

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

**FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS
APPLIED AND SEPARATE FINANCIAL STATEMENTS**

31 MARCH 2022

Independent Auditor's Report

To the shareholders of Thai Stanley Electric Public Company Limited

My opinion

In my opinion, the financial statements in which the equity method is applied and the separate financial statements present fairly, in all material respects, the financial position in which the equity method is applied and the separate financial position of Thai Stanley Electric Public Company Limited (the Company) as at 31 March 2022, and its financial performance in which the equity method is applied and the separate financial performance and its cash flows in which the equity method is applied and the separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The financial statements in which the equity method is applied and the separate financial statements comprise:

- the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2022;
- the statement of income in which the equity method is applied and the separate statement of income for the year then ended;
- the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the year then ended;
- the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity for the year then ended;
- the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended; and
- the notes to the financial statements in which the equity method is applied and the separate financial statements, which include significant accounting policies and other explanatory information.

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 the 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. I determine one key audit matter: Fair value measurement of an investment in an equity instrument of unlisted equity securities. The matter was addressed in the context of my audit 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p>Fair value measurement of an investment in an equity instrument of unlisted equity securities</p> <p>Refer to Note No. 14 Financial assets measured at fair value through other comprehensive income. As at 31 March 2022, the Company had an investment in an equity instrument of unlisted equity securities of Baht 1,420.12 million, which represents 6.16% and 6.17% of the total assets in the Equity Method and Separate Financial Statement, respectively.</p> <p>The investee engages in the business of manufacturing small bulbs, LED, electronic components, electronic equipment, automotive lighting equipment, molds and plastic products. The Company determined that this is an investment in an equity instrument under the scope of TAS 32 'Financial Instruments: Presentation' and requires subsequent fair value measurement under the scope of TFRS 9 'Financial Instruments'. The Company elected to account for the equity investment at fair value through other comprehensive income (FVOCI).</p> <p>The investment in an equity instrument of unlisted equity securities was appraised for its fair value using valuation techniques of input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the equity instruments. The measurement indicated that the fair value was more than the carrying value under the cost method. Therefore, the Company recognised a gain of Baht 194.91 million through other comprehensive income in the year ended 31 March 2022 Equity Method and Separate Financial Statement.</p> <p>I focused on the fair value measurement of the investment in an equity instrument of unlisted equity securities because it had a material impact on the total assets and because of the complexity of its assessment. Using unobservable market data (Level 3) to measure fair value required management's judgment to adjust the data to reflect the risk and nature of the equity instruments.</p>	<p>To obtain evidence for the management's fair value measurement of an investment in an equity instrument of unlisted equity securities, I carried out the following procedures:</p> <ul style="list-style-type: none"> - reviewed management's assessment that the investment should be classified as a financial asset measured at fair value through other comprehensive income. - assessed the reasonableness of the methodology used to measure the fair value of the investment in an equity instrument of unlisted equity securities and tested the fair value calculation of such investment. - involved my valuation expert to assess the fair value taking into account independently obtained data from publicly available financial information of companies in the same industry. The valuation expert also assessed the discount for lack of marketability rate of the equity instrument to consider whether the fair value used by management was within an acceptable range. <p>As a result of these procedures, I determined that the method and assumptions applied in the fair value measurement of the investment in an equity instrument of unlisted equity securities were reasonable and in line with the accounting for the fair value.</p>

Other information

The directors are 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 the audit committee.

Responsibilities of the directors for the financial statements in which the equity method is applied and separate financial statements

The directors are 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 TFRS, and for such internal control as the directors determine 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, the directors are 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 the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities 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 scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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 the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements in which the equity method is applied and separate financial statements. I am responsible for the direction, supervision and performance of the Company's audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and the 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.

PricewaterhouseCoopers ABAS Ltd.

Vichien Khingmontri
Certified Public Accountant (Thailand) No. 3977
Bangkok
20 May 2022

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 31 March 2022

	Notes	Equity method financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	10	2,655,943,140	2,663,330,410	2,655,943,140	2,663,330,410
Short-term investments	11	3,483,000,000	2,258,000,000	3,483,000,000	2,258,000,000
Trade and other accounts receivable, net	12	2,617,502,108	2,550,248,111	2,617,502,108	2,550,248,111
Inventories, net	13	717,823,866	476,679,563	717,823,866	476,679,563
Current portion of loans to employees	15	54,958,494	44,380,610	54,958,494	44,380,610
Other current assets		9,913,992	7,524,762	9,913,992	7,524,762
Total current assets		9,539,141,600	8,000,163,456	9,539,141,600	8,000,163,456
Non-current assets					
Loans to employees	15	41,490,171	18,738,098	41,490,171	18,738,098
Financial assets measured at fair value through other comprehensive income	14	1,485,400,982	1,336,747,660	1,485,400,982	1,336,747,660
Investment in an associate	16	1,885,457,013	1,710,120,028	54,044,189	54,044,189
Investment in a joint venture	17	23,446,570	23,267,369	3,132,500	3,132,500
Property, plant and equipment, net	18	9,076,819,631	9,402,862,077	9,076,819,631	9,402,862,077
Intangible assets, net	19	988,701,728	1,027,622,470	988,701,728	1,027,622,470
Other non-current assets, net		16,197,777	23,089,165	16,197,777	23,089,165
Total non-current assets		13,517,513,872	13,542,446,867	11,665,786,978	11,866,236,159
Total assets		23,056,655,472	21,542,610,323	21,204,928,578	19,866,399,615

Director _____
(Mr. Koichi Nagano)

Director _____
(Mr. Apichart Leeissaranukul)

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 31 March 2022

	Notes	Equity method financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		558,504,822	498,067,977	558,504,822	498,067,977
Trade accounts payable - related parties	31	495,951,982	538,340,036	495,951,982	538,340,036
Other accounts payable - other companies		248,353,113	177,455,506	248,353,113	177,455,506
Other accounts payable - related parties	31	173,557,965	253,230,209	173,557,965	253,230,209
Derivatives liabilities, net	14	780,983	239,190	780,983	239,190
Accrued corporate income tax		177,386,425	153,387,880	177,386,425	153,387,880
Accrued expenses	21	410,699,808	346,716,922	410,699,808	346,716,922
Total current liabilities		2,065,235,098	1,967,437,720	2,065,235,098	1,967,437,720
Non-current liabilities					
Deferred tax liabilities, net	20	555,038,867	472,244,504	184,693,488	137,002,362
Employee benefit obligations	22	409,603,994	385,147,496	409,603,994	385,147,496
Total non-current liabilities		964,642,861	857,392,000	594,297,482	522,149,858
Total liabilities		3,029,877,959	2,824,829,720	2,659,532,580	2,489,587,578
Equity					
Share capital	23				
Authorised share capital					
76,625,000 ordinary shares, par value					
of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value					
of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	23	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	25	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		18,124,222,521	17,024,855,642	16,527,687,983	15,484,861,795
Other components of equity		976,867,492	767,237,461	1,092,020,515	966,262,742
Total equity		20,026,777,513	18,717,780,603	18,545,395,998	17,376,812,037
Total liabilities and equity		23,056,655,472	21,542,610,323	21,204,928,578	19,866,399,615

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Income

For the year ended 31 March 2022

	Notes	Equity method financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Revenues from sales and services	9, 30	13,582,326,658	11,727,608,906	13,582,326,658	11,727,608,906
Cost of sales and services		(11,092,504,997)	(9,951,852,793)	(11,092,504,997)	(9,951,852,793)
Gross profit		2,489,821,661	1,775,756,113	2,489,821,661	1,775,756,113
Other income					
- Dividend income		24,299,990	60,397,989	235,234,967	161,571,294
- Gain on exchange rates, net		20,296,328	24,094,398	20,296,328	24,094,398
- Interest income		19,543,267	20,453,629	19,543,267	20,453,629
- Others	26	78,974,975	57,066,773	78,974,975	57,066,773
Profit before expenses		2,632,936,221	1,937,768,902	2,843,871,198	2,038,942,207
Selling expenses		(686,462,219)	(557,667,942)	(686,462,219)	(557,667,942)
Administrative expenses		(337,882,428)	(325,636,815)	(337,882,428)	(325,636,815)
Total expenses		(1,024,344,647)	(883,304,757)	(1,024,344,647)	(883,304,757)
Operating profit		1,608,591,574	1,054,464,145	1,819,526,551	1,155,637,450
Share of profit from investments in an associate and a joint venture		281,610,840	241,893,286	-	-
Profit before income tax		1,890,202,414	1,296,357,431	1,819,526,551	1,155,637,450
Income tax	28	(369,398,585)	(235,017,402)	(355,263,413)	(206,873,406)
Net profit for the year		1,520,803,829	1,061,340,029	1,464,263,138	948,764,044
Earnings per share					
Basic earnings per share	29	19.85	13.85	19.11	12.38

