,000,000	96,000,000	96,000,000	96,000,000
Unappropriated		13,415,694,575	11,190,252,252	939,760,589	1,026,790,005
Other components of shareholders' equity		(1,042,999,117)	(1,207,430,262)	-	-
Equity attributable to owners of the Company		15,277,145,136	12,887,271,668	3,844,210,267	3,931,239,683
Non-controlling interests of the subsidiary		61,995,294	34,446,808	-	-
Total shareholders' equity		15,339,140,430	12,921,718,476	3,844,210,267	3,931,239,683
Total liabilities and shareholders' equity		20,029,334,338	17,490,086,973	9,300,704,929	9,053,789,571

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Income statement
For the year ended 31 March 2021

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenues				
Sales	27 15,144,387,625	14,050,846,059	6,240,257,022	6,103,895,077
Exchange gains	1,243,596	-	-	51,514,185
Gain on derivatives	12,067,647	-	17,583,698	-
Other income	22 34,845,767	63,178,850	19,084,432	35,387,318
Total revenues	<u>15,192,544,635</u>	<u>14,114,024,909</u>	<u>6,276,925,152</u>	<u>6,190,796,580</u>
Expenses				
Cost of sales	10,433,230,804	10,769,284,712	4,837,414,678	5,012,933,542
Selling and distribution expenses	970,867,355	761,616,097	427,860,515	323,036,100
Administrative expenses	507,304,059	466,196,250	114,454,165	98,606,651
Reversal of impairment of investment in subsidiary	13 -	-	-	(246,284,716)
Reversal of impairment of property, plant and equipment	14 -	(310,247,627)	-	-
Exchange losses	-	267,602,590	75,534,765	-
Loss on derivatives	-	43,493,823	-	41,955,032
Total expenses	<u>11,911,402,218</u>	<u>11,997,945,845</u>	<u>5,455,264,123</u>	<u>5,230,246,609</u>
Operating profit	<u>3,281,142,417</u>	<u>2,116,079,064</u>	<u>821,661,029</u>	<u>960,549,971</u>
Finance income	23 23,445,201	10,672,365	82,519	334,264
Finance cost	24 (61,447,359)	(66,360,851)	(50,274,827)	(75,439,926)
Profit before income tax expense	<u>3,243,140,259</u>	<u>2,060,390,578</u>	<u>771,468,721</u>	<u>885,444,309</u>
Tax expense	26 (270,670,744)	(253,596,723)	(111,498,137)	(74,547,455)
Profit for the year	<u>2,972,469,515</u>	<u>1,806,793,855</u>	<u>659,970,584</u>	<u>810,896,854</u>
Profit attributable to:				
Equity holders of the Company	2,970,004,154	1,803,076,888	659,970,584	810,896,854
Non-controlling interests of the subsidiary	2,465,361	3,716,967		
	<u>2,972,469,515</u>	<u>1,806,793,855</u>		
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders of the Company	3.30	2.00	0.73	0.90
Weighted average number of ordinary shares (share)	900,000,000	900,000,000	900,000,000	900,000,000

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 March 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Profit for the year	2,972,469,515	1,806,793,855	659,970,584	810,896,854
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency	159,867,900	130,755,973	-	-
Gain on changes in value of debt instruments at fair value through other comprehensive income				
- net of income tax	4,563,245	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	164,431,145	130,755,973	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gains (losses) - net of income tax	2,438,169	(4,128,997)	-	(3,061,116)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	2,438,169	(4,128,997)	-	(3,061,116)
Other comprehensive income for the year	166,869,314	126,626,976	-	(3,061,116)
Total comprehensive income for the year	<u>3,139,338,829</u>	<u>1,933,420,831</u>	<u>659,970,584</u>	<u>807,835,738</u>
Total comprehensive income attributable to:				
Equity holders of the Company	<u>3,136,873,468</u>	<u>1,929,703,864</u>	<u>659,970,584</u>	<u>807,835,738</u>
Non-controlling interests of the subsidiary	<u>2,465,361</u>	<u>3,716,967</u>		
	<u>3,139,338,829</u>	<u>1,933,420,831</u>		

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 March 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before tax	3,243,140,259	2,060,390,578	771,468,721	885,444,309
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	929,914,048	862,892,944	450,781,886	430,769,432
Expected credit losses (reversal)	31,635	(3,191,456)	1,027	(375,661)
Decrease of inventories to net realisable value (reversal)	(9,363,965)	15,824,985	5,048,191	10,231,259
Reversal of impairment of property, plant and equipment	-	(310,247,627)	-	-
Reversal of impairment of investment in subsidiary	-	-	-	(246,284,716)
Losses (gains) on disposals and write off of equipment and vehicles	3,820,367	2,235,571	4,385,110	(1,722,213)
Losses on write off of intangible assets	359,204	-	-	-
Actuarial losses	-	1,633,768	-	1,633,768
Long-term employee benefits expenses	3,579,722	11,401,378	1,563,490	5,631,786
Unrealised gain on change in value of unit trust	(2,335,970)	-	-	-
Unrealised losses on exchange	19,791,068	378,778,752	104,188,750	3,610,425
Interest expenses	61,447,360	56,922,111	50,274,827	75,413,729
Interest income	(23,445,201)	(20,494,123)	(82,519)	(334,264)
Dividend income	-	-	-	(1,770,563)
Profit from operating activities before changes in operating assets and liabilities	4,226,938,527	3,056,146,881	1,387,629,483	1,162,247,291
Operating assets (increase) decrease				
Trade and other receivables	83,264,581	(217,671,500)	281,122,967	226,815,781
Inventories	(525,142,668)	(30,592,170)	(301,834,765)	(93,248,216)
Other current assets	44,348,045	(633,178)	(6,964,199)	(28,988,752)
Other non-current assets	(82,241,923)	929,667	(2,412,317)	(769,279)
Operating liabilities increase (decrease)				
Trade and other payables	217,940,324	(10,685,456)	220,567,736	(106,668,651)
Other current liabilities	29,203,078	97,676,492	53,188,145	34,688,059
Payments of long-term employee benefits	(4,853,454)	(2,047,542)	(4,853,441)	(668,533)
Cash from operating activities	3,989,456,510	2,893,123,194	1,626,443,609	1,193,407,700
Cash paid for corporate income tax	(42,816,801)	(30,785,585)	(169,675)	(155,816)
Net cash from operating activities	3,946,639,709	2,862,337,609	1,626,273,934	1,193,251,884

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 March 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Cash received from interest	22,665,497	20,557,967	82,519	334,264
Decrease (increase) in restricted bank deposits	(1,167,479)	54,671,216	-	-
Decrease in current investments	-	13,177,908	-	-
Cash paid for share subscription in a subsidiary	-	-	(485,945,225)	-
Increase in other current financial assets	(141,508,434)	-	-	-
Increase in other non-current financial assets	(240,017,762)	-	-	-
Cash received from dividend	-	-	-	1,770,563
Decrease (increase) in advance payments for purchases of machinery and equipment	(250,206,648)	59,191,049	19,357,740	(712,430)
Increase (decrease) in accounts payable for purchases of machinery and equipment	(711,694)	54,610,292	(33,445,485)	56,233,410
Proceeds from sales of equipment and vehicles	9,943,547	2,256,191	3,016,582	2,209,742
Purchases of land, machinery and equipment	(1,862,446,984)	(1,854,741,860)	(351,408,220)	(268,207,054)
Purchases of other intangible assets	(118,932)	(218,313)	-	-
Net cash used in investing activities	(2,463,568,889)	(1,650,495,550)	(848,342,089)	(208,371,505)
Cash flows from financing activities				
Decrease in short-term loans from banks	(256,627,750)	(688,893,750)	(234,000,000)	(245,000,000)
Increase in loans from related party	-	-	253,886,535	202,260,000
Increase (decrease) in long-term loans from banks	(34,767,579)	602,114,909	(26,723,457)	(202,191,558)
Cash received from shares subscription in subsidiaries	25,083,125	-	-	-
Payments of lease liabilities	(5,051,856)	-	(1,273,598)	-
Cash paid for interest expenses	(66,768,398)	(80,225,461)	(50,890,600)	(76,201,549)
Dividends paid	(747,000,000)	(621,891,938)	(747,000,000)	(621,000,000)
Net cash use in financing activities	(1,085,132,458)	(788,896,240)	(806,001,120)	(942,133,107)
Increase (decrease) in translation adjustment	117,577,121	(74,593,201)	-	-
Net increase (decrease) in cash and cash equivalents	515,515,483	348,352,618	(28,069,275)	42,747,272
Cash and cash equivalents at beginning of year	1,204,345,885	855,993,267	63,464,224	20,716,952
Cash and cash equivalents at end of year	1,719,861,368	1,204,345,885	35,394,949	63,464,224
	-	-	-	-
Supplemental cash flows information:				
Non-cash transaction				
Payables for purchase of machinery and equipment	63,809,729	64,847,111	31,404,028	64,412,388
Increase in lease liabilities	18,356,402	-	2,989,199	-

