

## PT PRICOL SURYA

<b>Commissioner</b>	<b>Mr. Damotharan Vijay Mohan</b>
<b>President Director</b>	<b>Mr. Magge Ramanatha Anil Kumar</b>
<b>Director</b>	<b>Mr. Krishnan Kutty Udhaya Kumar</b> <b>Mr. Venkatraman Ramakrishnan</b>
<b>Auditors</b>	<b>Syarief Basir &amp; Rekan</b> Registered Public Accountants Member of Russell Bedford International Jakarta, Indonesia
<b>Bankers</b>	Bank Internasional Indonesia Hongkong and Shanghai Banking Corporation Ltd. ICICI Bank Limited
<b>Registered Office</b>	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 2011 AND 2010**

We the undersigned

Name : Magge Ramanatha Anil Kumar

Office address : KIIC Industrial Park  
J1. Permata Raya Lot FF-2  
Karawang 41361

Domicile address  
As stated in ID : 163, 11th Main,  
Saraswathapuram  
Mysore - 570 009

Phone No. :

Function : President Director

Declare that:

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

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.

We certify the accuracy of this statement.

For and on behalf of the Board of Directors  
Jakarta,  
April 15, 2011  
**Magge Ramanatha Anilkumar**  
President Director

No : 460/1-PCS/HS-1/03.11

Re : Financial Statements

31 March 2011

## INDEPENDENT AUDITOR'S REPORT

**The Directors**  
**PT Pricol Surya**  
**J a k a r t a**

We have audited the balance sheet of PT Pricol Surya ("the Company") as of 31 March 2011, and the related statements of income, charges in shareholder's equity (Capital deficiency), and cash flows for the year 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. The financial statements of PT Pricol Surya for the year ended 31 March 2010, were audited by other independent auditor whose report dated 15 April 2010 expressed an unqualified opinion.

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 31 March 2011, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in Indonesia.

The accompanying financial statements have been prepared assuming that the Company will continue to operate as a going concern. As discussed in Note 2a and 20 to the financial statements, the Company has accumulated loss and capital deficiency amounting to Rp 15,801,465 and Rp,629,301,465 as of 31 March 2011. These circumstances raise a substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustment that might result from the outcome of this uncertainty.

May 19, 2011

**Herry Sunarto, SE, Ak., SH, MBA, CPA, CPMA**  
License of Public Accountant No.: 10.1.1108

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### Notice for readers

The accompanying financial statements are not intended to present the financial position, result of operations, charges in stockholder's equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices applied to audit such financial statements are those generally accepted and applied in Indonesia.