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 March 2022

	Note	Equity method		Separate financial statements	
		financial statements			
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Net profit for the year		1,520,803,829	1,061,340,029	1,464,263,138	948,764,044
Other comprehensive income (expenses)					
for the period after tax:	28				
Items that will not be reclassified					
to profit or loss					
Remeasurements of post-employment					
benefit obligations	22	8,543,894	25,361,981	8,543,894	25,361,981
Changes in fair value of investments in equity					
instruments through other comprehensive income	14.2	148,653,322	21,399,981	148,653,322	21,399,981
Income tax on items that will not be reclassified		(31,439,443)	(9,352,392)	(31,439,443)	(9,352,392)
Total items that will not be reclassified					
to profit or loss		125,757,773	37,409,570	125,757,773	37,409,570
Items that will be reclassified subsequently					
to profit or loss					
Exchange differences relating to investments					
in an associate and a joint venture		104,840,323	(27,792,610)	-	-
Income tax relating to items that will be reclassified		(20,968,065)	5,558,521	-	-
Total items that will be reclassified					
subsequently to profit or loss	28	83,872,258	(22,234,089)	-	-
Other comprehensive income (expenses)					
for the year, net of tax		209,630,031	15,175,481	125,757,773	37,409,570
Total comprehensive income for the year		<u>1,730,433,860</u>	<u>1,076,515,510</u>	<u>1,590,020,911</u>	<u>986,173,614</u>

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity
 For the year ended 31 March 2022

Equity method financial statements										
	Capital contributed		Retained earnings		Other components of equity					
					Other comprehensive income (expenses)					
					Measurement of investments in equity instruments at fair value through other comprehensive income	Exchange differences relating to investments in an associate and a joint venture	Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity	
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 April 2020 - restated	383,125,000	504,250,000	38,312,500	16,595,671,038	952,053,219	(176,791,192)	(23,200,047)	752,061,980	18,273,420,518	
Total comprehensive income for the year	-	-	-	1,061,340,029	17,119,985	(22,234,089)	20,289,585	15,175,481	1,076,515,510	
Dividends paid	24	-	-	(632,155,425)	-	-	-	-	(632,155,425)	
Closing balance as at 31 March 2021	383,125,000	504,250,000	38,312,500	17,024,855,642	969,173,204	(199,025,281)	(2,910,462)	767,237,461	18,717,780,603	
Opening balance as at 1 April 2021	383,125,000	504,250,000	38,312,500	17,024,855,642	969,173,204	(199,025,281)	(2,910,462)	767,237,461	18,717,780,603	
Total comprehensive income for the year	-	-	-	1,520,803,829	118,922,658	83,872,258	6,835,115	209,630,031	1,730,433,860	
Dividends paid	24	-	-	(421,436,950)	-	-	-	-	(421,436,950)	
Closing balance as at 31 March 2022	383,125,000	504,250,000	38,312,500	18,124,222,521	1,088,095,862	(115,153,023)	3,924,653	976,867,492	20,026,777,513	

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity
 For the year ended 31 March 2022

		Separate financial statements							
		Capital contributed		Retained earnings		Other components of equity			
						Other comprehensive income (expenses)			
						Measurement of investments in equity instruments at fair value through other comprehensive income			Total other components of equity
						Remeasurements of post-employment benefit obligations			Total equity
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Opening balance as at 1 April 2020	383,125,000	504,250,000	38,312,500	15,168,253,176	952,053,219	(23,200,047)	928,853,172	17,022,793,848
	Total comprehensive income for the year	-	-	-	948,764,044	17,119,985	20,289,585	37,409,570	986,173,614
24	Dividends paid	-	-	-	(632,155,425)	-	-	-	(632,155,425)
	Closing balance as at 31 March 2021	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>15,484,861,795</u>	<u>969,173,204</u>	<u>(2,910,462)</u>	<u>966,262,742</u>	<u>17,376,812,037</u>
	Opening balance as at 1 April 2021	383,125,000	504,250,000	38,312,500	15,484,861,795	969,173,204	(2,910,462)	966,262,742	17,376,812,037
	Total comprehensive income for the year	-	-	-	1,464,263,138	118,922,658	6,835,115	125,757,773	1,590,020,911
24	Dividends paid	-	-	-	(421,436,950)	-	-	-	(421,436,950)
	Closing balance as at 31 March 2022	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>16,527,687,983</u>	<u>1,088,095,862</u>	<u>3,924,653</u>	<u>1,092,020,515</u>	<u>18,545,395,998</u>

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2022

	Notes	Equity method		Separate financial statements	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from operating activities:					
Profit before income tax for the year		1,890,202,414	1,296,357,431	1,819,526,551	1,155,637,450
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	18	1,295,738,934	1,273,476,614	1,295,738,934	1,273,476,614
- Amortisation	19	278,123,750	282,502,867	278,123,750	282,502,867
- Interest income		(19,543,267)	(20,453,629)	(19,543,267)	(20,453,629)
- Share of profit from investments in an associate and a joint venture		(281,610,840)	(241,893,286)	-	-
- Dividend income					
- Financial assets measured at fair value through other comprehensive income		(24,299,990)	(60,397,989)	(24,299,990)	(60,397,989)
- Investments in an associate and a joint venture	16, 17	-	-	(210,934,977)	(101,173,305)
- Gain on disposals of property, plant and equipment, net	26	(4,089,665)	(3,337,941)	(4,089,665)	(3,337,941)
- Loss from changes in fair value of derivatives		541,793	239,190	541,793	239,190
- (Reversal of) Allowance for obsolete and slow moving inventories	13	1,461,287	(222,704)	1,461,287	(222,704)
- (Reversal of) Allowance for net realisable value lower than cost of inventories	13	16,900,000	(1,559,056)	16,900,000	(1,559,056)
- Employee benefit obligations	22	42,707,733	54,350,572	42,707,733	54,350,572
- Unrealised gain on exchange rates, net		(1,946,717)	(7,793,357)	(1,946,717)	(7,793,357)
Cash flows before changes in operating assets and liabilities		3,194,185,432	2,571,268,712	3,194,185,432	2,571,268,712
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(66,328,706)	76,347,568	(66,328,706)	76,347,568
- Inventories		(259,505,590)	467,230,263	(259,505,590)	467,230,263
- Other current assets		(2,389,230)	32,129,217	(2,389,230)	32,129,217
- Other non-current assets		6,891,388	(7,340,597)	6,891,388	(7,340,597)
- Trade accounts payable - other companies		60,436,845	(7,633,056)	60,436,845	(7,633,056)
- Trade accounts payable - related parties		(42,388,054)	(29,013,104)	(42,388,054)	(29,013,104)
- Other accounts payable - other companies		15,062,048	(22,185,160)	15,062,048	(22,185,160)
- Other accounts payable - related parties		(79,876,602)	98,881,050	(79,876,602)	98,881,050
- Accrued expenses		63,982,886	(24,542,614)	63,982,886	(24,542,614)
- Payment for employee benefit obligations	22	(9,707,341)	(27,209,450)	(9,707,341)	(27,209,450)
Cash generated from operations		2,880,363,076	3,127,932,829	2,880,363,076	3,127,932,829
Interest received		7,750,497	9,705,992	7,750,497	9,705,992
Income tax paid		(315,013,185)	(264,734,534)	(315,013,185)	(264,734,534)
Net cash received from operating activities		2,573,100,388	2,872,904,287	2,573,100,388	2,872,904,287

