

PT PRICOL SURYA

Commissioner	Mr. Damotharan Vijay Mohan
President Director	Mr. Niranjan Rudraswamy
Director	Mr. Krishnan Kutty Udhaya Kumar
Auditors	Syarief Basir & Rekan Registered Public Accountants Member of Russell Bedford International Jakarta, Indonesia
Bankers	Bank Internasional Indonesia Hongkong and Shanghai Banking Corporation Ltd. ICICI Bank Limited
Registered Office	KIIC Industrial Park J1, Permata Raya Lot FF-2 Karawang 41361, Indonesia

BOARD OF DIRECTORS' STATEMENT REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENT AS AT 31st MARCH 2010 AND 2009

We the undersigned

Name : Niranjan Rudraswamy
Office address : KIIC Industrial Park
J1. Permata Raya Lot FF-2
Karawang 41361
Domicile address : Mysore, 696, 13th cross,
As stated in ID : TK Layout IV Stage,
Saraswathipuram,
Mysore – 570 009, Karnataka,
India
Phone No. : 021 89119471-73
Function : President Director

2. PT Pricol Surya financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia

3. a. All information in the PT Pricol Surya financial statements has been disclosed in a complete and truthful manner;

b. PT Pricol Surya financial statements do not contain any incorrect information or material fact, nor do they omit information or material fact;

4. We are responsible for PT Pricol Surya internal control system.

Declare that:

We certify the accuracy of this statement.

1. We are responsible for the preparation and presentation of PT Pricol Surya financial statements

For and on behalf of the Board of Directors
Jakarta,
April 15, 2010
Niranjan Rudraswamy
President Director

INDEPENDENT AUDITOR'S REPORT

Report No : 025 / RBI / 110-032

**The Shareholders, Board of Commissioners and Directors
PT Pricol Surya**

We have audited the accompanying balance sheet of PT Pricol Surya as of March 31, 2010 and 2009, and the related statements of income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PT Pricol Surya as of March 31, 2010 and 2009, and the results of its operations, changes in equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in Indonesia.

April 15, 2010

Syarief Basir, Ak., CPA, MBA
License of Public Accountant No.: 99.1.0567

Notice for readers

The accompanying financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly the accompanying financial statements and the auditor's report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their applications in practice.

BALANCE SHEET AS OF 31st MARCH 2010 AND 2009

PARTICULARS	Notes	As of March 31, 2010 IDR '000	As of March 31, 2010 INR '000	As of March 31, 2009 IDR '000	As of March 31, 2009 INR '000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	3c, 4	1.006.379	4,931	2.907.554	12,794
Account receivables	3d, 5	2.410.161	11,810	1.372.604	6,039
Other receivables		44.861	220	15.099	69
Inventories	3e, 6	10.394.923	50,935	4.347.812	19,131
Prepaid expenses	7	136.762	670	215.981	950
Prepaid taxes	3h, 13a	2.510.321	12,301	1.420.924	6,252
Total Current Assets		16.503.407	80,867	10.279.974	45,235
NON CURRENT ASSETS					
Properties, plants and equipments	3f, 8				
Net of accumulated depreciation of Rp 6.602.327 in 2010 and Rp 4.345.028 in 2009		34.440.923	168,761	36.455.386	160,404
Security deposit		37.867	186	42.867	188
Deferred tax assets	3h, 13d	3.291.632	16,129	5.347.297	23,528
Pre-operating expenses	3g, 9	—	—	233.416	1,027
Total Non current assets		37.770.422	185,075	42.078.966	185,147
Total Assets		54.273.829	265,942	52.358.940	230,382
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade payables	10	14.443.453	70,773	6.098.449	26,835
Taxes payables	13b	61.687	302	88.451	389
Accrued Expenses	12	491.127	2,407	502.482	2,211
Other payables	11	3.745.846	18,355	158.301	697
Short-term bank loan	14	9.115.000	44,664	11.575.000	50,930
Total Current Liabilities		27.857.113	136,500	18.422.683	81,062
LONG-TERM LIABILITIES					
Long-term bank loan	14	24.724.437	121,150	35.882.500	157,883
Post employment benefit	15	370.042	1,813	224.326	987
Total long-term liabilities		25.094.479	122,963	36.106.826	158,870
EQUITY					
Share capital authorized, issued and fully paid USD 1.500 ordinary shares, with par value of Rp 10.110.000 (USD1.000)	16	15.165.000	74,309	15.165.000	66,727
Foreign exchange difference on paid in capital		(412.500)	(2,021)	(412.500)	(1,815)
Retained earnings / (Accumulated loss)		(13.430.263)	(65,808)	(16.923.069)	(74,462)
Total equity		1.322.237	6,479	(2.170.569)	(9,550)
TOTAL LIABILITIES AND EQUITY		54.273.829	265,942	52.358.940	230,382

