

RAJRATAN THAI WIRE CO., LTD.
Report and financial statements
31 March 2020



"We deliver the professional services"

Independent Auditor's Report

To the Shareholders of RAJRATAN THAI WIRE CO., LTD.

Opinion

We have audited the financial statements of RAJRATAN THAI WIRE CO., LTD. ("the company"), which comprise the statement of financial position as at 31 March 2020, and the statement of income, and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.


In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RAJRATAN THAI WIRE CO., LTD. as at 31 March 2020, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for Non-Publicly Accountable Entities 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. 

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. 

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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.

We 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 we identify during our audit.



Phichat Phruksarojanakun
Certified Public Accountant (Thailand) No. 8342

B1 Auditing Group Co., Ltd.
Ratchaburi: 16 April 2020

RAJRATAN THAI WIRE CO., LTD.

STATEMENTS OF FINANCIAL POSITION

31 MARCH 2020

		(In Baht)	
	<u>Notes</u>	31 March 2020	31 March 2019
ASSETS			
Cash and cash equivalents	5	284,510.93	258,688.93
Accounts receivable		98,827,220.03	48,463,028.00
Receivable from parent company	15	-	484,304.03
Inventories	6	78,680,691.62	88,980,765.63
Other current assets	7	6,411,452.69	11,632,169.40
TOTAL CURRENT ASSETS		184,203,875.27	149,818,955.99
Property, plant, and equipment - net	10	489,127,742.91	470,661,277.13
Intangible asset - net	8	831,492.93	931,484.44
Deposits	9	42,000.00	214,000.00
TOTAL NON-CURRENT ASSETS		490,001,235.84	471,806,761.57
TOTAL ASSETS		674,205,111.11	621,625,717.56

Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

STATEMENTS OF FINANCIAL POSITION (Continued)

31 MARCH 2020

(In Baht)

	<u>Notes</u>	31 March 2020	31 March 2019
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank overdraft and short-term loans	11	217,419,791.81	228,349,724.80
Trade and other payable	14	84,639,691.08	55,083,767.55
Payable to related parties	15	419,503.52	4,484,031.65
Current portion of hire purchase payable	12	719,418.60	1,068,762.52
Current portion of long-term housing loan	13	391,500.00	391,500.00
Current portion of long-term loan	13	7,555,594.32	5,611,576.88
TOTAL CURRENT LIABILITIES		311,145,499.33	294,989,363.40
NON-CURRENT LIABILITIES			
Provision for long-term employee benefits	16	309,000.00	225,000.00
Hire purchase payable - net	12	140,090.95	862,662.84
Loan from related parties	15	44,375,750.00	49,753,499.00
Long-term loans - net	13	40,013,469.15	39,882,730.62
TOTAL NON-CURRENT LIABILITIES		84,838,310.10	90,723,892.46
TOTAL LIABILITIES		395,983,809.43	385,713,255.86
Shareholders' Equity			
Authorized share capital			
25,967,000 common shares of 10 baht each		259,670,000.00	259,670,000.00
Issued and fully paid-up capital			
25,967,000 common shares of 10 baht each		259,670,000.00	259,670,000.00
Retained Earning			
Unappropriated		18,551,301.68	(23,757,538.30)
Total Shareholders' Equity		278,221,301.68	235,912,461.70
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		674,205,111.11	621,625,717.56

Approved

Yashovardhan Chordia
 (Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

STATEMENT OF INCOME

FOR YEAR ENDED AS OF 31 MARCH 2020

		(In Baht)	
	<u>Notes</u>	31 March 2020	31 March 2019
REVENUES	4		
Net sales		847,166,733.19	850,204,794.15
Gain on exchange rate		-	1,264,814.31
Other income		40,847.79	1,052,243.04
Total Revenues		<u>847,207,580.98</u>	<u>852,521,851.50</u>
EXPENSES	4		
Cost of sales		690,332,778.53	705,555,952.07
Selling expenses		30,925,105.65	34,823,646.71
Administrative expenses		61,161,254.30	52,019,540.59
Loss on exchange rate		1,207,153.93	-
Total Expenses		<u>783,626,292.41</u>	<u>792,399,139.37</u>
PROFIT BEFORE FINANCE COSTS AND INCOME TAX		63,581,288.57	60,122,712.13
Finance costs		(18,911,097.35)	(16,352,155.39)
Corporate income tax	17	(2,361,351.24)	-
NET PROFIT		<u>42,308,839.98</u>	<u>43,770,556.74</u>