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2022

	Notes	Equity method		Separate financial statements	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from investing activities:					
Loans made to employees	15	(94,957,993)	(101,101,134)	(94,957,993)	(101,101,134)
Loans repayments from employees	15	61,628,036	82,553,016	61,628,036	82,553,016
Purchases of property, plant and equipment		(926,999,009)	(1,603,827,172)	(926,999,009)	(1,603,827,172)
Proceeds from disposals of property, plant and equipment		4,408,643	4,216,343	4,408,643	4,216,343
Interest received on short-term investments		10,867,479	17,312,665	10,867,479	17,312,665
Dividends received					
- Financial assets measured at fair value through other comprehensive income		24,299,990	60,397,989	24,299,990	60,397,989
- Investments in an associate and a joint venture	16, 17	210,934,977	101,173,305	210,934,977	101,173,305
Purchases of intangible assets		(226,179,548)	(231,372,870)	(226,179,548)	(231,372,870)
Cash receipts from short-term investments	11	7,848,000,000	2,697,000,000	7,848,000,000	2,697,000,000
Cash payment on short-term investments	11	(9,073,000,000)	(3,789,000,000)	(9,073,000,000)	(3,789,000,000)
Net cash used in investing activities		(2,160,997,425)	(2,762,647,858)	(2,160,997,425)	(2,762,647,858)
Cash flow from financing activity:					
Dividends paid	24	(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net cash used in financing activity		(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net increase (decrease) in cash and cash equivalents		(9,333,987)	(521,898,996)	(9,333,987)	(521,898,996)
Cash and cash equivalents at beginning of the year		2,663,330,410	3,177,436,049	2,663,330,410	3,177,436,049
Effects of exchange rate changes		1,946,717	7,793,357	1,946,717	7,793,357
Cash and cash equivalents at end of the year		2,655,943,140	2,663,330,410	2,655,943,140	2,663,330,410
Non-cash transactions:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		84,531,706	28,696,147	84,531,706	28,696,147
Outstanding liabilities arisen from purchases of plant and equipment from related parties		204,358	-	204,358	-

The notes to the financial statements on page 13 to 49 are an integral part of these financial statements.

1 General information

Thai Stanley Electric Public Company Limited (the “Company”) is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpoon-Rungsit Road, Banklang, Amphur Muang, Pathumthanee, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

The principal business operation of the Company is the manufacture and sales of automotive bulbs, lighting equipment, molds & dies and product designs.

These equity method and separate financial statements have been approved by the Company’s Board of directors on 20 May 2022.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in 2021 has negative effects on operating results for many businesses including automotive business and the Company for the year ended 31 March 2022. The Company is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

3 Basis of preparation

The equity method and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The equity method and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (including derivative instrument) and employee benefit obligations.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

An English version of the equity method and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have no significant impacts to the Company

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Company's management is currently assessing the impact of the adoption of these amended financial reporting standards.

5 Accounting policies

The principal accounting policies adopted in the preparation of these equity method and separate financial statements are set out below.

5.1 Principles of equity accounting

a) Associate

Associate is an entity over which the Company has significant influence but not control or joint control.

In the separate financial statements, investment in an associate is accounted for using cost method.

b) Joint arrangement

An investment in joint arrangement is classified as either joint operation or joint venture depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint venture

A joint venture is a joint arrangement whereby the Company has a right to the net assets of the arrangement. An interest in a joint venture is accounted for using the equity method.

In the separate financial statements, investments in a joint venture is accounted for using cost method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Company's subsequently recognises shares of its associate and joint venture' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Company's share of losses in an associate and a joint venture equals or exceeds its interest in the associate and joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

d) Intercompany transactions on equity method financial statements

Unrealised gains on transactions between the Company and its associate and joint venture are eliminated to the extent of the Company's interest in the associate and joint venture. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

5.2 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Associate and Joint venture

The operational results and financial position of the associate and joint venture (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Company's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of profit or loss are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

5.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

5.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 5.6 (f).

5.5 Inventories

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

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

5.6 Financial asset

a) Classification

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income - interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income - interest income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) **Equity instruments**

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income - dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) **Impairment**

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

5.7 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	<u>Useful life (years)</u>
Land and building improvements	5 - 15
Buildings and other constructions	10 - 40
Machinery, equipment and factory tools	5 - 15
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses, net.

5.8 Intangible assets

Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives 5 years to 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

Product design costs

Research expenditure is recognised as an expense as incurred.

Cost incurred on development projects relating to the design of new products is recognised as an asset when the Company can demonstrate all of the following:

- the product design costs can be measured reliably;
- the Company can demonstrate that it is technically, financially, commercially, and resourcefully feasible; and
- the Company intends to and has the ability to complete the project for the purpose of using for the commercial production.

Product design costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised product design costs are amortised when the asset is ready to use by applying a straight-line method over the period of its expected benefit, not exceeding 4 years.

5.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

5.10 Leases

Leases - where the Company is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Leases - where the Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

5.11 Financial liabilities

a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

5.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.13 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as salaries, wages, bonuses, contributions to the social security fund and others, that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Company pays contributions to a separate fund (under the Provident Fund Act B.E. 2530). The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

d) Termination benefits

The Company recognises termination benefits at the earlier of 1) when the Company can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

5.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

5.16 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Company's ordinary activities is also presented as revenue.

Revenue are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sale of goods

The Company manufactures and sells products. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in accrued expenses) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice.

The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

Revenue from rendering services is recognised when services are rendered.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Other income

Other revenue are recognised on the following bases:

- dividend income is recognised when the right to receive payment is established.
- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.
- scrap income is recognised when the scrap is actually sold.

5.17 Dividends

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

5.18 Derivatives and hedging activities

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

6 Financial risk management

6.1 Financial risk

The Company exposes to a variety of financial risks: Market risk (foreign exchange risk and interest rate risk), and credit risk, and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative to hedge certain exposures.

Risk management is carried out by a central treasury department under policies which included policies for foreign exchange rate risk, interest rate risk, credit risk, and liquidity risk approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

The Company's risk management is controlled by a central treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and manages financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity

6.1.1 Market risk

a) Foreign exchange risk

The Company has exposure to foreign currency exchange fluctuations on raw materials imported in foreign currencies and certain export sales in foreign currencies. The foreign currency exchange rate risk of the Company occurs mostly in Japanese Yen and US Dollar. The Company uses forward contracts to hedge their exposure to foreign currency risk approximately 50% of transactions in foreign currency after net with foreign currency cash and cash equivalents.

The Company has no formal designation and documentation of hedging relationship so that the risk being hedged, the hedged item, the hedging instrument and risk management objectives and strategy for undertaking hedges are not clearly identified. Therefore, the forward contract are not qualifies for hedge accounting.

Disclosures about derivative financial instruments to which the Company is a party are provided as follows and Note 14.

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2022

Exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

	31 March 2022			31 March 2021		
	US Dollar Baht	Euro Baht	Japanese Yen Baht	US Dollar Baht	Euro Baht	Japanese Yen Baht
Cash and cash equivalents	106,533,529	-	774,413	212,861,504	-	967,917
Trade and other accounts receivable	158,055,798	-	-	212,867,443	-	-
Trade and other accounts payable	269,404,251	3,272,408	52,555,010	414,322,001	1,951,064	45,255,478
Foreign currency forwards						
- Purchase of foreign currency	33,140,000	-	11,370,000	-	-	11,420,000

Sensitivity

As shown in the table above, the Company is primarily exposed to changes in Baht and Japanese Yen, US Dollar, and Euro exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in Japanese and US Dollar.

	Impact to net profit	
	Year 2022 Baht	Year 2021 Baht
US Dollar to Baht exchange rate - increase 7% (2021: 5%)*	(2,667,734)	570,347
Euro to Baht exchange rate - increase 6% (2021: 6%)*	(196,344)	(117,064)
JPY to Baht exchange rate - increase 12% (2021: 8%)*	(7,523,767)	(2,636,139)
US Dollar to Baht exchange rate - decrease 7% (2021: 5%)*	2,667,734	(570,347)
Euro to Baht exchange rate - decrease 6% (2021: 6%)*	196,344	117,064
JPY to Baht exchange rate - decrease 12% (2021: 8%)*	7,523,767	2,636,139

* Holding all other variables constant

b) Foreign exchange risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions and short-term investments. Most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate. The Company assesses that the interest rate risk is insignificant as the Company does not rely on the interest income in operating business.