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 March 2021

(Unit: Baht)

Consolidated financial statements												
	Equity attributable to the owners of the Company											
	Equity				Other components of shareholders' equity							
	Retained earnings		Other comprehensive income		Excess of cost of investment in subsidiary over the amount of the interest acquired	Discount from change in shareholding in subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity		
	Share premium	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency							Changes in fair value of investments in debt instrument	
Balance as at 1 April 2019	900,000,000	1,908,449,678	96,000,000	10,012,304,361	(1,341,014,327)	-	(1,622,600)	4,450,692	(1,338,186,235)	11,578,567,804	31,621,778	11,610,189,582
Profit for the year	-	-	-	1,803,076,888	-	-	-	-	-	1,803,076,888	3,716,967	1,806,793,855
Other comprehensive income for the year	-	-	-	(4,128,997)	130,755,973	-	-	-	-	126,626,976	-	126,626,976
Total comprehensive income for the year	-	-	-	1,798,947,891	130,755,973	-	-	-	130,755,973	1,929,703,864	3,716,967	1,933,420,831
Dividends paid (Note 28)	-	-	-	(621,000,000)	-	-	-	-	-	(621,000,000)	(891,937)	(621,891,937)
Balance as at 31 March 2020	900,000,000	1,908,449,678	96,000,000	11,190,252,252	(1,210,258,354)	-	(1,622,600)	4,450,692	(1,207,430,262)	12,887,271,668	34,446,808	12,921,718,476
Balance as at 1 April 2020	900,000,000	1,908,449,678	96,000,000	11,190,252,252	(1,210,258,354)	-	(1,622,600)	4,450,692	(1,207,430,262)	12,887,271,668	34,446,808	12,921,718,476
Profit for the year	-	-	-	2,970,004,154	-	-	-	-	-	2,970,004,154	2,465,361	2,972,469,515
Other comprehensive income for the year	-	-	-	2,438,169	159,867,900	4,563,245	-	-	164,431,145	166,869,314	-	166,869,314
Total comprehensive income for the year	-	-	-	2,972,442,323	159,867,900	4,563,245	-	-	164,431,145	3,136,873,468	2,465,361	3,139,338,829
Increase in non-controlling interests from additional share capital issuance of subsidiary (Note 13)	-	-	-	-	-	-	-	-	-	-	25,083,125	25,083,125
Dividends paid (Note 28)	-	-	-	(747,000,000)	-	-	-	-	-	(747,000,000)	-	(747,000,000)
Balance as at 31 March 2021	900,000,000	1,908,449,678	96,000,000	13,415,694,575	(1,050,390,454)	4,563,245	(1,622,600)	4,450,692	(1,042,999,117)	15,277,145,136	61,995,294	15,339,140,430

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 March 2021

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid share capital	Share premium	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as at 1 April 2019	900,000,000	1,908,449,678	96,000,000	839,954,267	3,744,403,945
Profit for the year	-	-	-	810,896,854	810,896,854
Other comprehensive income for the year	-	-	-	(3,061,116)	(3,061,116)
Total comprehensive income for the year	-	-	-	807,835,738	807,835,738
Dividends paid (Note 28)	-	-	-	(621,000,000)	(621,000,000)
Balance as at 31 March 2020	<u>900,000,000</u>	<u>1,908,449,678</u>	<u>96,000,000</u>	<u>1,026,790,005</u>	<u>3,931,239,683</u>
Balance as at 1 April 2020	900,000,000	1,908,449,678	96,000,000	1,026,790,005	3,931,239,683
Profit for the year	-	-	-	659,970,584	659,970,584
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	659,970,584	659,970,584
Dividends paid (Note 28)	-	-	-	(747,000,000)	(747,000,000)
Balance as at 31 March 2021	<u>900,000,000</u>	<u>1,908,449,678</u>	<u>96,000,000</u>	<u>939,760,589</u>	<u>3,844,210,267</u>

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

Polyplex (Thailand) Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 March 2021

1. General information

Polyplex (Thailand) Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Polyplex Corporation Limited, which was incorporated in Republic of India. The Company is principally engaged in the manufacture and distribution of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown films, and PET resins. The registered addresses of the Company’s head office and factories are as follows:

Head office:	75/26 Ocean Tower II, 18 th Floor, Soi Sukhumvit 19, Sukhumvit Road, Kwaeng North Klongtoey, Khet Wattana, Bangkok.
Factory 1:	Siam Eastern Industrial Park, 60/24 Moo 3, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong.
Factory 2:	Siam Eastern Industrial Park, 60/91 Moo 3, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong.
Factory 3:	Siam Eastern Industrial Park, 60/109 Moo 3, Tambol Mabyangporn, Amphur Pluakdaeng, Rayong.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Polyplex (Thailand) Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Subsidiaries' name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (%)	2019 (%)
EcoBlue Ltd.	Manufacture and distribution of recycled plastic products	Thailand	66.50	66.50
Polyplex (Singapore) Pte. Ltd.	Investment holding company	Republic of Singapore	100.00	100.00
Polyplex America Holdings Inc.	Investment holding company	United States of America	100.00	100.00
Polyplex Europe B.V.	Distribution of plastic film	Netherlands	100.00	100.00
PT. Polyplex Films Indonesia	Manufacture and distribution of polyester film and chips	Republic of Indonesia	99.99	99.99
Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (100% owned by Polyplex (Singapore) Pte. Ltd.)	Manufacture and distribution of polyester film and chips	Republic of Turkey	100.00	100.00
Polyplex Trading (Shenzhen) Co., Ltd. (100% owned by Polyplex (Singapore) Pte. Ltd.)	Distribution of plastic film	The People's Republic of China	100.00	100.00
Polyplex USA LLC (100% owned by Polyplex America Holdings Inc.)	Manufacture and distribution of polyester film and chips	United States of America	100.00	100.00
Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (99.99% owned by Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi)	Distribution of plastic film	Republic of Turkey	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statement of changes in shareholders' equity.
 - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:	
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
Accounting standard:	
TAS 32	Financial Instruments: Presentation
Financial Reporting Standard Interpretations:	
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 April 2020, and the comparative information was not restated.

The changes are described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 April 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the second quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach.

In the third quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 March 2021, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 April 2020. Therefore, the comparative information was not restated.