**BALANCE SHEET AS OF 31st MARCH 2011 AND 2010**

PARTICULARS	Notes	As of March 31, 2011 IDR '000	As of March 31, 2011 INR '000	As of March 31, 2010 IDR '000	As of March 31, 2010 INR '000
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash on hand and in banks	2b,2d,2c, 3	4,152,660	21,179	1,006,379	4,931
Trade receivables – Third Parties	2b,2c,2e,4	23,771,690	121,236	2,410,161	11,810
Other receivables - Third Parties	2b	2,429	12	44,861	220
Inventories	2f,5	17,963,785	91,615	10,394,923	50,935
Prepaid expenses	6	815,475	4,159	136,762	670
Prepaid taxes	2h,11a	4,140,370	21,116	2,510,321	12,301
<b>Total Current Assets</b>		<b>50,846,409</b>	<b>259,317</b>	<b>16,503,407</b>	<b>80,867</b>
<b>NON CURRENT ASSETS</b>					
Property, plant and equipments net of accumulated depreciation of Rp 9,365,908 in 2011 and Rp 6,602,327 ( in 2010)	2g,7	38,320,959	195,437	34,440,923	168,761
Security deposit		34,720	177	37,867	186
Deferred tax assets	2h,11d	3,498,947	17,845	3,291,632	16,129
Estimated Claim for tax refund	2h,11c	822,390	4,194	-	-
<b>Total Non current assets</b>		<b>42,677,016</b>	<b>217,653</b>	<b>37,770,422</b>	<b>185,075</b>
<b>TOTAL ASSETS</b>		<b>93,523,425</b>	<b>476,969</b>	<b>54,273,829</b>	<b>265,942</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)</b>					
<b>CURRENT LIABILITIES</b>					
Trade payables	2b,J,8, 18				
Third Parties		27,265,588	139,054	2,422,894	11,872
Related Parties		27,523,501	140,370	12,020,559	58,901
Other payables	2b,J,9,18				
Third Parties		1,824,431	9,305	213,783	1,048
Related Parties		10,977,303	55,984	3,532,063	17,307
Accrued expenses	10	262,396	1,338	491,127	2,407
Taxes payable – Related parties	2h,11b	127,040	648	61,687	302
Long – term bank loan of current maturities	2b,12	8,709,000	44,416	9,115,000	44,664
<b>Total Current Liabilities</b>		<b>76,689,259</b>	<b>391,115</b>	<b>27,857,113</b>	<b>136,500</b>
<b>LONG-TERM LIABILITIES</b>					
Long-term bank loan, net of non current maturities	2b,12	16,873,688	86,056	24,724,437	121,150
Estimated liabilities on employee benefits	2i,13	589,778	3,008	370,042	1,813
<b>Total long-term liabilities</b>		<b>17,463,466</b>	<b>89,064</b>	<b>25,094,479</b>	<b>122,963</b>
		<b>94,152,725</b>	<b>480,179</b>	<b>52,951,592</b>	<b>259,463</b>
<b>CAPITAL DEFICIENCY</b>					
Share capital Authorized, Issued and fully paid USD 1.500 ordinary shares, with par value of Rp 10.110.000 (USD1.000)	14	15,165,000	77,342	15,165,000	74,309
Foreign exchange difference on paid in share capital		(412,500)	(2,104)	(412,500)	(2,021)
Accumulated loss		(15,381,800)	(78,447)	(13,430,263)	(65,808)
<b>Total Capital Deficiency</b>		<b>(629,300)</b>	<b>(3,209)</b>	<b>1,322,237</b>	<b>6,479</b>
<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCY</b>		<b>93,523,425</b>	<b>476,969</b>	<b>54,273,829</b>	<b>265,942</b>
The accompanying notes form an integral part of these financial statements					

**STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2011 AND 2010**

PARTICULARS	Notes	2010-2011	2010-2011	2009-2010	2009-2010
		April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
<b>S A L E S</b>	<b>2k,15</b>	63,475,271	317,376	20,468,462	95,178
<b>COST OF GOODS SOLD</b>	<b>2f,g,j,k,16,18</b>	(54,124,536)	(270,623)	(17,175,188)	(79,865)
<b>GROSS PROFIT</b>		9,350,735	46,754	3,293,274	15,314
<b>OPERATING AND ADMINISTRATION EXPENSES</b>	<b>2g,i,k,17</b>	(10,860,501)	(54,303)	(6,335,489)	(29,460)
<b>Operating profit / (loss)</b>		(1,509,766)	(7,549)	(3,042,215)	(14,146)
<b>OTHER INCOME (CHARGES)</b>					
Interest income		24,120	121	15,824	74
Gain on foreign exchange – Net	<b>2c</b>	1,278,362	6,392	11,018,315	51,235
Interest expense		(1,951,568)	(9,758)	(2,443,453)	(11,362)
<b>Other (Charges) Income - Net</b>		(649,086)	(3,245)	8,590,686	39,947
<b>(Loss) Profit before income tax</b>		(2,158,852)	(10,794)	5,548,471	25,800
Deferred tax income (expense)	<b>2h,11d</b>	207,315	1,037	(2,055,665)	(9,559)
<b>Net Profit (Loss)</b>		(1,951,537)	(9,758)	3,492,806	16,241

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CHANGES IN CAPITAL DEFICIENCY FOR THE YEAR ENDED MARCH 31, 2011 AND 2010**

	Share capital	Different of exchange / rate	Retained earning / (accumulated loss)	Total Capital Deficiency
	In IDR '000			
Balance as of 31 March 2009	15,165,000	(412,500)	(16,923,069)	(2,170,569)
Net profit for the year 2009-10	-	-	3,492,806	3,492,806
Balance as of 31 March 2010	15,165,000	(412,500)	(13,430,263)	1,322,237
Net loss for the year 2010-11	-	-	(1,951,537)	(1,951,537)
Balance as of 31 March 2011	15,165,000	(412,500)	(15,381,800)	(629,300)
	In INR '000			
Balance as of 31 March 2009	77,342	(2,104)	(86,308)	(11,070)
Net profit for the year 2009-10	-	-	17,813	17,813
Balance as of March 31, 2010	77,342	(2,104)	(68,494)	6,743
Net loss for the year 2010-2011	-	-	(9,758)	(9,758)
Foreign Currency Translation reserve			(195)	-
Balance as of March 31, 2011	77,342	(2,104)	(78,447)	(3,014)

