

13. Financial Information

1.1 Independent Auditor's Report

Opinion

I have audited the consolidated and separate financial statements of Birla Carbon (Thailand) Public Company Limited and its subsidiary (the "Group") and of Birla Carbon (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 March 2021, and the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 March 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

<i>Valuation of long-term loan to related party and interest receivables</i>	
Refer to Notes 4 and 6	
The key audit matter	How the matter was addressed in the audit
<p>The Group and the Company provided a long-term loan to an overseas associate, which is unsecured with interest rate at LIBOR+3.5% per annum (<i>SOFR+3.5% per annum starting from 1 April 2021</i>) and will be repayable in full in June 2026.</p> <p>For accounting periods beginning on or after 1 April 2020, the Group and the Company adopted the TFRS 9 - Financial Instruments which requires the Group and the Company to recognize impairment loss of the long-term loan to related party and interest receivables based on expected credit loss.</p> <p>As the long-term loan and interest receivables balances are material and involved judgment in estimating the recoverability, I</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • read the loan agreements, obtained confirmation, and tested the interest receivables to assess whether the calculation was consistent with the conditions stipulated in the long-term loan agreement; • examined the evidence supporting management's consideration to assess the appropriateness of consideration process and key assumptions and information that management of the Group and the Company used in considering expected credit loss; • made inquiries of management and obtained related documents to understand the process by which management has derived the estimated future cash flows

<p>considered this to be the key audit matter.</p>	<p>of associate;</p> <ul style="list-style-type: none"> • evaluated the assumptions and methodologies underpinning the estimated cash flows; • performed retrospective review by comparing estimated cash flows prepared by management in the previous year against the actual financial performance; • performed sensitivity analysis on growth rate and discount rate; • considered the adequacy of the disclosure of the financial statements.
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Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Orawan Chunhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
25 May 2021

1.2 Summary of Financial Information

Statement of financial position (Audited)

(Unit : Baht)

	Consolidated financial statements					
	As at 31 March					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Assets						
<i>Current assets</i>						
Cash and cash equivalents	4,646,819,071	20.74	4,600,902,402	21.41	1,722,202,032	8.67
Trade accounts receivable	1,042,120,482	4.65	1,069,255,910	4.98	1,203,567,691	6.06
Other receivables	42,106,841	0.19	81,457,536	0.38	74,364,840	0.37
Inventories	1,319,267,567	5.89	475,432,565	2.21	896,680,138	4.51
Current portion of long-term loan to related parties	-	-	4,750,000	0.02	4,750,000	0.02
Derivatives assets	-	-	69,673,862	0.32	-	-
Total current assets	7,050,313,961	31.47	6,301,472,275	29.32	5,391,105,921	27.15
<i>Non-current assets</i>						
Investments in associates	5,638,429,037	25.17	5,163,283,589	24.03	4,961,090,969	24.98
Investments in subsidiary	-	-	-	-	-	-
Other non-current financial assets	97,914,028	0.44	239,476,991	1.11	239,081,061	1.20
Long-term loan to related parties	5,389,683,911	24.06	5,629,577,193	26.20	5,485,367,312	27.62
Long-term interest receivables	2,920,103,117	13.03	2,705,645,770	12.59	2,178,143,025	10.97
Property, plant and equipment	1,178,203,870	5.26	1,351,445,390	6.29	1,497,185,461	7.54
Intangible assets	1,216,053	0.01	6,080,263	0.03	10,944,473	0.06
Deferred tax assets	123,582,260	0.55	75,831,172	0.35	93,491,832	0.47
Advance for purchase of machinery and equipment	933,097	0.00	13,751,487	0.06	1,221,395	0.01
Other non-current assets	2,426,751	0.01	2,339,750	0.01	2,647,952	0.01
Total non-current assets	15,352,492,124	68.53	15,187,431,605	70.68	14,469,173,480	72.85
Total assets	22,402,806,085	100.00	21,488,903,880	100.00	19,860,279,401	100.00

