



TORAY

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บริษัท โทเร เท็กซ์ไทล์ (ประเทศไทย) จำกัด (มหาชน)

TORAY TEXTILES (THAILAND) PUBLIC COMPANY LIMITED



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



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Independent Auditor's Report

To the Shareholders of Toray Textiles (Thailand) Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Toray Textiles (Thailand) Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 March 2021, the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

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



Key Audit Matters

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

Valuation of inventories	
Refer to Note 4 (f) and 10 to financial statements	
The key audit matter	How the matter was addressed in the audit
The Company operates in a highly competitive market, which is impacting the fluctuation of selling price in relevance to market price. The Company is required to measure its inventories at the lower of cost and net realisable value. In this regard, the Company considers its slow-moving inventories and declining in value of inventories. The estimation of net realisable value of inventories involves management's judgement, and the Company's ending balance of inventories are significant. Therefore, this was an area of focus in my audit.	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> - inquired of the management to obtain an understanding of the management's judgments and assumptions used to estimate net realisable value of inventories, including the design and implementation of the related internal controls; - verified the accuracy of the inventory aging report on a sample basis with supporting documents; - evaluated the management's assumptions used to identify slow-moving inventories with supporting documents; - sampling items to test the estimated net realisable value of inventories and related selling expenses with supporting documents; and - evaluated the adequacy of the disclosures in accordance with the relevant Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 5 to the financial statements which describes the impact of COVID-19 pandemic on the Company's business together with management's plan to address these circumstances. My conclusion is not modified in respect of this matter.

Other Information

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

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

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

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

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

In preparing the financial statements in which the equity method is applied and separate 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 in which the Equity Method is Applied and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the financial statements in which the equity method is applied. 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 in which the equity method is applied and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in black ink, appearing to read 'Munchupa S.' with a stylized flourish at the end.

(Munchupa Singsuksawat)
Certified Public Accountant
Registration No. 6112

KPMG Phoomchai Audit Ltd.
Bangkok
25 May 2021

Statement of financial position

Toray Textiles (Thailand) Public Company Limited

Assets	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 March		31 March	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current assets					
Cash and cash equivalents	7	447,021,978	1,265,361,012	447,021,978	1,265,361,012
Trade accounts receivable	6, 8, 24	1,519,909,712	1,631,766,416	1,519,909,712	1,631,766,416
Other current receivables	6, 9	232,157,305	125,157,137	232,157,305	125,157,137
Inventories	10	1,170,282,717	1,435,039,952	1,170,282,717	1,435,039,952
Total current assets		3,369,371,712	4,457,324,517	3,369,371,712	4,457,324,517
Non-current assets					
Other non-current financial assets					
<i>(2020: Available-for-sale investments and other long-term investments)</i>		99,936,870	117,874,420	99,936,870	117,874,420
Investment in associate	11	1,513,114,870	1,528,359,701	503,989,845	503,989,845
Investment properties		3,158,257	4,039,226	3,158,257	4,039,226
Property, plant and equipment	12	2,917,023,680	3,664,645,653	2,917,023,680	3,664,645,653
Right-of-use assets	13	331,220,160	326,268,426	331,220,160	326,268,426
Intangible assets		67,475,284	72,647,385	67,475,284	72,647,385
Deferred tax assets	21	251,263,542	94,072,763	251,263,542	94,072,763
Other non-current assets		4,244,273	4,175,016	4,244,273	4,175,016
Total non-current assets		5,187,436,936	5,812,082,590	4,178,311,911	4,787,712,734
Total assets		8,556,808,648	10,269,407,107	7,547,683,623	9,245,037,251

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

Statement of financial position

Toray Textiles (Thailand) Public Company Limited

Liabilities and equity	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 March		31 March	
		2021	2020	2021	2020
		<i>(in Baht)</i>			
Current liabilities					
Trade accounts payable	6	577,138,524	573,725,802	577,138,524	573,725,802
Other current payables	6, 14	314,086,669	319,907,812	314,086,669	319,907,812
Current portion of long-term borrowings from financial institution	15	-	984,894,000	-	984,894,000
Current portion of lease liabilities <i>(2020: Current portion of finance lease liabilities)</i>	13, 15	30,450,276	21,041,531	30,450,276	21,041,531
Current income tax payable		-	29,889,469	-	29,889,469
Total current liabilities		921,675,469	1,929,458,614	921,675,469	1,929,458,614
Non-current liabilities					
Non-current deferred income	6	27,023,950	31,957,509	27,023,950	31,957,509
Lease liabilities <i>(2020: Finance lease liabilities)</i>	13, 15	329,050,421	323,722,844	329,050,421	323,722,844
Non-current provisions for employee benefits	16	332,372,973	328,990,665	332,372,973	328,990,665
Total non-current liabilities		688,447,344	684,671,018	688,447,344	684,671,018
Total liabilities		1,610,122,813	2,614,129,632	1,610,122,813	2,614,129,632
Equity					
Share capital					
Authorised share capital <i>(57,840,000 ordinary shares, par value at Baht 10 per share)</i>		578,400,000	578,400,000	578,400,000	578,400,000
Issued and paid-up share capital <i>(57,840,000 ordinary shares, par value at Baht 10 per share)</i>		578,400,000	578,400,000	578,400,000	578,400,000
Share premium	17	333,489,160	333,489,160	333,489,160	333,489,160
Retained earnings:					
Appropriated					
Legal reserve	17	72,840,000	72,840,000	72,840,000	72,840,000
General reserve	17	825,000,000	825,000,000	825,000,000	825,000,000
Unappropriated		5,143,086,254	5,822,353,191	4,133,960,965	4,798,045,734
Other components of equity	17	(6,129,579)	23,195,124	(6,129,315)	23,132,725
Total equity		6,946,685,835	7,655,277,475	5,937,560,810	6,630,907,619
Total liabilities and equity		8,556,808,648	10,269,407,107	7,547,683,623	9,245,037,251

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

Statement of income

Toray Textiles (Thailand) Public Company Limited

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
<i>(in Baht)</i>					
Revenues					
Revenue from sale of goods	6	6,449,977,706	8,710,157,298	6,449,977,706	6,471,088,405
Dividend income	6	2,057,935	2,473,905	64,076,342	60,223,560
Interest income		2,395,299	7,787,074	2,395,299	5,790,038
Other income	6	24,443,540	31,063,797	24,443,540	22,420,544
Net foreign exchange gain		36,060,180	13,247,721	36,060,180	11,269,144
Total revenues		6,514,934,660	8,764,729,795	6,576,953,067	6,570,791,691
Expenses					
Cost of sale of goods	6, 10, 20	6,623,262,463	8,038,381,348	6,623,262,463	5,982,134,159
Distribution costs	6, 20	244,949,555	306,328,930	244,949,555	238,496,225
Administrative expenses	6, 20	374,589,703	264,441,662	374,589,703	191,355,991
Total expenses		7,242,801,721	8,609,151,940	7,242,801,721	6,411,986,375
(Loss) profit from operating activities		(727,867,061)	155,577,855	(665,848,654)	158,805,316
Finance costs		(40,283,384)	(41,487,496)	(40,283,384)	(31,011,864)
Share of profit of associate accounted for using equity method	11	46,836,239	131,423,543	-	-
(Loss) profit before income tax		(721,314,206)	245,513,902	(706,132,038)	127,793,452
Income tax (income) expense	21	(153,759,269)	16,459,536	(153,759,269)	11,109,695
(Loss) profit for the year/period		(567,554,937)	229,054,366	(552,372,769)	116,683,757
Basic (loss) earnings per share (in Baht)	22	(9.81)	3.96	(9.55)	2.02

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

Statement of comprehensive income

Toray Textiles (Thailand) Public Company Limited

	Note	Financial statements		Separate	
		in which the equity		financial statements	
		method is applied		For the period	
		Year ended 31 March	Year ended	1 July 2019 (the date	
	2021	2020	31 March 2021	of amalgamation)	
				to 31 March 2020	
			(in Baht)		
(Loss) profit for the year/period		(567,554,937)	229,054,366	(552,372,769)	116,683,757
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements	11	(62,663)	(3,343)	-	-
Loss on measurement of financial assets		-	(39,347,190)	-	(38,423,295)
Income tax relating to item that will be reclassified	21	-	7,869,438	-	7,684,659
Total items that will be reclassified subsequently to profit or loss		(62,663)	(31,481,095)	-	(30,738,636)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Loss on investments in equity instruments designated at FVOCI		(17,157,550)	-	(17,157,550)	-
Loss on remeasurement of defined benefit plan	16	-	(9,178,487)	-	(9,178,487)
Income tax relating to item that will not be reclassified	21	3,431,510	1,835,697	3,431,510	1,835,697
Total items that will not be reclassified subsequently to profit or loss		(13,726,040)	(7,342,790)	(13,726,040)	(7,342,790)
Other comprehensive expense for the year/period, net of income tax		(13,788,703)	(38,823,885)	(13,726,040)	(38,081,426)
Total comprehensive (expense) income for the year/period		(581,343,640)	190,230,481	(566,098,809)	78,602,331