The accompanying notes form an integral part of these financial statements

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2010 AND 2009

PARTICULARS	Notes	2009-2010	2009-2010	2008-2009	2008-2009
		April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
Net sales	3k, 17	20.468.462	95,178	27.891.908	121,841
Cost of goods sold	3k, 18	(17.175.188)	(79,865)	(20.488.942)	(89,506)
Gross profit		3.293.274	15,314	7.402.966	32,335
Operating and administration expenses	3k, 19	(6.335.489)	(29,460)	(6.807.122)	(29,737)
Operating profit / (loss)		(3.042.215)	(14,146)	595.844	2,598
Other income / (expenses)					
Interest Income		15.824	74	285.772	1,248
Gain / (loss) foreign exchange		11.018.315	51,235	(10.297.987)	(44,979)
Interest Expense		(2.443.453)	(11,362)	(2.407.872)	(10,519)
Profit / (Loss) before income tax		8.590.686	39,947	(12.420.087)	(54,250)
Deferred tax income (expense)	13d	5.548.471	25,800	(11.824.243)	(51,652)
		(2.055.665)	(9,559)	3.040.004	13,280
Net Profit (Loss)		3.492.806	16,241	(8.784.239)	(38,373)

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2010 AND 2009

	Share capital	Different of exchange rate	Retained earning / (accumulated loss)	Total equity
	In IDR '000			
Balance as of March 31, 2008	15.165.000	(412.500)	(8.138.830)	6.613.670
Net loss for the year 2008-2009	—	—	(8.784.239)	(8.784.239)
Balance as of March 31, 2009	15.165.000	(412.500)	(16.923.069)	(2.170.569)
Net Profit for the year 2009-2010	—	—	3.492.806	3.492.806
Balance as of March 31, 2010	15.165.000	(412.500)	(13.430.263)	1.322.237
	In INR '000			
Balance as of March 31, 2008	74,309	(2,021)	(39,880)	32,407
Net loss for the year 2008-2009	—	—	(43,043)	(43,043)
Balance as of March 31, 2009	74,309	(2,021)	(82,923)	(10,636)
Net loss for the year 2009-2010	—	—	16,241	16,241
Foreign Currency Translation reserve			874	874
Balance as of March 31, 2010	74,309	(2,021)	(65,808)	6,479

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2010 AND 2009

PARTICULARS	2009-2010 April-March IDR '000	2009-2010 April-March INR '000	2008-2009 April-March IDR '000	2008-2009 April-March INR '000
Cash flow from (for) operating activities				
Net Profit (Loss)	3.492.806	16,241	(8.784.239)	(38,373)
Add (deduct) items not affecting operating cash follows:				
Depreciation	2.257.299	11,061	2.044.136	8,994
Amortization	233.416	1,144	233.416	1,027
Deferred tax expenses	2.055.665	9,559	(3.040.004)	(13,376)
Employee benefit	145.716	714	112.541	495
Unrealised loss (gain) on foreign exchange	(13.618.062)	(63,888)	9.698.180	42,722
Interest expense	2.443.453	11,362	2.407.872	10,595
Interest income	(15.824)	(74)	(285.772)	(1,257)
Change in working capital				
Account receivables	(1.037.557)	(5,084)	2.604.295	11,459
Other receivables	(29.763)	(146)	20.064	88
Advances	—	—	29.300	130
Inventories	(6.047.112)	(29,631)	(1.518.420)	(6,681)
Prepaid expenses	79.220	388	(68.635)	(302)
Prepaid taxes	(1.291.763)	(6,330)	(827.741)	(3,642)
Security deposit	5.000	25	3.528	16
Trade payables	8.345.004	40,891	319.149	1,404
Advance received	—	—	(186.575)	(821)
Other payables	3.587.546	17,579	121.074	533
Accrued expenses	(11.355)	(56)	(26.831)	(118)
Taxes payables	(26.764)	(131)	55.838	246
Payment for corporate income tax	(1.767)	(9)	(96.107)	(423)
Tax refund	204.132	1,000	64.683	285
Net cash flows provided from operating activities	769.290	4,615	2.879.752	13,000
Cash flow from (for) investing activities				
Properties, plants and equipments acquisition	(2.979.102)	(14,598)	(1.496.864)	(6,586)
Construction in progress	2.736.266	13,408	(1.555.228)	(6,843)
Net cash flows used in investing activities	(242.836)	(1,190)	(3.052.092)	(13,429)
Cash flow from (for) financing activities				
Interest receipt	15.824	74	285.772	1,257
Interest paid	(2.443.453)	(11,362)	(2.407.872)	(10,595)
Net cash flows provided from financing activities	(2.427.629)	(11,288)	(2.122.100)	(9,337)
Net increase (decrease) in cash and cash equivalents	(1.901.175)	(7,863)	(2.294.440)	(9,767)
Cash and cash equivalents at beginning of the year	2.907.554	12,794	5.201.994	22,561
Cash and cash equivalents at the end of year	1.006.379	4,931	2.907.554	12,794

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 AND 2009 (Expressed in Thousands Indonesian Rupiah, unless otherwise stated)

1. General

PT PRICOL SURYA ("the Company") is a foreign direct investment company established under the framework of the Foreign Capital Investment Law No. 1/1967 as amended by Law No. 11/1970. The establishment based on Notary Deed No. 3 dated December 1, 2005 of DR. A, Partomuan Pohan, SH., LL.M., notary public in Jakarta. This deed was approved by Ministry of Law and Human Rights of Republic Indonesia based on its decree No. C-34667 HT.01.01.TH.2005 on December 28, 2005. The Company obtained the investment approval from the Capital Investment Coordinating Board (BKPM) based on its decree No. 1141/I/PMA/2005 dated October 13, 2005.