Approved



(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR YEAR ENDED AS OF 31 MARCH 2020

(In Baht)

	Share capital	Unappropriated	Total
Balance as at March 31, 2019	259,670,000.00	(67,528,095.04)	192,141,904.96
Net profit	-	43,770,556.74	43,770,556.74
Balance as at March 31, 2019	259,670,000.00	(23,757,538.30)	235,912,461.70
Balance as at March 31, 2019	259,670,000.00	(23,757,538.30)	235,912,461.70
Net profit	-	42,308,839.98	42,308,839.98
Balance as at March 31, 2020	259,670,000.00	18,551,301.68	278,221,301.68

Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.
STATEMENTS OF CASH FLOW
FOR YEAR ENDED AS OF 31 MARCH 2020

	(In Baht)	
	31 March 2020	31 March 2019
Cash flows from operating activities:		
Net Profit (Loss)	42,308,839.98	43,770,556.74
Adjustment to reconcile net income to net cash provided by (paid from) operating activities:		
Depreciation and amortization expenses	29,391,225.17	24,301,545.66
Loss on sale of fixed assets	(343,714.51)	(347,480.83)
Income from operating activities before changes in operating assets and liabilities	71,356,350.64	67,724,621.57
(Increase) decrease in operating assets:		
Trade accounts receivable	(50,364,192.03)	45,251,128.05
Receivable from related party	484,304.03	(484,304.03)
Inventories	10,300,074.01	3,315,459.49
Other current assets	5,220,716.71	7,069,452.41
Deposits	172,000.00	(143,500.00)
Increase (decrease) in operating liabilities:		
Trade accounts payable - Other company	26,242,053.35	(76,904,903.63)
Payable to related parties	(4,064,528.13)	217,201.45
Accrued expenses and other liabilities	3,397,870.18	44,671.75
Net cash from operating activities	62,744,648.76	46,089,827.06

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



Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)

Director

RAJRATAN THAI WIRE CO., LTD.
STATEMENTS OF CASH FLOW (Continued)
FOR YEAR ENDED AS OF 31 MARCH 2020

	(In Baht)	
	31 March 2020	31 March 2019
Cash flows from investing activities:		
Cash payments for purchase of property, plant and equipment	(48,197,156.02)	(106,962,720.29)
Disposal of Fixed assets	783,171.09	1,192,355.00
Net cash used in investing activities	<u>(47,413,984.93)</u>	<u>(105,770,365.29)</u>
Cash flows from financing activities:		
Bank overdraft and short-term loans	(10,929,932.99)	1,091,962.98
Loan from Parent Company	(5,377,749.00)	4,465,249.00
Hire purchase payable	(1,071,915.81)	(977,145.20)
Long-term loans	2,074,755.97	42,199,182.50
Net cash used in financing activities	<u>(15,304,841.83)</u>	<u>46,779,249.28</u>
Net decrease in cash and cash equivalents	25,822.00	(12,901,288.95)
Cash and cash equivalents at beginning of period	258,688.93	13,159,977.88
Cash and cash equivalents at end of period	<u>284,510.93</u>	<u>258,688.93</u>
 Supplemental cash flows information:		
Cash paid during the period for		
Interest expenses	<u>14,253,225.89</u>	<u>11,433,425.53</u>

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



Approved
Yashovardhan Chordia
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(Mr. Yashovardhan Chordia)
Director