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

Statement of changes in equity

Toray Textiles (Thailand) Public Company Limited

Financial statements in which the equity method is applied

	Note	Retained earnings							Other components of equity			Total equity
		Issued and paid-up share capital	Share premium	Appropriated			Unappropriated (in Baht)	Translation reserve	Fair value reserve	Total other components of equity		
				Legal reserve	General reserve							
Year ended 31 March 2020		578,400,000	333,489,160	72,840,000	825,000,000	5,797,297,615	65,742	54,610,477	54,676,219	7,661,702,994		
Balance at 1 April 2019		-	-	-	-	(196,656,000)	-	-	-	(196,656,000)		
Transactions with owners, recorded directly in equity												
Dividends	23	-	-	-	-	(196,656,000)	-	-	-	(196,656,000)		
Total transactions with owners, recorded directly in equity		-	-	-	-	(196,656,000)	-	-	-	(196,656,000)		
Comprehensive income for the year												
Profit		-	-	-	-	229,054,366	-	-	-	229,054,366		
Other comprehensive expense		-	-	-	-	(7,342,790)	(3,343)	(31,477,752)	(31,481,095)	(38,823,885)		
Total comprehensive income for the year		-	-	-	-	221,711,576	(3,343)	(31,477,752)	(31,481,095)	190,230,481		
Balance at 31 March 2020		578,400,000	333,489,160	72,840,000	825,000,000	5,822,353,191	62,399	23,132,725	23,195,124	7,655,277,475		
Year ended 31 March 2021												
Balance at 31 March 2020 - as reported		578,400,000	333,489,160	72,840,000	825,000,000	5,822,353,191	62,399	23,132,725	23,195,124	7,655,277,475		
Impact of changes in accounting policies (net of tax)	3	-	-	-	-	15,536,000	-	(15,536,000)	(15,536,000)	-		
Balance at 1 April 2020 - restated		578,400,000	333,489,160	72,840,000	825,000,000	5,837,889,191	62,399	7,596,725	7,659,124	7,655,277,475		
Transactions with owners, recorded directly in equity												
Dividends	23	-	-	-	-	(127,248,000)	-	-	-	(127,248,000)		
Total transactions with owners, recorded directly in equity		-	-	-	-	(127,248,000)	-	-	-	(127,248,000)		
Comprehensive expense for the year												
Loss		-	-	-	-	(567,554,937)	-	-	-	(567,554,937)		
Other comprehensive expense		-	-	-	-	-	(62,663)	(13,726,040)	(13,788,703)	(13,788,703)		
Total comprehensive expense for the year		-	-	-	-	(567,554,937)	(62,663)	(13,726,040)	(13,788,703)	(581,343,640)		
Balance at 31 March 2021		578,400,000	333,489,160	72,840,000	825,000,000	5,143,086,254	(264)	(6,129,315)	(6,129,579)	6,946,685,835		

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

Statement of changes in equity

Toray Textiles (Thailand) Public Company Limited

For the period 1 July 2019 (the date of amalgamation) to 31 March 2020

Balance at 1 July 2019 (the date of amalgamation)

	Note	Separate financial statements							Total equity
		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium	Legal reserve	General reserve	Unappropriated reserve (in Baht)	Fair value reserve	Total other components of equity	
		578,400,000	333,489,160	72,840,000	825,000,000	4,885,360,767	53,871,361	53,871,361	6,748,961,288
	23	-	-	-	-	(196,656,000)	-	-	(196,656,000)
Transactions with owners, recorded directly in equity									
Dividends		-	-	-	-	(196,656,000)	-	-	(196,656,000)
Total transactions with owners, recorded directly in equity									
Comprehensive income for the period									
Profit		-	-	-	-	116,683,757	-	-	116,683,757
Other comprehensive expense		-	-	-	-	(7,342,790)	(30,738,636)	(30,738,636)	(38,081,426)
Total comprehensive income for the period									
		-	-	-	-	109,340,967	(30,738,636)	(30,738,636)	78,602,331
Balance at 31 March 2020		578,400,000	333,489,160	72,840,000	825,000,000	4,798,045,734	23,132,725	23,132,725	6,630,907,619
Year ended 31 March 2021									
Balance at 31 March 2020 - as reported		578,400,000	333,489,160	72,840,000	825,000,000	4,798,045,734	23,132,725	23,132,725	6,630,907,619
Impact of changes in accounting policies (net of tax)		-	-	-	-	15,536,000	(15,536,000)	(15,536,000)	-
Balance at 1 April 2020 - restated		578,400,000	333,489,160	72,840,000	825,000,000	4,813,581,734	7,596,725	7,596,725	6,630,907,619
Transactions with owners, recorded directly in equity									
Dividends		-	-	-	-	(127,248,000)	-	-	(127,248,000)
Total transactions with owners, recorded directly in equity									
		-	-	-	-	(127,248,000)	-	-	(127,248,000)
Comprehensive expense for the year									
Loss		-	-	-	-	(552,372,769)	-	-	(552,372,769)
Other comprehensive expense		-	-	-	-	-	(13,726,040)	(13,726,040)	(13,726,040)
Total comprehensive expense for the year									
		-	-	-	-	(552,372,769)	(13,726,040)	(13,726,040)	(566,098,809)
Balance at 31 March 2021		578,400,000	333,489,160	72,840,000	825,000,000	4,133,960,965	(6,129,315)	(6,129,315)	5,937,560,810

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

Statement of cash flows

Toray Textiles (Thailand) Public Company Limited

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied		For the period	
		Year ended 31 March		1 July 2019 (the date of amalgamation)	
	2021	2020	31 March 2021	to 31 March 2020	
(in Baht)					
Cash flows from operating activities					
(Loss) profit before income tax for the year/period		(721,314,206)	245,513,902	(706,132,038)	127,793,452
<i>Adjustments to reconcile (loss) profit to cash receipts (payments)</i>					
Finance costs		40,283,384	41,487,496	40,283,384	31,011,864
Depreciation and amortisation		698,469,519	723,008,562	698,469,519	540,306,823
Impairment loss (reversal of) on machinery and equipment	12	120,560,151	(1,320,316)	120,560,151	(1,320,316)
Shortfall surcharge for purchase of raw materials	20	106,681,593	-	106,681,593	-
Impairment loss on other long-term investments		-	1,082,772	-	1,082,772
Provision for claim		5,363,263	12,572,531	5,363,263	12,572,531
Provision for employee benefits	16	27,097,115	70,083,941	27,097,115	21,514,164
Unrealised (gain) loss on foreign exchange rate		(37,953,129)	11,544,915	(37,953,129)	18,613,209
(Reversal of) loss on inventories devaluation	10	(30,340,005)	29,889,876	(30,340,005)	30,831,990
Loss on disposals of plant and equipment, right-of-use assets and intangible assets		42,909,387	3,206,075	42,909,387	4,886,690
Loss on disposals of other non-current financial assets					
(2020: Loss on disposals of other long-term investments)		180,000	520,000	180,000	520,000
Recognised of deferred income		(4,933,559)	(4,933,559)	(4,933,559)	(3,700,169)
Share of profit of associate accounted for using equity method	11	(46,836,239)	(131,423,543)	-	-
Dividends income		(2,057,935)	(2,473,905)	(64,076,342)	(60,223,560)
Interest income		(2,395,299)	(7,787,074)	(2,395,299)	(5,790,038)
		195,714,040	990,971,673	195,714,040	718,099,412
Change in operating assets and liabilities					
Trade accounts receivable		124,087,421	75,276,987	124,087,421	(68,778,777)
Other current receivables		(107,663,398)	(76,363,924)	(107,663,398)	(33,976,282)
Inventories		295,097,240	(180,050,861)	295,097,240	12,819,876
Other non-current assets		(69,257)	1,437,788	(69,257)	1,329,009
Trade accounts payable		17,591,834	36,131,432	17,591,834	(155,631,079)
Other current payables		(24,032,090)	(15,651,257)	(24,032,090)	(28,655,916)
Net cash generated from operating activities		500,725,790	831,751,838	500,725,790	445,206,243
Employee benefits paid	16	(23,714,807)	(29,138,434)	(23,714,807)	(19,114,761)
Income tax paid		(29,889,469)	(66,303,924)	(29,889,469)	(66,059,759)
Net cash from operating activities		447,121,514	736,309,480	447,121,514	360,031,723
Cash flows from investing activities					
Proceed from disposals of other non-current financial assets					
(2020: Proceed from disposals of other long-term investments)		600,000	500,000	600,000	500,000
Acquisition of plant and equipment		(82,104,454)	(200,386,646)	(82,104,454)	(153,160,852)
Proceed from disposals of plant and equipment and intangible assets		5,838,742	4,235,654	5,838,742	2,554,885
Acquisition of intangible assets		(6,635,395)	(4,235,470)	(6,635,395)	(1,594,366)
Dividends received		64,076,342	62,028,005	64,076,342	60,223,560
Interest received		3,155,792	7,388,233	3,155,792	5,253,486
Net cash used in investing activities		(15,068,973)	(130,470,224)	(15,068,973)	(86,223,287)

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

Statement of cash flows

Toray Textiles (Thailand) Public Company Limited

	Note	Financial statements		Separate	
		in which the equity		financial statements	
		method is applied		For the period	
		Year ended 31 March	2020	Year ended	1 July 2019 (the date
		2021	2020	31 March 2021	of amalgamation)
		(in Baht)			
Cash flows from financing activities					
Repayment of long-term borrowings from financial institution	15	(1,056,600,000)	-	(1,056,600,000)	-
Payment of lease liabilities					
<i>(2020: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)</i>		(49,474,866)	(19,850,502)	(49,474,866)	(14,995,781)
Dividends paid to owners of the Company	23	(127,248,000)	(196,656,000)	(127,248,000)	(196,656,000)
Finance costs paid		(20,724,182)	(41,611,802)	(20,724,182)	(36,225,506)
Net cash used in financing activities		(1,254,047,048)	(258,118,304)	(1,254,047,048)	(247,877,287)
Net (decrease) increase in cash and cash equivalents,					
before effect of exchange rates		(821,994,507)	347,720,952	(821,994,507)	25,931,149
Effect of exchange rate changes on cash and cash equivalents		3,655,473	1,490,982	3,655,473	1,490,982
Net (decrease) increase in cash and cash equivalents		(818,339,034)	349,211,934	(818,339,034)	27,422,131
Cash and cash equivalents at beginning of year/period		1,265,361,012	916,149,078	1,265,361,012	1,237,938,881
Cash and cash equivalents at ending of year/period	7	447,021,978	1,265,361,012	447,021,978	1,265,361,012
Supplemental disclosures of cash flows information:					
Property, plant and equipment purchased during					
the year/period are detailed as follows:					
Increase in property, plant and equipment during the year/period	12	68,420,175	187,211,035	68,420,175	162,099,949
Less capitalised interest	12	-	(53,884)	-	-
Changes in payables for purchase of machinery and equipment		13,684,279	13,229,495	13,684,279	(8,939,097)
Purchase of property, plant and equipment paid by cash		82,104,454	200,386,646	82,104,454	153,160,852
Non-cash transaction					
Right-of-use assets acquire by way of lease liabilities		45,493,226	-	45,493,226	-

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

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

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Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Directors on 25 May 2021.