6.1.2 Credit risk

Credit risk arises from cash and cash equivalents and short-term investment and credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'bbb' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) Impairment of financial assets

The Company has 2 types of financial assets that are subject to the expected credit loss model:

- Trade and other accounts receivable
- Loans to employees

While cash and cash equivalents and short-term investment are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Disclosures about Trade receivables are provided in Note 12.

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments or cannot be contacted for a long period.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Loans to employees

Loans to employees measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significantly increased.

Disclosures about Loans to employees are provided in Note 15.

6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 2,655,943,140 (2021: Baht 2,663,330,410) that are expected to readily generate cash inflows for managing liquidity risk.

Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Company's portfolio of derivative instruments with a negative fair value has been included at their fair value of Baht 780,983 (2021: Baht 239,190) within the 'On demand' time bucket. This is because the contractual maturities are essential for an understanding the timing of the cash flows. These contracts are managed on a maturity date basis.

Contractual maturity date	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 March 2022						
Non-derivatives						
Trade and other payables	1,476,367,882	-	-	-	1,476,367,882	1,476,367,882
Accrued expenses	410,699,808	-	-	-	410,699,808	410,699,808
Non-derivatives	1,887,067,690	-	-	-	1,887,067,690	1,887,067,690
Derivatives						
Foreign exchange forward contract	780,983	-	-	-	780,983	780,983
Total derivatives	780,983	-	-	-	780,983	780,983
Total	1,887,848,673	-	-	-	1,887,848,673	1,887,848,673

Contractual maturity date	On demand Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Book value Baht
As at 31 March 2021						
Non-derivatives						
Trade and other payables	1,467,093,728	-	-	-	1,467,093,728	1,467,093,728
Accrued expenses	346,716,922	-	-	-	346,716,922	346,716,922
Non-derivatives	1,813,810,650	-	-	-	1,813,810,650	1,813,810,650
Derivatives						
Foreign exchange forward contract	239,190	-	-	-	239,190	239,190
Total derivatives	239,190	-	-	-	239,190	239,190
Total	1,814,049,840	-	-	-	1,814,049,840	1,814,049,840

6.2 Capital management

Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

7 Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Fair value Baht
As at 31 March 2022				
<i>Financial assets at fair value through other comprehensive income</i>				
Investments in equity instruments	-	1,485,400,982	-	1,485,400,982
	-	1,485,400,982	-	1,485,400,982
<i>Financial liabilities measured at fair value</i>				
Derivative financial instruments				
- Foreign exchange forward contracts	780,983	-	-	780,983
	780,983	-	-	780,983
As at 31 March 2021				
<i>Financial assets at fair value through other comprehensive income</i>				
Investments in equity instruments	-	1,336,747,660	-	1,336,747,660
	-	1,336,747,660	-	1,336,747,660
<i>Financial liabilities measured at fair value</i>				
Derivative financial instruments				
- Foreign exchange forward contracts	239,190	-	-	239,190
	239,190	-	-	239,190

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The following table presents fair value of financial assets and liabilities recognised and disclosed by their fair value hierarchy.

	Level 1		Level 2		Level 3		Total fair value	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Assets								
Financial assets at fair value through profit or loss								
Trading derivatives - Foreign currency forwards	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income								
Investments in equity instruments	65,276,231	111,530,569	-	-	1,420,124,751	1,225,217,091	1,485,400,982	1,336,747,660
Total assets	65,276,231	111,530,569	-	-	1,420,124,751	1,225,217,091	1,485,400,982	1,336,747,660
Liabilities								
Financial liabilities at fair value through profit or loss								
Trading derivatives - Foreign currency forwards	-	-	780,983	239,190	-	-	780,983	239,190
Total liabilities	-	-	780,983	239,190	-	-	780,983	239,190

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

Fair values of financial assets and financial liabilities are recognised according to the accounting policies disclosed in Note 5.6 and Note 5.11.

Non-listed equity investments were appraised for its fair value using valuation techniques of input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the equity instruments

The following table presents changes in level 3 financial instruments for the year ended 31 March 2022 and 31 March 2021.

	Non-listed equity investments
	Baht
Closing balance as at 1 April 2021	1,225,217,091
Gain/Loss recognised in other comprehensive income	194,907,660
Closing balance as at 31 March 2022	1,420,124,751

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

	Fair value		Unobservable inputs	Range of inputs	
	31 March 2022	31 March 2021		31 March 2022	31 March 2021
	Baht	Baht			
Non-listed equity investments	1,420,124,751	1,225,217,091	Discount for Lack of Marketability: DLOM	15%	15%

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Relationship of unobservable inputs to fair value are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions	Decrease in assumptions
			2022	2022
Unquoted equity investments	Discount for Lack of Marketability: DLOM	1.00%	Decrease by 1.18%	Increase by 1.18%

The Company's valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 is Discount for Lack of Marketability. The Company estimates by using the mid-range of information and referred to International Valuation standards.

8 Critical accounting estimates, assumptions and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Fair value of certain financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 7.

b) Allowances for obsolete and slow-moving inventories

The Company has estimated the allowances for obsolete and slow-moving inventories to reflect their impairment. The allowances are taken into account inventory aging, recent sales experience and other factors that affecting obsolete and slow-moving inventories.

c) Useful life of plant, equipment and intangible assets

The management estimates useful life for plant, equipment and intangible assets of the Company. The management revises depreciation expense whenever the useful life is different from the estimation in the prior period or there is a disposal or retirement.

d) Employee benefit obligation

The present value of post-employment benefit obligation is determined based on various assumptions. Assumptions used and effects in any changes in these assumptions are disclosed in Note 22.

e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

f) Provision for product warranty

The Company gives product warranties to customers at the time of sale. The Company partially subsidises expenses for manufacturing defects that become apparent within a defined warranty period. The provision for product warranty is provided based on the historical experience.

9 Segment information

The Company's strategic steering committee, consisting of board of directors who are the chief operating decision-maker, examines the Company's performance from a product group and geographic region perspective in the same dimension as presented in the financial statements.

Revenues from sales and services by product group

The Company manufactures and sells auto bulbs, automotive lighting equipment, molds & dies and product designs. During the year ended 31 March 2022 and 2021, the revenues by product group are as follows:

	2022	2021
	Baht	Baht
Auto bulbs and automotive lighting equipment	13,490,158,861	11,124,981,270
Molds & dies and product designs	92,167,797	602,627,636
	13,582,326,658	11,727,608,906

Revenues from sales and services by geographic region

During the year ended 31 March 2022 and 2021, the revenues by geographic region are as follows:

	2022	2021
	Baht	Baht
Domestic	8,260,626,023	7,698,715,737
Export	5,321,700,635	4,028,893,169
	13,582,326,658	11,727,608,906

During the year ended 31 March 2022 and 2021, the revenues from sales and services are recognised at point in time.

Major customers

During the year ended 31 March 2022, the Company has revenues from 3 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2021: 3 major customer groups).

	2022	2021
	Million Baht	Million Baht
Customer group no.1	4,917	4,421
Customer group no.2	3,962	2,977
Customer group no.3	1,568	1,350

The customers under common control are considered as one customer and referred to as the customer group.

10 Cash and cash equivalents

	2022 Baht	2021 Baht
Cash and cheques on hand	562,431	837,937
Current accounts with banks	54,226,689	98,561,275
Savings accounts with banks	111,154,020	215,931,198
Fixed deposits at banks with less than 3-month term	2,490,000,000	2,348,000,000
	2,655,943,140	2,663,330,410

As at 31 March 2022, savings accounts with banks and fixed deposits at banks with less than 3-month term bear interest at the rates of 0.01% - 0.35% per annum (2021: 0.01% - 0.35% per annum).

11 Short-term investments

As at 31 March 2022, short-term investments held to maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months (2021: maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months).

Movements in short-term investments held to maturity are as follows:

	2022 Baht	2021 Baht
Opening book amount	2,258,000,000	1,166,000,000
Additions during the year	9,073,000,000	3,789,000,000
Redemptions during the year	(7,848,000,000)	(2,697,000,000)
Closing book amount	3,483,000,000	2,258,000,000

As at 31 March 2022, short-term investments held to maturity bear interest at the rates of 0.25% - 0.45% per annum (2021: 0.21% - 0.63% per annum).

