

Independent Auditor's Report

To the Shareholders of Lohakit Metal Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Lohakit Metal 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 Lohakit Metal 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 Lohakit Metal Public Company Limited and its subsidiaries and of Lohakit Metal 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 Matters

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 these matters.

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 these matters. 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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures performed in response to each matter are described below.

Revenue recognition

Revenue from sales of the Group are significant amount and the Group sell their goods to a large number of customers under different commercial terms. I therefore determined revenue recognition as a key audit matter and focused on the occurrence of revenue recognition.

I performed audit procedures on the recognition of revenue from sales of the Group including:

- Assessed and tested the Group's 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.
- Applied a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewed credit notes that the Company issued after the period-end.
- Performed analytical procedures on disaggregated data of sales transactions throughout the period.

Allowance for diminution in value of inventories

As at 31 March 2021, the Group had outstanding inventories of Baht 506 million and inventories are valued at the lower of cost and net realisable value. Estimating the net realisable value of inventory, as disclosed in Note 11 to the consolidated financial statements, is an area of significant management judgment, particularly with regard to the estimation of allowance for diminution in the value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle.

I assessed the determination of the allowance for diminution in the value of inventories. The procedures that I performed included:

- Gained an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories, and reviewed the consistency of the application of that basis.
- Compared the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Compared proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory for each group of products.

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.

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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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 those matters that were of most significance in the audit of the 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.

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



Gingkarn Atsawarangsalit
Certified Public Accountant (Thailand) No. 4496

EY Office Limited
Bangkok: 27 May 2021

Lohakit Metal 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	317,824,738	211,322,854	160,233,385	69,421,626
Current investments	9	-	107,032,279	-	-
Trade and other receivables	10	556,308,350	542,310,563	243,729,631	284,939,103
Inventories	11	506,044,720	588,747,540	266,015,711	341,285,434
Other current financial assets	12	73,874,699	-	-	-
Other current assets		4,185,084	4,042,129	3,186,400	1,317,606
Total current assets		1,458,237,591	1,453,455,365	673,165,127	696,963,769
Non-current assets					
Restricted bank deposits	13	46,180,000	46,180,000	6,080,000	6,080,000
Other non-current financial assets	14	3,303,097	-	-	-
Investment in associate	15	12,967,659	11,625,644	4,900,000	4,900,000
Investments in subsidiaries	16	-	-	405,954,978	406,577,212
Long-term investments	17	-	3,456,729	-	-
Property, plant and equipment	18	551,655,282	581,774,931	290,409,144	308,144,684
Intangible assets	19	3,251,889	1,741,193	1,727,200	974,843
Deferred tax assets	26	14,294,784	16,900,023	7,472,477	9,856,175
Other non-current assets		3,317,829	3,402,229	2,525,550	2,394,650
Total non-current assets		634,970,540	665,080,749	719,069,349	738,927,564
Total assets		2,093,208,131	2,118,536,114	1,392,234,476	1,435,891,333

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

Lohakit Metal 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
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	20	42,513,268	55,717,470	6,453,725	31,255,488
Trade and other payables	21	349,355,721	368,073,065	159,839,904	212,254,097
Current portion of lease liabilities	22	3,261,656	-	3,261,656	-
Income tax payable		16,231,900	6,639,739	-	-
Other current liabilities		10,015,648	9,757,980	4,992,203	5,020,872
Total current liabilities		421,378,193	440,188,254	174,547,488	248,530,457
Non-current liabilities					
Lease liabilities, net of current portion	22	1,390,470	-	1,390,470	-
Provision for long-term employee benefits	23	38,335,917	43,216,677	16,980,834	22,455,655
Deferred tax liabilities	26	13,734	-	-	-
Other non-current liabilities		1,200	1,200	-	-
Total non-current liabilities		39,741,321	43,217,877	18,371,304	22,455,655
Total liabilities		461,119,514	483,406,131	192,918,792	270,986,112

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

Lohakit Metal 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					
383,000,000 ordinary shares of Baht 1 each		383,000,000	383,000,000	383,000,000	383,000,000
Issued and fully paid-up					
383,000,000 ordinary shares of Baht 1 each		383,000,000	383,000,000	383,000,000	383,000,000
Share premium		519,672,600	519,672,600	519,672,600	519,672,600
Retained earnings					
Appropriated - statutory reserve	24	76,400,000	75,250,000	38,300,000	38,300,000
Unappropriated		455,347,200	438,194,825	258,343,084	223,932,621
Other components of shareholders' equity		-	811,937	-	-
Equity attributable to owners of the Company		1,434,419,800	1,416,929,362	1,199,315,684	1,164,905,221
Non-controlling interests of the subsidiary		197,668,817	218,200,621	-	-
Total shareholders' equity		1,632,088,617	1,635,129,983	1,199,315,684	1,164,905,221
Total liabilities and shareholders' equity		2,093,208,131	2,118,536,114	1,392,234,476	1,435,891,333

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

Directors

Lohakit Metal Public Company Limited and its subsidiaries

Statement of income

For the year ended 31 March 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Sales and service income		2,226,165,617	2,756,439,571	1,008,647,435	1,341,392,060
Dividend income	16.2	171,556	171,044	86,805,611	83,435,629
Other income		21,206,384	19,321,920	26,418,566	27,162,631
Total revenues		2,247,543,557	2,775,932,535	1,121,871,612	1,451,990,320
Expenses					
Cost of sales and service		1,920,390,713	2,427,693,124	911,595,320	1,251,222,059
Selling and distribution expenses		52,884,019	65,947,590	32,657,678	42,534,334
Administrative expenses		113,494,508	122,773,854	59,196,253	65,301,046
Total expenses		2,086,769,240	2,616,414,568	1,003,449,251	1,359,057,439
Operating profit		160,774,317	159,517,967	118,422,361	92,932,881
Share of profit from investment in associate	15.2	1,342,015	1,954,862	-	-
Finance cost		(1,870,147)	(3,673,569)	(693,335)	(1,440,703)
Profit before income tax expenses		160,246,185	157,799,260	117,729,026	91,492,178
Income tax expenses	26	(27,083,634)	(23,500,322)	(1,718,670)	(2,479,197)
Profit for the year		133,162,551	134,298,938	116,010,356	89,012,981
Profit attributable to:					
Equity holders of the Company		101,363,909	86,950,542	116,010,356	89,012,981
Non-controlling interests of the subsidiary		31,798,642	47,348,396		
		<u>133,162,551</u>	<u>134,298,938</u>		
Earnings per share					
28					
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.26	0.23	0.30	0.23
Weighted average number of ordinary shares (shares)		383,000,000	383,000,000	383,000,000	383,000,000

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

Lohakit Metal Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 March 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit for the year		133,162,551	134,298,938	116,010,356	89,012,981
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Loss on changes in value of available-for-sale investments - net of income tax	17, 26	-	(40,969)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	23, 26	1,625,238	(719,244)	3,000,213	(427,319)
Other comprehensive income for the year		1,625,238	(760,213)	3,000,213	(427,319)
Total comprehensive income for the year		134,787,789	133,538,725	119,010,569	88,585,662
Total comprehensive income attributable to					
Equity holders of the Company		102,999,593	86,217,904	119,010,569	88,585,662
Non-controlling interests of the subsidiary		31,788,196	47,320,821		
Total comprehensive income for the year		134,787,789	133,538,725		