1 General information

Toray Textiles (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand which established from the amalgamation between Luckytex (Thailand) Public Company Limited and Thai Toray Textile Mills Public Company Limited. The Company was registered in Thailand and was listed on the Stock Exchange of Thailand on 1 July 2019 (the date of amalgamation).

The ultimate parent company during the financial year was Toray Industries, Inc. which was incorporated in Japan.

The principal activities of the Company are the manufacturing of textile consisting of spun fabric, filament fabric, woven fabric, knitted fabric and denim yarn; and industrial material product consisting of cord for rubber material reinforcement, fabric for airbags, canvas and car seat fabric.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The Company has initially applied revised TFRS that are effective for annual periods beginning on or after 1 April 2020 and disclosed impact from changes in accounting policies in note 3 to the financial statements.

In addition, the Company has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Company has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

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

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Relevant information is included in the following notes to the financial statements:

4 (j) and 13	Whether an arrangement contains a lease; determining the incremental borrowing rate;
5	Impact of COVID-19 pandemic;
12	Key assumptions underlying recoverable amounts; and
16	Key actuarial assumptions

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

3 Changes in accounting policies

From 1 April 2020, the Company has initially applied TFRS - Financial instruments standards and TFRS 16.

<i>Impact on changes in accounting policy</i>	Financial statements in which the equity method is applied		Separate financial statements		
	<i>Note</i>	Unappropriated retained earnings	Other components of equity <i>(in thousand Baht)</i>	Unappropriated retained earnings	Other components of equity
At 31 March 2020 - as reported		5,822,353	23,195	4,798,046	23,132
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	<i>(a.1)</i>	15,536	(15,536)	15,536	(15,536)
At 1 April 2020 - restated		5,837,889	7,659	4,813,582	7,596

(a) TFRS - Financial instruments standards

The Company has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 April 2020. Therefore, the Company did not adjust the information presented for 2020. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4 to the financial statements. The impact from adoption of TFRS - Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using the effective interest method. Previously, the Company recognised interest income and interest expenses at the rate specified in the contract.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

	Financial statements in which the equity method is applied/ Separate financial statements		Classification under TFRS 9 at 1 April 2020			
	Classification under TAS 105 at 31 March 2020	Carrying amounts	FVTPL	FVOCI <i>(in thousand Baht)</i>	Amortised cost - net	Total
<i>Long-term investments</i>						
Available-for-sale investments		42,427	-	42,427	-	42,427
Other long-term investments		75,447	15,390	60,057	-	75,447
		117,874	15,390	102,484	-	117,874
Derivatives liabilities		104,054	104,054	-	-	104,054

The Company intends to hold non-marketable equity securities amounted of Baht 60.06 million, for the long-term strategic purposes. The Company has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified subsequently to profit or loss.

(a.2) Impairment - Financial assets

TFRS 9 introduces the 'expected credit loss' (ECL) model. The Company previously estimated the allowance for doubtful account by analysing payment histories. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

The company considered that there was no material impact from the application of TFRS 9; impairment requirements at 1 April 2020.

(b) TFRS 16 Leases

From 1 April 2020, the Company has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Company, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Company assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Company allocates the consideration based on stand-alone price of each component. As at 1 April 2020, the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Company recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Company also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term; and
- apply a single discount rate to a portfolio of leases with similar characteristics.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Impact from the adoption of TFRS 16

Financial statements in which the equity method is applied/ Separate financial statement *(in thousand Baht)*

At 1 April 2020

Increase in right-of-use assets	348,096
Decrease in property, plant and equipment	(315,208)
Decrease in leasehold rights (recorded in the account “Other current receivables” and “Other non-current assets”)	(11,060)
Increase in lease liabilities	(21,828)

Measurement of lease liabilities

Operating lease commitment as disclosed at 31 March 2020	22,665
Discounted using the incremental borrowing rate at 1 April 2020	(837)
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 April 2020	21,828
Finance lease liabilities recognised as at 31 March 2020	344,765
Lease liabilities recognised at 1 April 2020	366,593
Weighted-average incremental borrowing rate (<i>% per annum</i>)	5.60

Right-of-use assets and lease liabilities shown above were presented as part of textile and industrial material product segments.

4 Significant accounting policies

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

(a) *Investment in associate*

Investment in associate in the separate financial statements is measured at cost less allowance for impairment losses. Investment in associate in the financial statements in which the equity method is applied is accounted for using the equity method. They are initially recognised at cost, which includes transactions costs. Subsequent to initial recognition, the financial statements in which the equity method is applied include the Company’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss.

(b) *Foreign currencies*

Transactions in foreign currencies including non-money assets and liabilities denominated in foreign currencies are translated to the functional currencies at exchange rates at the dates of the transactions.

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

Foreign currency differences are generally recognised in profit or loss.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

(c) *Financial instruments*

Accounting policies applicable from 1 April 2020

(c.1) Classification and measurement

Financial assets and financial liabilities (except trade accounts receivable (see note 4(e) to the financial statements)) are initially recognised when the Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.
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Equity investments measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
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(c.2) Derecognition and offsetting

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and the Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 April 2020

Investment in equity securities

Marketable equity securities are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

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

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

Derivatives

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivatives mainly comprise foreign currency forward contracts, cross currency swap contracts and interest rate swap contracts and are not used for trading purposes.

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

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Foreign currency forward contracts and cross currency swap contracts

Foreign currency forward contracts and cross currency swap contracts protect the Company from risks in fluctuation of exchange rates. The gain or loss on measurement to fair value is recognised immediately in profit or loss.

The fair value of forward contracts and cross currency swap contracts is based on broker quotes at the reporting date.

Interest rate swap contracts

Interest rate swap contracts protect the Company from risks in fluctuation of interest rates. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the financial obligations in profit or loss.

The fair value of interest rate swap contracts is based on broker quotes at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

(e) Trade accounts receivable

A trade receivable is recognised when the Company has an unconditional right to receive consideration. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A trade receivable is measured at transaction price less allowance for expected credit loss (*2020: allowance for doubtful accounts which is determined based on an analysis of payment histories*). Bad debts are written off when incurred.

The Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(f) Inventories

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

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

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

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

(g) *Investment properties*

Investment properties are such as land and buildings that the Company held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business or use in operation.

Investment properties are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each property and recognised in profit or loss. The Company does not charge depreciation on freehold land.

The estimated useful lives are as follows:

Buildings and improvements	10, 12 and 20	years
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Any gains or losses on disposal of investment properties are determined by comparing the net proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

(h) *Property, plant and equipment*

Recognition and measurement

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

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

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

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

Subsequent costs

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

Depreciation

Depreciation is calculated based on the depreciable amount of buildings and equipment, which comprises the cost of an asset, or other amount substituted for cost, less its residual value, and recognised in profit or loss using a straight-line basis over the estimated useful lives of each component of an asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. No depreciation is provided on freehold land or assets under construction and installation.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

The estimated useful lives are as follows:

Buildings and improvements	5 - 30	years
Machinery and equipment	5 - 20	years
Furniture, fixtures and office equipment	3 - 15	years
Vehicles	5 and 10	years

(i) *Intangible assets*

Intangible assets that are acquired by the Company are software licences, and have finite useful lives are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual values, and is recognised in profit or loss on a straight-line basis over the estimated useful lives of software licences of 3 - 10 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. No amortisation is provided on intangible assets under development.

(j) *Lease*

Accounting policies applicable from 1 April 2020

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases, the Company has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract, the Company allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Company recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Accounting policies applicable before 1 April 2020

As a lessee

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease.

Determining whether an arrangement contains a lease

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

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

Leasehold right

Leasehold right is measured at cost less accumulated amortisation and impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the lease term of 30 years.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

As a lessor

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

(k) *Impairment of financial assets other than trade accounts receivable*

Accounting policies applicable from 1 April 2020

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 April 2020

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(l) *Impairment of non-financial assets*

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) *Deferred income*

Deferred income represents a cash received from parent company as an unconditional subsidy in respect of the cost of purchase of new machines for increasing the efficiency in production and reducing air pollution from production. The deferred income will be recognised as income in profit or loss on the straight-line basis over the estimated useful life of the machines of 10 years from the date that they are ready for use.

(n) *Employee benefits*

Defined contribution plans

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

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed by qualified actuary using the projected unit credit method.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

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

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

Other long-term employee benefits

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

Short-term employee benefits

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

(o) Provisions

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

(p) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable inputs.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

Notes to the financial statements

For the year ended 31 March 2021

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(q) Revenue

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Company estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

(r) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payments is established.