According to Notary Deed of Statement of Decision Meeting of the Company, dated on December 11, 2007, No. 34 of Tafieldi Nevawan, S.H., notary public in Karawang, name of Pricol Finance Limited (shareholder) changed to Pricol Holdings Limited.

In the adjustment with regulation number 40 in 2007 about the company was done by upper change in the Company's Statues with the Notary's Tafieldi Nevawan, S.H, number 32 on May 22, 2008 and was ratified by minister of justice with the instruction on No AHU-35251.AH.01.02 Tahun 2008 on June 23, 2008

The scope of activities comprises producing and marketing of instrument cluster, oil pumps and fuel sensors for Domestic and Export Market.

The Company domiciled at Karawang, West Java and its plant located at Karawang International Industrial City (KIIC) Jl. Permata Raya Lot FF - 2 Karawang Barat, Karawang, West Java, Indonesia

The Composition of the Company's Board of Commissioners and Board of Directors as of March 31, 2010 and 2009 were as follows:

Commissioner	:	Mr. Damotharan Vijay Mohan
President Director	:	Mr. Niranjan Rudraswamy
Director	:	Mr. Krishnan Kutty Udhaya Kumar

The number of the Company's employees as of March 31, 2010 and 2009 were 42 and 24 persons (unaudited).

The company started to commercial activity on April 11, 2007.

2. Revised Accounting Pronouncements

Effective on or after January 1, 2011:

- PSAK No. 1 (Revised 2009), "Presentation of Financial Statements", prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.
- PSAK No. 2 (Revised 2009), "Statements of Cash Flows", requires the provision of information about the historical changes in cash and cash equivalents by means of a statement of cash flows which classifies cash flows during the period into operating, investing and financing activities.
- PSAK No. 48 (Revised 2009), "Impairment of Assets", prescribes the procedures applied to ensure that assets are carried at no more than their recoverable amount and if the assets are impaired, an impairment loss should be recognized.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

The company is presently evaluating and has not determined the effects of these revised Standards, Interpretations and Standards Revocation on its financial statements.

3. Summary of significant accounting policies

The significant accounting policies that were applied consistently in the preparation of the financial statements for the year ended March 31, 2010 and 2009 were as follows:

a. Basis of preparation of financial statements

The financial statements are prepared based on historical costs concept. The statements of cash flows classify changes in cash and cash equivalents on the basis of operating, investing and financing activities. To meet the definition as cash and cash equivalents, the Company does not consider any of its assets other than cash on hand; cash in bank and deposit/investment with maturity of three months or less as cash equivalents. The statements of cash flows are prepared using the indirect method.

The Company's accounts are maintained in Indonesian Rupiah currency.

b. Foreign currency translation

Transactions denominated in foreign currencies were converted into Rupiah at the exchange rate prevailing at the date of the transactions. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies were translated into Rupiah at the exchange rate prevailing at the date.

Exchange rate gains and losses arising from transactions denominated in foreign currencies and translation of foreign currencies monetary assets and liabilities were recognized in the statements of income. Currency rate applied in March 31, 2010 and 2009 were as follows (in fully Rupiah):

	2010	2009
United States Dollar (USD) 1	9.115.000	11.575.000
Thailand Baht (THB) 1	281.505	325.660
Indian Rupee (INR) 1	200.280	227.890

c. Cash and cash equivalent

Cash and cash equivalent consist of cash on hand, cash in banks and time deposits with maturities of 3 (three) months or less than the date of placement and unrestricted also not limited in usage.

d. Account receivables

Account receivables were recorded net of allowance for bad debt. Allowance for bad debts were estimated based on a review of the collectibles of outstanding amounts. Accounts were written off as bad debt during the period in which they were determined to uncollectible.

e. Inventory

Finished goods, raw material and supplies, and work in process were stated at the lower of cost or net realizable value. Cost was stated by weighted average method. Cost of finished goods and work in process comprises material, labour, and appropriate attributable overhead cost.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

f. Properties, plants, and equipments

Properties, plants and equipments are stated at cost less accumulated depreciation. Properties, plants and equipments are depreciated using the straight line method over the estimated useful life of the assets, commencing in the month in which the assets are placed into service. The estimated useful lives of the assets are as follows:

Group	Depreciation rate	Useful lives
Building	5%	20 years
Machinaries	12,5%	8 years
Office equipments	25%	4 years
Factory equipments	25%	4 years

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

The cost of maintenance and repairs are charged to operation as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed. Their carrying values and the related accumulated depreciation are removed from the accounts. Any resulting gain or losses are reflected in the current operations.

g. Pre-operating expenses

Expenses related to the pre-operating activities are deferred and amortized since the commencement of commercial activities period using the straight-line method for 3 (three) years. Management believes that after 3 (three) years the Company will operate in full capacity.

h. Taxation

Income tax was recognized using the tax payable method. Under this method, the provision for income tax was determined to the basis of estimated taxable income for the year.

Deferred income tax was provided using the liability method, for all temporary differences arising from differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates were used to determine deferred income.