RAJRATAN THAI WIRE CO., LTD.
DETAILS OF COST OF GOODS SOLD
FOR YEAR ENDED AS OF 31 MARCH 2020

	(In Baht)	
	2020	2019
Beginning Balance:-		
Finished Goods	36,556,517.30	17,935,488.58
Goods in transit	-	5,708,774.87
Packing Materials	1,014,464.02	812,560.91
Process Chemical	240,623.62	328,735.64
Raw Materials	20,448,940.21	38,424,925.09
Ancillary RM	211,676.44	619,465.48
Consumables stock	9,966,358.64	9,473,598.43
Scrap Stock	51,404.40	10,605.00
Work in progress	20,490,781.00	18,982,071.12
	88,980,765.63	92,296,225.12
<u>Add:</u> Purchased during the period:-		
Direct cost:-		
Direct labor	36,135,502.97	34,663,718.82
Raw Material	516,422,375.30	543,871,023.28
Ancillary Raw Material	13,005,964.88	12,637,722.48
Process Chemical	6,652,984.00	7,551,930.90
Packing Material	6,801,054.53	8,006,024.45
Consumables Expenses	34,304,590.94	33,912,448.04
	613,322,472.62	640,642,867.97
<u>Add:</u> Factory overhead cost:-		
Electricity Expenses	48,932,301.16	45,818,155.87
Water Expenses	1,128,355.00	1,054,790.50
Waste Water Expenses.	2,823,438.36	2,601,946.98
Gas Consumption Expenses.	17,830,953.68	20,365,905.22
Consumables transferred to be capitalized	(5,467,152.85)	(9,873,892.36)
Rent Expense - Fork Lift	294,000.00	53,700.00
Rectification entries for errors of last period	-	66,239.05
Import expenses - other	1,168,336.55	1,510,779.35
	66,710,231.90	61,597,624.61
Total Cost of goods manufacturing	769,013,470.15	794,536,717.70
<u>Less:</u> Ending Balance:-		
Finished Goods	23,188,978.61	36,556,517.30
Packing Materials	1,123,591.82	1,014,464.02
Process Chemical	260,299.62	240,623.62
Raw Materials	23,737,225.41	20,448,940.21
Ancillary RM	425,954.72	211,676.44
Consumables stock	11,379,060.35	9,966,358.64
Scrap Stock	46,134.00	51,404.40
Work in process Stock	18,519,447.09	20,490,781.00
	78,680,691.62	88,980,765.63
Total Cost of Goods Sold	690,332,778.53	705,555,952.07



Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director

RAJRATAN THAI WIRE CO., LTD.

DETAILS OF SELLING EXPENSES

FOR YEAR ENDED AS OF 31 MARCH 2020

	(In Baht)	
	31 March 2020	31 March 2019
Freight outward	6,918,050.00	4,753,680.00
Export expenses	12,262,978.91	15,126,382.96
Logistic-export	10,035,966.02	12,360,277.64
Commission on sales	1,569,018.25	2,131,412.86
Sale expenses	139,092.47	451,893.25
Total selling expenses	30,925,105.65	34,823,646.71

Approved

Yashovardhan

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.
 DETAILS OF ADMINISTRATIVE EXPENSES
 FOR YEAR ENDED AS OF 31 MARCH 2020

	(In Baht)	
	31 March 2020	31 March 2019
Salary & Employee Benefits	14,556,763.94	12,924,461.53
Depreciation and amortization expenses	29,391,225.18	24,428,485.83
Repair & Maintenance expenses	2,154,111.39	2,529,002.26
Insurance expenses	391,569.00	331,769.30
Loss on sale of fixed assets	343,714.51	-
Factory Security Expenses	840,000.00	840,250.00
Staff Welfare Expenses	809,276.09	406,090.32
Printing & Stationery	655,914.02	764,338.45
Service Charges	1,627,315.10	1,532,441.20
Recruitment expense	16,957.20	231,978.60
ISO Expenses	60,000.00	135,000.00
Audit Fee	140,000.00	120,000.00
Legal & Professional Charges	300,624.26	164,073.00
Consultancy expenses	-	1,303,556.50
Guest House Expenses	744,141.72	627,212.50
Travelling Expenses	612,763.59	1,064,973.23
Telephone and internet expenses	389,975.43	272,701.15
Training Expenses	316,469.00	424,599.00
Hazardous Waste Disposal	161,228.00	-
Irrecoverable TDS - ICICI	3,875,777.87	-
Irrecoverable Advances	476,685.00	-
Fine & Penalty charges	-	105,793.36
Scale disposal expenses	162,680.00	321,500.00
Other Administrative Expenses	3,134,063.00	3,169,814.36
Total administrative expenses	61,161,254.30	51,698,040.59

Approved

Yashovardhan Chordia

(Mr. Yashovardhan Chordia)

Director



RAJRATAN THAI WIRE CO., LTD.