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

Lohakit Metal 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 owners of the Company									
	Note	Issued and paid-up share capital	Share premium	Retained earnings			Surplus (deficit) on changes in value of available-for-sale investments	Other components of equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Unappropriated					
Balance as at 1 April 2019		383,000,000	519,672,600	74,900,000	467,186,322	852,906		1,445,611,828	220,799,800	1,666,411,628	
Profit for the year		-	-	-	86,950,542	-	-	86,950,542	47,348,396	134,298,938	
Other comprehensive income for the year		-	-	-	(691,669)	(40,969)	(40,969)	(732,638)	(27,575)	(760,213)	
Total comprehensive income for the year		-	-	-	86,258,873	(40,969)	(40,969)	86,217,904	47,320,821	133,538,725	
Dividend paid	31	-	-	-	(114,900,370)	-	-	(114,900,370)	-	(114,900,370)	
Transferred to appropriated retained earnings - statutory reserve	24	-	-	350,000	(350,000)	-	-	-	-	-	
Dividend paid for subsidiary		-	-	-	-	-	-	-	(49,920,000)	(49,920,000)	
Balance as at 31 March 2020		383,000,000	519,672,600	75,250,000	438,194,825	811,937	811,937	1,416,929,362	218,200,621	1,635,129,983	
Balance as at 1 April 2020		383,000,000	519,672,600	75,250,000	438,194,825	811,937	811,937	1,416,929,362	218,200,621	1,635,129,983	
Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standards	4	-	-	-	(436,830)	(811,937)	(811,937)	(1,248,767)	-	(1,248,767)	
Balance as at 1 April 2020 - as restated		383,000,000	519,672,600	75,250,000	437,757,995	-	-	1,415,680,595	218,200,621	1,633,881,216	
Profit for the year		-	-	-	101,363,909	-	-	101,363,909	31,798,642	133,162,551	
Other comprehensive income for the year		-	-	-	1,635,684	-	-	1,635,684	(10,446)	1,625,238	
Total comprehensive income for the year		-	-	-	102,999,593	-	-	102,999,593	31,788,196	134,787,789	
Dividend paid	31	-	-	-	(84,260,388)	-	-	(84,260,388)	-	(84,260,388)	
Transferred to appropriated retained earnings - statutory reserve	24	-	-	1,150,000	(1,150,000)	-	-	-	-	-	
Dividend paid for subsidiary		-	-	-	-	-	-	-	(52,320,000)	(52,320,000)	
Balance as at 31 March 2021		383,000,000	519,672,600	76,400,000	455,347,200	-	-	1,434,419,800	197,668,817	1,632,088,617	

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

Lohakit Metal Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 March 2021

	Note	Separate financial statements					Total shareholders' equity
		Issued and fully paid-up share capital	Share premium	Retained earnings			
				Appropriated - statutory reserve	Unappropriated		
Balance as at 1 April 2019		383,000,000	519,672,600	38,300,000	250,246,959	1,191,219,559	
Profit for the year		-	-	-	89,012,981	89,012,981	
Other comprehensive income for the year		-	-	-	(427,319)	(427,319)	
Total comprehensive income for the year		-	-	-	88,585,662	88,585,662	
Dividend paid	31	-	-	-	(114,900,000)	(114,900,000)	
Balance as at 31 March 2020		383,000,000	519,672,600	38,300,000	223,932,621	1,164,905,221	
Balance as at 1 April 2020		383,000,000	519,672,600	38,300,000	223,932,621	1,164,905,221	
Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standards	4	-	-	-	(340,106)	(340,106)	
Balance as at 1 April 2020 - as restated		383,000,000	519,672,600	38,300,000	223,592,515	1,164,565,115	
Profit for the year		-	-	-	116,010,356	116,010,356	
Other comprehensive income for the year		-	-	-	3,000,213	3,000,213	
Total comprehensive income for the year		-	-	-	119,010,569	119,010,569	
Dividend paid	31	-	-	-	(84,260,000)	(84,260,000)	
Balance as at 31 March 2021		383,000,000	519,672,600	38,300,000	258,343,084	1,199,315,684	

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

Lohakit Metal 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	160,246,185	157,799,260	117,729,026	91,492,178
Adjustments to reconcile profit before tax to net cash provided by (used in) operating activities:				
Depreciation	52,181,828	53,428,807	30,755,711	32,571,889
Amortisation	391,504	301,517	229,443	195,483
Allowance for expected credit loss (reversal)	(180,748)	62,379	(267,085)	(66,298)
Reduction of inventories to net realisable value (reversal)	(8,520,118)	4,515,184	(7,579,039)	1,501,170
Allowance for impairment of investment in subsidiary	-	-	622,234	230,091
Gain on sale of investments	(228,505)	(62,812)	-	-
Unrealised gain from fair value measurement of the other current financial assets	(60,194)	(189,163)	-	-
Unrealised loss from fair value measurement of the other non-current financial assets	153,632	-	-	-
Unrealised gain on change fair value in forward contract	(53,721)	-	-	-
Gain on sales of equipment	(2,511,359)	(2,641,427)	(697,242)	(1,547,430)
Provision for long-term employee benefits	6,560,788	13,358,553	4,475,445	9,023,911
Unrealised loss (gain) on foreign exchange	(143,385)	192,036	(144,476)	190,010
Share of profit from investment in associate	(1,342,015)	(1,954,862)	-	-
Dividend income	(171,556)	(171,044)	(86,805,611)	(83,435,629)
Interest income	(230,726)	(567,894)	(62,139)	(107,890)
Finance cost	1,035,887	2,642,695	313,043	893,525
Profit from operating activities before changes in operating assets and liabilities	207,127,497	226,713,229	58,569,310	50,941,010
Operating assets (increase) decrease				
Trade and other receivables	(15,671,466)	130,661,093	40,780,199	40,955,008
Inventories	91,222,938	123,111,444	82,848,762	47,881,765
Other current assets	670,991	1,865,235	(1,054,848)	2,505,595
Other non-current assets	84,400	8,532,961	(130,900)	8,139,912
Operating liabilities increase (decrease)				
Trade and other payables	(18,463,567)	(149,030,696)	(52,159,325)	(66,055,659)
Other current liabilities	257,668	1,194,536	(28,669)	1,393,629
Cash paid for long-term employee benefits	(9,410,000)	(12,405,200)	(6,200,000)	(12,405,200)
Cash flows from operating activities	255,818,461	330,642,602	122,624,529	73,356,060
Interest paid	(881,962)	(2,597,369)	(159,117)	(848,199)
Corporate income tax paid	(15,509,340)	(38,130,675)	(542,721)	(4,188,929)
Net cash flows from operating activities	239,427,159	289,914,558	121,922,691	68,318,932