Deferred taxes assets relating to the carry forward of unused tax losses were recognized to the extent that it was probable that future taxable profit will be available against which the unused tax losses can be utilized.

i. Post-Employment Benefit Obligation

The Company adopts of Statement of Financial Accounting Standard (PSAK) No. 24 revised 2004 "Accounting for Employee Benefit" which it was effectively to be applied for the period after July 1, 2004.

The adoption of the PSAK was conducted to recognized post-employment benefit obligation for the retired employee in which pension, death, permanent disability and or resignation in accordance with Labour Law of No. 13/2003. The post-employment benefit obligation was calculated using projected unit credit method. In substance the employee benefits under the Labour Law No.13/2003 are defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)**i. Post-Employment Benefit Obligation (Contd..)**

Any actuarial gains and losses are recognized as income or expense if the net cumulative unrecognized actuarial gains and losses as the end of previous reporting period exceeded the greater of:

- a. 10% of the present value of the defined obligation at that date (before deducting plan assets); and
- b. 10 % of the fair value of any plan assets at that date.

These limits shall be calculated and applied separately for each defined benefit plan.

In substance, the post-employment benefit under the LaborLaw No.13/2003 is defined as benefit obligation.

j. Transactions with related parties

The Company uses Statement of Financial Accounting Standards (SAK) No. 7, "Related Party Disclosures", to maintain the transactions between the Company and its related parties. Following are considered as related parties:

- i. Company by using one or more intermediaries, control or controlled by, or under the same control (including holding companies, subsidiaries and fellow subsidiaries);
- ii. Associated Company
- iii. Individual who owns, direct or indirectly, a voting rights in reporting company and have significant influence, and close-relative family of that person (close-relative family means persons whom could be expected to influence or influenced by the person mentioned before in their transactions with the reporting company);
- iv. Main employees, who are persons that have rights and responsible in reporting company activities which consists of board of commissioners, directors and managers, also their close-relative family.
- v. Company where a substantial interest in voting rights, direct or indirect by all the persons whom mentioned in (iii) or (iv) or by every person who owns a significant influence at the company. These included all the companies owned by the board of commissioners, directors or the main stockholders from the reporting company and the companies which have the same main employee with the reporting company.

k. Revenue and expense recognition

Net sales represented revenue earned from the sale of the Company's products, net of return trade allowances, and value added tax. Revenue is recognized when goods are delivered to the customers. Expenses are recognized when incurred.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2009-2010 April-March IDR '000	2009-2010 April-March INR '000	2008-2009 April-March IDR '000	2008-2009 April-March INR '000
4. Cash and cash equivalents				
Cash on hand				
Rupiah	244	1	14.513	64
US Dollar	19.743	97	24.527	108
	<u>19.987</u>	<u>98</u>	<u>39.040</u>	<u>172</u>
Cash in banks				
Rupiah				
PT Bank International Indonesia, Tbk	762.739	3,737	1.356.985	5,972
The Royal Bank of Scotland (formerly ABN AMRO Bank)	2.582	13	269.852	1,187
The Hongkong Shanghai Banking Corporation	—	—	48.389	213
PT Bank IndoMonex	1.074	5	1.465	6
	<u>766.395</u>	<u>3,755</u>	<u>1.676.691</u>	<u>7,378</u>
US Dollar				
The Royal Bank of Scotland (formerly ABN AMRO Bank)	214.750	1,052	104.075	458
The Hongkong Shanghai Banking Corporation	—	—	61.745	272
PT Bank International Indonesia, Tbk	5.247	26	26.003	114
	<u>219.997</u>	<u>1,078</u>	<u>191.823</u>	<u>844</u>
Time deposit (Rupiah)				
PT Bank International Indonesia, Tbk	—	—	1.000.000	4,400
	<u>1.006.379</u>	<u>4,931</u>	<u>2.907.554</u>	<u>12,794</u>
Interest of time deposit per annum (gross) on March 31, 2008 is 7,50%-13,00%				
5. Account receivables				
a. By debtor				
Third parties:				
Denso International (Thailand) Co. Ltd.	861.659	4,222	179.976	792
PT Denso Sales Indonesia	748.394	3,667	464.392	2,043
Tata Motor Thailand., Ltd	401.849	1,969	228.532	1,006
PT Kawasaki Motor Indonesia	229.472	1,124	493.454	2,171
PT Zephyr Indonesia	67.902	333	6.250	28
PT Preshion Enqplas	53.836	264	—	—
PT J-Tech Manufacturing of Indonesia	37.897	186	—	—
PT Darmawan Metal Mekanikal	5.198	25	—	—
PT Yamaha Indonesia Motor, Mfg	2.824	14	—	—
PT Megah Nusantara Perkasa	1.130	6	—	—
	<u>2.410.161</u>	<u>11,810</u>	<u>1.372.604</u>	<u>6,039</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2009-2010 April-March IDR '000	2009-2010 April-March INR '000	2008-2009 April-March IDR '000	2008-2009 April-March INR '000
b. By currency				
Rupiah	1.077.621	5,280	531.643	2,339
US Dollar	795.402	3,897	660.985	2,908
Thailand Bath	537.138	2,632	179.976	792
Total by Currency	2.410.161	11,810	1.372.604	6,039

Based on management evaluation of the status of each debtor at end of period, management believes that no allowance for doubtful accounts is necessary.