Statement of financial position (Audited) (Continued)

(Unit : Baht)

	Consolidated financial statements					
	As at 31 March					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Liabilities and equity						
<i>Current liabilities</i>						
Trade accounts payable	1,087,402,271	4.85	801,333,763	3.73	772,817,667	3.89
Other payables	186,736,051	0.83	183,882,247	0.86	379,959,032	1.91
Current portion of lease liabilities	1,590,575	0.01	4,952,242	0.02	-	-
Current tax payable	153,671,156	0.69	271,611,206	1.26	196,224,199	0.99
Derivatives liabilities	25,679,294	0.11	-	-	6,554,489	0.03
Total current liabilities	1,455,079,347	6.50	1,261,779,458	5.87	1,355,555,387	6.83
<i>Non-current liabilities</i>						
Lease liabilities	-	-	1,590,575	0.01	-	-
Non-current provisions for employee benefits	138,870,888	0.62	137,006,980	0.64	136,311,350	0.69
Total non-current liabilities	138,870,888	0.62	138,597,555	0.64	136,311,350	0.69
Total liabilities	1,593,950,235	7.11	1,400,377,013	6.52	1,491,866,737	7.51
<i>Equity</i>						
Share capital:						
Authorised share capital						
(300,000,000 ordinary shares,						
par value at Baht 1 per share)	300,000,000	1.34	300,000,000	1.40	300,000,000	1.51
Issued and paid-up share capital						
(300,000,000 ordinary shares,						
par value at Baht 1 per share)	300,000,000	1.34	300,000,000	1.40	300,000,000	1.51
Share premium:						
Share premium on ordinary shares	930,000,000	4.15	930,000,000	4.33	930,000,000	4.68
Retained earnings						
Appropriated						
Legal reserve	30,000,000	0.13	30,000,000	0.14	30,000,000	0.15
Unappropriated	21,392,886,048	95.49	20,716,465,789	96.41	18,703,608,692	94.18
Other components of equity	(1,844,030,198)	(8.23)	(1,887,938,922)	(8.79)	(1,595,196,028)	(8.03)
Total equity	20,808,855,850	92.89	20,088,526,867	93.48	18,368,412,664	92.49
Total liabilities and equity	22,402,806,085	100.00	21,488,903,880	100.00	19,860,279,401	100.00

Statement of income (Audited)

(Unit : Baht)

		Consolidated financial statements					
		For the year ended 31 March					
		2021		2020		2019	
		Amount	%	Amount	%	Amount	%
Revenue							
Revenue from sales		5,134,393,584	93.43	7,493,752,479	90.22	8,550,215,142	92.35
Dividend income		-	0.00	-	0.00	47,291,550	0.51
Interest income		356,440,457	6.49	517,324,112	6.23	512,435,674	5.53
Net foreign exchange gain		-	0.00	289,910,883	3.49	143,189,843	1.55
Other income		4,690,268	0.09	5,396,180	0.06	5,192,278	0.06
Total revenue		5,495,524,309	100.00	8,306,383,654	100.00	9,258,324,487	100.00
Expenses							
Cost of sales of goods		3,754,435,889	68.32	5,635,327,858	67.84	6,298,186,381	68.03
Distribution costs		147,676,098	2.69	149,353,136	1.80	145,843,064	1.58
Administrative expenses		239,846,323	4.36	245,519,664	2.96	416,504,577	4.50
Net foreign exchange loss		486,006,605	8.84	-	0.00	-	0.00
Total expenses		4,627,964,915	84.21	6,030,200,658	72.60	6,860,534,022	74.10
Profit from operating activities		867,559,394	15.79	2,276,182,996	27.40	2,397,790,465	25.90
Finance costs		(263,189)	(0.00)	(670,719)	(0.01)	(796,472)	(0.01)
Share of profit of associates							
accounted for using equity method		343,467,578	6.25	573,868,367	6.91	637,397,637	6.88
Profit before income tax expense		1,210,763,783	22.03	2,849,380,644	34.30	3,034,391,630	32.77
Tax expense		174,343,524	3.17	455,116,154	5.48	449,518,448	4.86
Profit for the year		1,036,420,259	18.86	2,394,264,490	28.82	2,584,873,182	27.92
Basic earnings per share (in Baht)		3.45		7.98		8.62	