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2011 AND 2010**

PARTICULARS	2010-2011	2010-2011	2009-2010	2009-2010
	April-March IDR '000	April-March INR '000	April-March IDR '000	April-March INR '000
<b>Cash flow from operating activities</b>				
Net (loss) profit	(1,951,537)	(9,758)	3,492,806	16,241
Add (deduct) items not affecting operating cash flows:				
Depreciation	2,763,581	13,818	2,257,299	11,061
Interest expense	1,951,568	9,952	2,443,453	11,362
Employee benefit	219,736	1,099	145,716	714
Amortization	-	-	233,416	1,144
Unrealised loss (gain) on foreign exchange	-	-	(13,618,062)	(63,888)
Interest income	(24,120)	(121)	(15,824)	(74)
Deferred tax (income) expense	(207,315)	(1,037)	2,055,665	9,559
<b>Profit from operation before change working capital</b>	<b>2,751,913</b>	<b>13,955</b>	<b>(3,005,531)</b>	<b>(13,881)</b>
Change in working capital:				
Trade receivables	(21,361,529)	(108,944)	(1,037,557)	(5,084)
Other receivables	42,432	216	(29,763)	(146)
Inventories	(7,568,862)	(38,601)	(6,047,112)	(29,631)
Prepaid expenses	(678,713)	(3,461)	79,220	388
Prepaid taxes	(1,630,049)	(8,313)	(1,291,763)	(6,330)
Security deposit	3,147	16	5,000	25
Estimated claim for tax refund	(822,390)	(4,194)	-	-
Trade payables	40,345,636	205,763	8,345,004	40,891
Other payables	9,055,888	46,185	3,587,546	17,579
Accrued expenses	(228,731)	(1,167)	(11,355)	(56)
Taxes payable	65,353	333	(26,764)	(131)
Payment for corporate income tax	-	-	(1,767)	(9)
Tax refund	-	-	204,132	1,000
<b>Net cash flows provided from operating activities</b>	<b>19,974,095</b>	<b>101,788</b>	<b>769,290</b>	<b>4,615</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Property, plants and equipments acquisition	(6,643,617)	(33,882)	(2,979,102)	(14,598)
Construction in progress	-	-	2,736,266	13,408
<b>Net cash flows used in investing activities</b>	<b>(6,643,617)</b>	<b>(33,882)</b>	<b>(242,836)</b>	<b>(1,190)</b>
<b>CASH FLOW FROM (FOR) FINANCING ACTIVITIES</b>				
Bank loan	(8,256,749)	(42,109)	-	-
Interest receipt	24,120	121	15,824	74
Interest paid	(1,951,568)	(9,758)	(2,443,453)	(11,362)
<b>Net cash flows provided from financing activities</b>	<b>(10,184,197)</b>	<b>(51,747)</b>	<b>(2,427,629)</b>	<b>(11,288)</b>
Net increase (decrease) in cash and cash equivalents	3,146,281	16,159	(1,901,175)	(7,863)
Cash and cash equivalents at beginning of the year	1,006,379	4,931	2,907,554	12,794
<b>Cash and cash equivalents at the end of year</b>	<b>4,152,660</b>	<b>21,090</b>	<b>1,006,379</b>	<b>4,931</b>

The accompanying notes form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011 AND 2010

(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 1 December 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 28 December 2005 and published in the State Gazette No 15 date 21 February 2006 Supplement No. 1914. The Company obtained the investment approval from the Capital Investment Coordinating Board (BKPM) based on its decree No. 1141/I/PMA/2005 dated 13 October 2005.

In the adjustment with regulation number 40 in 2007 about the Limited company was done by upper change in the Company's Statues with the Notary's Tafieldi Nevawan, S.H, number 32 on 22 May 2008 and was ratified by Minister of Law of Human Rights with the instruction on No.AHU-35251.AH.01.02 Tahun 2008 on 23 June 2008 and published in the State Gazette is still the legalization process

The articles of association, of the Company have been amended several times and most recently was amended by Notarial deed of Tafieldi Nevawan, SH., No. 56 dated 17 December 2010, concerning changes the Company's Board Directors. This deed was approved by Ministry of Laws and Human Rights of Republic Indonesia based on its decree No. AHU-0003453.AH.01.09 Tahun 2011 on 14 January 2011 and the published in the State Gazette in the legalization process.