6. Inventories

Raw materials	9.558.367	46,836	3.866.365	17,013
Finished goods	836.556	4,099	416.197	1,831
Material in transit	—	—	65.250	287
Total Inventories	10.394.923	50,935	4.347.812	19,131

At March 31, 2010 and 2009 inventories were insured with PT Asuransi Allianz Utama Indonesia all risks of physical loss and damages and earthquake risk for total coverage of USD 627,500

All the above inventories are used as collateral for bank loans (Note 14).

7. Prepaid expenses

Interest	132.927	651	164.163	722
Rent	3.835	19	14.583	64
Insurance	—	—	37.235	164
	136.762	670	215.981	950

8. Properties, plants and equipments

	April 2009 to March 2010 IDR '000			
	Beginning	Addition/ Reclassification	Disposal/ Reclassification	Ending
Cost:				
Land	13.288.380	—	—	13.288.380
Building	17.336.588	—	—	17.336.589
Machinery	2.699.648	1.335.077	—	4.034.725
Office equipments	2.320.152	26.429	—	2.346.581
Factory equipments	1.186.908	1.617.595	—	2.804.503
	36.831.676	2.979.102	—	39.810.778
Construction In Progress	3.968.738	—	2.736.266	1.232.472
Total Fixed Assets	40.800.414	—	2.736.266	41.043.250
Accumulated depreciation:				
Building	2.212.204	867.060	—	3.079.264
Machinery	496.719	382.772	—	879.491
Office equipments	1.210.613	584.777	—	1.795.390
Factory equipments	425.492	422.690	—	848.182
	4.345.028	2.257.299	—	6.602.327
Net book value	36.455.386			34.440.923

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	April 2009 to March 2010 INR '000			
	Beginning	Addition/ Reclassification	Disposal/ Reclassification	Ending
8. Properties, plants and equipments (Contd..)				
Cost:				
Land	65,113	—	—	65,113
Building	84,949	—	—	84,949
Machinery	13,228	6,542	—	19,770
Office equipments	11,369	130	—	11,498
Factory equipments	5,816	7,926	—	13,742
	<u>180,475</u>	<u>14,598</u>	<u>—</u>	<u>195,073</u>
Construction In Progress	19,447	—	13,408	6,039
	<u>199,923</u>	<u>14,598</u>	<u>13,408</u>	<u>201,113</u>
Accumulated depreciation:				
Building	10,840	4,249	—	15,088
Machinery	2,434	1,876	—	4,310
Office equipments	5,932	2,865	—	8,797
Factory equipments	2,085	2,071	—	4,156
	<u>21,290</u>	<u>11,061</u>	<u>—</u>	<u>32,351</u>
Net book value	<u>178,633</u>			<u>168,761</u>
April 2008 to March 2009 IDR '000				
	Beginning	Addition/ Reclassification	Disposal/ Reclassification	Ending
Cost :				
Land	13.288.380	—	—	13.288.380
Building	17.314.905	21.683	—	17.336.588
Machinery	1.494.738	1.204.910	—	2.699.648
Office equipments	2.217.625	102.527	—	2.320.152
Factory equipments	1.019.165	167.743	—	1.186.908
	<u>35.334.813</u>	<u>1.496.863</u>	<u>—</u>	<u>36.831.676</u>
Construction In Progress	2.413.510	1.555.228	—	3.968.738
	<u>37.748.323</u>	<u>3.052.091</u>	<u>—</u>	<u>40.800.414</u>
Accumulated depreciation:				
Building	1.345.600	866.604	—	2.212.204
Machinery	166.794	329.925	—	496.719
Office equipments	633.050	577.563	—	1.210.613
Factory equipments	155.448	270.044	—	425.492
	<u>2.300.892</u>	<u>2.044.136</u>	<u>—</u>	<u>4.345.028</u>
Net book value	<u>35.447.431</u>			<u>36.455.386</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	April 2008 to March 2009 INR '000			
	Beginning	Addition/ Reclassification	Disposal/ Reclassification	Ending
8. Properties, plants and equipments (Contd..)				
Cost:				
Land	58,469	—	—	58,469
Building	76,186	95	—	76,281
Machinery	6,577	5,302	—	11,879
Office equipments	9,758	451	—	10,209
Factory equipments	4,484	738	—	5,222
	<u>155,473</u>	<u>6,586</u>	<u>—</u>	<u>162,059</u>
Construction In Progress	10,619	6,843	—	17,462
	<u>166,093</u>	<u>13,429</u>	<u>—</u>	<u>179,522</u>
Accumulated depreciation:				
Building	5,921	3,813	—	9,734
Machinery	734	1,452	—	2,186
Office equipments	2,785	2,541	—	5,327
Factory equipments	684	1,188	—	1,872
	<u>10,124</u>	<u>8,994</u>	<u>—</u>	<u>19,118</u>
Net book value	<u>155,969</u>			<u>160,404</u>

At March 31, 2010 and 2009 property, plant and equipment were insured with PT Asuransi Allianz Utama Indonesia all risks of physical loss and damages and earthquake risk for total coverage of USD 3,424,269.