Statement of comprehensive income (Audited)

(Unit : Baht)

		Consolidated financial statements		
		For the year ended 31 March		
		2021	2020	2019
		Amount	Amount	Amount
Profit for the year		1,036,420,259	2,394,264,490	2,584,873,182
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations		100,805,243	(290,521,278)	(245,736,250)
Share of other comprehensive income of associates, net of tax		-	(2,221,616)	-
Total items that will be reclassified subsequently to profit or loss		100,805,243	(292,742,894)	(245,736,250)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Loss on investments in equity instruments designated at fair value through other comprehensive income		(7,037,851)	-	-
Income tax relating to items that will not be reclassified to profit or loss		1,407,570	-	1,175,051
Loss on remeasurements of defined benefit plans				(5,875,257)
Share of other comprehensive income of associates, net of tax		56,353,850	(51,407,393)	(4,279,201)
Total items that will not be reclassified subsequently to profit or loss		50,723,569	(51,407,393)	(8,979,407)
Other comprehensive expense for the year, net of tax		151,528,812	(344,150,287)	(254,715,657)
Total comprehensive income for the year		1,187,949,071	2,050,114,203	2,330,157,525

Statement of cash flow (Audited)

(Unit : Baht)

	Consolidated financial statements		
	For the year ended 31 March		
	2021	2020	2019
	Amount	Amount	Amount
<i>Cash flows from operating activities</i>			
Profit for the year	1,036,420,259	2,394,264,490	2,584,873,182
<i>Adjustments for reconcile profit to cash receipts</i>			
Depreciation and amortisation	210,392,360	237,277,016	214,065,573
Losses on (reversal of) inventories devaluation	966,957	(11,412,604)	7,093,200
Dividend income	-	-	(47,291,550)
Interest income	(356,440,457)	(517,324,112)	(512,435,674)
Finance costs	263,189	670,719	796,472
Unrealised loss (gain) on exchange rate	402,976,509	(291,751,043)	(83,595,010)
Unrealised loss (gain) on derivatives	95,353,156	(76,228,351)	6,281,032
Loss (gain) on disposal of property, plant and equipment	297	(618,022)	197,634
Share of profit of associates, net of tax	(343,467,578)	(573,868,367)	(637,397,637)
Provisions for employee benefits	16,676,539	11,946,989	39,538,203
Tax expense	174,343,524	455,116,154	449,518,448
	1,237,484,755	1,628,072,869	2,021,643,873
<i>Changes in operating assets and liabilities</i>			
Trade accounts receivable	32,983,968	142,639,958	(32,245,531)
Other receivables	33,169,867	(20,869,318)	5,337,036
Inventories	(844,801,959)	432,660,177	198,547,576
Other non-current assets	(87,001)	308,202	(175,183)
Trade accounts payable	271,472,797	24,668,892	(439,417,152)
Other payables	3,832,980	(89,533,237)	(76,700,719)
Net cash generated from operating	734,055,407	2,117,947,543	1,676,989,900
Employee benefit paid	(14,812,631)	(11,251,359)	(7,617,203)
Tax paid	(311,722,071)	(362,068,486)	(335,323,037)
Net cash from operating activities	407,520,705	1,744,627,698	1,334,049,660

Statement of cash flow (Audited) (Continued)

(Unit : Baht)