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

Lohakit Metal 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 paid for acquisitions of property, plant and equipment and intangible assets	(18,576,261)	(93,559,025)	(8,180,306)	(79,364,142)
Cash paid for acquisition of investment in open-end fund	(37,000,000)	(143,000,000)	-	-
Cash received from sales of investment in open-end fund	70,500,000	40,600,000	-	-
Dividend received	171,556	171,044	86,805,611	83,435,629
Proceeds from sales of equipment	4,933,208	3,595,682	2,685,544	2,094,747
Interest received	252,969	583,048	62,139	107,890
Net cash flows from (used in) investing activities	20,281,472	(191,609,251)	81,372,988	6,274,124
Cash flows from financing activities				
Increase (decrease) in short-term loans from banks	(13,204,202)	(36,528,986)	(24,801,763)	17,928,961
Cash receipt from long-term loan from bank	8,000,000	-	-	-
Repayment of long-term loan from bank	(8,000,000)	-	-	-
Payment of principal portion of lease liabilities	(3,364,200)	-	(3,364,200)	-
Dividend paid	(136,580,388)	(164,820,370)	(84,260,000)	(114,900,000)
Net cash flows used in financing activities	(153,148,790)	(201,349,356)	(112,425,963)	(96,971,039)
Decrease (increase) in translation adjustments	(57,957)	47,771	(57,957)	47,771
Net decrease in cash and cash equivalents	106,501,884	(102,996,278)	90,811,759	(22,330,212)
Cash and cash equivalents at beginning of year	211,322,854	314,319,132	69,421,626	91,751,838
Cash and cash equivalents at end of year (Note 8)	317,824,738	211,322,854	160,233,385	69,421,626

Supplemental cash flows information

Non-cash items:

Actuarial loss (gain) for long-term employee benefits	(2,031,548)	899,055	(3,750,266)	534,149
Decrease in revaluation surplus in investments in available-for-sale investment	-	(51,211)	-	-

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

Lohakit Metal Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 March 2021

1. General information

1.1 General information of the Company

Lohakit Metal Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the processing, distribution and shearing of stainless steel, steel and metal products. The registered office of the Company is at 66/1 Moo 6 Suksawad Road, Bangjak, Prapradaeng, Samutprakarn.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance 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 Lohakit Metal Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			(Percent)	(Percent)
Auto Metal Company Limited	Production and distributing stainless steel pipe for automotive industry	Thailand	60	60
Alternative EnMat Company Limited	Distribution of metal and non-ferrous metal products	Thailand	100	100
NSC Metal Company Limited	Distribution of stainless steel, aluminum, brass, copper, zinc and galvanized steel products	Thailand	100	100

- 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) Material balances and transactions between the Group have been eliminated from the consolidated financial statements
- f) 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 and associates under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

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
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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. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of investments in available-for-sale equity securities - The Group's available- for-sale investments in listed equity securities were measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains (or losses) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of expected 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 measures 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 cumulative effect of the change is described in Note 4 to the consolidated financial statements.

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 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 to the consolidated 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 has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

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

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

The impacts on the beginning balance of retained earnings 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			1 April 2020
	31 March 2020	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	107,032	(107,032)	-	-
Trade and other receivables	542,311	(1,832)	-	540,479
Other current financial assets	-	107,303	-	107,303
Non-current assets				
Other non-current financial assets	-	3,457	-	3,457
Long-term investments	3,457	(3,457)	-	-
Property, plant and equipment	581,775	-	7,810	589,585
Deferred tax assets	16,900	312	-	17,212
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	3,158	3,158
Non-current liabilities				
Lease liabilities, net of current portion	-	-	4,652	4,652
Shareholders' equity				
Retained earnings - unappropriated	438,194	(437)	-	437,757
Other components of shareholders' equity	812	(812)	-	-

(Unit: Thousand Baht)

	Separate financial statements			1 April 2020
	31 March 2020	The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	284,939	(696)	-	284,243
Other current financial assets	-	271	-	271
Non-current assets				
Property, plant and equipment	308,145	-	7,810	315,955
Deferred tax assets	9,856	85	-	9,941
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	3,158	3,158
Non-current liabilities				
Lease liabilities, net of current portion	-	-	4,652	4,652
Shareholders' equity				
Retained earnings - unappropriated	223,932	(340)	-	223,592

4.1 Financial instruments

Details of the impact on retained earnings as at 1 April 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Classification of available-for-sale investments as financial assets at fair value through profit or loss	812	-
Recognition of an allowance for expected credit losses on financial assets	(1,466)	(557)
Recognition of derivatives at fair value through profit or loss	217	217
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	(437)	(340)

As at 1 April 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, 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	211,323	-	-	211,323	211,323
Trade and other receivables	542,311	-	-	540,479	540,479
Other current financial assets	107,032	107,303	-	-	107,303
Restricted bank deposits	46,180	-	-	46,180	46,180
Other non-current financial assets	3,457	3,457	-	-	3,457
Total financial assets	910,303	110,760	-	797,982	908,742

(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	69,422	-	-	69,422	69,422
Trade and other receivables	284,939	-	-	284,243	284,243
Other current financial assets	-	271	-	-	271
Restricted bank deposits	6,080	-	-	6,080	6,080
Total financial assets	360,441	271	-	359,715	360,016

As at 1 April 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 April 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 March 2020	8,130	8,130
Less: Deferred interest expenses	(320)	(320)
Lease liabilities as at 1 April 2020	<u>7,810</u>	<u>7,810</u>
Incremental borrowing rate (<i>percent per annum</i>)	3.24	3.24
Comprise of:		
Current lease liabilities	3,158	3,158
Non-current lease liabilities	<u>4,652</u>	<u>4,652</u>
	<u>7,810</u>	<u>7,810</u>

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
Building	<u>7,810</u>	<u>7,810</u>
Total right-of-use assets	<u>7,810</u>	<u>7,810</u>

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 on 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 discounts.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

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 (weighted average basis) and net realisable value. Cost includes all production costs and attributable factory overheads. Cost of purchased finished goods consists of purchase cost and related direct expenses less discounts and sale rebate.

Raw materials and supplies are valued at the lower of cost (weighted average basis) and net realisable value and are charged to production costs whenever consumed.

Allowance for stock obsolescence is made for damaged, slow-moving and obsolete stock.

5.4 Investments in subsidiaries and associated company

Investment in associated company is accounted for in the consolidated financial statements using the equity method.

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

5.5 Property, plant and equipment and depreciation

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

Depreciation of buildings and equipment are calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Buildings, fixture and building improvement	-	20 and 5 years
Machinery and equipment	-	5 and 10 years
Furniture and office equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit 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

The intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any).

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. The Group have intangible assets with finite lives which is computer software amortised over the economic useful life of 5 years.

5.8 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. 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. The Group amortised buildings over lease term of 3 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 useful life of the asset.

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.

5.9 Related party transactions

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

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

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

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.

5.11 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 or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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.

An impairment loss is recognised in profit or loss.

5.12 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

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

The Group have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan 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.

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 Group recognises restructuring-related costs.

5.13 Provisions

Provisions are recognised when the Group have 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.

5.14 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 recognise 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 review 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 Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 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 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.

Dividends on listed equity investments are recognised as other income in profit or loss.

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

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

- a) 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.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

The fair value of unit trusts is determined from their net asset value. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

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

5.16 Derivatives

The Group uses derivatives is 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.

5.17 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:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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.

Allowance for diminution in value of inventories

In determining an allowance for diminution in value of inventories, the management needs to make judgment in estimating the loss that will be incurred on the sale of the inventories, taking into account net realisable value, aging profile of outstanding inventories and the stock conditions, among other factors.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Group's 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 in the period 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.