Directly acquired plant building and machineries are used as collateral for bank loans (Note 14).

	2009-2010	2009-2010	2008-2009	2008-2009
	April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
Depreciation charges to operation is allocated as follows:				
Manufacturing expenses	812.336	3,980	599.970	2,640
Operating expenses	1.444.962	7,080	1.444.166	6,354
	<u>2.257.298</u>	<u>11,061</u>	<u>2.044.136</u>	<u>8,994</u>
9. Pre-operating expenses				
	2009-2010	2009-2010	2008-2009	2008-2009
	April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
Cost	873.187	4,279	873.187	3,842
Accumulated amortization	(873.187)	(4,279)	(466.832)	(2,054)
Transferred to material cost	—	—	(172.939)	(761)
	<u>—</u>	<u>—</u>	<u>233.416</u>	<u>1,027</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2009-2010 April-March IDR '000	2009-2010 April-March INR '000	2008-2009 April-March IDR '000	2008-2009 April-March INR '000
10. Trade payable				
a. By debtor				
Third parties:				
PT Preshion Engplas	276.295	1,354	—	—
PT Zephyr Indonesia	243.049	1,191	82.648	364
PT J-Tech Manufacturing of Indonesia	232.268	1,138	51.530	227
PT NYK Wave Logistic	213.930	1,048	—	—
PT Dharma Electrindo Manufacturing	132.611	650	88.814	391
PT SJS	103.415	507	—	—
PT Techno	80.693	395	144.909	639
Other (below Rp.100.000)	1.140.633	5,589	820.029	3,608
Related parties:				
Pricol, Ltd	12.020.559	58,901	4.910.519	21,606
	<u>14.443.453</u>	<u>70,773</u>	<u>6.098.449</u>	<u>26,835</u>
b. By currency				
Rupiah	1.882.848	9,226	881.801	3,882
US Dollar	3.214.979	15,753	5.050.655	22,223
Indian Rupee	9.345.626	45,794	165.993	730
	<u>14.443.453</u>	<u>70,773</u>	<u>6.098.449</u>	<u>26,835</u>
11. Other payables				
Related parties:				
Pricol, Ltd	3.532.063	17,307	—	—
Third parties:				
PT Harapan Anang Bakri and Sons	126.117	618	96.001	423
PT Cipta Usaha	21.600	106	—	—
Others	66.066	324	62.300	274
	<u>3.745.846</u>	<u>18,355</u>	<u>158.301</u>	<u>697</u>
12. Accrued Expenses				
Interest	145.639	714	191.190	841
THR	130.315	639	115.624	511
Salary	102.548	502	61.659	271
Professional fee	28.000	137	37.000	163
Rental	20.196	99	11.910	52
Water and electricity	15.152	74	12.264	54
Internet	14.000	69	19.419	85
Catering	11.947	59	5.844	26
Labor insurance	10.882	53	9.413	41
Communication	10.274	50	8.682	38
Office stationary	2.174	11	1.860	8
Security	—	—	18.954	83
Overtime	—	—	8.663	38
Total Accrued Expenses	<u>491.127</u>	<u>2,407</u>	<u>502.482</u>	<u>2,211</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2009-2010 April-March IDR '000	2009-2010 April-March INR '000	2008-2009 April-March IDR '000	2008-2009 April-March INR '000
13. Taxation				
a. Prepaid taxes				
Value added tax-in	1.719.769	8,427	720.047	3,168
Fiscal foreign	28.000	137	43.000	189
Income tax article 22	762.552	3,737	657.877	2,895
	<u>2.510.321</u>	<u>12,301</u>	<u>1.420.924</u>	<u>6,252</u>
b. Tax payables				
Income tax article art 21	19.718	97	25.527	112
Income tax article art 23	1.245	6	1.069	5
Income tax article art 26	40.724	200	61.855	272
	<u>61.687</u>	<u>302</u>	<u>88.451</u>	<u>389</u>
c. Corporate income tax calculation				
Reconciliation between profit before corporate income tax as shown in the statements of income and the Company's estimated taxable profit for the year ended March 31, 2010 was as follows:				
Profit (Loss) before corporate income tax	5.548.471	25,800	(11.824.243)	(52,027)
Temporary different	312.972	1,455	99.144	436
Permanent different	463.669	2,156	849.599	3,738
Taxable loss	<u>6.325.112</u>	<u>29,412</u>	<u>(10.875.500)</u>	<u>(47,852)</u>
The management believes that taxable losses can be utilized to compensate taxable profit in the next 5 (Five) fiscal years.				
Prior years tax loss carry forward :				
— 2006	(3.018.640)	(14,037)	—	—
— 2007	<u>(3.306.472)</u>	<u>(15,375)</u>	—	—
Total	<u>(6.325.112)</u>	<u>(29,412)</u>	—	—
Taxable Income	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
The company have tax loss carry forward are as follows :				
— 2007	(1.166.805)	(5,426)		
— 2008	<u>(10.875.500)</u>	<u>(50,571)</u>		
Total	<u>(12.042.305)</u>	<u>(55,997)</u>		

d. Deferred tax

Deferred income tax was provided using the liability method, for all temporary differences arising from differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates were used to determine deferred income.