	Consolidated financial statements		
	For the year ended 31 March		
	2021	2020	2019
	Amount	Amount	Amount
<i>Cash flows from investing activities</i>			
Decrease in short-term deposits at financial institutions	-	1,489,541,220	(839,224,191)
Proceeds from redemption of other long-term investments			1,357,400,000
Interest received	38,736,191	87,079,523	41,804,506
Dividend received	25,491,000	27,515,088	72,782,550
Acquisition of property, plant and equipment	(26,654,317)	(182,019,843)	(294,820,302)
Advance for purchase of machinery and equipment	(933,097)	(12,530,092)	(1,221,395)
Proceeds from sale of property, plant and equipment	1,328,538	714,953	-
Proceeds from repayment of long-term loans			
to related parties	10,866,667	6,550,000	1,583,333
Long-term loans to related parties	-	-	(19,000,000)
Increase in long-term deposits at financial institution	-	(395,930)	
Net cash from investing activities	48,834,982	1,416,454,919	319,304,501
<i>Cash flows from financing activities</i>			
Interest paid	(263,189)	(670,719)	(796,472)
Dividends paid	(359,266,097)	(329,481,308)	(298,523,168)
Payment of lease liabilities	(4,952,243)	(5,269,246)	-
Proceeds from borrowings	-	256,000,000	1,378,500,000
Repayment of borrowings	-	(256,000,000)	(1,378,500,000)
Net cash used in financing activities	(364,481,529)	(335,421,273)	(299,319,640)
Net increase in cash and cash equivalents,			
before effect of exchange rates	91,874,158	2,825,661,344	1,354,034,521
Effect of exchange rate changes on cash and cash equivalents	(45,957,489)	53,039,026	(13,180,235)
Net increase in cash and cash equivalents	45,916,669	2,878,700,370	1,340,854,286
Cash and cash equivalents at 1 April	4,600,902,402	1,722,202,032	381,347,746
Cash and cash equivalents at 31 March	4,646,819,071	4,600,902,402	1,722,202,032
<i>Non-cash transactions</i>			
Payables for purchases of machinery and equipment	40,893,866	42,606,942	149,669,182
Accrued dividend	9,149,014	8,415,110	7,896,418

Financial Ratio (The Company only)

	2021	2020	2019	2018	2017
	April-March	April-March	April-March	April-March	April-March
LIQUIDITY RATIOS :					
Current Ratio (Times)	4.85	4.99	3.98	2.09	3.95
Quick Ratio (Times)	3.94	4.62	3.32	1.37	3.21
Accounts Receivable Turnover (Times)	4.60	6.17	6.82	6.95	5.67
Average Collection Period (Days)	78.34	58.33	52.78	51.78	63.53
Inventory Turnover (Times)	4.18	8.21	6.30	5.44	5.30
Average Inventory Time (Days)	86.04	43.83	57.13	66.12	67.93
Accounts Payable Turnover (Times)	3.32	5.27	4.68	4.21	5.26
Average Payment Period (Days)	108.30	68.27	76.87	85.54	68.48
Cash Cycle (Days)	56.09	33.88	33.04	32.36	62.98
PROFITABILITY RATIOS :					
Gross Profit Margin (%)	26.88	24.80	26.34	30.52	29.51
Net Profit Margin (%)	13.01	22.17	21.25	16.31	21.56
Return on Networth (%)	4.54	12.37	14.78	10.60	10.79
EFFICIENCY RATIOS :					
Return on Total Assets (%)	4.15	11.28	13.20	8.33	7.50
Return on Fixed Assets (%)	73.44	146.41	155.34	106.89	93.35
Total Assets Turnover (Time)	0.32	0.51	0.62	0.51	0.35
FINANCIAL POLICY RATIO:					
Debt/Equity Ratio (Times)	0.10	0.09	0.11	0.14	0.42
Interest Payment Coverage (Times)	3,393.34	3,434.83	3,042.69	8.23	11.10
Pay-out Ratio (%)	33.40	19.48	16.72	23.59	20.26
PER SHARE VALUES :					
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00
Book Value (Baht)	53.14	52.33	47.27	41.71	38.28
Earning Per Share (Baht)	2.39	6.16	6.58	4.24	3.95
Dividend Per Share (Baht)	0.80	1.20	1.10	1.00	0.80