The impacts of adjustment on the transactions in the statements of financial position as at 1 April 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	
	31 March 2020			1 April 2020
Statement of financial position				
Assets				
Current assets				
Other current financial assets	-	15,759	-	15,759
Other current assets	125,437	(15,759)	-	109,678
Non-current assets				
Right-of-use assets	-	-	4,822	4,822
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	1,296	1,296
Other current financial liabilities	-	62,167	-	62,167
Other current liabilities	587,713	(62,167)	-	525,546
Non-current liabilities				
Lease liabilities, net of current portion	-	-	2,967	2,967
Other non-current liabilities	-	-	559	559

(Unit: Thousand Baht)

	Separate financial statements			
	31 March 2020	The impacts of		1 April 2020
		Financial reporting standards related to financial instruments	TFRS 16	

Statement of financial position**Assets****Current assets**

Other current financial assets	-	15,759	-	15,759
Other current assets	53,535	(15,759)	-	37,776

Non-current assets

Right-of-use assets	-	-	4,822	4,822
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Liabilities and shareholders' equity**Current liabilities**

Current portion of lease liabilities	-	-	1,296	1,296
Other current financial liabilities	-	57,842	-	57,842
Other current liabilities	207,761	(57,842)	-	149,919

Non-current liabilities

Lease liabilities, net of current portion	-	-	2,967	2,967
Other non-current liabilities	-	-	559	559

4.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 April 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 April 2020					
Cash and cash equivalents	1,204,346	-	-	1,204,346	1,204,346
Trade and other receivables	2,411,112	-	-	2,411,112	2,411,112
Other current financial assets					
- Derivative assets	15,759	15,759	-	-	15,759
Restricted bank deposits	9,743	-	-	9,743	9,743
Total financial assets	3,640,960	15,759	-	3,625,201	3,640,960
Financial liabilities as at 1 April 2020					
Short-term loans from banks	906,628	-	-	906,628	906,628
Trade and other payables	1,185,815	-	-	1,185,815	1,185,815
Long-term loans from banks	1,653,315	-	-	1,653,315	1,653,315
Other current financial liabilities					
- Derivative liabilities	62,167	62,167	-	-	62,167
Total financial liabilities	3,807,925	62,167	-	3,745,758	3,807,925

(Unit: Thousand Baht)

	Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 April 2020					
Cash and cash equivalents	63,464	-	-	63,464	63,464
Trade and other receivables	1,148,608	-	-	1,148,608	1,148,608
Other current financial assets					
- Derivative assets	15,759	15,759	-	-	15,759
Total financial assets	1,227,831	15,759	-	1,212,072	1,227,831
Financial liabilities as at 1 April 2020					
Short-term loans from banks	874,000	-	-	874,000	874,000
Trade and other payables	568,270	-	-	568,270	568,270
Long-term loans from banks	29,893	-	-	29,893	29,893
Other current financial liabilities					
- Derivative liabilities	57,842	57,842	-	-	57,842
Long-term loans from related parties	3,412,736	-	-	3,412,736	3,412,736
Total financial liabilities	4,942,741	57,842	-	4,884,899	4,942,741

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 April 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 March 2020	2,436	680
Less: Short-term leases and leases of low-value assets	(2,114)	(358)
Add: Lease payments relating to renewal periods not included in operating lease commitment as at 31 March 2020	4,069	4,069
Less: Deferred interest expenses	(128)	(128)
Increase in lease liabilities due to TFRS 16 adoption	4,263	4,263
Liabilities under finance lease agreements as at 31 March 2020	-	-
Lease liabilities as at 1 April 2020	4,263	4,263
Weighted average incremental borrowing rate (percent per annum)	1.79	1.79
Comprise of:		
Current lease liabilities	1,274	1,274
Non-current lease liabilities	2,989	2,989
	4,263	4,263

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 April 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Buildings and building improvements	4,822	4,822
Total right-of-use assets	4,822	4,822

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Cost includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment (if any).

5.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and building improvements, machinery and equipment is calculated by reference to their costs on the straight-line basis. Depreciation of other equipment which acquired before 1 April 2015 was calculated on the sum of the year digits basis for the equipment acquired. The estimated useful lives of plant and equipment are as follows:

Buildings and building improvements	- 3, 20 and 50 years
Machinery and equipment	- 3 - 20 years
Furniture, fixtures and office equipment	- 3 - 10 years
Motor vehicles	- 5 - 8 years

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 15 years

5.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

5.9 Leases

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

The Group as a lessee

Accounting policies adopted since 1 April 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building improvements 3 years

Machinery and equipment 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 April 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Group.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the operations of the Group.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service cost are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring - related costs.

5.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.16 Financial instruments

Accounting policies adopted since 1 April 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounting policies adopted before 1 April 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.17 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	2,123	1,628	Cost plus margin
Purchases of raw materials	-	-	157	23	Cost plus margin
Rental and service income	-	-	12	13	As stipulated in agreements
Dividend income	-	-	-	2	As approved by shareholders and Board of directors' meeting
Interest expense	-	-	39	51	3-month Euribor + 1.50% per annum and 6-month Euribor + 1.5% per annum
Other expense	-	-	1	1	At cost
<u>Transactions with related companies</u>					
Sales of goods	-	0.1	-	-	Cost plus margin
Purchases of raw materials	464	445	36	25	Transaction net margin method
Dividends paid	381	317	381	317	As approved by shareholders and Board of Directors' meeting
Other expenses	5	3	-	-	At cost
<u>Transactions with related person</u>					
Dividend paid	-	1	-	-	As approved by shareholders and Board of Directors' meeting
Salary expense	2	0.2	-	0.2	Employment contract

The balances of the accounts as at 31 March 2021 and 2020 between the Company, subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade and other receivables - related parties (Note 9)</u>				
Subsidiaries	-	-	157,173	507,584
<u>Trade payables - related parties (Note 17)</u>				
Parent company	80,611	128,799	4,317	8,711
Subsidiaries	-	-	14,114	9,511
Total	80,611	128,799	18,431	18,222

Loans from related parties

As at 31 March 2021 and 2020, the balances of loans between the Company and related parties, and the movements of these loans were as follows:

(Unit: Thousand Baht)

Long-term loans from related party	Related by	Separate financial statements				
		Balance as at 31 March 2020	Increase during the year	Decrease during the year	Unrealised loss on exchange	Balance as at 31 March 2021
Polyplex Europa						
Polyester Film						
Sanayi Ve						
Ticaret						
A.S.	Subsidiary	3,412,736	253,887	-	78,821	3,745,444
Total		3,412,736	253,887	-	78,821	3,745,444

Long-term loans from Polyplex Europa Polyester Film Sanayi Ve Ticaret A.S. of EUR 101 million (2020: EUR 94 million) carried interest at 3-month Euribor + 1.50% per annum and 6-month Euribor + 1.50% per annum (2020: 6-month Euribor + 1.50% per annum and 6-month Euribor + 2.00% per annum). The loans are repayable within 31 March 2024, but the repayment could be extended as mutually agree between the parties.

Directors and management's remuneration

During the years ended 31 March 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	104	103	43	41

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 31.4 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	1,860	2,152	1,339	1,292
Bank deposits	1,718,001	1,202,194	34,056	62,172
Total cash and cash equivalents	1,719,861	1,204,346	35,395	63,464

As at 31 March 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05% and 4.50% per annum (2020: between 0.05% and 7.25% per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	2,102,581	2,062,153	620,968	540,881
Past due				
Up to 3 months	158,388	328,238	42,675	92,475
3 - 6 months	7,206	16,134	4,350	3,245
6 - 12 months	-	3,896	-	3,724
Over 12 months	34	1,185	34	1,185
Total trade receivables - unrelated parties	2,268,209	2,411,606	668,027	641,510
Less: Allowance for expected credit losses				
(2020: Allowance for doubtful accounts)	(525)	(494)	(487)	(486)
Total trade receivables - unrelated parties, net	2,267,684	2,411,112	667,540	641,024
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	-	-	155,661	506,058
Total trade receivables - related parties	-	-	155,661	506,058
Total trade receivables - net	2,267,684	2,411,112	823,201	1,147,082
<u>Other receivables</u>				
Other receivables - related party	-	-	1,512	1,526
Total other receivables	-	-	1,512	1,526
Total trade and other receivables - net	2,267,684	2,411,112	824,713	1,148,608

