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Introduction:

Finance department has responsibilities to govern to create standardized processes, clear roles, and responsibilities related to the management of financial activities within the organization.

This work procedure document is designed and targeted for officers within and outside Corporate Finance department (or its equivalent in subsidiary entities) to be guiding procedures for the specified financial and accounting processes in the Objective section.

Adherence to the activities and steps are crucial and mandatory to all targeted stakeholders to ensure consistent and transparent financial practice, clear accountabilities, regulatory compliance, and alignment with the company's financial policies used in conjunction with this work procedure.

Objective:

To establish the guideline procedures for 'Inventory Subledger Closing process', ensuring that inventory accounts balance, and other related inventory accounts balances are accurately and completely accounted for in each month-end financial reporting.

Scope:

This work procedure shall be adopted by Banpu Public Company Limited and subsidiaries, whose Finance and Accounting operations are handled by Corporate Finance department in Thailand, and shall be effective until announced otherwise.

Definitions:

N/A

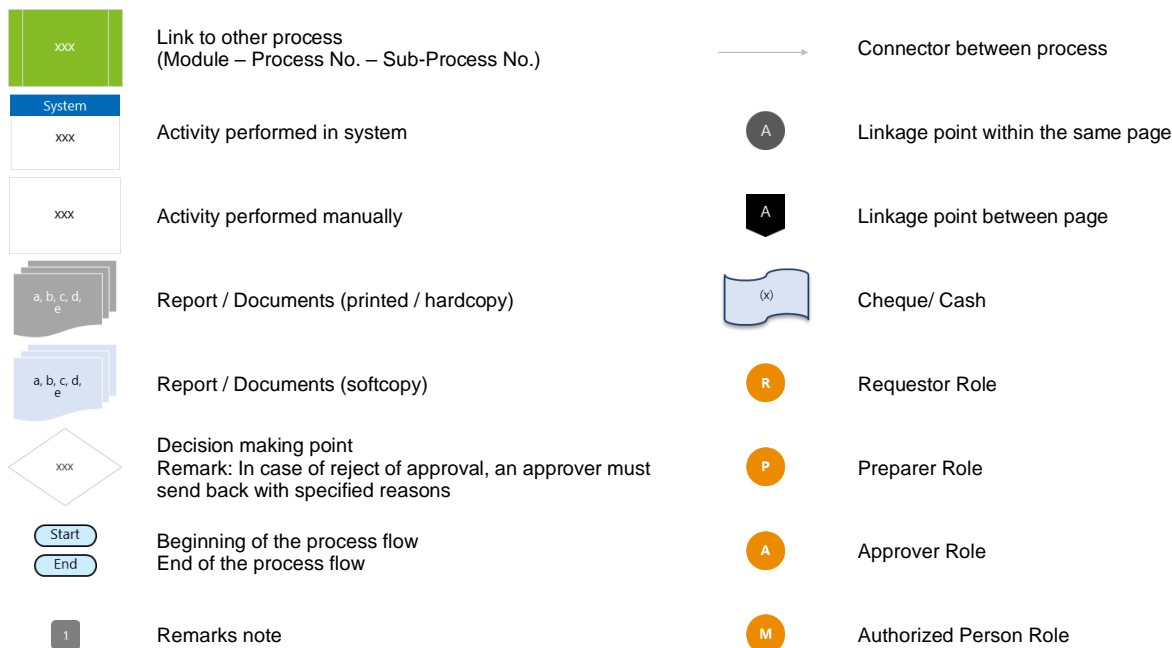
References:

N/A

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Flowchart:

Process Flowchart Legends



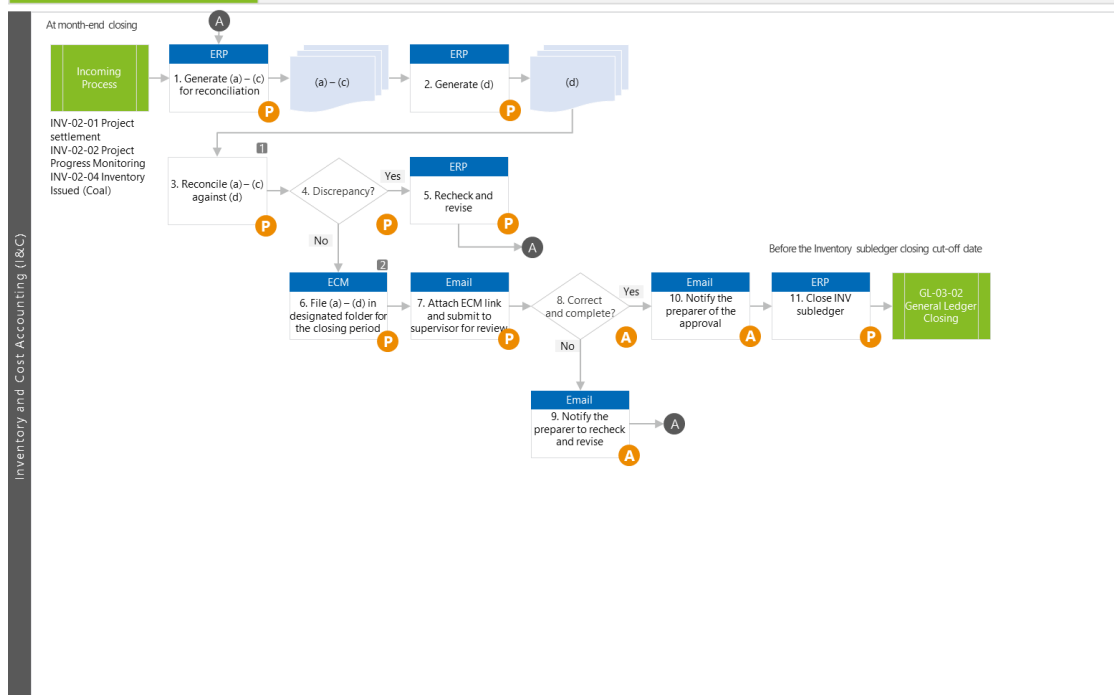
Abbreviations and Definitions

Abbreviation	Definition
AP	Accounts Payable
AR	Accounts Receivable
FA	Fixed Asset Accounting
GL	General Ledger
I&C	Inventory & Costing
TR	Treasury Operations
MA	Managerial Reporting and Budgeting
D&I	Digital and Innovation
MS&L	Marketing, Sales & Logistics

Abbreviation	Definition
ERP	Enterprise Resource Planning system
ECM	Enterprise Content Management system
ACCP	Accounting Portal system
VAT	Value Added Tax
WHT	Withholding Tax
SBT	Specific Business Tax
CIT	Corporate Income Tax

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Process Group	Inventory and Cost Accounting/ Cost Controlling (INV)
Main Process	INV-03 Period End Closing
Sub Process	INV-03-02 Inventory Subledger Closing



Relevant Document(s)
a) Inventory Movement Report (by month/ period)
b) Inventory Balance Report
c) Inventory and WIP Reconciliation Report
d) GL - Inventory and WIP Report

Remark(s)

- I&C team reconciles inventory balance in Inventory Value, volume, Inventory and WIP Reconciliation against GL - Inventory and WIP Report. Any unreconciled items should be investigated and revised by using journal voucher for adjustment and posting by GL team.
- I&C team must place all these files within agreed timeline, then GL team can refer for verifying and supporting when closing GL module and preparing Financial Statements.

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Detail of Procedure: INV-03-02

1. At month-end closing, I&C preparer generates the following reports from Inventory submodule in ERP for reconciliation:
 - Inventory Movement Report (by month/ period)
 - Inventory Balance Report
 - Inventory and WIP Reconciliation Report
2. I&C preparer generates GL – Inventory and WIP Report from GL module in ERP.
3. I&C preparer reconciles the submodule reports retrieved from step #1 against the GL – Inventory and WIP Report retrieved from step #2.
Note: I&C team reconciles inventory balance in Inventory Value, volume, Inventory and WIP Reconciliation against GL – Inventory and WIP Report. Any unreconciled items should be investigated and revised by using journal voucher for adjustment and posting by GL team.
4. I&C preparer reviews whether there are discrepancies:
 - a. If there are discrepancies, proceed to step #5.
 - b. If there are no discrepancies, proceed to step #6.
5. I&C preparer rechecks and revises the data in ERP. Then proceed back to step #1.
6. I&C preparer uploads and saves the following files in the folder designated for each month-end in ECM:
 - Inventory Movement Report (by month / period)
 - Inventory Balance Report
 - Inventory and WIP Reconciliation Report
 - General ledger – Inventory and WIP ReportNote: I&C team must place all these files within agreed timeline, then GL team can refer for verifying and supporting when closing GL module and preparing Financial Statements.
7. I&C preparer submits the reports related to inventory to supervisor via email by sharing the ECM links from step #6 for supervisor's final review before closing the subledger.
8. I&C approver reviews the reports related to inventory and considers whether they are correct and complete:
 - a. If correct and complete, proceed to step #10.
 - b. If incorrect and/or incomplete, proceed to step #9.
9. I&C approver notifies the preparer to recheck and revise the error found via email. Then proceed back to step #1.
10. I&C approver notifies the preparer of the approval to close the sub-module via email.
11. Before the inventory subledger closing cut-off date, I&C preparer closes Inventory subledger in ERP. Then proceed to the work procedure of GL-03-02 General Ledger Closing.