Financial Ratio (Consolidated)

	2021	2020	2019	2018	2017
	April-March	April-March	April-March	April-March	April-March
LIQUIDITY RATIOS :					
Current Ratio (Times)	4.85	4.99	3.98	2.09	3.95
Quick Ratio (Times)	3.94	4.62	3.32	1.37	3.21
Accounts Receivable Turnover (Times)	4.59	6.17	6.82	6.95	5.67
Average Collection Period (Days)	78.35	58.34	52.79	51.78	63.53
Inventory Turnover (Times)	4.18	8.21	6.30	5.44	5.30
Average Inventory Time (Days)	86.04	43.83	57.13	66.12	67.93
Accounts Payable Turnover (Times)	3.32	5.27	4.68	4.21	5.26
Payment Period (Days)	108.32	68.29	76.88	85.54	68.48
Cash Cycle (Days)	56.07	33.87	33.04	32.35	62.98
PROFITABILITY RATIOS :					
Gross Profit Margin (%)	26.88	24.80	26.34	30.52	29.51
Net Profit Margin (%)	18.86	28.82	27.92	29.37	41.94
Return on Equity (%)	5.07	12.45	14.90	14.87	17.28
EFFICIENCY RATIOS :					
Return on Total Assets (%)	4.72	11.58	13.64	12.26	12.69
Return on Fixed Assets (%)	98.58	184.76	198.79	180.76	168.41
Total Assets Turnover (Time)	25.04	40.18	48.85	41.75	30.25
FINANCIAL POLICY RATIO :					
Debt/Equity Ratio (Times)	0.08	0.07	0.08	0.10	0.34
Interest Payment Coverage (Times)	3,296.34	3,393.65	3,010.51	8.16	10.90
Pay-out Ratio	23.16	15.04	12.77	13.15	10.47
PER SHARE VALUES :					
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00
Book Value (Baht)	69.36	66.96	61.23	54.46	47.84
Earning Per Share (Baht)	3.45	7.98	8.62	7.61	7.64
Dividend Per Share (Baht)	0.80	1.20	1.10	1.00	0.80