DETAILS OF FINANCE COSTS

FOR YEAR ENDED AS OF 31 MARCH 2020

	(In Baht)	
	31 March 2020	31 March 2019
Interest Expense	14,253,225.89	11,433,425.53
SBLC Commission	970,859.00	40,341.50
Bank Charges	1,876,450.16	2,004,515.93
Finance Cost	69,603.14	295,736.17
Discount charges	1,681,659.16	2,484,726.26
Factoring Fee	59,300.00	93,410.00
Total finance costs	18,911,097.35	16,352,155.39

Approved



(Mr. Yashovardhan Chordia)

Director



Rajratan Thai Wire Co., Ltd.

Notes to financial statements

For the years ended 31 March 2020

1. GENERAL INFORMATION

Rajratan Thai Wire Co., Ltd. was incorporated as a limited company under Thai law on 28 November 2006 with registered No. 0105549139498. The Company has been incorporated in Thailand with the principle activity of manufacturing and trade of tyre bead wire and metal products. Its major shareholder is Rajratan Global Wire Limited., Company incorporated in India, holding 100% of total authorized and issued capitals.

Factory and Registered Office: 155/11 Moo 4 Tambol Chetsamian, Ampor Potharam, Ratchaburi Province


2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with financial reporting standard applicable to non-publicly accountable entities as issued by the Federation of Accounting Professions.

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.

3. ADOPTION OF NEW ACCOUNTING STANDARDS DURING THE YEAR

In May 2012, the Federation of Accounting Professions issued the financial reporting standard for non-publicly accountable entities ("IFRS for NPAEs"). The Company's management has assessed that use of IFRS for NPAEs does not have any significant impact on the financial statements for the current year. 

4. ACCOUNTING POLICIES

4.1 REVENUE RECOGNITION

Sales are the invoiced value, excluding value added tax, of goods supplied after deducting goods returned, discounts and allowance when products are delivered and title passes to customer.

Based on the Announcement of the Board of the Investment No. Por. 14/1998 dated December 30, 1998, regarding revenue reporting of a promoted industry, the Company is required to report the revenue from domestic sales and export sales separately and to report separately between the promoted and non-promoted sectors. For the years ended March 31, 2020 and 2019 the required information is as following:


(In Million Baht)

	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Promoted	Non-Promoted	Total	Promoted	Non-Promoted	Total
	Business	Business		Business	Business	
Local sales	135.32	364.68	500.00	83.82	346.34	430.16
Export sales	93.96	253.21	347.17	81.85	338.19	420.04
Total	229.28	617.89	847.17	165.67	684.53	850.20

4.2 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.

4.3 TRADE ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are stated at the net realizable 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. 

4.4 INVENTORIES

(a) Inventories are valued at cost or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make to sale.

(b) The cost of inventories comprise all costs of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

(c) The cost formulas used are Annual Weighted Average Cost in case of Raw Material and First-in First-Out (FIFO) in case of Ancillary Raw Material (Consumable Spares).

4.5 PROPERTY, PLANT, AND EQUIPMENT AND DEPRECIATION

Fixed assets are stated at acquisition cost less accumulated depreciation. The cost of fixed assets comprises of its purchase price including import duties and other non-refundable taxes or levies and any directly, attributable cost of bringing the asset to the working condition for its intended use. Land is stated at cost.

Depreciation is provided on the straight-line method ("SLM") as per the useful lives as follows:-

	<u>Approximately useful life</u>	
	<u>(years)</u>	
	<u>2020</u>	<u>2019</u>
Building and improvement (Factory)	30	30
Building and improvement (Residential)	61	61
Plant, machinery, and equipment	20	20
Furniture and fixtures	16	16
Vehicles	11	11
Office equipment	6	6

Capital Work-In-Progress includes the cost of fixed assets that are not ready to use at the balance sheet date. 

4.6 INTANGIBLE ASSETS

Intangible assets are stated at cost less any accumulated amortization and allowance for diminution in value (if any).

Intangible assets are amortized as expenses in the income statements on a straight-line basis over the economic useful life. A summary of the intangible assets are as follows:

Computer software	10 years
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4.7 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. In addition, related parties include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, and key management personnel, and directors and officers with authority in the planning and direction of the Company's operations, together with close members of the families of such persons and companies which are controlled or influenced by them, whether directly or indirectly.