Set out below are the movements in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 1 April 2020	494	486
Provision for expected credit losses	661	622
Amount written off	(494)	(486)
Amount recovered	(135)	(135)
Translation adjustment	(1)	-
As at 31 March 2021	525	487

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	989,551	819,691	(46,477)	(57,789)	943,074	761,902
Work in process	364,507	322,137	(22,759)	(22,051)	341,748	300,086
Raw materials	720,234	635,456	-	-	720,234	635,456
Spare parts and factory supplies	538,798	479,382	-	-	538,798	479,382
Goods in transit	343,267	177,028	-	-	343,267	177,028
Total	2,956,357	2,433,694	(69,236)	(79,840)	2,887,121	2,353,854

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	419,469	311,425	(20,814)	(16,473)	398,655	294,952
Work in process	151,344	163,859	(22,759)	(22,051)	128,585	141,808
Raw materials	466,764	303,896	-	-	466,764	303,896
Spare parts and factory supplies	227,686	191,627	-	-	227,686	191,627
Goods in transit	46,924	39,544	-	-	46,924	39,544
Total	1,312,187	1,010,351	(43,573)	(38,524)	1,268,614	971,827

Movements in the allowance for reducing cost of inventories to net realisable value for the year 2021 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance - beginning of year	79,840	62,968	38,524	28,293
Add: Allowance made during the year	21,377	37,461	21,320	31,867
Less: Allowance reversed during the year	(30,741)	(21,636)	(16,271)	(21,636)
Less: Translation adjustment	(1,240)	1,047	-	-
Balance - end of year	69,236	79,840	43,573	38,524

11. Other current financial assets / Other non-current financial assets

(Unit: Thousand Baht)

	31 March 2021	
	Consolidated financial statements	Separate financial statements
<u>Debt instruments at fair value through other comprehensive income</u>		
Investment in bonds	74,381	-
Less: Unrealised loss on change in value of bonds	(577)	-
Less: Translation adjustment	(8)	-
Debt instruments at fair value through other comprehensive income - net	73,796	-
<u>Debt instruments at fair value through profit or loss</u>		
Investment in unit trusts	67,128	-
Add: Unrealised gain on change in value of unit trusts	2,336	-
Add: Translation adjustment	30	-
Debt instruments at fair value through profit or loss - net	69,494	-
<u>Derivatives assets</u>		
Foreign exchange forward contracts	8,106	1,755
Total other current financial assets	151,396	1,755
<u>Debt instruments at fair value through other comprehensive income</u>		
Investment in bonds	240,018	-
Add: Unrealised gain on change in value of bonds	5,141	-
Add: Translation adjustment	67	-
Debt instruments at fair value through other comprehensive income - net	245,226	-
Total other non-current financial assets	245,226	-

As at 31 March 2021, investments in bonds carried interests at 0.47% - 4.75% per annum. Bonds will be matured during July 2021 of Baht 74 million and in September 2024 of Baht 245 million.

12. Restricted bank deposits

As at 31 March 2021, restricted bank deposits represent fixed deposits amounting to USD 0.35 million (2020: USD 0.30 million) carried interests at 0.10% - 0.45% per annum (2020: 1.44% per annum), pledged with the bank to secure letter of guarantee issued by a bank in respect of contractual performance of PT. Polyplex Films Indonesia.

13. Investments in subsidiaries

(Unit: Thousand Baht)

Subsidiaries' name	Paid-up capital	Shareholding percentage Percent	Cost		Allowance for Impairment of investments		Investments - net	
			2021	2020	2021	2020	2021	2020
<u>Ordinary shares</u>								
Polyplex (Singapore) Pte. Ltd.	EUR 0.8 million	100.00	41,440	41,440	-	-	41,440	41,440
Polyplex Europe B.V.	EUR 0.2 million	100.00	8,157	8,157	-	-	8,157	8,157
Polyplex America Holdings Inc.	USD 46.6 million	100.00	1,474,489	1,474,489	-	-	1,474,489	1,474,489
PT. Polyplex Films Indonesia	IDR 540 billion (31 March 2020: IDR 337.5 billion)	99.99	1,235,927	799,775	-	-	1,235,927	799,775
EcoBlue Limited	Baht 85.53 million (31 March 2020: Baht 10.65 million)	66.50	70,026	20,233	-	-	70,026	20,233
<u>Preference shares</u>								
Polyplex (Singapore) Pte. Ltd.	EUR 8.4 million	100.00	414,581	414,581	-	-	414,581	414,581
Total			3,244,620	2,758,675	-	-	3,244,620	2,758,675

PT. Polyplex Films Indonesia has the registered share capital of IDR 540 billion (54,000 shares with par value of IDR 10 million each).

As at 31 March 2021, the Company paid totaling IDR 540 billion or Baht 1,236 million or 99.99% of the registered share capital (31 March 2020: IDR 337.5 billion or Baht 800 million, 62.5% of the registered share capital).

On 15 June 2020, a meeting of Annual General Meeting of Shareholders of EcoBlue Limited passed a resolution approving an increase of registered capital by Baht 150 million (15 million ordinary shares with par value of Baht 10 per share).

On 24 June 2020, EcoBlue Limited has registered an additional increase in capital of Baht 57.5 million with Ministry of Commerce, issued 5.75 million shares and called for shares subscription in full.

On 24 November 2020, EcoBlue Limited has registered the additional increase in capital of Baht 69.5 million with Ministry of Commerce, issued 6.95 million shares and called for shares subscription of 25% of the additional increase in capital.

The Company paid a total of Baht 50 million (3.8 million shares of Baht 10 each and 4.6 million shares of Baht 2.5 each), and the non-controlling interests of subsidiary paid a total of Baht 25 million (1.9 million shares of Baht 10 each and 2.3 million shares of Baht 2.5 each) for capital increase in this subsidiary of which the shareholding percentage in this company remain unchanged.

As at 31 March 2021, the Company commits to pay Baht 35 million for uncalled portion of shares of EcoBlue Limited.

During the year 2021, the subsidiary companies paid no dividend. In 2020, the Company received dividend from a subsidiary of Baht 1.77 million.

During the year 2020, an allowance for impairment of investment of Baht 246 million in Polyplex USA LLC, a subsidiary of Polyplex America Holdings Inc had been reversed because the management considered that USA LLC was able to generate gross profit margin and had profit on operations continuously and no deficit remained in its accounts. The reversal had been recorded in the separate financial statements for 2020.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Net book value:				
Property, plant and equipment	11,702,194	10,706,220	3,771,186	3,876,478
Right-of-use assets	18,434	-	3,338	-
Total	11,720,628	10,706,220	3,774,524	3,876,478

Movements of the property, plant and equipment account during the years ended 31 March 2021 and 2020 were summarised below.