(s) Other income

Other income is recognised in profit or loss based on accrual basis.

(t) Interest

Accounting policies applicable from 1 April 2020

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 April 2020

Interest income is recognised in profit or loss at the rate specified in the contract. Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(u) Income tax

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

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

Notes to the financial statements

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Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in separate financial statements.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(w) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) *Segment reporting*

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Impact of COVID-19 pandemic

Due to COVID-19 pandemic at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Company's staff and to manage the negative impact on the business as much as possible.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

6 Related parties

Relationships with associate are described in note 11 to the financial statements. Other related parties and key management that the Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/nationality	Nature of relationships
Toray Industries, Inc.	Japan	Parent company and/or common directorship
Thai Toray Synthetics Co., Ltd.	Thailand	Associate and/or common directorship
CMT Dyeing Company Limited	Thailand	Shareholding and common directorship
Chori Co., Ltd.	Japan	Subsidiary of the parent company
Ichimura Sangyo Co., Ltd.	Japan	Subsidiary of the parent company
Penfabric Sdn. Berhad	Malaysia	Subsidiary of the parent company
Penfibre Sdn. Berhad	Malaysia	Subsidiary of the parent company
P.T. Century Textile Industry Tbk	Indonesia	Subsidiary of the parent company
P.T. Easterntex	Indonesia	Subsidiary of the parent company
P.T. Indonesia Synthetics Textile Mills	Indonesia	Subsidiary of the parent company
P.T. Indonesia Toray Synthetics	Indonesia	Subsidiary of the parent company
P.T. Toray International Indonesia	Indonesia	Subsidiary of the parent company
Toray Advanced Textile Mexico, S.A. de C.V.	Mexico	Subsidiary of the parent company
Toray Fibers (Nantong) Co., Ltd.	China	Subsidiary of the parent company
Toray Industries (H.K.) Ltd.	Hong Kong	Subsidiary of the parent company
Toray International Europe GmbH	Germany	Subsidiary of the parent company
Toray International Italy S.r.l	Italy	Subsidiary of the parent company
Toray International Vietnam Co., Ltd.	Vietnam	Subsidiary of the parent company
Toray International (America) Inc.	United states of America	Subsidiary of the parent company
Toray International (China) Co., Ltd.	China	Subsidiary of the parent company
Toray International, Inc.	Japan	Subsidiary of the parent company
Toray Kusumgar Advanced Textile Private Limited	India	Subsidiary of the parent company
Toray Monofilament Ltd.	Japan	Subsidiary of the parent company
Toray Sakai Weaving & Dyeing (Nantong) Co., Ltd.	China	Subsidiary of the parent company
Toray Textiles Central Europe s.r.o.	Czech Republic	Subsidiary of the parent company

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Name of entities	Country of incorporation/ nationality	Nature of relationships
Toray Industries (Thailand) Co., Ltd.	Thailand	Subsidiary of the parent company and/or common directorship
Chori Middle East FZE	United Arab Emirates	Indirect subsidiary of the parent company
Chori Vietnam Co., Ltd.	Vietnam	Indirect subsidiary of the parent company
Penovate Sdn. Berhad	Malaysia	Indirect subsidiary of the parent company
P.T. Chori Indonesia	Indonesia	Indirect subsidiary of the parent company
So-wa Textile Co., Ltd.	Japan	Indirect subsidiary of the parent company
Thai Chori Co., Ltd.	Thailand	Indirect subsidiary of the parent company
Toray Hybrid Cord (Thailand) Co., Ltd.	Thailand	Indirect subsidiary of the parent company and/or common directorship
Toray International Trading (Hong Kong) Co., Ltd.	Hong Kong	Indirect subsidiary of the parent company
Toray International Trading (Thailand) Co., Ltd.	Thailand	Associate of the parent company and/or common directorship
Key management personnel	Thailand/ Japan	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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

Transactions	Pricing policies
Sale and purchase of goods	Market prices or, where no market price exists, at contractually agreed prices
Dividend income	Upon declaration
Other income and deferred income	Contractually agreed prices
Purchase of machinery and equipment	Contractually agreed prices
Shortfall surcharge for purchase of raw materials	Contractually agreed prices
Commission expense	Contractually agreed prices
Management service fee and other expenses	Contractually agreed prices
Audit committee's remuneration	Amounts approved by the Company's shareholders

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Significant transactions with related parties	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Parent				
Sale of goods	27,852	189,989	27,852	100,729
Other income and deferred income	7,088	7,501	7,088	5,617
Purchase of goods	49	3,272	49	1,671
Shortfall surcharge for purchase of raw materials	106,682	-	106,682	-
Commission expense	50,450	51,310	50,450	40,617
Other expense	7,810	9,028	7,810	7,252
Associate				
Sale of goods	42	35	42	-
Dividend income	-	-	62,018	59,555
Other income	4,685	4,694	4,685	3,527
Purchase of goods	1,785,856	2,168,305	1,785,856	1,555,886
Other related parties				
Sale of goods	2,166,515	2,091,017	2,166,515	1,639,453
Other income	9,789	8,423	9,789	6,394
Purchase of goods	1,387,784	1,676,577	1,387,784	1,203,266
Purchase of machinery and equipment	-	1,062	-	944
Commission expense	13,410	24,010	13,410	18,589
Management service fee	25,697	32,669	25,697	24,377
Other expense	45,931	22,017	45,931	17,333
Audit committee's remuneration	600	743	600	450
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	48,293	60,361	48,293	37,468
Post-employment benefits	263	1,960	263	378
Total key management personnel compensation	48,556	62,321	48,556	37,846

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

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

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Trade accounts receivable		
Parent	2,699	5,572
Associate	-	556
Other related parties	559,087	452,425
Total	561,786	458,553
Other current receivables		
Parent	458	658
Associate	4,738	4,592
Other related parties	30,346	1,914
Total	35,542	7,164
Trade accounts payable		
Associate	182,526	170,222
Other related parties	200,772	179,092
Total	383,298	349,314
Other current payables		
Parent	134,169	36,794
Associate	316	97
Other related parties	29,247	11,632
Total	163,732	48,523
Deferred income		
Parent		
- Current (recorded in the account "other current payables")	4,934	4,934
- Non-current	27,024	31,958
Total	31,958	36,892

Significant agreements with related parties

Trademark license agreement

The Company has a trademark license agreement with the ultimate parent company, Toray Industries, Inc., whereby the latter agrees to grant the Company the right to use of the corporate name and brand of "Thai Toray with Golden Eagle" with respect to the sales in Thailand. In consideration thereof, the Company is committed to pay a trademark license fee to the ultimate parent company at the rate of USD 0.01 per yard for the articles sold under the trademark. The trademark license agreement is available to use for Thailand, Bahrain, Cyprus, Japan, Kuwait, Singapore, Syria, Saudi Arabia and United Arab Emirates. In the case that the Company requires to use the trademark license in other countries not stipulated herein, the Company is required to obtain the written approval from the ultimate parent company in advance. This agreement shall be effective unless either party thereto gives written notice to the other of its intention to terminate this agreement 3 months in advance.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Management service agreement

The Company entered into a management service agreement with a related company, Toray Industries (Thailand) Co., Ltd., whereby the related company agrees to provide certain services as agreed in the agreement to the Company. In this regard, the Company is committed to pay the monthly service fee at the rate specified in the agreement. This agreement shall be effective unless either party thereto gives written notice to the other of its intention to terminate this agreement 30 days in advance.

Rental, utilities and service agreements

The Company has rental, utilities and service agreements with three related companies, Thai Toray Synthetics Co., Ltd., CMT Dyeing Company Limited and Toray Hybrid Cord (Thailand) Co., Ltd., whereby the Company agrees to grant the rental factory and/or land, utilities and service to the related companies. Under the terms of the agreements, the related companies are committed to pay the rental, utilities and service fees to the Company at a certain amount as stipulated in the agreements. These agreements shall be effective unless either party thereto gives written notice to the other of its intention to terminate these agreements 2, 3 and 6 months in advance.

Technical service agreement

The Company has a technical service agreement with the ultimate parent company, Toray Industries, Inc. whereby the latter agrees to provide the Company certain technical service support and assistance with respect to business of the Company. In consideration thereof, the Company is committed to pay a service fee to the ultimate parent company at the rate as specified in the agreement. This agreement shall be effective unless either party thereto gives written notice to the other of its intention to terminate this agreement 60 days in advance.

License memorandum

The Company has a license memorandum with the ultimate parent company, Toray Industries, Inc. whereby the latter agrees to grant the Company the right of production and distribution of products. In consideration thereof, the Company is committed to pay license fee for to the ultimate parent company at the agreed prices as specified in the agreement.

Commitments

As at 31 March, the Company had the following commitments with related parties.