Deferred tax assets relating to the carry forward of unused tax losses were recognized to the extent that it was probable that future taxable profit will be available against which the unused tax losses can be utilized.

The deferred tax effect was resulted from tax loss carry forward calculated with maximum income tax rate of 25% in 2009 and 28% in 2008 was as follows:

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	April 2009 to March 2010 IDR '000			
	Beginning Deferred tax asset (Liabilities)	Income	Expenses	Ending Deferred Tax asset (Liabilities)
13. Taxation - continued				
Fiscal loss	5.354.144	—	(1.958.963)	3.395.181
Depreciation	(71.894)	—	(133.132)	(205.026)
Employee Benefit	65.047	36.430	—	101.477
	<u>5.347.297</u>	<u>36.430</u>	<u>(2.092.095)</u>	<u>3.291.632</u>

	April 2009 to March 2010 INR '000			
	Beginning Deferred tax asset (Liabilities)	Income	Expenses	Ending Deferred Tax asset (Liabilities)
Fiscal loss	26.235	—	(9,599)	16,636
Depreciation	(352)	—	(652)	(1,005)
Employee Benefit	319	179	—	497
	<u>26,202</u>	<u>179</u>	<u>(10,251)</u>	<u>16,129</u>

Under the taxation laws of Indonesia, the Company submits tax returns on a self assessment basis. The tax authorities may assess or amend the amount of tax payables within ten years from the due date of the tax liability. Amendments to the Company's taxation obligations were recorded when an assessment was received or, if appealed against were recorded when the result of the appeal was determined.

According to the UU No 36 of 2008 regarding the income tax, corporate income tax rate for the year of 2009 is 28% and starting from 2010 will 25% of taxable income. The rate is lower than previous corporate income tax rate which used progressive rate of 30% as maximum. Due to the changing of the corporate income tax rate, deferred tax assets and liability as of December 31, 2008 was calculated using the new corporate income tax rate. Whilst for 2008 fiscal year still used the previous corporate income tax rate.

14. Bank loan	2009-2010	2009-2010	2008-2009	2008-2009
	April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
Short-term loan : Working capital	9.115.000	44,664	11.575.000	50,930
Long-term loan	24.724.437	121,150	35.882.500	157,883
Total Bank Loan	<u>33.839.437</u>	<u>165,813</u>	<u>47.457.500</u>	<u>208,813</u>

The Company obtained term loan facility from ICICI Bank, Singapore Branch, with credit limit of USD 2.712.500 for term loan and working capital loan facility from RBS (ABN Amro Bank) with credit limit of USD 1.000.000 for working capital loan. The working capital bears interest rate at 1.87% - 2.82% and the term loan bears interest rate at 1.30% plus 3 month LIBOR.

The two loan facilities are secured by the Company's inventories and machineries. The corporate guarantee of Pricol, Ltd is also used as collateral in case there is a default in payment.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

The working capital loan will be due in June 2010 and the term loan will be due in May 2013, respectively.

In the relation to the above loan facilities, the Company is required to fulfil certain covenants as stipulated in the loan agreement.

15. Post - employment benefit	2009-2010	2009-2010	2008-2009	2008-2009
	April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
Present value of net obligation	326.172	1,598	214.211	943
Funded status	326.172	1,598	214.211	943
Unrecognised actuarial adjustment	43.870	215	10.115	45
Obligation at March 31	370.042	1,813	224.326	987
Obligation at April 1	224.326	1,099	111.785	492
Expense recognized during the year	145.716	714	112.541	495
Obligation at March 31	370.042	1,813	224.326	987
Current service cost	122.164	599	100.138	440
Interest cost	23.563	115	12.193	54
Recognized actuarial (gains) or losses	(11)	(0)	210	1
Total benefit expenses	145.716	714	112.541	495

An actuarial assessment of the employee liabilities as of March 31, 2010 and 2009 was conducted by actuarist from PT Ras Actuarial Consulting with the following assumptions:

	2009-2010 April-March	2008-2009 April-March
Discount rate	10%	11%
Annual salary increase	10%	10%
Retirement age	55	55
Employee	22	24

As of March 31, 2010 and 2009, the Company accrued for retirement employee benefit as required by PSAK 24. The allowance is prepared to cover post-employment benefit for pension, resignation, disability and dead as required in Labor Law No. 13, 2003. management believes that the allowance enough to cover the liability in the future. Calculation of the allowance was conducted by actuarist.

16. Equity

Based on deed No. 3 dated December 1, 2005 of DR. A Partomuan Pohan, S.H., the Company's authorized capital amounting to Rp15.165.000, divided into 1.500 shares with a nominal value of Rp10.110 (full amount) per share. All shares were issued and fully paid up.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

The Company's shareholders and their respective shareholdings as of March 31, 2010 and 2009 were as follows:

Shareholders	Number of share	As of March 31, 2010 and March 31, 2009			Percentage of ownership
		Nominal value		IDR	
		USD	INR		
Pricol, Ltd.	1.499	1.499.000	15.154.890	74,259	99.93%
Pricol Holdings, Ltd.	1	1.000	10.110	50	0.07%
	1.500	1.500.000	15.165.000	74,309	100,00%

Foreign exchange rate on paid in capital amounting to Rp412.500 represented the difference between the actual foreign exchange rate used at the date of receipt of the paid in capital and the exchange rate stated in the Company's Articles of Association.

