

Thai Automotive & Appliances Limited

Financial Statements and Auditor's Report

31 March, 2023



Auditing House Co.,Ltd

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thai Automotive & Appliances Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thai Automotive & Appliances Ltd. (the Company), which comprise the statement of financial position as at March 31, 2023, and the statement of income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

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

Other Matter

The financial statements of the company for the year ended 31 March 2022 were audited by another auditor in the same audit company as me who expressed an unmodified opinion on those statements on 18 May, 2022.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Simon Auditing House Co. , Ltd.

1055/581, 29th Floor, State Tower Building, Silom Road, Bangrak, Bangkok 10500, Thailand

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As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Sukit Tosaktrakul



(Mr. Sukit Tosaktrakul)

Certified Public Accountant Registration No.3360

Bangkok : 19th May, 2023

Thai Automotive & Appliances Limited

Statement of Financial Position

As at March 31,2023

		Assets	
		Baht	
	Note	Mar-23	Mar-22
Current Assets			
Cash and cash equivalent	4	2,942,444.34	97,286.38
Trade receivables	5	37,660,387.56	24,824,014.53
Inventories-net	6	20,778,675.59	23,751,179.23
Other current assets	7	2,448,829.97	3,456,927.05
Total Current Assets		<u>63,830,337.46</u>	<u>52,129,407.19</u>
Non - Current Assets			
Machinery and equipments - Net	8	81,262,029.70	94,518,990.81
Other non-current assets	9	1,832,753.18	1,607,012.00
Total Non-Current Assets		<u>83,094,782.88</u>	<u>96,126,002.81</u>
Total Assets		<u><u>146,925,120.34</u></u>	<u><u>148,255,410.00</u></u>

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

This financial statement was approved by the annual general shareholders' meeting no 1/2023 on.....

(sign)..........Director

(Mr. Akira Okura)



Thai Automotive & Appliances Limited

Statement of Financial Position

As at March 31,2023

		Baht	
	Note	Mar-23	Mar-22
Liabilities and Shareholders' Equity			
Current Liabilities			
Short term bank borrowing	10	9,000,000.00	2,371,927.58
Current portion of long term loan	10	11,493,428.58	11,160,688.08
Trade and other payables	11	42,367,459.50	37,157,642.97
Current portion of hire purchase payable-net	12	783,229.20	1,117,171.40
Other current liabilities	13	698,480.67	336,740.80
Total Current Liabilities		64,342,597.95	52,144,170.83
Non - Current Liabilities			
Long term bank borrowing	10	-	11,133,923.84
Long term hire purchase payable-net		428,544.31	624,770.67
Total Non- Current Liabilities		428,544.31	11,758,694.51
Total Liabilities	12	64,771,142.26	63,902,865.34
Shareholders' Equity			
Authorized Share capital			
14,049,463 shares at Bht 10 par value		140,494,630.00	140,494,630.00
Issued and fully paid		140,494,630.00	140,494,630.00
Retained Earnings(Deficit)		(58,340,651.92)	(56,142,085.34)
Total Shareholders' Equity		82,153,978.08	84,352,544.66
Total Liabilities and Shareholders' Equity		146,925,120.34	148,255,410.00

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

(sign)..........Director

(Mr. Akira Okura)



Thai Automotive & Appliances Limited

Statement of Income

For The Year Ended March 31,2023

	Note	Baht	
		Mar-23	Mar-22
Revenue			
Sales	14	210,654,873.52	182,110,326.42
Other income		3,229,073.17	1,963,084.82
Total Revenue		<u>213,883,946.69</u>	<u>184,073,411.24</u>
Expenses			
Cost of sales	15	194,377,768.91	163,365,684.98
Selling expenses		2,940,249.18	3,524,055.36
Administrative expenses		17,482,586.00	15,771,740.94
Total Expenses		<u>214,800,604.09</u>	<u>182,661,481.28</u>
Net Profit(Loss) Before Interest & Tax		(916,657.40)	1,411,929.96
Interest expenses		1,281,909.18	1,284,506.84
Net Profit(Loss) Before Tax		(2,198,566.58)	127,423.12
Corporate income tax		-	39,824.27
Net Profit(Loss) for The Year		<u>(2,198,566.58)</u>	<u>87,598.85</u>

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

(sign).....Director

(Mr. Akira Okura)



Thai Automotive & Appliances Limited
Statement of Change in Shareholders'Equity
For The Year Ended March 31,2023

	Baht		
	Paid Up	Retained Earnings	Total
	Share Capital	(Deficit)	
Balance as at March 31, 2021	140,494,630.00	(56,229,684.19)	84,264,945.81
Net profit(loss) for the year	-	87,598.85	87,598.85
Balance as at March 31, 2022	140,494,630.00	(56,142,085.34)	84,352,544.66
Net profit(loss) for the year		(2,198,566.58)	(2,198,566.58)
Balance as at March 31, 2023	140,494,630.00	(58,340,651.92)	82,153,978.08

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

(sign)..........Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.