	Consolidated financial statements						(Unit: Thousand Baht)	
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total	
Cost								
1 April 2019	539,933	2,993,662	11,685,813	252,359	56,231	815,117	16,343,115	
Purchases	78,621	3,302	54,891	52,276	18,050	1,647,609	1,854,749	
Disposals/ Write off	-	-	(11,281)	(12,218)	(8,155)	-	(31,654)	
Transfer in/(Transfer out)	-	716,348	1,632,972	34,578	-	(2,383,898)	-	
Capitalised interest	-	-	-	-	-	24,583	24,583	
Translation adjustments	(13,443)	(31,021)	(46,632)	(1,771)	(952)	(6,720)	(100,539)	
31 March 2020	605,111	3,682,291	13,315,763	325,224	65,174	96,691	18,090,254	
Purchases	49,210	11,689	173,302	75,985	5,040	1,547,687	1,862,913	
Disposals/ Write off	-	(15)	(49,149)	(18,341)	(5,788)	-	(73,293)	
Transfer in/(Transfer out)	-	38,944	235,376	306	-	(274,626)	-	
Translation adjustments	11,704	11,418	46,548	2,243	854	(1,594)	71,173	
31 March 2021	666,025	3,744,327	13,721,840	385,417	65,280	1,368,158	19,951,047	

(Unit: Thousand Baht)

	Consolidated financial statements (continued)					
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction
Accumulated depreciation						
1 April 2019	-	823,387	5,458,084	178,466	37,930	-
Depreciation for the year	-	134,121	693,014	28,786	5,850	-
Disposals/ Write off	-	-	(6,967)	(12,065)	(8,121)	-
Translation adjustments	-	7,766	43,144	508	131	-
31 March 2020	-	965,274	6,187,275	195,695	35,790	-
Depreciation for the year	-	148,549	725,326	42,948	7,009	-
Disposals/ Write off	-	(5)	(37,019)	(16,717)	(5,788)	-
Translation adjustments	-	(5,868)	6,268	82	34	-
31 March 2021	-	1,107,950	6,881,850	222,008	37,045	-
Allowance for impairment of assets						
31 March 2019	-	94,907	223,475	-	-	-
Reversal of allowance	-	(92,511)	(217,737)	-	-	-
Translation adjustments	-	(2,396)	(5,738)	-	-	-
31 March 2020	-	-	-	-	-	-
31 March 2021	-	-	-	-	-	-
Net book value						
31 March 2020	605,111	2,717,017	7,128,488	129,529	29,384	96,691
31 March 2021	666,025	2,636,377	6,839,990	163,409	28,235	1,368,158
Depreciation for the year						
2020 (Baht 786.8 million included in manufacturing cost, and the balance in selling and administrative expenses)						861,771
2021 (Baht 878.6 million included in manufacturing cost, and the balance in selling and administrative expenses)						923,832

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings and building improvements	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction
Cost						
1 April 2019	196,627	1,340,083	5,985,819	173,845	27,753	52,753
Purchases	-	2,194	36,221	51,674	11,637	166,480
Disposals/ Write off	-	-	(351)	(5,883)	(7,474)	-
Transfer in/(Transfer out)	-	9,450	106,529	573	-	(116,552)
31 March 2020	196,627	1,351,727	6,128,218	220,209	31,916	102,681
Purchases	-	3,130	38,207	53,646	3,188	253,237
Disposals/ Write off	-	(15)	(28,493)	(6,569)	(4,606)	-
Transfer in/ (Transfer out)	-	38,944	234,901	167	-	(274,012)
31 March 2021	196,627	1,393,786	6,372,833	267,453	30,498	81,906
Accumulated depreciation						
1 April 2019	-	513,866	3,090,501	109,392	23,593	-
Depreciation for the year	-	67,351	336,978	24,116	2,324	-
Disposals/ Write off	-	-	(5)	(5,742)	(7,474)	-
31 March 2020	-	581,217	3,427,474	127,766	18,443	-
Depreciation for the year	-	68,358	345,447	32,372	3,121	-
Disposals/ Write off	-	(5)	(22,436)	(5,234)	(4,606)	-
31 March 2021	-	649,570	3,750,485	154,904	16,958	-
Net book value						
31 March 2020	196,627	770,510	2,700,744	92,443	13,473	102,681
31 March 2021	196,627	744,216	2,622,348	112,549	13,540	81,906
Depreciation for the year						
2020 (Baht 404.3 million included in manufacturing cost, and the balance in selling and administrative expenses)						430,769
2021 (Baht 413.8 million included in manufacturing cost, and the balance in selling and administrative expenses)						449,298

As at 31 March 2020, PT. Polyplex Films Indonesia in Indonesia capitalised borrowing cost amounted to Baht 24.5 million as cost of plant construction (2021: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 1.07% per annum.

As at 31 March 2021, certain items of equipment and motor vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 891 million (2020: Baht 148 million) (The Company only: Baht 849 million (2020: Baht 92 million)).

The Group have pledged their property, plant and equipment amounted to approximately Baht 3,571 million (2020: Baht 5,340 million) as collateral to secure credit facilities obtained from financial institutions (The Company only: Baht 89 million, 2020: Baht 113 million).

During the year 2020, Polyplex USA LLC, reversed an allowance for impairment of building, machinery and equipment previously recorded of Baht 310 million (USD 10 million) because the expected value in use of such assets exceed their carrying value. Anyhow, the management of the subsidiary considered that there has no impairment indicator for manufacturing assets. The reversal had been recognised in the 2020 consolidated financial statements.

15. Other intangible assets

(Unit: Thousand Baht)	
	Consolidated financial statements
	Computer software
As at 31 March 2021	
Cost	17,620
Less: Accumulated amortisation	(17,106)
Add: Translation adjustment	17
Net book value	531
As at 31 March 2020	
Cost	21,002
Less: Accumulated amortisation	(19,672)
Add: Translation adjustment	(23)
Net book value	1,307

A reconciliation of the net book value of other intangible assets for the years 2021 and 2020 was presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Net book value at beginning of year	1,307	2,234
Acquisition of computer software	119	218
Write-off	(360)	-
Amortisation	(552)	(1,122)
Translation adjustment	17	(23)
Net book value at end of year	531	1,307

16. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rates		Consolidated financial statements		Separate financial statements	
	2021 (% per annum)	2020 (% per annum)	2021	2020	2021	2020
Short-term loans from banks	-	LIBOR + 2.00	-	32,628	-	-
Promissory notes	1.43 – 1.45	1.85 - 2.00	650,000	874,000	640,000	874,000
Total short-term loans from banks			650,000	906,628	640,000	874,000

As at 31 March 2020, short-term loans from banks represented loans of USD 1 million. The subsidiary's loans were guaranteed by the Company as described in Note 31.4 to the financial statements. The Company's promissory notes have no guarantee.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Trade payables - related parties	80,611	128,799	18,431	18,222
Trade payables - unrelated parties	1,245,883	970,288	704,615	484,328
Other payables - unrelated parties	19,883	21,881	1,250	1,308
Other payables for purchases of assets	63,810	64,847	31,404	64,412
Total trade and other payables	1,410,187	1,185,815	755,700	568,270

18. Long-term loans from banks

(Unit: Thousand Baht)

Interest rates (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Euribor + 2.50	December 2020 to December 2027	1,036,369	1,095,067	-	-
Libor + 2.50	June 2015 to December 2027	577,975	558,248	3,042	29,893
Total		1,614,344	1,653,315	3,042	29,893
Less: Current portion		(252,734)	(147,295)	(3,042)	(29,893)
Long-term loans - net of current portion		1,361,610	1,506,020	-	-

Movements in long-term loans account for the year ended 31 March 2021 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 31 March 2020	1,653,315	29,893
Add: Additional borrowings	119,525	-
Less: Repayments	(154,292)	(26,723)
Less: Unrealised gain on exchange	(131,257)	(128)
Less: Translation adjustment	127,053	-
Balance as at 31 March 2021	1,614,344	3,042

The Company's loan facilities are secured by the mortgage of land, premises and machinery of the Company. The subsidiary's loan facilities were secured by the mortgage of its land and premises and the pledge of its machinery, and were guaranteed by the Company as described in Note 31.4 to the financial statements.

The loan agreements contain several covenants which, among other things, required the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 March 2021, the long-term credit facilities of the Group which have not yet been drawn down amounted to USD 37 million (31 March 2020: USD 29 million).