12 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2022 and 2021 are as follows:

	2022 Baht	2021 Baht
Trade accounts receivable - other companies	2,263,419,871	2,119,220,891
<u>Less</u> Loss allowance	(20,446,001)	(20,446,001)
Trade accounts receivable - other companies, net	2,242,973,870	2,098,774,890
Trade accounts receivable - related parties (Note 31)	232,530,954	296,457,727
Other accounts receivable - related parties (Note 31)	9,978,976	39,163,203
Prepaid expenses	62,659,796	56,389,044
Accrued income, net	7,833,957	7,839,885
Value added tax receivable	43,281,726	14,976,949
Other receivables	18,242,829	36,646,413
	2,617,502,108	2,550,248,111

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Impairment

The loss allowance for trade receivables was determined as follows:

	Current Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	Over 12 months Baht	Total Baht
As 31 March 2022						
Gross carrying amount						
- trade account receivables - other companies	2,227,404,315	15,110,907	-	458,648	20,446,001	2,263,419,871
- trade account receivables - related parties	230,956,211	1,574,743	-	-	-	232,530,954
Loss allowance	-	-	-	-	(20,446,001)	(20,446,001)
As 31 March 2021						
Gross carrying amount						
- trade account receivables - other companies	2,095,505,182	3,241,708	28,000	-	20,446,001	2,119,220,891
- trade account receivables - related parties	292,676,858	3,780,869	-	-	-	296,457,727
Loss allowance	-	-	-	-	(20,446,001)	(20,446,001)

The expected loss rates are based on the payment profiles of sales over a period of 84 months before 31 March 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified GDP to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors. However, the expected loss for trade accounts receivable is not significantly increased by the adjustment.

13 Inventories, net

	2022 Baht	2021 Baht
Raw materials and packaging	284,915,647	239,155,015
Work in process	292,594,890	84,138,194
Finished goods	100,697,506	88,634,062
Goods in transit	60,136,007	66,911,189
	738,344,050	478,838,460
<u>Less</u> Allowance for net realisable value lower than cost		
- Work in process	(16,900,000)	-
Allowance for obsolete and slow-moving inventories		
- Raw materials and packaging	(3,022,421)	(1,865,897)
- Work in process	(243,935)	(185,171)
- Finished goods	(353,828)	(107,829)
Inventories, net	717,823,866	476,679,563

During the years ended 31 March 2022 and 2021, amounts recognised as cost of sales in profit or loss are as follows:

	2022 Baht	2021 Baht
Cost of sales and cost of services	11,092,504,997	9,951,852,793
(Reversal of) allowance for net realisable value lower than cost	16,900,000	(1,559,056)
(Reversal of) allowance for obsolete and slow-moving inventories	1,461,287	(222,704)

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14 Financial assets and financial liabilities

As at 31 March 2022, classification of the Company's financial assets and financial liabilities are as follows:

	2022 Baht	2021 Baht
Financial assets		
Financial assets at amortised cost		
- Cash and cash equivalents	2,655,943,140	2,663,330,410
- Short-term investments	3,483,000,000	2,258,000,000
- Trade and other accounts receivable, net	2,503,726,629	2,471,042,233
- Loans to employees	96,448,665	63,118,708
Financial assets at fair value through other comprehensive income (FVOCI)		
- Investments in equity	1,485,400,982	1,336,747,660
	<u>10,224,519,416</u>	<u>8,792,239,011</u>
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,476,367,882	1,467,093,728
Derivative liabilities		
- FVPL (not apply hedge accounting)	780,983	239,190
	<u>1,477,148,865</u>	<u>1,467,332,918</u>

14.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost include cash and cash equivalents, short-term investments, trade receivables, other receivables, and Loans to employees:

	Notes	31 March 2022			31 March 2021		
		Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	10	2,655,943,140	-	2,655,943,140	2,663,330,410	-	2,663,330,410
Short-term investments	11	3,483,000,000	-	3,483,000,000	2,258,000,000	-	2,258,000,000
Trade accounts receivable - other companies	12	2,263,419,871	-	2,263,419,871	2,119,220,891	-	2,119,220,891
Trade accounts receivable - related parties	12	232,530,954	-	232,530,954	296,457,727	-	296,457,727
Other accounts receivable - related parties	12	9,978,976	-	9,978,976	39,163,203	-	39,163,203
Other receivables	12	18,242,829	-	18,242,829	36,646,413	-	36,646,413
Loans to employees	15	54,958,494	41,490,171	96,448,665	44,380,610	18,738,098	63,118,708
Less: Loss allowance	12	(20,446,001)	-	(20,446,001)	(20,446,001)	-	(20,446,001)
Total		<u>8,697,628,263</u>	<u>41,490,171</u>	<u>8,739,118,434</u>	<u>7,436,753,253</u>	<u>18,738,098</u>	<u>7,455,491,351</u>

b) Fair values of other financial assets at amortised cost

Due to the short-term nature of Cash and cash equivalents and short-term investments, their carrying amount are considered to be the same as their fair value.

Due to the short-term nature of the trade receivables and other current receivables, their carrying amount are considered to be the same as their fair value.

For the loans to employee, the fair values are also not significantly different to their carrying amounts.

c) Loss allowance

Information about the impairment of financial assets at amortised cost and the Company's exposure to credit risk is disclosed in Note 6.

14.2 Financial assets at fair value through other comprehensive income

a) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.

Financial assets at FVOCI comprise the following investments:

	31 March 2022 Fair value Baht	31 March 2021 Fair value Baht
Non-current assets		
Investments in equity instruments		
- Listed equity securities	65,276,231	111,530,569
- Non-listed equity investments	1,420,124,751	1,225,217,091
Total	1,485,400,982	1,336,747,660

b) Amounts recognised in profit or loss and other comprehensive income

The following gains were recognised in profit or loss and other comprehensive income during the year as follows:

	31 March 2022 Baht	31 March 2021 Baht
Gains recognised in other comprehensive income	148,653,322	21,399,981

The Company did not acquire or dispose significant listed securities during the year

14.3) Financial assets at fair value through profit or loss

a) Classification of financial assets at fair value through profit or loss

The Company classifies derivatives asset and derivatives liabilities as financial assets at fair value through profit or loss (FVPL).

Financial assets measured at FVPL include derivatives asset and derivatives liabilities. Disclosures about derivatives assets and derivatives liabilities are provided in Note 6.1.1.

b) Amounts recognised in profit or loss

During the year ended 31 March 2022, the fair value gains of Baht 1,806,207 (2021: Baht 1,318,390) were recognised in the Company's other income - gains on exchange rates, net in the equity method and separate financial statements.

The Company did not acquire or dispose significant listed securities during the year.

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15 Loans to employees

Movements in loans to employees during the year are as follows:

	2022	2021
	Baht	Baht
Opening balance	63,118,708	44,570,590
Additions	94,957,993	101,101,134
Received during the year	(61,628,036)	(82,553,016)
Closing balance	96,448,665	63,118,708

Loans to employees bear interest rate at 0.99% - 1.00% per annum (2021: 0.99% - 1.70% per annum). The repayment periods are between 1 month - 3 years (2021: 1 month - 2 years).

The analysis of loans to employees is as follows:

	2022	2021
	Baht	Baht
Current portion of loans to employees	54,958,494	44,380,610
Non-current portion of loans to employees	41,490,171	18,738,098
	96,448,665	63,118,708

The Company has no reconciliations of loss allowance for loans to employees for the year ended 31 March 2022 and 2021.