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 (both bank and counterparty) 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.

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

The obligation under the defined benefit plan 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: Thousand Baht)

	For the years ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of goods and service income	-	-	22,978	32,811	Sale of goods: Market price and cost plus a margin at rate of 5% Service income: Close to the market price
Rental income	-	-	2,400	2,120	Contract price that close to the market price
Other service income	-	-	14,154	15,250	Accordance with the negotiation price
Dividend income	-	-	86,806	83,436	As approved by Shareholders' Meeting and Board of Directors' Meeting
<u>Transactions with related companies</u>					
Commission fee	4,719	6,557	-	-	Not over 2% of sales

As at 31 March 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
<u>Trade receivable - related parties (Note 10)</u>				
Subsidiaries	-	-	3,368	798
<u>Other payables - related party (Note 21)</u>				
Associated company	1,504	1,429	-	-

Directors and management's benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Short-term employee benefits	54,729	59,868	28,987	35,235
Post-employment benefits	2,656	6,215	217	4,531
Total	57,385	66,083	29,204	39,766

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Cash	140	140	70	70
Bank deposits	317,685	211,183	160,163	69,352
Total	317,825	211,323	160,233	69,422

As at 31 March 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 0.20 percent per annum (2020: 0.05 and 0.70 percent per annum).

9. Current investments

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	
	Cost	Fair value
<u>Trading securities</u>		
Investment units in open-end fund	106,794	107,032
Total trading securities	106,794	107,032
Add: Changes in fair value	238	
Total trading securities	107,032	

As at 31 March 2020, its subsidiaries had investments in open-end fund. The funds focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

As described in Note 4 and 12 to the consolidated financial statements, on 1 April 2020, current investments has been reclassified and presented as other current financial assets.

10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
<u>Trade receivables - related parties (Note 7)</u>				
Aged on the basis of due dates				
Not yet due	-	-	3,343	213
Past due				
Not over 3 months	-	-	25	585
Total trade receivables - related parties	-	-	3,368	798
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	430,068	425,084	196,166	227,993
Past due				
Not over 3 months	127,043	116,445	44,549	56,141
Over 3 months but less than 12 months	-	1,481	-	-
Over 12 months	5,722	4,387	3,412	3,422
Total	562,833	547,397	244,127	287,556
Less: Allowance for expected credit losses				
(2020: Allowance for doubtful accounts)	(6,778)	(5,127)	(3,851)	(3,422)
Total trade receivables - unrelated parties - net	556,055	542,270	240,276	284,134
Total trade receivables - net	556,055	542,270	243,644	284,932

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Other receivables</u>				
Other receivables	242	7	86	7
Interest receivables	11	34	-	-
Total other receivables	253	41	86	7
Total trade and other receivables - net	556,308	542,311	243,730	284,939

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	354,280	388,300	(29,472)	(34,989)	324,808	353,311
Raw materials	140,626	207,892	(1,370)	(4,374)	139,256	203,518
Supplies	22,943	22,665	-	-	22,943	22,665
Goods in transit	19,038	9,253	-	-	19,038	9,253
Total	536,887	628,110	(30,842)	(39,363)	506,045	588,747

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	149,909	154,961	(16,716)	(21,291)	133,193	133,670
Raw materials	120,575	196,683	(1,370)	(4,374)	119,205	192,309
Supplies	12,959	14,797	-	-	12,959	14,797
Goods in transit	659	509	-	-	659	509
Total	284,102	366,950	(18,086)	(25,665)	266,016	341,285

During the current year, the Group recorded reversal the reduction of cost of inventories by Baht 9 million (2020: recorded the reduction of Baht 5 million) (Separate financial statements: recorded reversal the reduction of Baht 8 million (2020: recorded the reduction of Baht 2 million)), to reflect the net realisable value. This was presented as cost of sales.

12. Other current financial assets

Other current financial assets as at 31 March 2021 (and the reclassified balance as at 1 April 2020 as described in Note 4 and 9 to the consolidated financial statements) comprise the following:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
<u>Investment in debt instruments designated at</u>	
<u>fair value through profit or loss</u>	
Investment units in open-end fund	73,821
Forward contract	<u>54</u>
Total other current financial assets	<u><u>73,875</u></u>

As at 31 March 2021, its subsidiaries have investments in open-end fund. The funds focuses on investing in bonds issued by the government or corporate, money market instrument and deposit.

13. Restricted bank deposits

As at 31 March 2021, the Group have deposits with banks of Baht 46 million (2020: Baht 46 million) which are pledged with the banks to secure credit facilities as described in Note 32.5 to the consolidated financial statements.

14. Other non-current financial assets

Other non-current financial assets as at 31 March 2021 (the reclassified as described in Note 4 and 17 to the consolidated financial statements) comprise the following:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
<u>Other non-current financial assets designated at fair value</u>	
<u>through profit or loss</u>	
Industrial freehold and leasehold real estate investment trust	<u>3,303</u>
Total other non-current financial assets	<u><u>3,303</u></u>

15. Investment in associated company

15.1 Details of associate

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements		Consolidated financial statements	
			2021	2020	Cost method		Carrying amount based on equity method	
			(%)	(%)	2021	2020	2021	2020
Mory Lohakit (Thailand) Co., Ltd.	Agent	Thailand	49	49	4,900	4,900	12,968	11,626

15.2 Share of profit and dividend received

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in associate		Dividend received	
	2021	2020	2021	2020
Mory Lohakit (Thailand) Co., Ltd.	1,342	1,955	-	-

15.3 Summarised financial information about material associate

Summarised information about financial position

(Unit: Million Baht)

	2021	2020
Current assets	27.2	24.4
Current liabilities	(0.5)	(0.5)
Non-current liabilities	(0.2)	(0.1)
Net assets	26.5	23.8
Shareholding percentage (%)	49.0	49.0
Share of net assets	13.0	11.6
Carrying amounts of associates based on equity method	13.0	11.6

Summarised information of comprehensive income.

	(Unit: Million Baht)	
	For the years ended	
	31 March	
	2021	2020
Revenue	4.7	6.6
Profit	2.8	4.0
Other comprehensive income	-	-
Total comprehensive income	2.8	4.0

16. Investments in subsidiaries

16.1 Details of subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost method		Allowance for impairment of investment		Carrying amount based on cost method	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Million Baht)	(Million Baht)	(%)	(%)						
Auto Metal Company Limited	240	240	60	60	144,000	144,000	-	-	144,000	144,000
Alternative EnMat Company Limited	6	6	100	100	5,499	5,499	(1,782)	(1,160)	3,717	4,339
NSC Metal Company Limited	230	230	100	100	258,238	258,238	-	-	258,238	258,238
Total					<u>407,737</u>	<u>407,737</u>	<u>(1,782)</u>	<u>(1,160)</u>	<u>405,955</u>	<u>406,577</u>

16.2 Dividend income

Company's name	(Unit: Thousand Baht)	
	2021	2020
Auto Metal Company Limited	78,480	74,880
NSC Metal Company Limited	8,326	8,556
Total	<u>86,806</u>	<u>83,436</u>

Auto Metal Company Limited

On 15 June 2020, the Annual General Meeting of the shareholders of Auto Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 73.00 per share from retained earnings as at 31 March 2020, the subsidiary had paid out the interim dividend of Baht 23.00 per share. The remaining dividend was Baht 50.00 per share and was paid on 26 June 2020.