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 Company started to commercial activity on 11 April 2007.

The Composition of the Company's Board of Commissioners and Board of Directors as of 31 March 2011 and 2010 were as follows:

	2011	2010
Commissioner	: Mr. Damotharan Vijay Mohan	Mr. Damotharan Vijay Mohan
President Director	: Mr. Magge Ramanathan Anil Kumar	Mr. Niranjan Rudraswamy
Director	: Mr. Krishnan Kutty Udhaya Kumar	Mr. Krishnan Kutty Udhaya Kumar
Director	: Mr. Venkatraman Ramakrishnan	-

The number of the Company's employees as of 31 March 2011 and 2010 were 88 and 42 persons (unaudited).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that were applied consistently in the preparation of the financial statements for the year ended 31 March 2011 and 2010 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 Financial Statement have been prepared in Rupiah currency and in accordance with generally accepted accounting principals and practices in Indonesia.

The accompanying financial statements have been prepared assuming that the Company will continue to operate as a going concern and do not include any adjustment that might result from the uncertainties on the Company's ability to continue as a going concern, as discussed in Note 20 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)****b. Financial Assets and Liabilities****(1) Financial Assets**

The Company's financial assets consists of cash on hand and in banks and trade receivables and other receivables. The Company classifies its financial assets in the category of loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method. In the case of impairment, the impairment loss is reported as a deduction from the carrying value of the financial assets classified as loan and receivables recognized in the statements of income as "Allowance for Impairment Losses".

**(2) Financial Liabilities**

The Company's financial liabilities consists of trade payables, other payables and bank loan.

The Company classifies its financial liabilities in the following categories of financial liabilities measured at amortized cost.

**Financial liabilities measured at amortized cost**

After initial recognition, the Company measures all financial liabilities at amortized cost using effective interest rates method.

**(3) Determination of Fair Value**

The fair value is the value at which an assets could be exchanged, or a liability settled between the parties whose understand and had intention to carry out arm's length transactions on the date of measurement.

If available, the Company measures the fair value of financial instruments using quoted prices in active markets for those instruments. A market is considered active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If the market of financial instrument is inactive, the Company determines fair value by using valuation techniques include using recent market transactions are conducted properly by those who understand, willing, and if available, reference to the current fair value of another instrument which is substantially the same, the use of discounted cash flow analysis and the use of option pricing model.

**(4) Derecognition**

The Company derecognized the financial assets when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Any rights or obligations on the transferred financial assets that arise or are still owned by the Company are recognized as assets or liabilities separately.

The Company derecognized the financial liabilities when the obligation specified in the contract is released or canceled or ceased.

In a transaction where the Company is substantially has not or did not transfer all the risks and rewards of ownership of financial assets, the Company derecognize those assets if the Company no longer has control over those assets. The rights and obligations arising or that still exists in the transfer are arately as assets or liabilities. In transfers which is control over the assets is still owned, the Company continued to recognize the transferred assets in the amount of involvement that is sustainable, where the level of sustainability of the Company in the transferred assets amounted to as a changes in the value of the transferred assets.

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

**(5) Impairment of Financial Assets**

Since 1 January 2010, the accounting policy on impairment of financial assets are measured at amortized cost are as follows:

At the date of balance sheets, the Company evaluates whether there is an objective evidence that financial assets or group of financial assets is impaired.

Financial assets or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition these assets (a "loss events"), and the loss event has an impact on the estimated future cash flows of financial assets or group of financial assets that can reliably estimated.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss, is or continues to be recognized are not included in a collective assessment of impairment.

Total impairment losses on financial assets assessed is evaluated by individually is measured as the difference between the carrying value of financial assets and the present value of estimated future cash flows discounted using the original effective interest rate of the financial assets. The carrying amount of the assets is reduced through the impairment losses account and charges impairment losses recognized in the statements of income.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experienced for assets with credit risk characteristics similar to those in the group. Historical losses experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on the historical losses experience is based and to remove the effects of conditions in the historical that do not currently exist.

**(6) Offsetting**

Financial assets and liabilities are set off and the net amount is presented in the balance sheets when, and only when, the Company have a legal right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

**c. 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 31 March 2011 and 2010 were as follows (in fully Rupiah):

	2011	2010
United State Dollar (USD) 1	8,709.000	9,115.000
Thailand Baht (THB) 1	287.285	281.505
Japan Yen (JPY) 1	105.137	97.706
Singapore Dollar (SGD) 1	6,905.890	6,505.160
Indian Rupee (INR) 1	195.054	200.280

**d. Cash and Cash Equivalents**

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.