4.8 HIRE PURCHASE AGREEMENT

The Company recorded motor vehicles and machineries under hire purchase as assets and liabilities in the balance sheets at amounts equal at the inception of the hire purchase to the fair value of the leased assets or, if lower, at the present value of the minimum hire purchase payments. In calculating the present value of the minimum hire purchase payments, the discount factor used is the interest rate implicit in the hire purchase. The interest charge is recorded to periods during the hire purchase term on the remaining balance of the liability for each period.

4.9 FOREIGN CURRENCIES

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 the reporting period 

4.10 PROVISIONS

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

For long-term employee benefits, the Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period.

4.11 USE OF ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Expenses such as benefits to employees, insurance, vehicle running and maintenance, and communication expenses are being accounted for as and when occur.

5. CASH AND CASH EQUIVALENT

	(In Baht)	
	2020	2019
Cash	187,647.85	65,338.85
Cash at financial institutions	96,863.08	193,350.08
Total	284,510.93	258,688.93

6. INVENTORY

	(In Baht)	
	2020	2019
Raw materials	23,737,225.41	20,448,940.21
Work in progress	18,519,447.09	20,490,781.00
Ancillary raw material	425,954.72	211,676.44
Store materials	12,762,951.79	11,221,446.28
Scrap	46,134.00	51,404.40
Finished goods	23,188,978.61	36,556,517.30
Total	78,680,691.62	88,980,765.63

7. OTHER CURRENT ASSETS

	(In Baht)	
	2020	2019
Input VAT not due	793,203.09	4,952,094.90
Other receivable	-	1,742,716.33
Advance payment	803,723.04	22,636.04
Prepaid expenses	552,186.54	1,038,898.68
TDS Receivable from ICICI bank	-	3,875,777.87
Revenue receivable	4,262,340.02	-
Withholding tax receivables	-	45.58
Total	6,411,452.69	11,632,169.40

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8. INTANGIBLE ASSETS

	(Unit: Baht)	
	<u>2020</u>	<u>2019</u>
Computer software – cost	997,183.13	524,800.00
Add during period	-	<u>472,383.13</u>
Total cost	997,183.13	997,183.13
Less: Accumulated amortization	<u>(165,690.20)</u>	<u>(65,698.69)</u>
Net book value at the end of period	<u><u>831,492.93</u></u>	<u><u>931,484.44</u></u>
Amortization expenses for the period	<u><u>99,991.51</u></u>	<u><u>61,241.48</u></u>

9. DEPOSITS

	(In Baht)	
	<u>2020</u>	<u>2019</u>
Deposits	<u>42,000.00</u>	<u>214,000.00</u>
Total	<u><u>42,000.00</u></u>	<u><u>214,000.00</u></u>

10. PROPERTY, PLANT, AND EQUIPMENT - NET

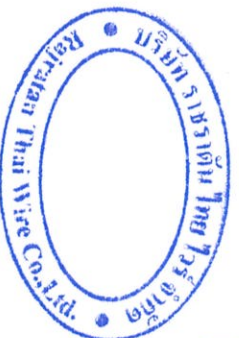
(In Baht)