16 Investment in an associate

The details of investment in an associate as at 31 March 2022 and 2021 are as follows:

Name	Country	Business activity	% of holding	Equity method financial information		Separate financial information		
				2022	2021	2022	2021	
				%	%	Baht	Baht	
An associate								
Vietnam Stanley Electric Company Limited	Socialist Republic of Vietnam	Manufacture of automotive lighting equipment	20	20	1,885,457,013	1,710,120,028	54,044,189	54,044,189

Summarised financial information for an associate

The table below is summarised of financial information for associates that are material to the Company. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	Vietnam Stanley Electric Company Limited	
	For the year ended 31 March	
	2022	2021
	Baht	Baht
<i>Summarised of performance</i>		
Revenues from sales and services	6,509,705,798	5,670,519,560
Net profit for the year	1,349,988,500	1,164,738,864
Dividend received from associates	205,056,486	94,579,667

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	Vietnam Stanley Electric Company Limited	
	As at 31 March	
	2022	2021
	Baht	Baht
<i>Summarised of statement of financial position</i>		
Current assets	8,374,101,962	7,486,438,903
Non-current assets	1,826,447,664	1,871,756,264
Current liabilities	736,438,817	762,281,057
Non-current liabilities	36,825,743	45,313,971
Net assets	9,427,285,066	8,550,600,139
The Company's share in an associate (%)	20	20
The Company's share in an associate (Baht)	1,885,457,013	1,710,120,028

Vietnam Stanley Electric Company Limited is a private company and there is no quoted market price available for it.

17 Investment in a joint venture

The details of investment in a joint venture as at 31 March 2022 and 2021 are as follows:

Name	Country	Business activity	% of holding	Equity method financial information				Separate financial information	
				2022		2021		Cost method	
				2022	2021	2022	2021	2022	2021
			%	%	Baht	Baht	Baht	Baht	
A joint venture									
Lao Stanley Company Limited	Lao People's Democratic Republic	Manufacture of automotive lighting equipment	50	50	23,446,570	23,267,369	3,132,500	3,132,500	

Summarised financial information for a joint venture

The table below is summarised of financial information for joint ventures that are material to the Company. The financial information is included in joint ventures own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policy.

	Lao Stanley Company Limited	
	For the year ended 31 March	
	2022	2021
	Baht	Baht
<i>Summarised of performance</i>		
Revenues from sales and services	463,347,848	365,730,773
Depreciation and amortisation	634,385	1,702,061
Income tax expense	5,806,570	5,243,469
Net profit for the year	23,226,279	17,891,026
Dividend received from a joint venture	5,878,491	6,593,638

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	Lao Stanley Company Limited	
	As at 31 March	
	2022	2021
	Baht	Baht
<i>Summarised of statement of financial position</i>		
Cash and cash equivalents	74,731,801	65,785,591
Other current assets	32,149,369	33,478,616
Total current assets	106,881,170	99,264,207
Total non-current assets	7,939,716	12,060,736
Other current liabilities	64,173,317	62,344,167
Total current liabilities	64,173,317	62,344,167
Other non-current liabilities	3,754,430	2,446,038
Total non-current liabilities	3,754,430	2,446,038
Net assets	46,893,139	46,534,738
<i>Reconciliation to carrying amounts:</i>		
Opening book amount	46,534,738	46,794,440
Net profit for the year	23,226,279	17,891,026
Other comprehensive income	(11,110,897)	(4,963,452)
Dividends paid	(11,756,981)	(13,187,276)
Closing book amount	46,893,139	46,534,738
The Company's share in a joint venture (%)	50	50
The Company's share in a joint venture (Baht)	23,446,570	23,267,369
A joint ventures' carrying amount	23,446,570	23,267,369

Lao Stanley Company Limited is a private company and there is no quoted market price available for it.

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18 Property, plant and equipment, net

	Land Baht	Land and building improvements Baht	Buildings and other constructions Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
As at 1 April 2020									
Cost	1,350,023,054	2,927,861,721	2,098,556,516	8,580,938,928	5,682,381,957	65,173,565	181,130,856	2,352,267,418	23,238,334,015
Less Accumulated depreciation	-	(1,702,980,870)	(841,320,882)	(5,848,698,979)	(5,157,847,909)	(40,934,519)	(129,420,263)	-	(13,721,203,422)
Net book amount	1,350,023,054	1,224,880,851	1,257,235,634	2,732,239,949	524,534,048	24,239,046	51,710,593	2,352,267,418	9,517,130,593
For the year ended 31 March 2021									
Opening net book amount	1,350,023,054	1,224,880,851	1,257,235,634	2,732,239,949	524,534,048	24,239,046	51,710,593	2,352,267,418	9,517,130,593
Additions	-	581,000	-	36,008,584	4,973,874	2,358,000	438,000	1,115,727,042	1,160,086,500
Disposals / write-offs, net	-	(18)	(729,848)	(131,380)	(1,174)	(11)	(15,971)	-	(878,402)
Transfers	-	946,765,868	657,078,375	582,822,195	377,970,123	-	7,200,290	(2,571,836,851)	-
Depreciation charge (Note 27)	-	(244,242,603)	(86,645,651)	(594,996,984)	(321,179,084)	(8,393,027)	(18,019,265)	-	(1,273,476,614)
Closing net book amount	1,350,023,054	1,927,985,098	1,826,938,510	2,755,942,364	586,297,787	18,204,008	41,313,647	896,157,609	9,402,862,077
As at 31 March 2021									
Cost	1,350,023,054	3,868,460,698	2,753,284,091	8,866,585,115	5,929,186,907	57,137,452	179,304,734	896,157,609	23,900,139,660
Less Accumulated depreciation	-	(1,940,475,600)	(926,345,581)	(6,110,642,751)	(5,342,889,120)	(38,933,444)	(137,991,087)	-	(14,497,277,583)
Net book amount	1,350,023,054	1,927,985,098	1,826,938,510	2,755,942,364	586,297,787	18,204,008	41,313,647	896,157,609	9,402,862,077
For the year ended 31 March 2022									
Opening net book amount	1,350,023,054	1,927,985,098	1,826,938,510	2,755,942,364	586,297,787	18,204,008	41,313,647	896,157,609	9,402,862,077
Additions	-	-	-	37,182,564	-	5,500,000	1,941,193	925,391,709	970,015,466
Disposals / write-offs, net	-	(119,909)	-	(199,011)	-	(9)	(49)	-	(318,978)
Transfers	-	214,646,373	37,361,637	521,762,768	368,847,184	-	2,509,603	(1,145,127,565)	-
Depreciation charge (Note 27)	-	(269,834,895)	(85,220,032)	(631,756,546)	(285,423,443)	(7,797,292)	(15,706,726)	-	(1,295,738,934)
Closing net book amount	1,350,023,054	1,872,676,667	1,779,080,115	2,682,932,139	669,721,528	15,906,707	30,057,668	676,421,753	9,076,819,631
As at 31 March 2022									
Cost	1,350,023,054	4,004,408,431	2,790,645,728	9,232,303,739	6,298,034,091	55,730,499	181,550,527	676,421,753	24,589,117,822
Less Accumulated depreciation	-	(2,131,731,764)	(1,011,565,613)	(6,549,371,600)	(5,628,312,563)	(39,823,792)	(151,492,859)	-	(15,512,298,191)
Net book amount	1,350,023,054	1,872,676,667	1,779,080,115	2,682,932,139	669,721,528	15,906,707	30,057,668	676,421,753	9,076,819,631

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The Company is a lessor of Molds to third parties under operating leases. The carrying amount of the leased assets are as follows:

	2022	2021
	Baht	Baht
Cost	290,246,836	289,494,123
<u>Less</u> Accumulated depreciation	(219,437,043)	(187,079,244)
Net book amount	70,809,793	102,414,879

Rental income amounting to Baht 57,106,125 (2021: Baht 29,115,464) are included in profit or loss in revenues from sales and services.