On 11 November 2020, a meeting of Board of Directors of Auto Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 4.50 per share to the subsidiary's ordinary shareholders for the subsidiary's operations from 1 April 2020 to 30 September 2020 and was paid on 26 November 2020.

NSC Metal Company Limited

On 15 June 2020, the Annual General Meeting of the shareholders of NSC Metal Company Limited passed a resolution to approve the payment of a dividend of Baht 2.66 per share from the operating profit for the period ended 31 March 2020, the subsidiary had paid out the interim dividend of Baht 1.72 per share. The remaining dividend was Baht 0.94 per share and was paid on 26 June 2020.

On 10 November 2020, a meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) approved the payment of an interim dividend of Baht 2.68 per share to the subsidiary's ordinary shareholders for the subsidiary's operations from 1 April 2020 to 30 September 2020 and was paid on 26 November 2020.

17. Long-term investments

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	2020	
	<u>Cost</u>	<u>Fair value</u>
<u>Marketable available-for-sale securities</u>		
Industrial freehold and leasehold real estate investment trust	2,441	3,457
Total available-for-sale securities	2,441	<u>3,457</u>
Add: Changes in fair value	1,016	
Total available-for-sale securities	<u>3,457</u>	

As described in Note 4 and 14 to the consolidated financial statements, on 1 April 2020, long-term investments - available- for- sale securities has been reclassified and presented as other non- current financial assets.

18. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land and land improvement	Buildings and improvement fixture	Right of use asset- Building	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	
Cost								
1 April 2019	194,022	320,701	-	856,907	17,460	83,249	122,841	1,595,180
Acquisitions	-	65	-	14,295	1,259	5,087	72,760	93,466
Disposals / write-off	-	(2,230)	-	(21,552)	(421)	(9,659)	-	(33,862)
Transfer in (out)	-	128,912	-	18,744	201	-	(149,438)	(1,581)
31 March 2020	194,022	447,448	-	868,394	18,499	78,677	46,163	1,653,203
The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 April 2020 (Note 4)	-	-	7,810	-	-	-	-	7,810
Acquisitions	-	73	-	8,737	660	5,811	1,393	16,674
Disposals / write-off	-	-	-	(612)	(100)	(12,341)	-	(13,053)
Transfer in (out)	-	292	-	4,295	-	-	(4,587)	-
31 March 2021	194,022	447,813	7,810	880,814	19,059	72,147	42,969	1,664,634
Accumulated depreciation								
1 April 2019	-	192,250	-	786,730	15,304	56,622	-	1,050,906
Depreciation for the year	-	14,663	-	29,038	958	8,770	-	53,429
Depreciation for disposals / write-off	-	(2,229)	-	(21,138)	(421)	(9,119)	-	(32,907)
31 March 2020	-	204,684	-	794,630	15,841	56,273	-	1,071,428
Depreciation for the year	-	16,992	3,232	22,869	846	8,243	-	52,182
Depreciation for disposals / write-off	-	-	-	(612)	(100)	(9,919)	-	(10,631)
31 March 2021	-	221,676	3,232	816,887	16,587	54,597	-	1,112,979
Net book value								
31 March 2020	194,022	242,764	-	73,764	2,658	22,404	46,163	581,775
31 March 2021	194,022	226,137	4,578	63,927	2,472	17,550	42,969	551,655
Depreciation for the year								
2020 (Baht 48 million included in manufacturing cost, and the balance in selling and administrative expenses)								53,429
2021 (Baht 44 million included in manufacturing cost, and the balance in selling and administrative expenses)								52,182

(Unit: Thousand Baht)

	Separate financial statements							Total
	Land and land improvement	Buildings and improvement fixture	Right of use asset- Building	Machinery and equipment	Furniture and office equipment	Motor vehicles	Assets under installation and under construction	
Cost								
1 April 2019	94,745	183,912		483,735	9,061	50,333	28,195	849,981
Acquisitions	-	65		7,921	382	1,628	69,364	79,360
Disposals / write-off	-	(2,230)		(21,031)	(421)	(5,860)	-	(29,542)
Transfer in (out)	-	38,316		12,184	-	-	(51,396)	(896)
31 March 2020	94,745	220,063		482,809	9,022	46,101	46,163	898,903
The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 April 2020 (Note 4)	-	-	7,810	-	-	-	-	7,810
Acquisitions	-	-	-	4,518	380	1,200	1,100	7,198
Disposals / write-off	-	-	-	(612)	(100)	(6,423)	-	(7,135)
Transfer in (out)	-	-	-	4,294	-	-	(4,294)	-
31 March 2021	94,745	220,063	7,810	491,009	9,302	40,878	42,969	906,776
Accumulated depreciation								
1 April 2019	-	120,411		421,603	8,094	37,072	-	587,180
Depreciation for the year	-	4,608		23,610	442	3,912	-	32,572
Depreciation for disposals / write-off	-	(2,229)		(21,024)	(421)	(5,320)	-	(28,994)
31 March 2020	-	122,790		424,189	8,115	35,664	-	590,758
Depreciation for the year	-	6,046	3,232	17,718	334	3,428	-	30,756
Depreciation for disposals / write-off	-	-	-	(612)	(100)	(4,435)	-	(5,147)
31 March 2021	-	128,836	3,232	441,295	8,349	34,655	-	616,367
Net book value								
31 March 2020	94,745	97,273		58,620	907	10,437	46,163	308,145
31 March 2021	94,745	91,227	4,578	49,714	953	6,223	42,969	290,409
Depreciation for the year								
2020 (Baht 30 million included in manufacturing cost, and the balance in selling and administrative expenses)								32,572
2021 (Baht 25 million included in manufacturing cost, and the balance in selling and administrative expenses)								30,756

As at 31 March 2021, the Group have certain equipment items which have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 874 million (2020: Baht 864 million) (Separate financial statements: Baht 493 million (2020: Baht 499 million)).

The Company and a subsidiary have mortgaged a part of their land with structures thereon and pledged a part of machinery with banks, and another subsidiary has mortgaged unit of condominium with bank, to secure loans and other credit facilities granted to the Group by the banks as described in Note 32.5 to the consolidated financial statements.

The book value of machinery of the Company and a subsidiary pledged with banks are summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost	253	253	153	153
Net book value	-	-	-	-

19. Intangible assets

The net book value of intangible assets which are computer software as at 31 March 2021 and 2020 are presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cost	17,627	15,724	12,936	11,954
Less: Accumulated amortisation	(14,375)	(13,983)	(11,209)	(10,979)
Net book value	3,252	1,741	1,727	975

A reconciliations of the net book value of intangible assets for the years 2021 and 2020 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	1,741	368	975	269
Acquisitions during period - at cost	1,903	93	982	5
Transfer equipment to intangible assets - net book value as at transfer date	-	1,581	-	896
Amortisation	(392)	(301)	(230)	(195)
Net book value at end of year	<u>3,252</u>	<u>1,741</u>	<u>1,727</u>	<u>975</u>

20. Short-term loans from banks

	(Unit: Thousand Baht)					
	Interest rate		Consolidated		Separate	
	(percent per annum)		financial statements		financial statements	
	2021	2020	2021	2020	2021	2020
Trust receipts	2.80 - 3.10	3.25 - 3.70	42,513	55,717	6,454	31,255
Total			<u>42,513</u>	<u>55,717</u>	<u>6,454</u>	<u>31,255</u>

Bank overdrafts, short-term loans and trust receipts facilities are secured by the Group's land with structures thereon, unit of condominium, machinery and fixed deposit accounts and guarantees provided by the Company as described in Note 32.5 to the consolidated financial statements.