Notes to Financial Statement

For the Year Ended March 31, 2023

1. General Information

Thai Automotive & Appliances Ltd. is registered under Thai Commercial Law on December 12, 2008, corporate registration no.0105551133523. The company's registered office is in Amata City Industrial Estate, 7/2 4 7 Moo 6 , Tambol Mabyangporn, Amphor Plaungdaeng, Rayong, Thailand . The company's main business is manufacturing & selling of Fine Blanking components for vehicle, Home and Industrial appliances etc.

The company is a wholly owned subsidiary of Global Automotive & Appliances Pte. Ltd., Singapore and IFB Industries Limited, a listed company incorporated in the Republic of India, is the ultimate holding company.

The company has been granted a promotion privileges from the Board of Investment, Thailand and entitled to receive benefits/privileges such as exemption from Corporate income tax for 8 years, 50% of Corporate income tax exemption for the next 5 years, exemption from import duty on the importation of machineries, permitted to own land, permitted to bring alien experts and technical staff into the kingdom.

2. Basis for preparation of Financial Statement:

This financial statement has been prepared under Thai Financial Reporting Standards (TFRSs) for Non-Publicly Accountable Entities (NPAEs) issued by The Federation of Accounting Professions of Thailand and the regulation of The Department of Business Developing regarding brief caption to show in the financial statements with effective date for the financial year starting on or after January 1,2011

The said TFRSs for NPAEs provide option if the company do apply the following TFRSs or not.

-TAS no 12 Deferred tax

-TAS no 19 Employees' benefits

The company considered not to apply both TFRSs.

(Sign)..........Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.
Notes to Financial Statement
For the Year Ended March 31, 2023

3. Significant Accounting Policies

3.1 Trade Receivable is recorded at invoice price for which goods has already been delivered, excluding VAT, less allowance for doubtful account (if any). Allowance for doubtful account is assessed by considering payment history and expected future payment of each customer.

3.2 Inventory: Inventories are valued at the lower of cost or net realizable value, less allowance for obsolescence (if any), by moving average method. Net realizable value is assessed from expected selling price less selling expenses.

3.3 Machinery and equipments -net

Cost Price: Machinery and equipment are stated at cost of acquisition/construction. The cost of asset comprises its' purchase price and any other attributable cost incurred for bringing the asset to its working condition.

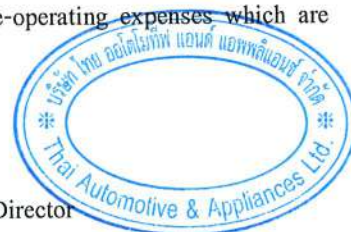
Depreciation: Depreciation is calculated by straight line method over the estimated useful lifes of assets except for mold & tooling amortization that is based on number of pieces completed divided by expected number of pieces for its life. The estimated useful lifes of assets are as follow:

<u>Asset Category</u>	<u>Method of Depreciation</u>	<u>Estimated useful lifes</u>
Land & Building improvement	Straight Line	Lease period (6 years)
Machinery	Straight Line	20 years
QC Equipment	Straight Line	10 years
Office Equipment & Computer	Straight Line	5 years
Vehicles	Straight Line	5 years
Mold & Tooling	Number of out put	Number of out put

3.4 Sales: Sales is recorded at invoice value of goods which have been delivered, excluding value added tax

3.5 Preliminary and Pre-operative Expenses: Preliminary and Pre-operating expenses which are related to the installation of machines are capitalized as fixed assets cost.

(Sign)..........Director



(Mr. Akira Okura)

Thai Automotive & Appliances Ltd.

Notes to Financial Statement

For the Year Ended March 31, 2023

3.6 Foreign currency transactions: Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Any outstanding debt or liabilities in foreign currency at the balance sheet date are converted to Thai Baht at the exchange rate on that date. Any income or expense on account of exchange differences either on settlement or on translation of transactions is recognized in the profit and loss account.

3.7 Allocation of other income and expenses: The company allocated other income and expense which can not be clearly identified whether they are related to the investment promotional activity or the non-investment promotional activity by the allocation based on the proportion of main income between the promoted & non promoted business.