19 Intangible assets, net

	Computer software	Product design cost	Product design cost under development	Total
	Baht	Baht	Baht	Baht
As at 1 April 2020				
Cost	327,513,969	1,170,079,365	559,097,211	2,056,690,545
<u>Less</u> Accumulated amortisation	(250,849,506)	(718,040,572)	-	(968,890,078)
Net book amount	76,664,463	452,038,793	559,097,211	1,087,800,467
For the year ended 31 March 2021				
Opening net book amount	76,664,463	452,038,793	559,097,211	1,087,800,467
Additions	1,958,440	-	220,366,430	222,324,870
Transfers	-	359,336,574	(359,336,574)	-
Amortisation charge (Note 27)	(21,666,609)	(260,836,258)	-	(282,502,867)
Closing net book amount	56,956,294	550,539,109	420,127,067	1,027,622,470
As at 31 March 2021				
Cost	329,472,409	1,267,133,901	420,127,067	2,016,733,377
<u>Less</u> Accumulated amortisation	(272,516,115)	(716,594,792)	-	(989,110,907)
Net book amount	56,956,294	550,539,109	420,127,067	1,027,622,470
For the year ended 31 March 2022				
Opening net book amount	56,956,294	550,539,109	420,127,067	1,027,622,470
Additions	31,606,432	-	207,596,576	239,203,008
Transfers	-	176,244,691	(176,244,691)	-
Amortisation charge (Note 27)	(22,971,529)	(255,152,221)	-	(278,123,750)
Closing net book amount	65,591,197	471,631,579	451,478,952	988,701,728
As at 31 March 2022				
Cost	359,972,823	1,176,219,791	451,478,952	1,987,671,566
<u>Less</u> Accumulated amortisation	(294,381,626)	(704,588,212)	-	(998,969,838)
Net book amount	65,591,197	471,631,579	451,478,952	988,701,728

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	2022	2021
	Baht	Baht
Cost of sales and services	278,059,645	282,464,017
Administrative expense	64,105	38,850

20 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Equity method financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Deferred tax assets:	150,348,227	144,967,389	150,348,227	144,967,389
Deferred tax liabilities:	(705,387,094)	(617,211,893)	(335,041,715)	(281,969,751)
Deferred tax asset (net)	(555,038,867)	(472,244,504)	(184,693,488)	(137,002,362)

The movements in deferred tax assets and liabilities during the year is as follows:

	Equity method financial statements					
	Inventories Baht	Equipment Baht	Intangible assets Baht	Employee benefit liabilities Baht	Others Baht	Total Baht
Deferred tax assets						
At 1 April 2020	788,131	37,982,873	22,266,837	76,673,671	3,162,408	140,873,920
Charged/(credited) to profit or loss	(356,351)	229,423	3,859,331	5,428,224	5,238	9,165,865
Charged/(credited) to other comprehensive income	-	-	-	(5,072,396)	-	(5,072,396)
At 31 March 2021	431,780	38,212,296	26,126,168	77,029,499	3,167,646	144,967,389
At 1 April 2021	431,780	38,212,296	26,126,168	77,029,499	3,167,646	144,967,389
Charged/(credited) to profit or loss	3,672,257	(10,735,889)	(1,156,403)	6,600,078	8,709,574	7,089,617
Charged/(credited) to other comprehensive income	-	-	-	(1,708,779)	-	(1,708,779)
At 31 March 2022	4,104,037	27,476,407	24,969,765	81,920,798	11,877,220	150,348,227

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	Equity method financial statements			Total Baht
	Investments in an associate and a joint venture Baht	Financial assets measured at fair value through other comprehensive income Baht	Buildings and machinery Baht	
Deferred tax liabilities				
At 1 April 2020	(312,656,667)	(237,013,305)	(23,953,500)	(573,623,472)
Credited to profit or loss	(28,143,996)	-	(16,722,950)	(44,866,946)
Credited to other comprehensive income	5,558,521	(4,279,996)	-	1,278,525
At 31 March 2021	(335,242,142)	(241,293,301)	(40,676,450)	(617,211,893)
At 1 April 2021	(335,242,142)	(241,293,301)	(40,676,450)	(617,211,893)
Credited to profit or loss	(14,135,172)	-	(23,341,300)	(37,476,472)
Credited to other comprehensive income	(20,968,065)	(29,730,664)	-	(50,698,729)
At 31 March 2022	(370,345,379)	(271,023,965)	(64,017,750)	(705,387,094)

	Separate financial statements			Total Baht
		Financial assets measured at fair value through other comprehensive income Baht	Buildings and machinery Baht	
Deferred tax liabilities				
At 1 April 2020		(237,013,305)	(23,953,500)	(260,966,805)
Credited to profit or loss		-	(16,722,950)	(16,722,950)
Credited to other comprehensive income		(4,279,996)	-	(4,279,996)
At 31 March 2021		(241,293,301)	(40,676,450)	(281,969,751)
At 1 April 2021		(241,293,301)	(40,676,450)	(281,969,751)
Credited to profit or loss		-	(23,341,300)	(23,341,300)
Credited to other comprehensive income		(29,730,664)	-	(29,730,664)
At 31 March 2022		(271,023,965)	(64,017,750)	(335,041,715)

21 Accrued expenses

	2022 Baht	2021 Baht
Accrued staff costs	232,636,026	221,403,575
Accrued electricity expense	36,997,532	34,096,640
Accrued rebate	64,298,000	57,280,000
Provision for product warranty	43,390,718	4,179,104
Others	33,377,532	29,757,603
	410,699,808	346,716,922

22 Employee benefit obligations

The plans are final salary retirement plans. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement.

	2022	2021
	Baht	Baht
The statement of financial position :		
Present value of defined benefit obligations	409,603,994	385,147,496
Liability in the statement of financial position	409,603,994	385,147,496
Profit or loss charge included in operating profit for employee benefit obligations	42,707,733	54,350,572
Remeasurement in other comprehensive (income) expense	(8,543,894)	(25,361,981)

Movements in employee benefit obligations are as follows:

	2022	2021
	Baht	Baht
At 1 April	385,147,496	383,368,355
Current service cost	36,295,591	41,023,831
Interest cost	6,577,032	5,604,704
Past service cost	(164,890)	7,722,037
	42,707,733	54,350,572
Remeasurement:		
Loss from change in demographic assumptions	5,936,774	16,561,942
(Gain)/Loss from change in financial assumptions	(5,929,261)	(37,199,778)
Experience gain	(8,551,407)	(4,724,145)
	(8,543,894)	(25,361,981)
Benefits paid	(9,707,341)	(27,209,450)
At 31 March	409,603,994	385,147,496

The significant actuarial assumptions used were as follows:

	2022	2021
Discount rate	1.80%	1.65%
Salary growth rate	4.00%	4.00%
Staff turnover rate	0.00%-10.00%	0.00%-11.00%

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Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2022 %	2021 %	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Discount rate	1.00	1.00	(36,820,204)	(35,568,390)	42,997,890	41,525,130
Salary growth rate	1.00	1.00	43,245,364	41,622,010	(37,772,633)	(36,365,293)
Staff turnover rate	1.00	1.00	(38,389,114)	(37,081,795)	28,532,441	27,686,309

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation is 9.99 years (2021: 10.30 years).

Expected maturity analysis of undiscounted employee benefit obligations are as follows:

	Less than 1 year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 March 2022					
Retirement benefits	32,145,584	21,431,318	72,377,598	1,482,886,861	1,608,841,361
At 31 March 2021					
Retirement benefits	6,934,714	34,515,875	68,665,488	1,506,930,784	1,617,046,861

23 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2022 and 2021	76,625,000	383,125,000	504,250,000	887,375,000

The total authorised number of ordinary shares is 76,625,000 shares with a par value of Baht 5 per share (2021: 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

24 Dividends

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 2 July 2021, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2021 for 76,625,000 shares of Baht 5.50 per share, totalling Baht 421,437,500. There were 100 shares that were not entitled to receive the dividends, totalling Baht 550 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 421,436,950 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2021.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 3 July 2020, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2020 for 76,625,000 shares of Baht 8.25 per share, totalling Baht 632,156,250. There were 100 shares that were not entitled to receive the dividends, totalling Baht 825 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 632,155,425 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2020.

25 Legal reserve

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after the accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The reserve is non-distributable.