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>Other commitments</i>		
Contracted commitment for purchase of raw materials and factory supplies	<u>14,775</u>	<u>43,148</u>

Sale commission expenses

The Company had commitments to pay a sales commission to Toray Industries, Inc., the ultimate parent company, and certain related companies at the specific amount which calculated based on the quantity of sales, or at the specific rates as specified in the sale invoice that ordered by its intermediary for customers in certain areas.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

7 Cash and cash equivalents

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand	667	447
Cash at bank - current and savings accounts	446,353	864,912
Highly liquid short-term investments	2	400,002
Total	<u>447,022</u>	<u>1,265,361</u>

8 Trade accounts receivable

	<i>Note</i>	Financial statements in which the equity method is applied/ Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		509,720	394,411
Overdue:			
Less than 3 months		52,054	63,949
3 - 6 months		12	193
Total	6	<u>561,786</u>	<u>458,553</u>
Other parties			
Within credit terms		946,664	1,140,782
Overdue:			
Less than 3 months		11,460	29,383
3 - 6 months		-	3,048
Total		<u>958,124</u>	<u>1,173,213</u>
Grand total		<u>1,519,910</u>	<u>1,631,766</u>
Less allowance for expected credit loss (2020: allowance for doubtful accounts)		-	-
Net		<u>1,519,910</u>	<u>1,631,766</u>

9 Other current receivables

	<i>Note</i>	Financial statements in which the equity method is applied/ Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Refundable value added tax		179,602	99,427
Advance to suppliers	6	31,161	11,024
Prepaid expenses	6	7,085	6,356
Others	6	14,309	8,350
Total		<u>232,157</u>	<u>125,157</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

10 Inventories

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Finished goods	249,355	352,340
Work in progress	586,791	720,774
Raw materials	157,462	154,047
Spare parts and supplies	180,937	178,526
Raw materials and spare parts in transit	31,841	95,796
	<u>1,206,386</u>	<u>1,501,483</u>
Less allowance for losses on decline in value of inventories	<u>(36,103)</u>	<u>(66,443)</u>
Net	<u>1,170,283</u>	<u>1,435,040</u>

	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	Year ended 2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Inventories recognised in 'cost of sale of goods':				
- Cost	6,653,602	8,008,491	6,653,602	5,951,302
- (Reversal of) write-down to net realisable value	<u>(30,340)</u>	<u>29,890</u>	<u>(30,340)</u>	<u>30,832</u>
Net	<u>6,623,262</u>	<u>8,038,381</u>	<u>6,623,262</u>	<u>5,982,134</u>

11 Investment in associate

	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	Year ended 2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Beginning balance	1,528,360	1,456,494	503,990	503,990
Share of profit of associate	46,836	131,424	-	-
Dividend income	(62,018)	(59,555)	-	-
Exchange differences on translating financial statements	<u>(63)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>
Ending balance	<u>1,513,115</u>	<u>1,528,360</u>	<u>503,990</u>	<u>503,990</u>

During the years ended 31 March 2021 and 2020 and for the period 1 July 2019 (the date of amalgamation) to 31 March 2020, there were no acquisitions and disposals of investment in associate.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Investment in associate accounted for using the equity method as at 31 March 2021 and 2020 were as follows:

	Type of business	Relationship	Ownership interest (%)	Paid-up capital	Investment	
					Cost method	Equity method
Thai Toray Synthetics Co., Ltd.	Manufacture of yarn	Shareholding			<i>(in thousand Baht)</i>	
- 31 March 2021			<u>19.06</u>	<u>3,078,141</u>	<u>503,990</u>	<u>1,513,115</u>
- 31 March 2020			<u>19.06</u>	<u>3,078,141</u>	<u>503,990</u>	<u>1,528,360</u>

The Company's associate was incorporated in Thailand.

None of the Company's associate is publicly listed and consequently do not have published price quotations.

The following table summarises the financial information of the associate as included in their own financial statements, adjusted for differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in this company.

	Financial statements in which the equity method is applied	
	2021	2020
	<i>(in thousand Baht)</i>	
Revenue	7,354,253	8,713,102
Profit	245,614	691,564
Other comprehensive expense	(329)	(17)
Total comprehensive income (100%)	245,285	691,547
Total comprehensive income of the Company's interest	46,751	131,809
Elimination of unrealised loss (profit) on upstream sales (Sales inventories to the Company)	22	(388)
Company's share of total comprehensive income	46,773	131,421
	Financial statements in which the equity method is applied	
	2021	2020
	<i>(in thousand Baht)</i>	
Current assets	4,788,066	3,971,969
Non-current assets	4,778,549	5,169,149
Current liabilities	(1,404,819)	(908,162)
Non-current liabilities	(188,441)	(179,526)
Net assets (100%)	7,973,355	8,053,430
Company's share of net assets	1,520,188	1,535,455
Elimination of unrealised profit on upstream sales (Sales inventories to the Company)	(7,073)	(7,095)
Carrying amount of interest in associate	1,513,115	1,528,360

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For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Financial statements in which the equity method is applied

	Note	Land	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
<i>(in thousand Baht)</i>								
Cost								
At 1 April 2019		63,320	2,589,504	14,443,785	463,916	16,784	72,363	17,649,672
Additions		-	108	2,541	2,302	-	182,260	187,211
Transfers		386	16,064	355,298	(203,585)	-	(168,163)	-
Disposals		-	(2,847)	(399,536)	(3,564)	(1,144)	-	(407,091)
At 31 March 2020 - as reported		63,706	2,602,829	14,402,088	259,069	15,640	86,460	17,429,792
Transferred to right-of-use assets	3	-	-	(405,267)	-	-	-	(405,267)
At 1 April 2020		63,706	2,602,829	13,996,821	259,069	15,640	86,460	17,024,525
Additions		-	60	2,303	4,153	-	61,904	68,420
Transfers		-	10,729	95,370	1,858	-	(107,957)	-
Disposals		-	-	(503,350)	(5,727)	(820)	-	(509,897)
At 31 March 2021		63,706	2,613,618	13,591,144	259,353	14,820	40,407	16,583,048
Depreciation and impairment loss								
At 1 April 2019		-	1,832,911	10,903,143	392,909	15,633	-	13,144,596
Depreciation charge for the year		-	74,280	619,068	12,547	417	-	706,312
Reversal of impairment loss		-	-	(1,320)	-	-	-	(1,320)
Transfers		-	-	160,945	(160,945)	-	-	-
Disposals		-	(832)	(394,109)	(3,564)	(1,144)	-	(399,649)
At 31 March 2020 - as reported		-	1,906,359	11,287,727	240,947	14,906	-	13,449,939
Transferred to right-of-use assets	3	-	-	(90,059)	-	-	-	(90,059)
At 1 April 2020		-	1,906,359	11,197,668	240,947	14,906	-	13,359,880
Depreciation charge for the year		-	73,057	565,235	8,231	208	-	646,731
Impairment loss		-	-	120,560	-	-	-	120,560
Disposals		-	-	(454,600)	(5,727)	(820)	-	(461,147)
At 31 March 2021		-	1,979,416	11,428,863	243,451	14,294	-	13,666,024

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Financial statements in which the equity method is applied

	Land	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
<i>Net book value</i>							
At 31 March 2020 - as reported	63,706	696,470	2,799,153	18,122	734	86,460	3,664,645
Owned assets	-	-	315,208	-	-	-	315,208
Assets under finance leases	63,706	696,470	3,114,361	18,122	734	86,460	3,979,853
At 1 April 2020	63,706	696,470	2,799,153	18,122	734	86,460	3,664,645
At 31 March 2021	63,706	634,202	2,162,281	15,902	526	40,407	2,917,024

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

	Note	Separate financial statements (in thousand Baht)						Total
		Land	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	
Cost								
At 1 July 2019 (the date of amalgamation)		63,320	2,589,852	14,282,319	465,481	16,784	66,664	17,484,420
Additions		-	-	1,730	1,844	-	158,526	162,100
Transfers		386	15,825	329,403	(206,884)	-	(138,730)	-
Disposals		-	(2,848)	(211,364)	(1,372)	(1,144)	-	(216,728)
At 31 March 2020 - as reported		63,706	2,602,829	14,402,088	259,069	15,640	86,460	17,429,792
Transferred to right-of-use assets	3	-	-	(405,267)	-	-	-	(405,267)
At 1 April 2020		63,706	2,602,829	13,996,821	259,069	15,640	86,460	17,024,525
Additions		-	60	2,303	4,153	-	61,904	68,420
Transfers		-	10,729	95,370	1,858	-	(107,957)	-
Disposals		-	-	(503,350)	(5,727)	(820)	-	(509,897)
At 31 March 2021		63,706	2,613,618	13,591,144	259,353	14,820	40,407	16,583,048
Depreciation and impairment loss								
At 1 July 2019 (the date of amalgamation)		-	1,851,448	10,866,328	399,261	15,737	-	13,132,774
Depreciation charge for the period		-	55,743	462,360	9,355	313	-	527,771
Reversal of impairment loss		-	-	(1,320)	-	-	-	(1,320)
Transfers		-	-	166,297	(166,297)	-	-	-
Disposals		-	(832)	(205,938)	(1,372)	(1,144)	-	(209,286)
At 31 March 2020 - as reported		-	1,906,359	11,287,727	240,947	14,906	-	13,449,939
Transferred to right-of-use assets	3	-	-	(90,059)	-	-	-	(90,059)
At 1 April 2020		-	1,906,359	11,197,668	240,947	14,906	-	13,359,880
Depreciation charge for the year		-	73,057	565,235	8,231	208	-	646,731
Impairment loss		-	-	120,560	-	-	-	120,560
Disposals		-	-	(454,600)	(5,727)	(820)	-	(461,147)
At 31 March 2021		-	1,979,416	11,428,863	243,451	14,294	-	13,666,024

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

	Separate financial statements					Total
	Land	Buildings and improvements	Machinery and equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	
Net book value						
At 31 March 2020 - as reported						
Owned assets	63,706	696,470	2,799,153	18,122	734	3,664,645
Assets under finance leases	-	-	315,208	-	-	315,208
	<u>63,706</u>	<u>696,470</u>	<u>3,114,361</u>	<u>18,122</u>	<u>734</u>	<u>3,979,853</u>
At 1 April 2020						
	63,706	696,470	2,799,153	18,122	734	3,664,645
At 31 March 2021						
	<u>63,706</u>	<u>634,202</u>	<u>2,162,281</u>	<u>15,902</u>	<u>526</u>	<u>2,917,024</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 March 2021 amounted to Baht 9,083.3 million (2020: Baht 9,085.4 million).