4. Cash and cash equivalent

consist of	2023	2022
Petty cash	20,000.00	20,000.00
Bank current account	2,922,444.34	77,286.38
Total	2,942,444.34	97,286.38

5. Trade Receivables

consist of	2023	2022
Trade receivable- local	36,996,330.11	24,572,113.35
Trade receivable- overseas	664,057.45	251,901.18
Total Trade receivable	37,660,387.56	24,824,014.53

(Sign).....Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.
Notes to Financial Statement
For the Year Ended March 31, 2023

6. Inventories-Net

consist of	2023	2022
Finished Goods	3,594,603.94	4,863,561.29
Work in process	11,372,423.34	13,427,736.87
Raw materials	6,637,181.59	4,821,174.01
Production supply	971,348.69	398,989.65
Scrap	-	799,058.05
Provision for obsolescence	(1,796,881.97)	(559,340.64)
Total Inventories-Net	<u>20,778,675.59</u>	<u>23,751,179.23</u>

During the year, the company has written off inventories and recorded provision due to obsolescence and rejections amounting to Baht 3,351,113.97 as per details below :

	Finished goods	Work In Process	Raw materials	Total
Written of in the year 3/2033	122,436.00	1,079,609.00	352,187.00	1,554,232.00
Provision in the year 3/2023	739,154.03	1,057,727.94	-	1,796,881.97
Total reduction due to written off and provision	<u>861,590.03</u>	<u>2,137,336.94</u>	<u>352,187.00</u>	<u>3,351,113.97</u>

7. Other Current Assets

consist of	2023	2022
Advance payment - raw material	707,128.00	1,865,631.17
Pre-paid insurance	837,076.44	862,108.82
Value added tax	589,380.16	471,683.88
Withholding tax -current year	315,245.37	257,503.18
Total	<u>2,448,829.97</u>	<u>3,456,927.05</u>

(Sign)..........Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.

Notes to Financial Statement

For the Year Ended March 31, 2023

8 : Machinery and equipment – Net

8.1 Movement during April 1, 2022-March 31, 2023

	Cost Value			Cost Value 31/3/2023	Accumulated Depreciation	Net 31/3/2023
	31/3/2022	Addition	Deduction			
Land improvement	59,300.00	-	-	59,300.00	59,300.00	-
Building improvement	4,107,107.86	41,847.50	-	4,148,955.36	3,018,798.04	1,130,157.32
Machinery	155,768,925.41	5,500,379.09	2,733,016.93	158,536,287.57	82,592,757.99	75,943,529.58
Furniture & Fittings	1,427,305.32	2,000.00	3,000.00	1,426,305.32	1,176,103.52	250,201.80
Office Equipment	2,133,846.78	22,652.50	99,321.32	2,057,177.96	1,717,338.91	339,839.05
Computer	1,430,953.27	56,800.00	204,489.85	1,283,263.42	1,036,813.95	246,449.47
Vehicles	425,000.00	631,074.77	425,000.00	631,074.77	22,336.32	608,738.45
Capital in progress	8,985,719.22	-	6,374,416.34	2,611,302.88	-	2,611,302.88
Software license	2,522,219.44	50,000.00	-	2,572,219.44	2,440,408.29	131,811.15
Tooling in transit	1,390,618.93	-	1,390,618.93	-	-	-
Total	178,250,996.23	6,304,753.86	11,229,863.37	173,325,886.72	92,063,857.02	81,262,029.70

8.2 Movement during April 2021-March 31, 2022

	Cost Value			Cost Value 31/3/2022	Accumulated Depreciation	Net 31/3/2022
	31/3/2021	Addition	Deduction			
Land improvement	59,300.00	-	-	59,300.00	59,300.00	-
Building improvement	3,464,848.86	642,259.00	-	4,107,107.86	2,798,293.71	1,308,814.15
Machinery	154,387,663.20	1,381,262.21	-	155,768,925.41	74,332,456.04	81,436,469.37
Furniture & Fittings	1,390,105.32	37,200.00	-	1,427,305.32	1,129,504.44	297,800.88
Office Equipment	3,292,778.66	82,290.00	1,241,221.88	2,133,846.78	1,534,649.95	599,196.83
Computer	1,273,173.27	157,780.00	-	1,430,953.27	1,119,910.24	311,043.03
Vehicles	425,000.00	-	-	425,000.00	425,000.00	-
Capital in progress	4,660,833.09	4,324,886.13	-	8,985,719.22	-	8,985,719.22
Software license	2,479,219.44	43,000.00	-	2,522,219.44	2,332,891.04	189,328.40
Tooling in transit	-	1,390,618.93	-	1,390,618.93	-	1,390,618.93
Total	171,432,921.84	8,059,296.27	1,241,221.88	178,250,996.23	83,732,005.42	94,518,990.81

(Sign).....Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.
Notes to Financial Statement
For the Year Ended March 31, 2023

9. Other Non-Current Assets

Consist of	2023	2022
Deposit for factory rent	1,443,750.00	1,443,750.00
Other deposit	131,500.00	163,262.00
Tax withheld over 1 year	257,503.18	-
Total	1,832,753.18	1,607,012.00

10. Bank Borrowing

Consist of	2023	2022
Bank overdraft	-	371,927.58
Short term loan in Baht	9,000,000.00	2,000,000.00
Sub total Bank overdraft and Short term loan	9,000,000.00	2,371,927.58
Long term loan in US Dollar/Baht-due within 1 year	11,493,428.58	11,160,688.08
Long term loan in US Dollar-due over 1 year	-	11,133,923.84
Total Bank Borrowing	20,493,428.58	24,666,539.50

Long term loan in USD was under the total credit line of USD 1.0 million that the company has mortgaged 2 machines (machine certificate no 63 314 306 0004 to 0005) and has provided Standby Letter of Credit which was issued under credit facilities of a related company as the collateral. For short term loan in Thai Baht, the collateral is Standby Letter of Credit which was issued under credit facilities of the same related company.