14. Management Discussion and Analysis of Operating Results

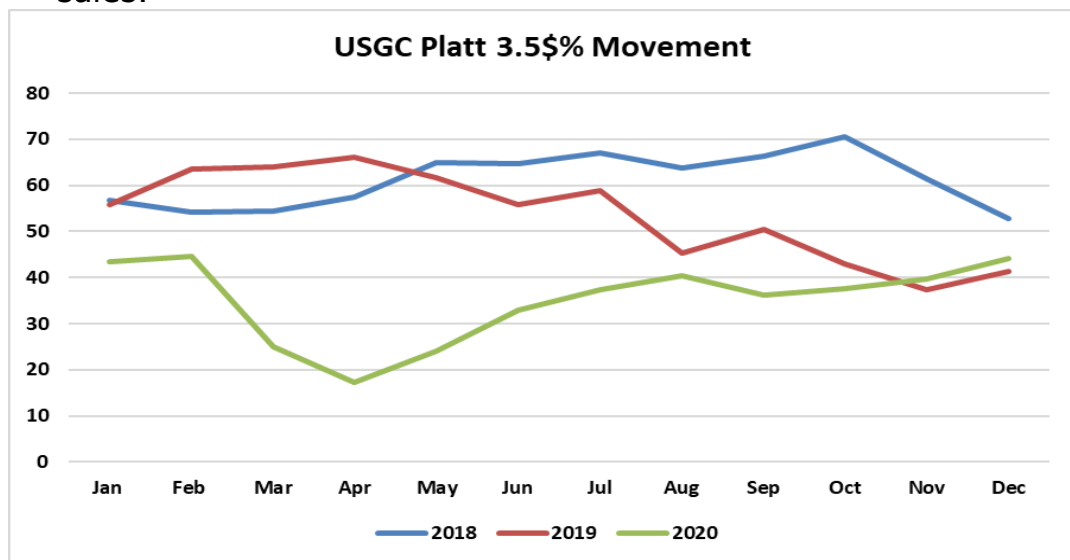
Production and sales

The unprecedented economic recession caused by the COVID-19 pandemic, had negatively influenced the sales & production volume of the company. Sales volume in FY21 was 197,642 Mt, which is 12% lower compared to FY20. Q1'FY21 was badly impacted resulting in sales volume being lower compared to Q1'FY20 by 43% as severe restrictions to contain spread of pandemic was put in place, thereafter Sales volume recovered rapidly & was back to previous year level.

With an objective to ensure tighter control over inventory during this uncertain business environment, the manufacturing operations was run in accordance with the market demand, hence the production volume in FY'21 was 197,958 Mt which is lower compared to FY'20 by 10%.

The company registered Sales Revenue of THB 5,134 Mn in FY'21, lower by 31% compared to last year FY'20 THB 7,494Mn. The significant loss of sales revenue due to

1. Drop in sales volume by 12% as mentioned above
2. The selling price per unit decreased in accordance with USGC Platt rates by 34% during the pricing reference period. Similar to last year domestic sales value continued to be 72% of total sales.



As we can see from the above Month to Month Comparison chart, Platt Rates started at much lower level compared to preceding years. It had suffered historical drop in the month of April and then rose to stabilize at \$37-40 per bbl from Jul – Nov. Average Platt rates in CY 20 was \$35 per BBL which was lower than CY2019 (\$54 per BBL) by 34% & CY2018 (\$61 per BBL) by 42%.

Similar to last year domestic sales value continued to be 72% of total sales.

	2021	2020	Decrease %
Domestic	3,713,488	5,424,627	-32%
Export	1,420,905	2,069,125	-31%
Total	5,134,393	7,493,752	-31%

Other Incomes

During current year FY'21 the company earned Dividend, Interest and Miscellaneous income amounting to THB 386 million as compared to THB 550 million in preceding year FY'20. The significant drop is in Interest Income, which was lower by Thb 161 Mn compared to last year, is attributable to drop in libor rate of the reference period by 71%.

Cost and Expenses

Cost of sales for current period was Thb 3,754 million, which is at 73.12% of sales as compared to Thb 5,635 million, which was at 72.50% of sales in the preceding period. The Drop in Cost of sales is on account of drop in sales volume by 12% and USGC platt by 34% as discussed above.

Gross profit margin is improved slightly, the company undertook several initiatives to improve operational efficiency and cost cutting measures apart from sharp focus on Raw Material Procurement. The company also taken major initiatives in health & safety of its employee. However, we should also note that we need to keep spending significantly in Repair & Maintenance so as to ensure plant is in best operating condition. We also have to ensure that both safe & conducive environment is provided to employee to improve their productivity.

During the period Selling, General & Administrative cost reduced by 2% YoY from Thb395 Mn in Fy'20 to Thb 388Mn in Fy'21. Drop in sales volume is not reflected in distribution cost as there was significant increase in Ocean freight from container shortages due to restrictive measures imposed by Governments in several countries.