21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Trade payable - unrelated parties	325,199	344,215	147,480	199,614
Other payables - unrelated parties	21,297	21,072	11,659	11,865
Other payables - related party (Note 7)	1,504	1,429	-	-
Accrued commission expenses - unrelated parties	6	17	6	17
Accrued expenses	1,350	1,340	695	758
Total	<u>349,356</u>	<u>368,073</u>	<u>159,840</u>	<u>212,254</u>

22. Leases

The Company has entered into a lease agreement in respect of the office building space. The term of the agreement is 3 years.

Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Lease payments	4,766	-
Less: Deferred interest expenses	(114)	-
Total	4,652	-
Less: Portion due within one year	(3,262)	-
Lease liabilities - net of current portion	<u>1,390</u>	<u>-</u>

An analysis of the maturity of the lease payments as of 31 March 2021 is presented as follows :

	(Unit: Thousand Baht)		
	Consolidated/Separate financial statements		
	Less than 1 year	1 to 3 years	Total
Lease liabilities	3,364	1,402	4,766

Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
	<u>31 March 2021</u>
Depreciation expense of right-of-use assets	3,232
Interest expense on lease liabilities	206

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire as at 31 March 2021 and 2020, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Provision for long-term employee benefits				
at beginning of year	43,216	41,364	22,456	25,303
Included in profit or loss:				
Current service cost	5,796	4,323	4,048	2,716
Interest cost	765	1,382	427	854
Past service cost	-	7,654	-	5,454
Long-term employee benefits paid	(9,410)	(12,405)	(6,200)	(12,405)
Reversed due to employee resignation	(1)	-	-	-
Included in other comprehensive income:				
Loss (profit) on basis of estimates actuarial assumptions				
Actuarial loss arising from				
Demographic assumptions changes	210	(226)	111	(119)
Financial assumptions changes	720	2,997	171	1,447
Experience adjustments	(2,960)	(1,873)	(4,032)	(794)
Total	(2,030)	898	(3,750)	534
Provision for long-term employee benefits				
at end of year	38,336	43,216	16,981	22,456

The Group expect to pay Baht 12 million of long-term employee benefits during the next year (Separate financial statements: Baht 3 million) (2020: Baht 18 million (Separate financial statements: Baht 8 million)).

As at 31 March 2021, the weighted average duration of the liabilities for long-term employee benefit of monthly and daily employee are 5-15 years and 13-20 years (Separate financial statements: 13 years) (2020: 6 - 30 years and 3-18 years (Separate financial statements: 11 years and 13 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	0.62 -1.82	1.21- 2.09	1.50	1.61 - 1.71
Salary increase rate	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00	4.00 - 5.00
Turnover rate	0 - 49	0 - 51	0 - 49	0 - 51

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(1.5)	1.6	(0.8)	0.8
Salary increase rate	1.5	(1.4)	0.8	(0.7)
Turnover rate	(1.5)	1.6	(0.8)	0.9

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 of the Company has fully been set aside.

According to Section 1202 of the Civil and Commercial Code, the subsidiaries are required to set aside to a statutory reserve at least 5 percent of its net income each time the subsidiaries pay a dividend, until such reserve reaches 10 percent of its registered share capital. The statutory reserve can neither be used to offset with deficit nor be used for dividend payment.

25. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Salary and wages and other employee benefits	186,623	210,933	100,783	118,484
Depreciation	52,182	53,429	30,756	32,572
Amortisation	392	302	229	195
Raw materials used	1,226,545	1,680,326	823,762	1,108,449
Consumables used	20,829	27,130	16,378	20,323
Purchase of finished goods	497,486	465,281	-	-
Changes in inventories of finished goods	34,020	69,201	5,052	32,320
Reduce cost of inventories to net realisable value (reversal)	(8,520)	4,515	(7,579)	1,501

26. Income tax

Income tax expenses for the years ended 31 March 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Current income tax:				
Current corporate Income tax charge	24,559	24,651	-	2,149
Deferred tax:				
Relating to origination and reversal of temporary differences	2,525	(1,151)	1,719	330
Income tax expenses reported in profit and loss	27,084	23,500	1,719	2,479

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Deferred tax on loss from the change in value of available-for-sale investments	-	(10)	-	-
Deferred tax on actuarial gain (loss)	406	(180)	750	(107)
	406	(190)	750	(107)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Accounting profit before tax	160,246	157,799	117,729	91,492
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	32,049	31,560	23,546	18,298
Effects of:				
Promotional privileges (Note 27)	(5,532)	(8,500)	(4,899)	-
Dividend income from subsidiaries and associate	-	-	(17,361)	(16,687)
Bad debt recoveries	-	(13)	-	(13)
Non-deductible expenses	921	584	494	173
Tax-exempt revenues	(3)	(3)	-	-
Additional expense deductions allowed	(295)	(1,037)	(198)	(941)
Unused tax loss	359	-	-	-
Others	(415)	909	137	1,649
Total	(4,965)	(8,060)	(21,827)	(15,819)
Income tax expenses reported in profit and loss	27,084	23,500	1,719	2,479

As at 31 March 2021 and 2020, the components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Deferred tax assets				
Allowance for impairment of investment in subsidiary	-	-	356	232
Allowance for expected credit losses (2020: Allowance for doubtful accounts)	673	341	88	-
Allowance for diminution in value of inventories	6,169	7,873	3,617	5,133
Provision for long-term employee benefits	7,667	8,643	3,396	4,491
Unused tax losses	-	294	-	-
Lease liabilities	15	-	15	-
Total	14,524	17,151	7,472	9,856
Deferred tax liabilities				
Unrealised gain from fair value Measurement of other current financial assets (2020: current investments)	(60)	(48)	-	-
Unrealised gain from fair value measurement of other non-current financial assets (2021: available-for-sale investments)	(172)	(203)	-	-
Unrealised gain from fair value measurement of forward contract	(11)	-	-	-
Total	(243)	(251)	-	-
Deferred tax assets - net	14,295	16,900	7,472	9,856
Deferred tax liabilities	14	-	-	-

27. Promotional privileges

On 29 March 2018, a subsidiary has received promotional privileges by the Board of Investment for the manufacture of stainless steel tubes, pursuant to the promotion certificate No. 61-0357-1-04-1-0 for a project to improve the efficiency of the production of alternative energy pursuant to promotion certificate No. 1407(2)/2548. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on net income from the promoted business in an amount not exceeding 50% of the capital investment in the project to improve production efficiency, excluding land and working capital, amounting not exceed Baht 9 million, for a period of 3 years from the date the promoted operations commenced generating revenues and any losses incurred during the corporate income tax exemption period may be carried forward to be utilised by the Company as a deduction against net income of future years, for up to 5 years after the expiry of the tax exemption period. In addition, the privileges include an exemption from income tax on dividends received from promoted operations which have been granted corporate income tax exemption, throughout the period for which the tax exemption privilege is granted. The subsidiary fully exercised promotional privileges related to exemption from corporate income tax to the extent of the amount as specified in the promotion certificate.