During the year ended 31 March 2020, the Company capitalised interest expense as cost of assets under construction and installation totalling Baht 0.1 million, with a capitalisation rate of 1.96% per annum.

13 Leases

As a lessee

<i>Right-of-use assets at 31 March</i>	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Buildings and improvements	7,657	11,060
Machinery and equipment	305,857	315,208
Vehicles	17,706	-
Total	331,220	326,268

During the year ended 31 March 2021, additions to the right-of-use assets of the Company were Baht 23.7 million.

The Company leases a number of buildings and improvements, machinery and equipment and vehicles for period between 2 to 30 years expiring in 2022 to 2031. The rental is payable monthly as specified in the contract. Detail of significant lease agreement is as below.

Lease of power generator not in the legal form of a lease

The Company entered into an Energy Supply Agreement with a local company. The Company will receive electric power and steam from the latter to be used for the operation in the factory located in Samutprakarn. The agreement is for a period of 15 years commencing on 1 December 2016. In consideration thereof, the Company is committed to pay the fee as defined in the agreement. Under the terms of the agreement, the Company must comply with certain conditions as stated in the agreement such as lease of the business site and termination etc.

Due to the unusual nature of the asset, it is remote that one or more parties other than the Company will take more than insignificant amount of utility that will be generated by the asset during the term of arrangement. The power generator is located at the Company's factory in Samutprakarn which the Company has ability or right to control physical access to the asset. Accordingly, although the arrangement is not in the legal form of a lease, the Company concluded that the arrangement contains a lease of the power generator. The lease was classified as a finance lease. At inception of the arrangement, payments were split into lease payments and payments related to the other elements based on their relative fair values. The imputed finance costs on the liability were determined based on the Company's incremental borrowing rate.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Buildings and improvements	3,403	-	3,403	-
- Machinery and equipment	27,432	-	27,432	-
- Vehicles	8,216	-	8,216	-
Interest on lease liabilities	20,197	-	20,197	-
Expenses relating to short-term leases	882	-	882	-
Lease expense	-	9,282	-	7,445

During the year ended 31 March 2021, total cash outflow for leases of the Company were Baht 50.4 million.

14 Other current payables

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2021	2020
		<i>(in thousand Baht)</i>	
Accrued shortfall surcharge for purchase of raw materials	6	103,951	-
Accrued utilities expense		54,133	71,826
Accrued operating expense	6	53,105	61,375
Advance received from customers		29,498	13,918
Accrued commission	6	27,530	39,835
Provision for claim	6	17,678	12,573
Derivative liability from forward exchange contracts	24	13,221	104,054
Others	6	14,971	16,327
Total		314,087	319,908

15 Interest-bearing liabilities

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Current portion of long-term borrowings from financial institution - unsecured	-	984,894
Current portion of lease liabilities (2020: Current portion of finance lease liabilities)	30,450	21,042
Lease liabilities (2020: Finance lease liabilities)	329,050	323,723
Total	359,500	1,329,659

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Movements of long-term borrowings from financial institution during the years ended 31 March 2021 and 2020 and for the period 1 July 2019 (the date of amalgamation) to 31 March 2020 were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Beginning balance	984,894	959,355	984,894	927,456
Effect of movement in exchange rate	71,106	25,539	71,106	57,438
Repayment	(1,056,000)	-	(1,056,000)	-
Ending balance	-	984,894	-	984,894

Long-term borrowings from financial institution

On 18 March 2016, the Company entered into a long-term borrowing agreement with a local branch of foreign financial institution amounting to USD 15 million which bears interest at LIBOR plus 0.30% per annum. This borrowing is repayable in March 2021. At the same date, the Company entered into a cross currency rate swap agreement to swap long-term borrowing principal to Baht 534 million and the Company entered into an interest rate swap agreement with the same financial institution to swap interest rate to fixed interest rate of 2.09% per annum.

On 24 March 2016, the Company entered into a long-term borrowing agreement with a local branch of foreign financial institution amounting to USD 15 million which bears interest at LIBOR plus 0.30% per annum. This borrowing is repayable in March 2021. At the same date, the Company entered into a cross currency rate swap agreement to swap long-term borrowing principal to Baht 522.6 million and the Company entered into an interest rate swap agreement with the same financial institution to swap interest rate to fixed interest rate of 1.83% per annum.

Under the term of the long-term borrowing agreements, the Company must comply with certain conditions as stated in the agreements such as default payment, financial information, and others etc.

As at 31 March 2021, the Company had unutilised credit facilities totalling USD 43 million and Baht 5,325 million (2020: USD 78 million and Baht 4,733 million).

Finance lease liabilities

Finance lease liabilities as at 31 March were payable as follows:

	Financial statements in which the equity method is applied/ Separate financial statements		Present value of minimum lease payments
	Minimum lease payments	Interest <i>(in thousand Baht)</i>	
	2020		
<i>Maturity period</i>			
Within 1 year	40,622	19,580	21,042
1 - 5 years	162,488	64,916	97,572
After 5 years	274,199	48,048	226,151
Total	477,309	132,544	344,765

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

16 Non-current provisions for employee benefits

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Defined benefit plan	315,932	312,467
Other long-term employee benefits	16,441	16,524
Total	<u>332,373</u>	<u>328,991</u>

Defined benefit plan

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plan exposes the Company to actuarial risks, such as interest rate risk.

<i>Present value of the defined benefit obligations</i>	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Beginning balance	312,467	263,733	312,467	302,252
Included in profit or loss:				
Current service cost	21,204	13,137	21,204	13,047
Past service cost	-	45,764	-	-
Interest on obligation	4,378	7,722	4,378	5,792
	<u>25,582</u>	<u>66,623</u>	<u>25,582</u>	<u>18,839</u>
Included in other comprehensive income:				
Actuarial (gain) loss				
- Demographic assumptions	-	591	-	591
- Financial assumptions	-	18,346	-	18,346
- Experience adjustment	-	(9,759)	-	(9,759)
	<u>-</u>	<u>9,178</u>	<u>-</u>	<u>9,178</u>
Benefit paid	<u>(22,117)</u>	<u>(27,067)</u>	<u>(22,117)</u>	<u>(17,802)</u>
Ending balance	<u>315,932</u>	<u>312,467</u>	<u>315,932</u>	<u>312,467</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Other long-term employee benefits

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

<i>Present value of other long-term employee benefits</i>	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Beginning balance	16,524	15,134	16,524	15,161
Included in profit or loss:				
Current service cost	1,340	3,146	1,340	2,439
Interest on obligation	175	315	175	236
	<u>1,515</u>	<u>3,461</u>	<u>1,515</u>	<u>2,675</u>
Benefit paid	<u>(1,598)</u>	<u>(2,071)</u>	<u>(1,598)</u>	<u>(1,312)</u>
Ending balance	<u>16,441</u>	<u>16,524</u>	<u>16,441</u>	<u>16,524</u>

Principal actuarial assumptions

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(%)</i>	
Discount rate	1.64 - 1.73	1.64 - 1.73
Future salary growth	4.5 - 5.5	4.5 - 5.5
Employee turnover	0 - 22	0 - 22
Retirement age (<i>years old</i>)	55 and 60	55 and 60

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

At 31 March 2021, the weighted-average duration of the defined benefit obligations and other long-term employee benefits was 11.7 and 12.3 years (*2020: 11.7 and 12.3 years*).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations and other long-term employee benefits by the amount shown below.

<i>At 31 March</i>	Financial statements in which the equity method is applied/ Separate financial statements			
	Increased in assumption		Decreased in assumption	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Discount rate (1% movement)	(25,354)	(25,983)	28,632	29,353
Future salary growth (1% movement)	34,081	31,226	(30,134)	(27,684)
Employee turnover (20% movement)	(14,097)	(12,554)	16,148	14,305

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

17 Share premium and reserves

Share premium

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

Appropriations of profit and/or retained earnings

Legal reserve

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

General reserve

This represents general reserve for the Company’s operations in the future.

Other components of equity

Translation reserve

The currency translation changes recognised in equity relate to foreign exchange differences arising on translation of the financial statements of foreign operations to Thai Baht to record investment in accounted for using equity method in financial statements in which the equity method is applied.

Fair value reserve of 2021

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at FVOCI.

Fair value changes in available-for-sale investments of 2020

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

18 Segment information and disaggregation of revenue

Management considers that the Company has two reportable segments, as described below, which are the Company’s strategic divisions for different products, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Company’s reportable segments.