	2021	2020	
	Amount	Amount	YoY
Selling cost	147,676,098	149,353,136	1%
Administrative cost	239,846,323	245,519,664	2%
	387,522,421	394,872,800	2%

Profits

The company in FY'21 recorded a consolidated net profit of THB1,036 Mn which is lower by 57% as compared to THB 2,394 Mn in FY20. On standalone basis, the company's net profit is THB 718 Mn which is lower by 61% as compared to THB 1,848Mn in FY20. The drop in net profit apart from reasons discussed above is also due to

- Forex loss of Thb 486 Mn in FY'21 as against a gain of Thb 290Mn in FY'20 as THB appreciated against US dollars significantly during the financial year.
- Drop in interest income by Thb 161 From Thb 517 Mn to Thb 356 Mn on account of significant drop in Libor Rates (approx. -78%)

Financial Position (Consolidated & Separate)

Total Assets

Consolidated: The total assets as of 31st March 2021 amounted to THB 22,403 million compared to THB 21,488 million as of 31st March 2020. Details of major assets are as below

Separate: The total assets as of 31st March 2021 amounted to THB 17,537 million compared to THB 17,098 million as of 31st March 2020. Details of major assets are as below

- **Cash & Short term deposits**

Consolidated & Separate :The cash reserves of the company was THB 4,647 million as on 31 March 2021 compared to THB 4,601 million as on 31 March 2020.

- **Inventory**

Consolidated & Separate :At the year ended 31st March 2021 the inventories were at THB 1319 million compared to THB 475 million of preceeding year end. The increase in Inventory is mainly on account of Raw Material in Transit due to revised incoterm of the underlying contract.

- **Receivables**

Consolidated & Separate :Trade and other receivables as of 31 March 2021 were decreased to THB 1,084 million as compared to THB 1,151 million as of 31st March 2020 mainly on account of spill over of sales volume due to deferment of shipments & container shortages.

- **Property, plant and equipment**

Consolidated & Separate :Net value of Property, Plant and Equipment (after depreciation) was THB 1,178 million as on 31st March 2021 compared to THB 1,351 million as on 31st March 2020. During the year company added THB 24 million in property, plant and equipment against disposal of THB 40 million.

- **Investment in Associates**

Consolidated : Investment in Associates as on 31st March 2021 was Thb 5638 Mn against Thb 5163 Mn as on 31st March 2020. Movement in investment in the three associate is depicted as below:

	P.T. Indo Liberty Textiles	Aditya Birla Chemicals (Thailand) Limited	Indigold Carbon (Mauritius) Limited	Total
Investment as on 31st Mar 2020	319	4256	588	5163
Total comprehensive income attributable to the company (Net of Dividend Received)	-68	170	374	475
Investment as on 31st Mar 2021	251	4426	962	5638

Separate :Investment in Associates as on 31st March 2021 was Thb 770 Mn against Thb 770 Mn as on 31st March 2020.

Factor affect the operation in Associated Companies

Company investment in associated companies is THB 770 million which as on 31st March 2021 as per equity method is valued at THB 5,638 million. Your Company has also extended loan to Associated Company ICML which as on 31st march 2021 is THB 5,390 million & interest receivable is THB 2,920 million. Totally Investment, loan and interest receivable constitute 62% of the total asset of the Company. The company is therefore exposed to risks from investing in associated companies. Thus if associate companies performance is impacted due to any reasons it will have impact on the financial position of the Company resulting in erosion of Retained Earnings. So your company pay close attention to the performance of your associates and participates in regular review of business performance through direct/ indirect participation in Board of Directors / Shareholder meeting.

- **Long term Loan to Related Party**

Consolidated & Separate :Long Term Loan to Related Party as on 31st March 2021 is Thb 5390 Mn against Thb 5630 Mn on 31st March 2020. The Principal portion of the loan to Indigold Carbon Mauritius Limited stands at \$173 Mn. Change in value is on account of change in exchange rate.

Though the investment in Indigold Carbon Mauritius Limited is in the form of Loan it is more in nature of strategic investment in Indigold Mauritius. In June, 2011, BCT invested USD 175,000,000 to acquire 20.59% ownership Columbian Chemicals. The investment was made in Indigold, a SPV formed for the purpose of acquisition of Columbian Chemicals. The investment took the form of USD 2,059,000 as equity capital and USD 172,941,000 as long term loan. Through this

investment your company is able to accrue many benefits which in turn is helping BCT to improve its performance year on year.