Cost	Land and land improvement	Factory Building and structure	Plant and Machinery	Residential Building	Furniture & Fixtures	Computer and Equipments	Vehicles	Work in process and under installation		Total
								Factory Building and structure	Plant and Machinery	
March 31, 2019	40,580,281.99	106,725,600.59	431,420,817.36	10,744,881.00	4,817,299.41	3,434,656.52	8,027,879.79	40,624,760.98	18,247,375.61	654,623,553.25
Work in progress	-	48,470,908.70	29,119,533.61	-	-	-	-	-	-	77,590,442.31
Increase during the period	-	3,250,421.84	25,602,812.86	-	120,822.33	143,191.85	-	7,846,147.72	11,233,759.42	48,197,156.02
Decrease during the period	-	-	(792,612.00)	-	-	(51,254.49)	(565,000.00)	(48,470,908.70)	(29,119,533.61)	(78,999,308.80)
March 31, 2020	40,580,281.99	158,446,931.13	485,350,551.83	10,744,881.00	4,938,121.74	3,526,593.88	7,462,879.79	-	361,601.42	711,411,842.78
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
March 31, 2019	-	28,280,775.97	155,915,942.72	1,359,655.73	1,727,837.80	3,159,970.72	3,538,093.18	-	-	193,962,276.12
Depreciation expense during the period	-	4,985,637.57	23,139,822.25	175,621.40	310,268.10	56,259.59	623,625.75	-	-	29,291,233.66
Decrease during the period	-	-	(421,992.55)	-	-	(51,254.49)	(496,162.87)	-	-	(966,409.91)
March 31, 2020	-	33,246,413.54	178,633,772.42	1,535,277.13	2,038,105.90	3,164,974.82	3,665,556.06	-	-	222,284,099.87
Book Value	40,580,281.99	78,464,824.62	275,504,874.64	9,385,225.27	3,089,461.61	274,385.80	4,489,786.61	-	-	470,061,277.13
March 31, 2020	40,580,281.99	125,200,517.59	306,716,779.41	9,209,603.87	2,900,015.84	361,619.06	3,797,323.73	-	-	489,127,742.91
Depreciation expenses	-	-	-	-	-	-	-	-	-	-
For year ended 31 March 2019	-	-	-	-	-	-	-	-	-	24,367,244.35
For year ended 31 March 2020	-	-	-	-	-	-	-	-	-	29,291,233.66

- The company's land, existing buildings and future improvements thereon, together with the machineries and equipments have been mortgaged with certain banks to secure working capital and long term loans from financial institutions, as mentioned in Note 11.

- The company's land building and plant & machinery has been mortgaged to Bank of Ayudhya., Ptc, Thailand to secure working capital and term loans from the bank.

- The company's residential building no 145/961 has been mortgaged to Bank of Ayudhya Ptc, Thailand to secure long term housing loan from Bank of Ayudhya., Ptc, Thailand



Approved
 Director
 Mr. Yashovardhan Choridia

11. BANK OVERDRAFT AND SHORT-TERM LOANS

	(In Baht)	
	<u>2020</u>	<u>2019</u>
Bank overdraft	954,808.42	7,542,164.94
Short-term loan – Factoring and TR	109,214,983.39	113,307,559.86
Promissory note and short-term loan	107,250,000.00	107,500,000.00
Total	<u>217,419,791.81</u>	<u>228,349,724.80</u>

Above credit facilities have been secured by mortgaged the Company's land, plant, and machineries as well as personal guaranteed by directors of the Company.

12. LIABILITIES UNDER HIRE PURCHASE AGREEMENTS

	(In Baht)	
	<u>2020</u>	<u>2019</u>
Liabilities under hire purchase agreements	859,509.55	1,931,425.36
<u>Less</u> : Portion due within one year	(719,418.60)	(1,068,762.52)
Liabilities under hire purchase agreements – net of current portion	<u>140,090.95</u>	<u>862,662.84</u>

13. LONG TERM LOAN

	(In Baht)	
	<u>2020</u>	<u>2019</u>
Long term loan	47,960,563.47	45,885,807.50
<u>Less</u> : Portion due within one year		
- Housing loan	(391,500.00)	(391,500.00)
- Long term loan	(7,555,594.32)	(5,611,576.88)
Long term loan – net of current portion	<u>40,013,469.15</u>	<u>39,882,730.62</u>

14. TRADE AND OTHER PAYABLE

	(In Baht)	
	2020	2019
Trade payable	80,349,613.37	54,126,499.02
Postdated cheque	315,543.00	296,604.00
Social security fund payable	242,172.00	216,360.00
Withholding tax payable	62,672.31	90,669.52
Income tax payable employee	210,910.00	213,126.00
Revenue payable	1,042,713.66	1,833.00
Corporate income tax payable	1,905,633.40	-
Other current liabilities	510,433.34	138,676.01
Total	<u>84,639,691.08</u>	<u>55,083,767.55</u>

15. RELATED COMPANY TRANSACTIONS

During the period, the Company had certain business transactions with Rajratan Global Wire Limited. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between by the Company and Rajratan Global Wire Limited and their subsidiaries, are summarized below:

	(In Baht)	
	2020	2019
Purchase of raw material	456,522.65	11,122,781.49
Purchase of stores, material handling & packing items	1,254,803.14	612,531.57

The outstanding balances as at March 31, 2020 and 2019 have been separately shown in the balance sheets as follows:-