On 17 April 2018, the Company has received promotional privileges by the Board of Investment for the manufacture of stainless steel tubes, pursuant to the promotion certificate No. 61-0413-1-04-1-0 for a project to improve the efficiency of the production of alternative energy pursuant to promotion certificate No. 3007/Wo./2550. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax on net income from the promoted business in an amount not exceeding 50% of the capital investment in the project to improve production efficiency, excluding land and working capital, amounting not exceed Baht 14.3 million, for a period of 3 years from the date the promoted operations commenced generating revenues.

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

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 decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

For management purposes, the Group are organised into business units based on its products and services and operate 2 segments as follows:

- Production and distribution
- Procurement and distribution.

No operating segments have been aggregated to form the above reportable operating.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 March 2021 and 2020, respectively.

(Unit: Million Baht)

For the year ended 31 March 2021

	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue					
Revenue from external customers	1,615	611	2,226	-	2,226
Inter-segment revenue	23	-	23	(23)	-
Total revenues	1,638	611	2,249	(23)	2,226
Operating result					
Segment profit	240	66	306	-	306
Other income					21
Selling and distribution expenses					(53)
Administrative expenses					(113)
Share of profit from investment in associate accounted for by the equity method					1
Finance cost					(2)
Income tax expenses					(27)
Profit for the year					133
Segment total assets	1,672	419	2,091	2	2,093
Investment in associate accounted for by the equity method	13	-	13	-	13
Additions (reduction) to non- current assets other than financial instruments and deferred tax assets	(30)	-	(30)	1	(29)

(Unit: Million Baht)

	For the year ended 31 March 2020				
	Production and distribution	Procurement and distribution	Total reportable segments	Eliminations	Consolidated
Revenue					
Revenue from external customers	2,183	573	2,756	-	2,756
Inter-segment revenue	33	-	33	(33)	-
Total revenues	2,216	573	2,789	(33)	2,756
Operating result					
Segment profit	278	51	329	-	329
Other income					20
Selling and distribution expenses					(66)
Administrative expenses					(123)
Share of profit from investment in associate accounted for by the equity method					2
Interest revenue					
Finance cost					(4)
Income tax expenses					(24)
Profit for the year					134
Segment total assets	1,741	375	2,116	3	2,119
Investment in associate accounted for by the equity method	12	-	12	-	12
Additions (reduction) to non- current assets other than financial instruments and deferred tax assets	31	(2)	29	2	31

The Group carry on operations in the main geographic area in Thailand with gained revenue from domestic sales and export sales. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2021 and 2020, the Group have no major customer with revenue of 10 percent or more of the Group's revenues.

30. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by SCB Asset Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 5 million (2020: Baht 5 million) (Separate financial statements: Baht 3 million (2020: Baht 3 million)) were recognised as expenses.

31. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for the year ended 31 March 2020 (net of interim dividend payment)	Annual General Meeting of the shareholders on 24 July 2020	38.30	0.10
Interim dividends for the year ended 31 March 2021	The Board of Directors Meeting on 12 November 2020	45.96	0.12
Total dividends paid during the year ended 31 March 2021		84.26	0.22
Final dividends for the year ended 31 March 2019 (net of interim dividend payment)	Annual General Meeting of the shareholders on 25 July 2019	68.94	0.18
Interim dividends for the year ended 31 March 2020	The Board of Directors Meeting on 11 November 2019	45.96	0.12
Total dividends paid during the year ended 31 March 2020		114.90	0.30

32. Commitments and contingent liabilities

32.1 Operating lease commitments

The Company and its subsidiaries have entered into a lease agreement in respect of the office building space. The terms of the agreements are generally 3 years.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)	
	As at 31 March	
	2021	2020
Payable:		
In up to 1 year	-	3
In over 1 and up to 5 years	-	5

In 2020 the Group adopted the TFRS 16 as at 1 April 2020. Therefore the Group recognised the lease liabilities previously classified as operating lease at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 4 to the consolidated financial statements.

32.2 Other service commitment

As at 31 March 2021, the Company and a subsidiary had commitments of approximately Baht 4 million relating to a technical assistance service agreement and other agreements (2020: Baht 7 million).

32.3 Other commitments

As at 31 March 2021, the Company had outstanding commitments of Baht 4.5 million (2020: Baht 4.5 million) in respect of uncalled portion of investment in a subsidiary.

32.4 Guarantees

As at 31 March 2021, the Company has guaranteed bank credit facilities for a subsidiary amounting to Baht 350 million (2020: Baht 350 million).

32.5 Credit facilities

As at 31 March 2021, the Group have been granted credit facilities by various banks for which they have placed collaterals, as follows:-

The Company

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 1,461 million, of which totaling Baht 9 million (2020: Baht 34 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.
- Overdraft facilities of Baht 30 million, have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the mortgage of the Company's land with structures thereon, machinery and the fixed deposits account.
- Forward foreign exchange contract facilities of Baht 1,000 million, have not yet been utilised (2020: Baht 5 million). These credit facilities are secured by the mortgage of the Company's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 300 million, have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.
- Overdraft facilities of Baht 10 million, have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon.
- Forward foreign exchange contract facilities of Baht 200 million, have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the mortgage of the subsidiary's land with structures thereon and machinery.

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 506 million, of which Baht 60 million (2020: Baht 36 million) of the utilised amount are outstanding. These credit facilities are secured by the mortgage of the subsidiary's unit of condominium which is the subsidiary's office, the subsidiary's fixed deposit accounts and a guarantee provided by the Company.

- Overdraft facilities of Baht 60 million, have not yet been utilised (2020: have not been utilised). These credit facilities are secured by the subsidiary's fixed deposit accounts and a guarantee provided by the Company.
- Forward foreign exchange contract facilities, comprising USD 11.7 million (equivalent to Baht 367 million) and Baht 115 million, or a total approximately Baht 482 million, of which USD 0.1 million of the utilised amount outstanding (equivalent to Baht 2.7 million) (2020: have not yet been utilised).

A subsidiary

- Letters of credit, trust receipts, guarantees and short-term loan facilities totaling Baht 22 million, have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the Company.
- Overdraft facilities of Baht 5 million have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the Company.
- Forward foreign exchange contract facilities of Baht 30 million, have not yet been utilised (2020: have not yet been utilised). These credit facilities are secured by the Company.

33. Fair value hierarchy

the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

Consolidated Financial Statements as at
31 March 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Other current financial assets				
Investment units in open-end fund	-	73.8	-	73.8
Forward contracts	-	0.1	-	0.1
Other non-current financial assets				
Investments in marketable units	3.3	-	-	3.3

(Unit: Million Baht)

Consolidated Financial Statements as at
31 March 2020

	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in debt securities	-	107.0	-	107.0
Investments in marketable units	3.5	-	-	3.5
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.15 million, as described in Note 34)	-	0.3	-	0.3

(Unit: Million Baht)

Separate Financial Statements as at
31 March 2020

	Level 1	Level 2	Level 3	Total
Liabilities for which fair value is disclosed				
Derivatives				
Foreign currency forward contracts (to buy USD 0.15 million, as described in Note 34)	-	0.3	-	0.3

During the current year, there were no transfers within the fair value hierarchy.