19. Other current financial liabilities/ Other non-current financial liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative liabilities				
Foreign exchange forward contracts	33,615	-	26,255	-
Total other current financial liabilities	<u>33,615</u>	<u>-</u>	<u>26,255</u>	<u>-</u>
Derivative liabilities				
Foreign exchange forward contracts	9,810	-	-	-
Total other non-current financial liabilities	<u>9,810</u>	<u>-</u>	<u>-</u>	<u>-</u>

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represented compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Employee retirement pension		Other employee benefits		Total	
	2021	2020	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of the year	48,722	34,941	7,020	5,054	55,742	39,995
Included in profit or loss:						
Current service costs	1,325	6,264	1,161	863	2,486	7,127
Interest cost	1,020	1,531	72	138	1,092	1,669
Past service costs	-	2,606	-	-	-	2,606
Actuarial losses	-	-	-	1,634	-	1,634
Included in other comprehensive income:						
Actuarial losses (gains) arising from						
Demographic assumptions changes	29	147	-	-	29	147
Financial assumptions changes	(2,404)	5,072	-	-	(2,404)	5,072
Experience adjustments	19	(325)	-	-	19	(325)
Benefits paid during the year	(4,085)	(1,379)	(767)	(669)	(4,852)	(2,048)
Translation adjustment	710	(135)	-	-	710	(135)
Provision for long-term employee benefits	<u>45,336</u>	<u>48,722</u>	<u>7,486</u>	<u>7,020</u>	<u>52,822</u>	<u>55,742</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Employee retirement pension		Other employee benefits		Total	
	2021	2020	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of the year	22,868	14,410	7,021	5,055	29,889	19,465
Included in profit or loss:						
Current service costs	295	1,668	1,161	863	1,456	2,531
Interest cost	35	358	72	138	107	496
Past service costs	-	2,606	-	-	-	2,606
Actuarial losses	-	-	-	1,634	-	1,634
Included in other comprehensive income:						
Actuarial losses (gains) arising from						
Demographic assumptions changes	-	147	-	-	-	147
Financial assumptions changes	-	4,004	-	-	-	4,004
Experience adjustments	-	(325)	-	-	-	(325)
Benefits paid during the year	(4,085)	-	(768)	(669)	(4,853)	(669)
Provision for long-term employee benefits	<u>19,113</u>	<u>22,868</u>	<u>7,486</u>	<u>7,021</u>	<u>26,599</u>	<u>29,889</u>

The Group expect to pay Baht 3.6 million of long-term employee benefits during next year (the Company only: Baht 0.6 million) (2020: Baht 5.1 million (the Company only: Baht 5.1 million)).

As at 31 March 2021, the weighted average duration of the liabilities for long-term employee benefits was 15 - 22 years (the Company only: 15 years) (2020: 15 - 22 years (the Company only: 15 years)).

Significant actuarial assumptions were summarised below:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rates	1.5668% - 7.8% per annum	1.0% - 7.8% per annum	1.5668% per annum	1.5668% per annum
Salary increase rates	1.0% - 6.0% per annum	2.0% - 6.0% per annum	4.0% - 6.0% per annum	4.0% - 6.0% per annum
Turnover rates	3.8% - 20% per annum	3.8% - 20% per annum	10% - 20% per annum	10% - 20% per annum
Gold price	Baht 23,700 per Baht weight	Baht 23,700 per Baht weight	Baht 23,700 per Baht weight	Baht 23,700 per Baht weight

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefits obligation as at 31 March 2021 and 2020 were summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Employee retirement provision				Other employee benefit			
	Increase 1% - 10%		Decrease 1% - 10%		Increase 1%		Decrease 1%	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	(8,269)	(5,099)	9,753	5,308	(407)	(394)	447	432
Salary rate	9,703	5,784	(8,580)	(6,867)	-	-	-	-

	Increase 10%-20%		Decrease 10%-20%		Increase 20%		Decrease 20%	
	2021	2020	2021	2020	2021	2020	2021	2020
Turnover rate	(3,310)	(2,829)	4,443	3,765	(1,182)	(964)	1,509	1,221
Gold price rate	-	-	-	-	1,520	1,404	(1,520)	(1,404)

(Unit: Thousand Baht)

	Separate financial statements							
	Employee retirement provision				Other employee benefit			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2021	2020	2021	2020	2021	2020	2021	2020
Discount rate	(2,698)	(2,534)	3,208	3,017	(407)	(394)	447	432
Salary rate	3,327	2,913	(2,841)	(2,499)	-	-	-	-

	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
	2021	2020	2021	2020	2021	2020	2021	2020
Turnover rate	(3,310)	(2,829)	4,443	3,765	(1,182)	(964)	1,509	1,221
Gold price rate	-	-	-	-	1,520	1,404	(1,520)	(1,404)

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

22. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Gain arising on FVTPL debt instruments	2,336	-	-	-
Insurance claim income	5,778	31,716	-	7,560
Export subsidies income	13,532	15,859	13,169	14,187
Others	13,200	15,604	5,915	13,640
Total other income	34,846	63,179	19,084	35,387

23. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest income on bank deposits	16,958	10,672	83	334
Interest income on debt instruments measured at FVOCI	6,487	-	-	-
Total	23,445	10,672	83	334

24. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest paid on borrowings	60,824	66,361	50,209	75,440
Interest expenses on lease liabilities	623	-	66	-
Total	61,447	66,361	50,275	75,440

25. Expenses by nature

Significant expenses classified by nature were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Salaries, wages and other employee benefits	1,210,544	1,236,317	451,448	442,150
Depreciation and amortisation	929,914	862,893	450,782	430,769
Loss on diminutions in value of inventories (reversal)	(9,364)	15,825	5,049	10,231
Raw materials and consumables used	10,426,341	9,976,444	3,429,209	3,690,011
Changes in inventories of finished goods and work in process	(212,230)	(147,448)	(95,529)	(131,359)
Loss (gain) on exchange and derivatives	(13,311)	311,096	57,951	(9,559)
Rental expenses from operating lease agreement	4,213	2,757	634	1,896

26. Tax expense / Deferred tax assets (liabilities)

Tax expense for the years ended 31 March 2021 and 2020 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	89,444	34,302	53,584	-
Adjustment in respect of current income tax of previous year	(237)	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	184,131	218,558	57,914	74,547
Effects of the change in tax rate	(2,667)	737	-	-
Tax expense reported in profit or loss	<u>270,671</u>	<u>253,597</u>	<u>111,498</u>	<u>74,547</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2021 and 2020 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax relating to loss on actuarial calculation	(83)	(765)	-	(765)

The Board of Investment (BOI) has granted the Company investment promotion privileges under several promotion certificates, including exemption from corporate income tax for periods of 6 - 8 years from the date the promoted operations began generating revenue. In addition, subsidiary companies in Republic of Turkey are also exempted from income tax on earnings from the sale of manufactured goods until this country becomes a full member of the European Union.

The reconciliation between accounting profit and income tax expense was shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit before tax	3,243,140	2,060,391	771,469	885,444
Applicable tax rates	17% to 22%	17% to 25%	0% - 20%	0% - 20%
Accounting profit before tax multiplied by applicable tax rates	686,557	465,606	154,294	177,089
Adjustment in respect of current income tax of previous year	(237)	-	-	-
Effects of changes in the tax rates	(2,667)	737	-	-
Effects of:				
Promotional privileges	(312,393)	(247,454)	(19,942)	(77,291)
Tax exemption income/non-deductible expenses/right to deduct more expenses/others	207,463	126,926	60,149	29,994
Utilisation of unused tax losses	(286,303)	(198,183)	(61,052)	(55,245)
Tax effects of tax losses	(21,749)	105,965	(21,951)	-
Total	(412,982)	(212,746)	(42,796)	(102,542)
Tax expense reported in profit or loss	270,671	253,597	111,498	74,547

The components of deferred tax assets (liabilities) were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets (liabilities)				
Allowance for diminution in value of inventories	3,574	2,026	3,574	2,026
Reserve for other expenses	9,071	5,235	9,071	5,235
Provision for long-term employee benefits	2,955	6,801	2,955	5,978
Unrealised loss on forward contract	1,445	1,499	1,445	1,499
Unused tax losses	-	61,960	-	59,711
Export incentive receivables	(1,014)	(574)	(1,014)	(574)
Depreciation and amortisation	-	(785)	-	-
Rights of use asset and lease liabilities	(70)	-	(70)	-
Others	-	379	-	-
Total deferred tax assets, net	15,961	76,541	15,961	73,875
Deferred tax assets (liabilities)				
Allowance for diminution in value of inventories	5,820	8,731	-	-
Reserve for other expenses	3,693	3,890	-	-
Provision for long-term employee benefits	14,747	15,158	-	-
Unused tax losses	228,886	381,273	-	-
Depreciation and amortisation	(512,915)	(521,146)	-	-
Unrealised gain on forward contract	(22,147)	(50,599)	-	-
Rights of use asset and lease liabilities	(1,959)	-	-	-
Others	15,864	9,783	-	-
Total deferred tax liabilities, net	(268,011)	(152,910)	-	-

As at 31 March 2020, the Group had unused tax losses of Baht 96 million, on which deferred tax assets were not recognised as the Group believe future taxable profit might not be sufficient to allow utilisation of the unused tax losses.