Long term loan in USD has been converted to Thai Baht since 29 April, 2022.

(Sign)..........Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.

Notes to Financial Statement

For the Year Ended March 31, 2023

11. Trade and other payables

Consist of	2023	2022
Account Payable – Local	37,982,879.62	27,997,349.94
Account Payable – Overseas	495,027.35	1,834,387.54
Advance from customer	1,117,840.70	4,302,840.70
Accrued Expenses	2,771,711.83	3,023,064.79
Total	42,367,459.50	37,157,642.97

12. Hire Purchase Payable

Total Hire purchase payable	2023	2022
Total Hire purchase payable	1,283,319.62	1,844,647.82
Less- Deferred interest	(71,546.11)	(102,705.75)
Total hire purchase payable - net	1,211,773.51	1,741,942.07
Less- The portion due within 1 year :		
Hire purchase payable due within 1 year	817,153.80	1,200,240.40
Less- Deferred interest due within 1 year	(33,924.60)	(83,069.00)
The portion due within 1 year-net	783,229.20	1,117,171.40
Hire purchase payable due over 1 year		
Hire purchase payable due over 1 year	466,165.82	644,407.42
Less- Deferred interest	(37,621.51)	(19,636.75)
The portion due over 1 year-net	428,544.31	624,770.67

(Sign)..........Director



(Mr. Akira Okura)

Thai Automotive & Appliances Ltd.

Notes to Financial Statement

For the Year Ended March 31, 2023

13. Other Current Liabilities

Consist of	2023	2022
Withholding tax payable	315,339.78	250,474.80
Social security fund payable	87,634.00	86,266.00
Vat payable	295,506.89	-
Total	698,480.67	336,740.80

14 : Sales

Consist of	2023	2022
Sales – Domestic	181,110,242.19	157,587,961.47
Sales – Export	4,428,224.67	5,253,563.96
Sales – Mold & Tooling	15,330,107.00	9,305,070.70
Sales – Scrap Materials	9,786,299.66	9,963,730.29
Total	210,654,873.52	182,110,326.42

(Sign)..........Director



(Mr. Akira Okura)

Thai Automotive & Appliances Ltd.

Notes to Financial Statement

For the Year Ended March 31, 2023

15. Cost of Sales

Consist of	2023	2022
Manufacturing Cost :		
Raw Materials :		
Beginning Balance-Raw Material & Supplies	5,220,163.66	6,248,474.16
Purchase Raw Materials	114,731,002.77	95,164,483.91
Ending Balance-Raw Material & Supplies	(7,608,530.28)	(5,220,163.66)
Materials Consumed	112,342,636.15	96,192,794.41
Manpower Cost :		
Salary Cost	24,121,324.62	22,376,531.06
Staff Welfare Expenses	3,717,329.96	3,640,989.82
Total Manpower Cost	27,838,654.58	26,017,520.88
Factory Overhead :		
Factory Rent & Service Charges	3,675,000.00	3,631,145.00
Electricity & Other Maintenance Costs	10,676,112.90	10,304,490.23
Depreciation	8,260,301.95	7,928,978.66
Other Factory Expenses	26,224,193.07	23,593,342.64
Total Factory Overhead	48,835,607.92	45,457,956.53
Total Manufacturing Cost	189,016,898.65	167,668,271.82
Add: Beginning-work in process	12,868,396.23	7,799,638.34
Less: Ending- work in process	(10,314,695.40)	(12,868,396.23)
Total Cost of Finished Goods	191,570,599.48	162,599,513.93
Add: Beginning-Finished Goods	5,662,619.34	6,428,790.39
Less: Ending- Finished goods	(2,855,449.91)	(5,662,619.34)
Total Cost of Sales	194,377,768.91	163,365,684.98

(Sign).....Director

(Mr. Akira Okura)



Thai Automotive & Appliances Ltd.
Notes to Financial Statement
For the Year Ended March 31, 2023

Note 16: Approval of financial statements

These financial statements have been approved by the resolution of the company Board of Directors meeting on 19th May, 2023



(Sign)..........Director

(Mr. Akira Okura)