34. Financial instruments

34.1 Derivatives not designated as hedging instruments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Derivative assets				
Derivative assets not designated as hedging instruments	54	-	-	-

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 3 months.

Its subsidiary has outstanding balance of forward foreign exchange contracts which to reduce the exchange rate risk arising from their financial liabilities dominated in foreign currency with the mature within one year. The details are summarised below.

Foreign currency	Bought amount	Sold amount	Contractual exchange rate	
			Bought	Sold
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<u>As at 31 March 2021</u>				
US Dollar	0.10	-	30.38 - 30.88	-
<u>As at 31 March 2020</u>				
US Dollar	0.15	-	30.81 - 31.23	-

34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, investments, restricted bank deposits, short-term loans from banks and trade and other accounts payable. 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 and other accounts receivable, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

The management manages to maintain this risk at low level by adopting appropriate credit control policies and procedures and credit term is short-term. Therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. However, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

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. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days sale of goods for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and rating, past experience, and future forecast of economic which may impact. 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 when the Company has taken final result of legal action against trade receivable.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty.

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

Market risk

There are three types of market risk comprising currency risk, interest rate risk, and commodity price risk.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its purchases and receive services or sales transactions 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 one year.

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 March		as at 31 March		as at 31 March	
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.04	0.03	0.14	0.2	31.29	32.63
Japanese Yen	0.5	0.5	2.33	3.4	0.2828	0.3006
SG Dollar	-	-	0.01	-	23.56	-

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks and short-term loan. Most of the Group's financial assets and liabilities are short-term, with floating interest rates or fixed interest rates which are close to the market rate.

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						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	51	265	318	0.05 - 0.20
Trade and other receivables	-	-	-	556	556	-
Other current financial assets	-	-	-	74	74	-
Restricted bank deposits	46	-	-	-	46	0.10 - 0.30
Other non - current financial assets	-	-	-	3	3	-
	48	-	51	898	997	
Financial liabilities						
Short-term loans from banks	43	-	-	-	43	2.80 - 3.10
Trade and other payables	-	-	-	349	349	-
Lease liabilities	3	2	-	-	5	3.24
	46	2	-	349	397	

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2020

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	46	163	211	0.05 - 0.70
Current investments	-	-	-	107	107	-
Trade and other receivables	-	-	-	542	542	-
Restricted bank deposits	46	-	-	-	46	0.45 - 0.70
Long-term investment	-	-	-	3	3	-
	<u>48</u>	<u>-</u>	<u>46</u>	<u>815</u>	<u>909</u>	
Financial liabilities						
Short-term loans from banks	56	-	-	-	56	3.25 - 3.70
Trade and other payables	-	-	-	368	368	-
	<u>56</u>	<u>-</u>	<u>-</u>	<u>368</u>	<u>424</u>	

(Unit: Million Baht)

Separate financial statements as at 31 March 2021

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	2	156	160	0.05 - 0.20
Trade and other receivables	-	-	-	244	244	-
Restricted bank deposits	6	-	-	-	6	0.20
	<u>8</u>	<u>-</u>	<u>2</u>	<u>400</u>	<u>410</u>	
Financial liabilities						
Short-term loans from banks	6	-	-	-	6	3.10
Trade and other payables	-	-	-	160	160	-
Lease liabilities	3	2	-	-	5	3.24
	<u>9</u>	<u>2</u>	<u>-</u>	<u>160</u>	<u>171</u>	

(Unit: Million Baht)

Separate financial statements as at 31 March 2020

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	2	-	2	65	69	0.05 - 0.70
Trade and other receivables	-	-	-	285	285	-
Restricted bank deposits	6	-	-	-	6	0.70
	<u>8</u>	<u>-</u>	<u>2</u>	<u>350</u>	<u>360</u>	
Financial liabilities						
Short-term loans from banks	31	-	-	-	31	3.64 - 3.70
Trade and other payables	-	-	-	212	212	-
	<u>31</u>	<u>-</u>	<u>-</u>	<u>212</u>	<u>243</u>	

Commodity price risk

The Group is affected by the price volatility of certain commodities at low level. Its operating activities require the ongoing purchase of raw materials to be converted and distributed as metal and non-metal products on demand of the Group's customers, and therefore continuous supply of the raw materials is required. However, the Group has established a risk management strategy for commodity price risk and its mitigation by adjusting the selling price to reflect costs of raw materials, and therefore is able to manage the commodity risk to be low.

Liquidity risk

The Group's risk of a shortage of liquidity is low because its current assets exceed total liabilities and the Group access to a sufficient variety of sources of funding.

The Group's financial liabilities as at 31 March 2021 are all due within 1 year, except for lease liabilities as stated in Note 22 to the Consolidated financial statements.

34.3 Fair values of financial instruments

Since the majority of the Company'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 capital management is to ensure that they have appropriate capital structure in order to support their business and maximise shareholders value. As at 31 March 2021, the Group total debt-to-equity ratio was 0.28:1 (2020: 0.30:1) and the Company's total debt-to-equity ratio was 0.16:1 (2020: 0.23:1).

36. Events after the reporting period

- 36.1 On 20 May 2021, the meeting of Board of Directors of NSC Metal Company Limited (a subsidiary) passed a resolution to propose for an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 8.40 per share, or totaling Baht 19.32 million from its net operating profit for the year ended 31 March 2021. However, by the resolution of the meeting of the subsidiary's Board of Director held on 10 November 2020, the subsidiary paid out the interim dividend of Baht 2.68 per share, or totaling Baht 6.17 million, to the subsidiary's shareholders on 26 November 2020. The remaining dividend is Baht 5.72 per share, or totaling Baht 13.15 million.
- 36.2 On 24 May 2021, the meeting of the Board of Directors of Auto Metal Company Limited (a subsidiary) passed a resolution to propose for an approval by the Annual General Meeting of its shareholders, of the dividend payment to the subsidiary's shareholders of Baht 31.50 per share, or totaling Baht 75.61 million, from its net operating profit for the year ended 31 March 2021. However, by the resolution of the meeting of the subsidiary's Board of Directors held on 11 November 2020, the subsidiary paid out the interim dividend of Baht 4.50 per share, or totaling Baht 10.8 million. the subsidiary paid out such dividend in the interim on 26 November 2020. The remaining dividend is Baht 27.00 per share, or totaling Baht 64.8 million.
- 36.3 On 27 May 2021, the meeting of the Company's Board of Directors No. 2/2021 passed a resolution to propose for an approval by the Annual General Meeting of its shareholders, of the dividend payment to the Company's shareholders of Baht 0.30 per share, or totaling Baht 114.9 million from its net operating profit for the year ended 31 March 2021. However, by the resolution of the meeting of the Company's Board of Directors No. 4/2020 held on 12 November 2020, the Company paid out the interim dividend of Baht 0.12 per share, or totaling Baht 45.96 million, on 9 December 2020. The remaining dividend is Baht 0.18 per share, or totaling Baht 68.94 million. The dividend payment is subject to approval by the Annual General Meeting of shareholders.

37. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 27 May 2021.