	(In Baht)	
	2020	2019
Receivable to related company	-	484,304.03
Loan from related parties	(44,375,750.00)	(49,753,499.00)
Accrued interest expenses from loans	(419,503.52)	(4,484,031.65)

16. PROVISIONS

	(Unit: Baht)
	Long-term employee benefits
At 1 April 2018	133,000.00
Increase during the year	92,000.00
At 31 March 2019	225,000.00
Increase during the year	84,000.00
At 31 March 2020	309,000.00
2020	
Current	-
Non-current	309,000.00
	309,000.00
2019	
Current	-
Non-current	225,000.00
	225,000.00


Long-term employee benefits

The provisions represent the Company's obligations payable to its employees when they reach a retirement age. They are determined based on the employee's age, length of employment services and salary increase rate, among other things *aw*

17. **PROMOTIONAL PRIVILEGES**

l) The company has been granted promotional privileges approved by the Board of Investment under the Investment Promotion Act B.E.2520 for manufacturing TYRE BEAD WIRE (15775 MT per annum), vide their Certificate No. 61-0026-1-00-1-0 dated July 25, 2017. We have been informed by Rajratan Thai Wire Co Ltd that their edit application for change in quantity to 14,575 MT per annum is under consideration by BOI. subject to certain conditions, the main privileges include the following:

- a) Permission to bring into the Kingdom, foreign nationals who are skilled workers or experts.
- b) Permission to own land as approved by the Board.
- c) Exemption from payment of import duties on machineries as approved by the Board.
- d) Exemption from import for raw material and necessary materials needed to be import from overseas for using in production of products for export for the period of one year beginning from the first import.
- e) Exemption from import duty for products imported by the promoted person for re-exportation for the period of one year from the first import.
- f) Permission to bring or remit money in foreign currency out of the Kingdom.
- g) Exemption from payment of juristic person income tax for net profit derived from the promoted business with the total of not exceeding 100% of the investment fund excluding land and working capital for the period of eight years from the date the income is accrued to the said business.
- h) Exemption from income tax on dividends paid from the profits of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.

Company has started Commercial production w.e.f. November, 2017, which will be considered as reference date for calculation of Tax-Free Income from Promoted operations as per BOI Promotion Certificate No. 61-0026-1-00-1-0 dated July 25, 2017. 


17. **PROMOTIONAL PRIVILEGES (Continued)**

II) Previously the Company was granted promotional privileges approved by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for producing TYRE BEAD WIRE, under certificate No. 1080(2)/2550 dated January 26, 2007. subject to certain imposed conditions, the main privileges include the following:

- a) Permission to own land as approved by the Board.
- b) Exemption from import duty on imported machinery for use in production as approved by Board.
- c) Exemption from corporate income tax on net profits for a period of 7 years commencing as from the date of first earning operating income. The tax exempted shall not over 100% of the total investments excluded from cost of land and related working capital and the exemption is unable to apply to the income earned from selling of Tyre Bead Wire which has not been drawing or stretching.
- d) Exemption from income tax on dividends paid from the profits of the promoted operations for which corporate income tax is exempted, throughout the corporate income tax exemption.
- e) Exemption from import duty on essential raw materials and supplies imported for manufacturing products for export sale for a period of 1 year commencing as from the first date of importing of such materials.

Company had started Commercial production w.e.f. 1st June 2008 for Part Production Process and started Commercial Production w.e.f. 1st August 2008 for its Full Production Process, which will be considered as reference date for calculation of Tax-Free Income from Promoted operations as per BOI Promotion Certificate No. 1080(2)/2550 dated January 26, 2007. The BOI privilege period for tax-free income from promoted operations ended on 31st July 2015.

18. **CORPORATE INCOME TAX**

Corporate income tax is calculated on earning of non-promoted activities before income tax after adding back provisions and certain expenses which are disallowed for tax computation. 

19. CONTINGENT LIABILITY

As at March 31, 2020 and 2019, The Company was contingently liable to local bank for Letters of Guarantee & Letters of Credit issued by said banks totaling approximately Baht 79.81 million and 0.80 million respectively.

20. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's authorized director on 16 April 2020. *aw*

Agreed and accepted

Yashovardhan Chordia



..... Director

Mr. Yashovardhan Chordia