- *Segment 1* Textile
- *Segment 2* Industrial material product

Each segment’s performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Company’s Chief Operating Decision Maker. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Year ended 31 March	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Information about reportable segments						
External revenues	3,147,328	4,964,162	3,302,650	3,745,995	6,449,978	8,710,157
Cost of sales	(3,410,405)	(4,628,007)	(3,212,857)	(3,410,374)	(6,623,262)	(8,038,381)
Gross (loss) profit	(263,077)	336,155	89,793	335,621	(173,284)	671,776
Distribution costs					(244,950)	(306,329)
Administrative expenses					(374,590)	(264,442)
Other income					64,957	54,572
(Loss) profit from operating activities					(727,867)	155,577
Finance costs					(40,283)	(41,487)
Share of profit of associate					46,836	131,424
(Loss) profit before income tax					(721,314)	245,514
Income tax income (expense)					153,759	(16,460)
(Loss) profit for the year					(567,555)	229,054

	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Reportable segment financial position						
Trade accounts receivable	487,032	772,843	1,032,878	858,923	1,519,910	1,631,766
Inventories, net						
- Allocated items	732,686	778,905	248,412	271,363	981,098	1,050,268
- Unallocated items	-	-	-	-	189,185	384,772
Total					1,170,283	1,435,040
Property, plant and equipment, net						
- Allocated items	2,056,723	2,657,110	578,074	543,727	2,634,797	3,200,837
- Unallocated items	-	-	-	-	282,227	463,808
Total					2,917,024	3,664,645
Right-of-use assets						
- Allocated items	307,872	315,208	691	-	308,563	315,208
- Unallocated items	-	-	-	-	22,657	11,060
Total					331,220	326,268
Unallocated other assets					2,618,372	3,211,688
Total assets					8,556,809	10,269,407

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For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Year ended 31 March	Financial statements in which the equity method is applied					
	Segment 1		Segment 2		Total	
	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>					
Disaggregation of revenues						
Primary geographical markets						
Asia	2,950,457	4,672,007	3,300,350	3,734,655	6,250,807	8,406,662
Africa	71,119	58,926	-	-	71,119	58,926
America	60,260	66,671	1,365	1,050	61,625	67,721
Europe	59,343	161,974	935	10,290	60,278	172,264
Oceania	6,149	4,584	-	-	6,149	4,584
Total revenues	3,147,328	4,964,162	3,302,650	3,745,995	6,449,978	8,710,157
Major products						
Fabric for airbags	-	-	3,101,612	3,487,364	3,101,612	3,487,364
Fabric for apparel	3,084,737	4,722,410	-	-	3,084,737	4,722,410
Others	62,591	241,752	201,038	258,631	263,629	500,383
Total revenues	3,147,328	4,964,162	3,302,650	3,745,995	6,449,978	8,710,157
Timing of revenue recognition						
At a point in time	3,147,328	4,964,162	3,302,650	3,745,995	6,449,978	8,710,157
Total revenues	3,147,328	4,964,162	3,302,650	3,745,995	6,449,978	8,710,157

(a) Geographical segments

The Company is managed on a worldwide basis but operates manufacturing facilities and sales offices solely in Thailand.

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers. All segment assets of the Company are located in Thailand.

(b) Major customer

Revenues from one customer of the Company's 1 and 2 segments for the year ended 31 March 2021 represent approximately Baht 1,082 million (2020: Baht 1,152 million) of the Company's total revenues.

19 Employee benefit expenses

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
Wages and salaries		597,374	672,210	597,374	489,346
Bonus and other benefits		131,415	205,616	131,415	149,619
Defined benefit plan	16	27,097	70,084	27,097	21,514
Defined contribution plans		16,718	15,693	16,718	11,811
Total		772,604	963,603	772,604	672,290

Defined contribution plans

The defined contribution plans comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the Company and the employees each at the fixed rates followed by the Company's announcement of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager.

Notes to the financial statements

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Toray Textiles (Thailand) Public Company Limited

20 Expenses by nature

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

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
<i>(in thousand Baht)</i>					
Changes in inventories of finished goods and work in progress		236,968	(190,132)	236,968	(75,900)
Raw materials and consumables used		4,155,610	5,512,279	4,155,610	4,052,897
Employee benefit expenses	19	772,604	963,603	772,604	672,290
Depreciation and amortisation		697,039	721,780	697,039	539,138
Utilities expenses		493,351	780,335	493,351	577,317
Impairment loss (reversal of) on machinery and equipment	12	120,560	(1,320)	120,560	(1,320)
Maintenance and technical fee		111,568	130,109	111,568	102,011
Fuel and natural gas expenses		109,077	169,395	109,077	121,691
Shortfall surcharge for purchase of raw materials	6	106,682	-	106,682	-
Freight charges and shipping expenses		81,251	96,228	81,251	74,057
Commission expenses		74,943	101,201	74,943	79,301
Outsourcing fee		54,982	42,075	54,982	36,558
Insurance expenses		27,883	26,430	27,883	19,395
Claim expenses		26,132	22,932	26,132	21,424
Management service fee	6	25,697	32,669	25,697	24,377
Transportation expenses		21,009	38,775	21,009	29,191
(Reversal of) write-down to net realisable value	10	(30,340)	29,890	(30,340)	30,832
Others		157,786	132,903	157,786	108,727
Total cost of sale of goods, distribution costs and administrative expenses		7,242,802	8,609,152	7,242,802	6,411,986

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

21 Income tax

Income tax recognised in profit or loss

	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year/period	-	50,501	-	30,495
Adjustment for prior year/period	-	(58)	-	(58)
	<u>-</u>	<u>50,443</u>	<u>-</u>	<u>30,437</u>
Deferred tax (income) expense				
Movements in temporary differences	(153,759)	(33,983)	(153,759)	(19,327)
	<u>(153,759)</u>	<u>(33,983)</u>	<u>(153,759)</u>	<u>(19,327)</u>
Total	<u>(153,759)</u>	<u>16,460</u>	<u>(153,759)</u>	<u>11,110</u>

Income tax recognised in other comprehensive income

	Financial statements in which the equity method is applied					
	Year ended 31 March			2020		
	Before tax	2021 Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Exchange differences on translating financial statements	(63)	-	(63)	(3)	-	(3)
Loss on measurement of financial assets	(17,158)	3,432	(13,726)	(39,347)	7,869	(31,478)
Loss on remeasurement of defined benefit plan	-	-	-	(9,178)	1,836	(7,342)
Total	<u>(17,221)</u>	<u>3,432</u>	<u>(13,789)</u>	<u>(48,528)</u>	<u>9,705</u>	<u>(38,823)</u>

Separate financial statement

	Year ended 31 March 2021			For the period 1 July 2019 (the date of amalgamation) to 31 March 2020		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Loss on measurement of financial assets	(17,158)	3,432	(13,726)	(38,423)	7,684	(30,739)
Loss on remeasurement of defined benefit plan	-	-	-	(9,178)	1,836	(7,342)
Total	<u>(17,158)</u>	<u>3,432</u>	<u>(13,726)</u>	<u>(47,601)</u>	<u>9,520</u>	<u>(38,081)</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Reconciliation of effective tax rate

	Financial statements in which the equity method is applied			
	Year ended 31 March 2021		Year ended 31 March 2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
(Loss) profit before income tax		<u>(721,314)</u>		<u>245,514</u>
Income tax using the Thai corporation tax rate	20	(144,263)	20	49,103
Share of profit from associate		(9,367)		(26,285)
Income not subject to tax		(411)		(839)
Expenses not deductible for tax purposes		1,222		1,891
Expenses deductible at a greater amount		(909)		(4,366)
Others		(31)		(2,986)
Over provided in prior year		-		(58)
Total	-	<u>(153,759)</u>	7	<u>16,460</u>

	Separate financial statements			
	Year ended 31 March 2021		For the period 1 July 2019 (the date of amalgamation) to 31 March 2020	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
(Loss) profit before income tax		<u>(706,132)</u>		<u>127,793</u>
Income tax using the Thai corporation tax rate	20	(141,226)	20	25,559
Income not subject to tax		(12,815)		(12,045)
Expenses not deductible for tax purposes		1,222		1,628
Expenses deductible at a greater amount		(909)		(988)
Others		(31)		(2,986)
Over provided in prior year		-		(58)
Total	-	<u>(153,759)</u>	9	<u>11,110</u>

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

	Financial statements in which the equity method is applied/ Separate financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
	(in thousand Baht)			
Total	270,313	127,980	(19,049)	(33,907)
Set off of tax	(19,049)	(33,907)	19,049	33,907
Net deferred tax assets	<u>251,264</u>	<u>94,073</u>	-	-

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Movements in total deferred tax assets and liabilities were as follows:

	Financial statements in which the equity method is applied (Charged) / Credited to:			At 31 March 2021
	At 1 April 2020	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Inventories	13,289	(6,068)	-	7,221
Financial assets measured at FVTPL	555	12	-	567
Provision for impairment of machinery and equipment	4,083	24,112	-	28,195
Unrealised loss from derivatives	20,811	(18,167)	-	2,644
Provisions for employee benefits	65,798	676	-	66,474
Loss carry forward	-	143,244	-	143,244
Financial assets measured at FVOCI	(1,899)	-	3,432	1,533
Property, plant and equipment	(28,124)	9,075	-	(19,049)
Others	19,560	875	-	20,435
Net	94,073	153,759	3,432	251,264

	Financial statements in which the equity method is applied (Charged) / Credited to:			At 31 March 2020
	At 1 April 2019	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Inventories	7,311	5,978	-	13,289
Provision for impairment of other long-term investments	4,222	217	-	4,439
Provision for impairment of machinery and equipment	4,347	(264)	-	4,083
Unrealised loss from derivatives	20,267	544	-	20,811
Provisions for employee benefits	55,773	8,189	1,836	65,798
Available-for-sale investments	(13,652)	-	7,869	(5,783)
Property, plant and equipment	(40,404)	12,280	-	(28,124)
Others	12,521	7,039	-	19,560
Net	50,385	33,983	9,705	94,073