17. Net Sales	2009-2010	2009-2010	2008-2009	2008-2009
	April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
Domestic	12.532.194	58,275	18.894.096	82,534
Export	7.936.268	36,904	8.997.812	39,307
	20.468.462	95,178	27.891.908	121,841
18. Cost of goods sold				
Raw material and components				
Beginning	3.931.615	17,299	2.280.435	9,890
Purchase	20.327.735	98,200	19.075.914	83,333
Ending	(9.517.715)	(46,637)	(3.931.615)	(17,299)
Raw material used	14.741.635	68,862	17.424.734	75,924
Direct labor	1.688.547	7,852	2.008.812	8,998
Factory overhead	1.165.365	5,419	1.004.870	4,390
Production cost	17.595.547	82,133	20.438.416	89,312
Finished goods				
Beginning	416.197	1,831	466.723	2,025
Ending	(836.556)	(4,099)	(416.197)	(1,831)
Cost of goods sold	17.175.188	79,865	20.488.942	89,506

The Company purchased inventories from related party which were Rp11.620.377 and 57,16% of the total purchase for period ended March 31, 2010 and 2009, respectively (Note 20).

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2009-2010 April-March IDR '000	2009-2010 April-March INR '000	2008-2009 April-March IDR '000	2008-2009 April-March INR '000
18. Cost of goods sold - continued				
The detail of Factory Overhead are as follows:				
Depreciation	812.336	3,777	599.970	2,621
Water and electricity	220.736	1,026	230.827	1,008
Repair & maintenance	107.209	499	160.652	702
Consumable tools	25.084	117	13.421	58
	1.165.365	5,419	1.004.870	4,390

19. Operating and Administration expenses

Employee cost	2.849.297	13,249	3.051.145	13,329
Depreciation	1.444.961	6,719	1.444.166	6,309
Travelling and transportation	389.769	1,812	532.323	2,325
Freight and forwarding	365.798	1,701	214.778	938
Repair & maintenance	313.725	1,459	350.721	1,532
Communication expenses	302.936	1,409	363.641	1,589
Amortization	233.416	1,085	233.416	1,020
Insurance	84.811	394	46.046	201
Professional charge	79.275	369	186.494	815
Rates, taxes, and licence	78.746	366	125.797	550
Printing & stationery	71.574	333	87.886	384
Bank charge	55.653	259	58.871	257
Rental	14.583	68	60.417	264
Entertainment, advertisement & publicity	3.797	18	7.758	34
Miscellaneous expenses	47.148	219	43.663	191
	6.335.489	29,460	6.807.122	29,737

20. Nature and transaction with related parties

Nature of related parties consist was as follow:

Company	Nature of related parties
Pricol Ltd.	Shareholder

The company have purchased raw materials and components from Pricol Ltd amounting to Rp11.620.377 and Rp8.024.786 for period ended March 31, 2010 and 2009, respectively. Total accounts payables to Pricol Ltd were amounting to Rp12.020.559 and Rp4.910.519 on March 31, 2010 and 2009, respectively.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

21. Assets and liabilities in foreign currency

Assets and liabilities in foreign currency as of March 31, 2010 and 2009 are as follows:

	March 31, 2010			Rupiah IDR '000
	Foreign currency (USD)	(THB)	INR '000	
Assets				
Cash and cash equivalents	26,302	—	—	239.740
Account Receivables	87,263	1,908,093	—	1.332.540
Total	113,565	1,908,093	—	1.572.280
Liabilities				
Account payables	352,713	46,662,802	—	12.560.605
Other Payables	387,500	—	—	3.532.063
Bank loan	3,712,500	—	—	33.839.438
Total	4,452,713	46,662,802	—	49.932.106

	March 31, 2009			Rupiah IDR '000
	Foreign currency (USD)	(THB)	INR '000	
Assets				
Cash and cash equivalents	18,691	—	—	216.35
Account receivables	57,105	552,658	—	840.961
Total	75.796	552,658	—	1.057.311
Liabilities				
Account payables	436,342	—	728,390	5.216.648
Bank loan	4,100,000	—	—	47.457.500
Total	4,536,342	—	728,390	52.674.148

22. Indonesian Economic Condition

Many countries, including Indonesia, have been experiencing adverse economic condition mainly resulting from global economic crisis. The principal consequences of which have been an extreme lack of liquidity, decreasing of economic activities and foreign exchange rates.

Recovery of the economy to a sound and stable condition is dependent on the economic policies being taken by the Government, actions which are beyond the Company control, to achieve economic recovery.

The economic impact does not influence much to the Company since the going concern of the Company is dependent on the Company's ability to obtain long term construction contracts from the customers and financial support from the shareholders.

However, as a response to the current economic condition the management of company will always try to manage all operating costs and expenditures as efficient as possible.

23. Date of completion of preparation of the financial statements

The Company's management was responsible for the presentation and disclosures of the financial statements for the year ended March 31, 2010 which have completed on April 15, 2010.