26 Other income - others

	2022	2021
	Baht	Baht
Scrap sales	50,368,855	25,296,165
Tax rebate income	10,114,349	11,768,166
Royalty income	2,405,538	815,311
Gain on disposals of property, plant and equipment, net	4,089,665	3,337,941
Others	11,996,568	15,849,190
	78,974,975	57,066,773

27 Expenses by nature

The following expenditure items have been charged in arriving at operating profit:

	2022	2021
	Baht	Baht
Changes in finished goods and work in process	(220,520,140)	422,461,099
Raw materials and consumables used	6,771,258,502	5,561,888,792
Staff costs	1,452,664,215	1,367,462,710
Depreciation of plant and equipment (Note 18)	1,295,738,934	1,273,476,614
Amortisation of intangible assets (Note 19)	278,123,750	282,502,867
Utility expenses	360,038,709	293,901,337
Subcontract service costs	64,270,684	62,622,108
Repairs and maintenance expenses	311,835,254	307,090,108

28 Income tax expense

Income tax expense for the year comprises the following:

	Equity method		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	Baht	Baht	Baht	Baht
Current tax :				
Current tax on profit for the year	339,011,730	199,316,321	339,011,730	199,316,321
Deferred income tax :				
Increase in deferred tax assets (Note 20)	(7,089,617)	(9,165,865)	(7,089,617)	(9,165,865)
Increase in deferred tax liabilities (Note 20)	37,476,472	44,866,946	23,341,300	16,722,950
Total income tax expense	369,398,585	235,017,402	355,263,413	206,873,406

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The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Equity method financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before tax	1,890,202,414	1,296,357,431	1,819,526,551	1,155,637,450
Tax calculated at a tax rate of 20% (2021: 20%)	378,040,482	259,271,486	363,905,310	231,127,490
Tax effect of :				
Income not subject to tax	(4,759,874)	(10,811,076)	(4,759,874)	(10,811,076)
Expenses not deductible for tax purpose	31,045,672	18,274,793	31,045,672	18,274,793
Additional expenses deductible for tax purpose	(34,927,695)	(22,953,327)	(34,927,695)	(22,953,327)
Profit from BOI business	-	(8,764,474)	-	(8,764,474)
Tax charge	369,398,585	235,017,402	355,263,413	206,873,406

The average income tax rates were 19.54% and 19.53 for the equity method financial statements and the separate financial statements, respectively (2021: 18.13% and 17.90%, respectively). The 2022 tax rates are higher than last year because the Company had loss on a promotion certificate which has the tax privilege in the current year and lower dividend income from related parties than last year.

The tax relating to components of other comprehensive income is as follows:

	Equity method financial statements					
	2022			2021		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit (charge) Baht	After tax Baht
Remeasurements of employee benefit obligations	8,543,894	(1,708,779)	6,835,115	25,361,981	(5,072,396)	20,289,585
Remeasurement of: - Financial assets measured at fair value through other comprehensive income	148,653,322	(29,730,664)	118,922,658	21,399,981	(4,279,996)	17,119,985
Exchange differences relating to investments in an associate and a joint venture	104,840,323	(20,968,065)	83,872,258	(27,792,610)	5,558,521	(22,234,089)
Other comprehensive expenses for the year	262,037,539	(52,407,508)	209,630,031	18,969,352	(3,793,871)	15,175,481
Deferred income tax		(52,407,508)			(3,793,871)	

	Separate financial statements					
	2022			2021		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Remeasurements of employee benefit obligations	8,543,894	(1,708,779)	6,835,115	25,361,981	(5,072,396)	20,289,585
Remeasurement of: - Financial assets measured at fair value through other comprehensive income	148,653,322	(29,730,664)	118,922,658	21,399,981	(4,279,996)	17,119,985
Other comprehensive expenses for the year	157,197,216	(31,439,443)	125,757,773	46,761,962	(9,352,392)	37,409,570
Deferred income tax		(31,439,443)			(9,352,392)	

29 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued and paid up during the year.

	Equity method financial statements		Separate financial statements	
	2022	2021	2022	2021
Net profit attributable to shareholders (Baht)	1,520,803,829	1,061,340,029	1,464,263,138	948,764,044
Weighted average number of ordinary share in issue (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	19.85	13.85	19.11	12.38

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

30 Promotional privileges

The Company has received promotional privileges from the Office of the Board of Investment for the production of molds, mold repairs and production of Eco-car lamps. Under these privileges, the Company will be exempted from corporate income tax for a period of 8 years from the date of commencement of earning revenue. As a promoted entity, the Company is required to comply with the terms and conditions as specified in the promotion certificates.

	2022		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	-	5,321,700,634	5,321,700,634
Domestic sales	-	8,260,626,024	8,260,626,024
	-	13,582,326,658	13,582,326,658
	2021		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	45,355,901	3,983,537,268	4,028,893,169
Domestic sales	536,513,364	7,162,202,373	7,698,715,737
	581,869,265	11,145,739,641	11,727,608,906

31 Related party transactions

Individuals or enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company had the significant transactions with its major shareholder, Stanley Electric Group, incorporated in Japan which holds 35.66% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.57% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

Purchases from related parties are specific materials or materials which are manufactured on a large scale at one source for cost saving benefits. Sales to related parties mainly represent export sales, and selling price is determined based on manufacturing cost plus a certain margin. A royalty fee is charged at 3% of sales less materials cost imported from a related party in accordance with the agreement. A design and development fee and other fees are charged in normal course of a business and are presented as other accounts payable - related parties.

a) Transactions with related parties

The following significant transactions were carried out with related parties:

For the years ended 31 March	2022 Baht	2021 Baht
Sales		
Stanley Electric Group companies	555,456,061	710,438,823
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	117,053,428	125,458,992
Associate	201,918,945	292,589,856
Joint venture	386,316,976	292,494,828
	<u>1,260,745,410</u>	<u>1,420,982,499</u>
Other income		
Stanley Electric Group companies	2,155,760	1,837,285
Associate	7,842	66,170
Joint venture	24,600	106,440
	<u>2,188,202</u>	<u>2,009,895</u>
Dividend income		
Stanley Electric Group companies	23,946,190	60,170,029
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	353,800	227,960
Associate	205,056,486	94,579,667
Joint venture	5,878,491	6,593,638
	<u>235,234,967</u>	<u>161,571,294</u>
Royalty income		
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	1,874,780	381,603
Joint venture	530,758	433,708
	<u>2,405,538</u>	<u>815,311</u>
Purchases of goods and services		
Stanley Electric Group companies	3,335,935,799	2,627,537,886
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	475,923,747	374,586,075
Associate	38,650,888	310,682,571
	<u>3,850,510,434</u>	<u>3,312,806,532</u>

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2022

For the years ended 31 March	2022 Baht	2021 Baht
Royalty fees		
Stanley Electric Group companies	304,350,053	264,036,175
Design and development fee		
Stanley Electric Group companies	49,719,070	84,033,288
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	138,365	8,896
Associate	6,745	934,296
	49,864,180	84,976,480
Training fee		
Stanley Electric Group companies	-	11,405
Commission		
Stanley Electric Group companies	136,960,433	103,647,332

b) Outstanding balance arising from sale and purchases of goods and services

The amounts due to and from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 31 March 2022 and 2021 are as follows:

	2022 Baht	2021 Baht
Trade accounts receivable - related parties (Note 12)		
Stanley Electric Group companies	101,213,025	159,786,768
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	32,017,423	35,187,083
Associate	38,247,953	51,677,957
Joint venture	61,052,553	49,805,919
	232,530,954	296,457,727
Other accounts receivable - related parties (Note 12)		
Stanley Electric Group companies	9,978,976	39,163,203
Trade accounts payable - related parties		
Stanley Electric Group companies	433,498,541	479,505,986
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	54,252,284	43,576,418
Associate	8,201,157	15,257,632
	495,951,982	538,340,036
Other accounts payable - related parties		
Stanley Electric Group companies	173,557,965	253,230,209

c) Key management compensation

For the years ended 31 March	2022 Baht	2021 Baht
Directors' and managements' remuneration		
Short-term benefits	46,230,643	44,510,294

Short-term benefits comprise salary, bonus and other welfares

32 Significant commitments

32.1 Bank guarantees

As at 31 March 2022, the Company has bank guarantees of Baht 20 million with respect to electricity supply, (2021: Baht 20 million)

32.2 Capital commitments

As at 31 March 2022, the Company has capital commitments of Baht 90 million (2021: Baht 110 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

33 Events occurring after the date of financial statements

- 33.1 On 19 April 2022, the Board of Director of Vietnam Stanley Electric Company Limited (Associate) approved the dividends payment in respect of the operating results for the year ended 31 March 2022 totalling VND 666.67 billion (equivalent to Baht 976.67 million). The dividends will be paid to the Company according to holding percentage which is 20% totalling VND 133.33 billion (equivalent to Baht 195.33 million).
- 33.2 At the Board of Directors' meeting held on 20 May 2022, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2022 for a total 76,625,000 shares of Baht 8.50 per share totalling Baht 651.31 million and proposed to the Annual General Shareholders' meeting which will be held on 1 July 2022.