As at 31 March 2021, total amount of temporary difference associated with undistributed profit of subsidiaries amounted to Baht 2,169 million (2020: Baht 1,849 million) for which deferred tax liabilities have not been recognised.

27. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the manufacture of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films, blown film, and PET resins. Subject to certain imposed conditions, the privileges include a 100% exemption from corporate income tax for a period of first 6 - 8 years, and a 50% reduction of corporate income tax for a period of 5 years thereafter.

The Company's sales for the years ended 31 March 2021 and 2020 divided according to tax exempt and non-tax exempt operations were set out below.

(Unit: Million Baht)

	Separate financial statements					
	Tax exempt operations		Non-tax exempt operations		Total	
	2021	2020	2021	2020	2021	2020
Sales						
Domestic sales	149	170	706	669	855	839
Export sales	2,030	2,452	3,355	2,813	5,385	5,265
Total sales	2,179	2,622	4,061	3,482	6,240	6,104

28. Dividends paid

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend on 2020 operating results	Annual General Meeting of the Company's shareholders on 31 July 2020	261	0.29
Dividend on 2021 interim operating results	The Board of Directors' Meeting on 9 November 2020	486	0.54
Total for 2021		747	0.83
Dividend on 2019 operating results	Annual General Meeting of the Company's shareholders on 26 July 2019	297	0.33
Dividend on 2020 interim operating results	The Board of Directors' Meeting on 11 November 2019	324	0.36
Total for 2020		621	0.69

29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as managing director. The basis that used to measure operating profit or loss of segment is same as the basis that used to measure operating profit or loss in the financial statements.

For management purposes, the Group have a single industry segment, the manufacture and distribution of polyester films, metallised films, extrusion coated films, cast polypropylene films, silicone coated films and PET resins, and are carried on in two geographic areas in Thailand and overseas countries, as operated by subsidiaries.

The revenue and profit information by geographical segment in the consolidated financial statements for the years ended 31 March 2021 and 2020 were as follows:

(Unit: Million Baht)

	Thailand		Overseas countries		Elimination of inter-segment revenues		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Sales to external customers	4,212	4,605	10,932	9,446	-	-	15,144	14,051
Inter-segment sales	2,171	1,641	1,034	846	(3,205)	(2,487)	-	-
Total sales	<u>6,383</u>	<u>6,246</u>	<u>11,966</u>	<u>10,292</u>	<u>(3,205)</u>	<u>(2,487)</u>	<u>15,144</u>	<u>14,051</u>
Reversal of impairment of property, plant and equipment	-	-	-	310	-	-	-	310
Segment operating profit	831	974	2,410	1,137	40	(305)	3,281	1,806
Unallocated expenses:								
Finance income							23	11
Finance cost							(61)	(66)
Tax expense							(271)	(254)
Profit for the year							<u>2,972</u>	<u>1,807</u>
<u>Segment total assets</u>								
Property, plant and equipment	3,897	3,937	7,866	6,801	(42)	(32)	11,721	10,706
Other intangible assets	-	-	1	1	-	-	1	1
Unallocated assets							8,307	6,783
Total assets							<u>20,029</u>	<u>17,490</u>

Transfer prices between segments were as set out in Note 7 to the financial statements.

Major customers

For the year 2021, the Group had revenue from one major customer in amount of Baht 1,869 million, arising from overseas countries segments (2020: Baht 1,885 million derived from one major customer, arising from overseas countries segments).

30. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rates of 4% - 7% (2020: 4% - 7%) of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year the Group contributed Baht 9.3 million (2020: Baht 8.4 million) to the fund (the Company only: Baht 9.0 million (2020: Baht 8.2 million)).

31. Commitments and contingent liabilities**31.1 Capital commitments**

As at 31 March 2021, the Group had capital commitments of approximately Baht 1,076 million (2020: Baht 1,137 million) (The Company only: Baht 80 million (2020: Baht 191 million)), relating to the acquisitions of machinery and equipment.

31.2 Operating lease commitments

The Group had entered into several lease agreements in respect of office building space and equipment. The term of the agreements are generally between 1 and 5 years.

Future minimum rentals payable under these leases agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Payable:				
In up to 1 year	2.1	1.7	0.1	0.5
In over 1 and up to 5 years	1.9	0.7	0.1	0.2

31.3 Service agreements

As at 31 March 2021, the Group had commitments totaling Baht 3.2 million (2020: Baht 9.2 million) under various service agreements (The Company only: Baht 2.7 million (2020: Baht 8.7 million)). These agreements expire between April 2021 and April 2023.

31.4 Guarantees

- a) As at 31 March 2021, the Company has provided guarantee worth USD 20.0 million (2020: USD 20.0 million) for working capital facilities obtained by a subsidiary, Polyplex USA LLC.
- b) As at 31 March 2021, the Company has provided guarantee of USD 80.0 million for the long-term loans in USD and EUR obtained by its subsidiary, PT. Polyplex Film Indonesia (2020: USD 55.0 million). As at 31 March 2021, the outstanding balance of PT. Polyplex Film Indonesia's loan were USD 18.6 million and EUR 28.5 million (2020: USD 16.3 million and EUR 30.7 million).
- c) As at 31 March 2021, Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi has provided guarantee for credit facilities obtained by Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi of EUR 5.7 million (2020: EUR 5.7 million).
- d) As at 31 March 2021 and 2020, there was outstanding bank guarantee as follow:

(Unit: Million)

Letters of guarantee for	Currency	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Customs duty	Euro	0.2	0.3	-	-

31.5 Letter of credit

As at 31 March 2021, available credit facilities amount to USD 12.4 million, EUR 1.5 Million and IDR 43.6 billion (2020: USD 12.8 million and EUR 19.3 million) (The Company only: USD 4.6 million (2020: USD 4.1 million and EUR 1.4 million)).

32. Fair value hierarchy

As at 31 March 2021 and 2020, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	As at 31 March 2021				As at 31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value								
Debt instruments								
Unit trusts	-	69	-	69	-	-	-	-
Bonds	-	319	-	319	-	-	-	-
Derivative								
Foreign currency forward contracts	-	8	-	8	-	16	-	16
Financial liability measured at fair value								
Derivative								
Foreign currency forward contracts	-	43	-	43	-	63	-	63

(Unit: Million Baht)

	Separate financial statements							
	As at 31 March 2021				As at 31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value								
Derivative								
Foreign currency forward contracts	-	2	-	2	-	16	-	16
Financial liability measured at fair value								
Derivative								
Foreign currency forward contracts	-	26	-	26	-	58	-	58

33. Financial instruments

33.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Derivative assets				
Derivative assets not designated as hedging instruments				
- Foreign exchange forward contracts	8,106	15,759	1,755	15,759
Total derivative assets	8,106	15,759	1,755	15,759
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
- Foreign exchange forward contracts	43,425	62,167	26,255	57,842
Total derivative liabilities	43,425	62,167	26,255	57,842

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 26 months.