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

	At 1 April 2020	Separate financial statements (Charged) / Credited to:		At 31 March 2021
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Inventories	13,289	(6,068)	-	7,221
Financial assets measured at FVTPL	555	12	-	567
Provision for impairment of machinery and equipment	4,083	24,112	-	28,195
Unrealised loss from derivatives	20,811	(18,167)	-	2,644
Provisions for employee benefits	65,798	676	-	66,474
Loss carry forward	-	143,244	-	143,244
Financial assets measured at FVOCI	(1,899)	-	3,432	1,533
Property, plant and equipment	(28,124)	9,075	-	(19,049)
Others	19,560	875	-	20,435
Net	94,073	153,759	3,432	251,264

	At 1 July 2019 (the date of amalgamation)	Separate financial statements (Charged) / Credited to:		At 31 March 2020
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets (liabilities)</i>				
Inventories	7,122	6,167	-	13,289
Provision for impairment of other long-term investments	4,222	217	-	4,439
Provision for impairment of machinery and equipment	4,347	(264)	-	4,083
Unrealised loss from derivatives	25,244	(4,433)	-	20,811
Provisions for employee benefits	63,482	480	1,836	65,798
Available-for-sale investments	(13,467)	-	7,684	(5,783)
Property, plant and equipment	(38,373)	10,249	-	(28,124)
Others	12,649	6,911	-	19,560
Net	65,226	19,327	9,520	94,073

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

22 Basic (loss) earnings per share

The calculations of basic (loss) earnings per share for the years ended 31 March 2021 and 2020 and for the period 1 July 2019 (the date of amalgamation) to 31 March 2020 were based on the profit for the year/period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year/period as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	Year ended 31 March 2021	2020	Year ended 31 March 2021	For the period 1 July 2019 (the date of amalgamation) to 31 March 2020
	<i>(in thousand Baht / thousand shares)</i>			
(Loss) profit for the year/period	<u>(567,555)</u>	<u>229,054</u>	<u>(552,373)</u>	<u>116,684</u>
Number of ordinary shares outstanding during the year/period	<u>57,840</u>	<u>57,840</u>	<u>57,840</u>	<u>57,840</u>
Basic (loss) earnings per share <i>(in Baht)</i>	<u>(9.81)</u>	<u>3.96</u>	<u>(9.55)</u>	<u>2.02</u>

23 Dividends

The dividends paid by the Company to the shareholders as follows:

	Approval date	Payment schedule	Payment from retained earnings subjects to corporate income tax (%)	Dividend rate <i>(in Baht/share)</i>	Amount <i>(in million Baht)</i>
Financial statements in which the equity method is applied:					
<i>Year ended 31 March 2021</i>					
Interim dividend	23 December 2020	January 2021	30	0.50	28.92
Annual dividend	30 July 2020	August 2020	30	1.70	98.33
Total				<u>2.20</u>	<u>127.25</u>
<i>Year ended 31 March 2020</i>					
Interim dividend	18 December 2019	January 2020	30	1.70	98.33
Interim dividend	1 July 2019	July 2019	30	1.70	98.33
Total				<u>3.40</u>	<u>196.66</u>
Separate financial statements:					
<i>Year ended 31 March 2021</i>					
Interim dividend	23 December 2020	January 2021	30	0.50	28.92
Annual dividend	30 July 2020	August 2020	30	1.70	98.33
Total				<u>2.20</u>	<u>127.25</u>
<i>For the period 1 July 2019 (the date of amalgamation) to 31 March 2020</i>					
Interim dividend	18 December 2019	January 2020	30	1.70	98.33
Interim dividend	1 July 2019	July 2019	30	1.70	98.33
Total				<u>3.40</u>	<u>196.66</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

24 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Financial statements in which the equity method is applied/ Separate financial statements			Total	Fair value			Total
	Carrying amount				Level 1	Level 2	Level 3	
<i>At 31 March 2021</i>	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost - net					
				<i>(in thousand Baht)</i>				
Financial assets								
Other non-current financial assets								
- Marketable equity securities	14,610	59,270	-	73,880	73,880	-	-	73,880
- Non-marketable equity securities	-	26,057	-	26,057	-	-	26,057	26,057
Financial liabilities								
Derivatives liabilities	(13,221)	-	-	(13,221)	-	(13,221)	-	(13,221)

	Carrying amount	Financial statements in which the equity method is applied/ Separate financial statements			Total
		Level 1	Level 2	Level 3	
<i>At 31 March 2020</i>		<i>(in thousand Baht)</i>			
Financial assets and financial liabilities measured at fair value					
Available-for-sale investments	42,427	42,427	-	-	42,427
Derivatives liabilities	(104,054)	-	(104,054)	-	(104,054)
Financial assets and financial liabilities not measured at fair value					
Borrowings from financial institution	(984,894)	-	(966,486)	-	(966,486)

Financial instruments measured at level 3 fair value

Type	Valuation technique
Equity securities	The adjusted net asset value as of the reporting date.

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Financial instruments measured at level 2 fair value

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Interest rate swaps	<i>Swap models:</i> The present value of estimated future cash flows, using an observable yield curve.

(b) Financial risk management policies

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

(b.1.1) Trade accounts receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's trade terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the management.

The Company limits its exposure to credit risk from trade accounts receivable by establishing a maximum payment period of 120 days (2020: period between 30 to 120 days).

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

(b.1.2) Cash and cash equivalent

The Company's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Company considers to have low credit risk.

(b.2) Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Financial statements in which the equity method is applied/ Separate financial statements				
	Carrying amount	Contractual cash flows			Total
		1 year or less	More than 1 year but less than 5 years	More than 5 years	
<i>At 31 March 2021</i>					
		<i>(in thousand Baht)</i>			
Non-derivative financial liabilities					
Trade accounts payable	577,139	577,139	-	-	577,139
Other current payables	300,866	300,866	-	-	300,866
Lease liabilities	359,500	49,986	182,610	246,479	479,075
	<u>1,237,505</u>	<u>927,991</u>	<u>182,610</u>	<u>246,479</u>	<u>1,357,080</u>
Derivative financial liabilities					
Forward exchange contracts	13,221	9,846	-	-	9,846
	<u>13,221</u>	<u>9,846</u>	<u>-</u>	<u>-</u>	<u>9,846</u>

	Financial statements in which the equity method is applied/ Separate financial statements					
	Effective interest rate <i>(% per annum)</i>	Carrying amount	Maturity period			Total
			1 year or less	More than 1 year but less than 5 years	More than 5 years	
<i>At 31 March 2020</i>						
		<i>(in thousand Baht)</i>				
Trade accounts payable	-	573,726	573,726	-	-	573,726
Other current payables	-	319,908	319,908	-	-	319,908
Long-term borrowings from financial institution	1.83 and 2.09	984,894	984,894	-	-	984,894
Finance lease liabilities	6.00	344,765	40,622	162,488	274,199	477,309
		<u>2,223,293</u>	<u>1,919,150</u>	<u>162,488</u>	<u>274,199</u>	<u>2,355,837</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

The cash outflow disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement

(b.3) Market risk

The Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows

(b.3.1) Foreign currency risk

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

<i>Exposure to foreign currency at 31 March</i>	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
<i>United States Dollar (USD)</i>		
Financial assets	473,677	744,032
Financial liabilities	(94,783)	(1,134,719)
Net statement of financial position exposure	378,894	(390,687)
Currency swaps contracts	-	1,056,600
Currency forwards purchase contracts	(348,450)	(469,876)
Net exposure	30,444	196,037
<i>Japanese Yen (JPY)</i>		
Financial assets	7,886	9,899
Financial liabilities	(254,021)	(106,890)
Net statement of financial position exposure	(246,135)	(96,991)
Currency forwards sale contracts	114,580	58,270
Net exposure	(131,555)	(38,721)
<i>Euro (EUR)</i>		
Financial assets	149	3,845
Net statement of financial position exposure	149	3,845
<i>Swiss Franc (CHF)</i>		
Financial liabilities	-	(501)
Net statement of financial position exposure	-	(501)
Total exposure, net	(100,962)	160,660

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

Sensitivity analysis

A reasonably possible strengthening (weakening) of Thai Baht against US dollar and Japanese yen at 31 March 2021 would have affected the measurement of financial instruments denominated in a foreign currency. This analysis assumes that all other variables, in particular interest rates, remain constant.

<i>Impact to profit or loss</i>	Movement (%)	Financial statements in which the equity method is applied/ Separate financial statements	
		Strengthening (in thousand Baht)	Weakening
<i>At 31 March 2021</i>			
USD	1	3,789	(3,789)
JPY	1	(2,461)	2,461

(b.3.2) Interest rate risk

Borrowing interest rates are mainly fixed. So the Company has low interest rate risk. The sensitivity impact to the increase or decrease in interest expenses from borrowings, as a result of changes in interest rates is immaterial on the financial statements of Company.

25 Capital management

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

26 Commitments with non-related parties

	Financial statements in which the equity method is applied/ Separate financial statements	
	2021	2020
	<i>(in thousand Baht)</i>	
Capital Commitments		
Machinery and equipment	<u>739</u>	<u>2,667</u>
Future minimum lease payments under non-cancellable operating leases		
Within 1 year	-	7,920
1 - 5 years	-	14,745
Total	<u>-</u>	<u>22,665</u>

Notes to the financial statements

For the year ended 31 March 2021

Toray Textiles (Thailand) Public Company Limited

**Financial statements in
which the equity method
is applied/ Separate
financial statements**
2021 2020
(in thousand Baht)

Other commitments

Letter of credit for raw materials and factory supplies

- 25,963

Contracted commitments for:

- Purchase of raw materials and factory supplies

166 5,342

- Energy supply

- 27,772

Letter of guarantees from financial institutions for:

- Electricity used

88,857 88,857

- Natural gas used

4,641 4,641

Total

	93,664	152,575
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