The Board of Directors in its meeting held on 11th Feb 2021, after careful and detail evaluation of the strategic relationship with Indigold and advantages /disadvantage and risks of the transaction as well as the opinion of the independent financial adviser & audit committee, decided that the extension of the Loan is reasonable and appropriate and is necessary for growth and sustainability of the Company.

On 18th March 2021 Company extended the loan agreement by 5 years with repayment date as on June 2026. All other terms and conditions of the Loan remain unchanged except for the calculation of interest which is required to be changed given the discontinuation of LIBOR.

- **Long Term Interest Receivables**

Consolidated & Separate : Long Term interest receivable as on 31st March 2021 was Thb 2920 Mn as against Thb 2705 Mn as on 31st March 2020. Interest is accrued at Libor +3.5% per annum on \$173 Mn loan extended to ICML. On 18th March 2021 Company extended the loan agreement by 5 years with repayment date as on June 2026. Interest will compound at SOFR+3.5% given the discontinuation of LIBOR.

- **Derivatives Liabilities**

Consolidated & Separate :Receivables & payables denominated in foreign currency is hedges through purchase of forward contracts. This forward contracts are reinstated in the books at every reporting date at current exchange rate. The Gain/ Loss arising from above reinstatement is reported as derivative asset/liability.

Liabilities and Shareholders' Equity

- **Trade Account Payable**

Consolidated & Separate: Trade account payable as of 31 March 2021 were increased to THB 1087 million as compared to THB 801 million as of 31st March 2020. The increase is on account of revision in incoterms of raw material procurement.

- **Derivatives assets**

Consolidated & Separate: Receivables & payables denominated in foreign currency is hedges through purchase of forward contracts. This forward contracts are reinstated in the books at every reporting date at current exchange rate. The Gain/ Loss arising from above reinstatement is reported as derivative asset/liability.

- **Shareholders' Equity**

Consolidated: Total shareholders' equity was THB 20,809 million as of 31st March 2021 from THB 20,089 million as of 31st March 2020. The net increase of Thb 720 Mn is on account of Thb 245 Mn from Company's own operation & Thb 475 Mn from Company's interest in associate companies net profit.

Separate: Total shareholders' equity during the current period increased to THB 15,943 million as of 31st March 2021 from THB 15698 million as of 31st March 2020. The net increase of THB 245 million is represented by current year profit of THB 718 million offset by dividend distributions of THB 360 million for year 2020 and loss from Investment in Equity instrument Thb 113 Mn.

Earnings per share

Consolidated: The current year's earnings per share decreased to THB 3.45 as compared to THB 7.98 in the preceding period in view of decreased net profit.

Separate: The current year's earnings per share decreased to THB 2.39 as compared to THB 6.16 in the preceding period in view of decreased net profit.

Book value per share

Consolidated: As of 31st March 2021, book value per share was THB 69.36 compared to 66.96 as on 31st March 2020. The increase is due to Company's current year's profit in addition to Company's interest of associate current year net profit.

Separate: As of 31st March 2021, book value per share was THB 53.14 compared to 52.33 as on 31st March 2020. The increase is due to current year's profit adjusted with dividends paid during the year.

Analysis of Financial Ratios (Company only)**Liquidity**

The company's current ratio as of 31st March 2021 was 4.85 against 4.99 as of 31st March 2020. Similarly, the company's quick ratio as of 31st March 2021 was 3.94 against 4.62 as of 31st March 2020. Company follows prudent cash flow management policies and maintains good liquidity.

Profitability

Current year gross profit margin of the company was 26.88 %, compared to 24.80 % in preceding period. This is due to sharp focus on raw material buying, improved customer centricity approach and keeping the cost under control.

Efficiency

The return on fixed assets was 73% as of 31st March 2021 compared to 146% as of 31st March 2020 The decrease is due to lower earnings in the current year due to global recession caused by Covid-19 pandemic .