33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below:-

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by letters of credit and other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments within the policies and guidelines approved by the senior management and only with approved counterparties with a good credit rating and within credit limits assigned to each counterparty. The credit limits are set and are reviewed periodically to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are market risks comprising of interest rate risk, currency risk and commodity price risk. The Group enters into a variety of derivatives to manage its risk exposure, including foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within three years.

As at 31 March 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	27.43	20.65	29.18	26.73	31.2935	32.6278
Euro	11.05	5.32	29.99	32.83	36.6524	35.9064
Japanese Yen	28.75	7.11	21.97	15.71	0.2828	0.3006
Pound Sterling	0.11	0.15	-	-	42.9778	40.2137
Rupee	0.64	-	-	1.40	0.4190	0.4228
South Korean Won	37.69	18.28	-	-	0.0277	0.0267
Polish Zloty	0.02	0.04	-	-	7.8831	7.9513
Turkish Lira	2.23	0.41	3.49	2.29	3.7800	4.9500
Swiss Franc	-	-	0.22	-	33.1760	33.9341

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	18.35	28.10	3.84	3.74	31.2935	32.6278
Euro	1.32	1.80	101.72	96.14	36.6524	35.9064
Japanese Yen	28.75	7.11	0.44	0.56	0.2828	0.3006
Pound Sterling	0.04	0.03	-	-	42.9778	40.2137
South Korean Won	37.69	18.28	-	-	0.0277	0.0267
Swiss Franc	-	-	0.22	-	33.1760	33.9341

The Company's foreign exchange contracts outstanding were summarised below.

Foreign currency	As at 31 March 2021			
	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
			(Baht per 1 foreign currency unit)	
US dollar	2.42	30.76	29.8825 - 31.3768	29.8625 - 31.3560
Euro	0.63	1.12	36.3526 - 36.9782	36.2000 - 36.8652
Japanese Yen	-	40.19	-	0.2811 - 0.2830

Foreign currency	As at 31 March 2020			
	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
			(Baht per 1 foreign currency unit)	
US dollar	2.85	37.80	30.2254 - 32.5666	30.0050 - 32.5420
Euro	3.90	1.44	33.9451 - 36.2731	33.6900 - 34.3500
Japanese Yen	-	9.07	-	0.2979 - 0.3015

Subsidiaries had forward foreign exchange contracts as follows:

Foreign currency	As at 31 March 2021			
	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
YTL	0.95	-	YTL 8.6700 - 9.7155 per EUR 1	-
USD	4.62	1.74	USD 1.1837 - 1.2092 per EUR 1	Baht 29.9150 - 31.2500 per USD 1
EUR	9.03	7.72	EUR 0.8059 - 0.8446 per USD 1	USD 1.1090 - 1.2150 per EUR 1 and IDR 17,170 per EUR 1

Foreign currency	As at 31 March 2020			
	Bought amount (Million)	Sold amount (Million)	Contractual exchange rate	
			Bought	Sold
YTL	0.6	-	YTL 6.6702 per EUR 1	-
USD	1.8	0.1	USD 1.1024 - 1.1320 per EUR 1	Baht 30.8550 per USD 1
EUR	-	7.3	-	Baht 33.7600 - 34.7000 per EUR 1 and USD 1.1205 per EUR 1

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including the balances of monetary assets and liabilities between the Company and related parties and non-designated foreign currency derivatives as at 31 March 2021. The balances of monetary assets and liabilities between the Company and related parties were eliminated in consolidated statement of financial position whereas their foreign currency fluctuation impact was not eliminated from the consolidated income statement. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Consolidated financial statement		Separate financial statement	
	Change in FX rate	Effect on profit before tax	Change in FX rate	Effect on profit before tax
	(%)	(Million Baht)	(%)	(Million Baht)
US dollar	+ 8%	12	+ 6%	27
	- 8%	(12)	- 6%	(27)
Euro	+ 7%	(568)	+ 5%	(177)
	- 7%	568	- 5%	177

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by maintaining an appropriate portion between fixed and floating rate of borrowings, and considering the use of interest rate swap contracts.

As at 31 March 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 March 2021			As at 31 March 2020			
	Fixed interest rates		Floating interest rate	Fixed interest rates		Floating interest rate	Interest rate (% p.a.)
	Within 1 year	1-5 years		Within 1 year	1-5 years		
Financial assets							
Cash and cash equivalents	125.5	-	1,468.6	193.8	-	978.0	See Note 8
Investment in debt instruments	319.0	-	-	-	-	-	See Note 11
Restricted bank deposits	11.0	-	-	9.7	-	-	See Note 12
Financial liabilities							
Short-term loans from banks	650.0	-	-	874.0	-	32.6	See Note 16
Long-term loans from banks	-	-	1,614.3	-	-	1,653.3	See Note 18
Lease liabilities	5.8	12.6	-	-	-	-	0.37 - 4.00

(Unit: Million Baht)

	Separate financial statements					
	As at 31 March 2021			As at 31 March 2020		
	Fixed interest rates		Floating interest rate	Fixed interest rates		Floating interest rate
	Within 1 year	1-5 years		Within 1 year	1-5 years	
Financial assets						
Cash and cash equivalents	-	-	33.3	-	-	60.6
Financial liabilities						
Short-term loans from banks	640.0	-	-	874.0	-	-
Long-term loans from related party	-	-	3,745.4	-	-	3,412.7
Long-term loans from banks	-	-	3.0	-	-	29.9
Lease liabilities	1.3	1.7	-	-	-	1.79

Interest rate sensitivity

The Group has no significant impact on the Group's profit before tax and equity due to changes in the fair value of monetary assets and liabilities to a reasonably possible change in floating interest rate as at 31 March 2021, as from a reasonably possible change in interest rates within next one year, with all other variables held constant.

Commodity price risk

The Group is affected by the price volatility of certain commodities. The main raw materials for production of PET film is PET resin which their prices are to a great extent linked to the movements of crude prices directly or indirectly, the Group therefore has exposure risk related to uncertainty in raw material price.

The Group manages such risk by monitoring world and local input price trends carefully and determines its procurement plans accordingly. Moreover, the Group has policy to adjust the selling price by monthly or quarterly basis, the Group is usually able to adjust the selling prices following any changes in the raw material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and bank loans. The Group's policy is maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit lines from banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner. Approximately 64% of the Group's debt will mature in less than one year at 31 March 2021 (2020: 62%) (the Company only: 31%, 2020: 33%) based on the carrying value of borrowings reflected in the financial statements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 March 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Less than 1 year	1 to 5 years	> 5 years
Non-derivatives			
Short-term loans from financial institutions	650,022	-	-
Trade and other payables	1,410,187	-	-
Lease liabilities	5,804	12,552	-
Long-term loans from banks	253,062	1,000,796	360,814
Total non-derivatives	2,319,075	1,013,348	360,814
Derivatives			
Derivative liabilities: net settled	33,615	9,810	-
Total	33,615	9,810	-

(Unit: Thousand Baht)

	Separate financial statements		
	Less than 1 year	1 to 5 years	> 5 years
Non-derivatives			
Short-term loans from financial institutions	640,021	-	-
Trade and other payables	755,700	-	-
Lease liabilities	1,356	1,695	-
Long-term loans from related party	-	3,745,444	-
Long-term loan from bank	3,370	-	-
Total non-derivatives	1,400,447	3,747,119	-
Derivatives			
Derivative liabilities: net settled	26,255	-	-
Total derivatives	26,255	-	-

34. Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

35. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 March 2021, the Group's debt-to-equity ratio was 0.31:1 (2020: 0.35:1) and the Company's debt-to-equity was 1.42:1 (2020: 1.30:1).

36. Event after the reporting period

On 24 May 2021, the Company's Board of Directors meeting passed a resolution approving to pay an additional dividend for 2021 of Baht 414 million (900 million ordinary shares at Baht 0.46 each) to its shareholders. This will be proposed to the Annual General Meeting of Shareholders on 30 July 2021 for consideration and approval. Payments of dividend will be made on 26 August 2021.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 May 2021.



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