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

**e. Trade Receivables and other receivables**

Since 1 January 2010, trade receivables and other receivables which are non-derivative financial assets with fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". See note 2b for accounting policies of financial assets classified as loans and receivables. Interest is recognized using the effective interest rate method, except for short-term receivables wherein the recognition is immaterial.

Before 1 January 2010, account receivables and other receivables are stated at net realizable value, after providing an allowance for doubtful accounts. Receivables deemed uncollectible are written off.

**f. 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.

**g. Property, Plant and Equipment**

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 year
Machinery	12.5%	8 year
Office equipments	25%	4 year
Factory equipments	25%	4 year

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's and plant 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 Statements of income of the current year.

Repair and maintenance expense are charged to statements of income as incurred. Repair and addition significant amount, which increase the value and benefits of fixed assets, as defined under the **Statement of Financial Accounting Standard (SFAS) No. 16 (revised 2007) "Fixed Assets"** capitalized to account fixed assets. When fixed assets is retired or otherwise disposed of, their carrying value and related accumulated depreciation are eliminated from fixed assets group, and the resulting gains and losses on the disposal are recognized in the statement of income as incurred.

The accumulated costs of constructions are capitalized as "Construction in progress" These costs are reclassified to factory equipments account when the construction or installation is complete.

In accordance with **SFAS No. 47 "Accounting for Land"**, land are stated at cost and not subject to amortization. All expenses and incidental costs incurred in connection with the acquisition or renewal of land rights such as legal costs, the measurement-enclosure-remapping, notaries and related to taxes are deferred and amortize over the term of related land right and presented separated from cost acquisition or rights of land. These cost presented as a part of "Others asset".

**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

**NOTES TO THE FINANCIAL STATEMENTS (Contd..)**

was probable that future taxable profit will be available against which the unused tax losses can be utilized.

**i. Post-Employment Benefit**

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

The adoption of the SFAS 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 unitcredit method. In substance the employee benefits under the Labour Law No. 13/2003 are defined benefit obligation.

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 Labour Law No. 13/2003 is defined as benefit obligation.

**j. Transactions with Related Parties**

The Company uses **Statement of Financial Accounting Standards (SFAS) 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, and value added tax. Revenue is recognized when goods are delivered to the customers. Expenses are recognized when incurred.

**l. Impairment of Assets**

Company respectively adopted **SFAS No. 48, "Impairment of assets"** which require the Company to estimate the total recoverable amount of assets whenever events or changes indicate that recoverable amount of assets is lower than its carrying amount. The Loss / incurred in impairment of asset value should be recognized in the income statements.

**m. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimations and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual results reported in future periods might be based on amounts, which differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>3. CASH AND CASH EQUIVALENTS</b>				
<b>Cash on hand</b>				
Rupiah	4.792	24	244	1
US Dollar	31.405	160	19.243	97
	<u>36.197</u>	<u>185</u>	<u>19.987</u>	<u>98</u>
<b>Cash in banks</b>				
<b>Rupiah</b>				
PT Bank International Indonesia, Tbk	998.857	5.094	762.739	3,737
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	147.415	752	2.582	13
PT Bank SBI Indonesia (formerly PT Bank IndoMonex)	582	3	1.074	5
	<u>1.146.834</u>	<u>5,849</u>	<u>766.395</u>	<u>3,755</u>
<b>US Dollar</b>				
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	2.950.408	15.047	214.750	1,052
PT Bank SBI Indonesia (formerly PT Bank IndoMonex)	18.459	94	—	—
PT Bank International Indonesia, Tbk	762	4	5.247	26
	<u>2.969.629</u>	<u>15,145</u>	<u>219.997</u>	<u>1,076</u>
Total cash and cash equivalents	<u>4.152.660</u>	<u>21,179</u>	<u>1.006.379</u>	<u>4,931</u>
<b>4. TRADE RECEIVABLES</b>				
<b>a. By Debtor</b>				
<b>Third parties</b>				
Denso Corporation	10,136,781	51,698	-	-
PT Denso Sales Indonesia	4,952,933	25,260	748,394	3,667
PT Suzuki Indomobil Indonesia	2,997,499	15,287	-	-
PT Yamaha Indonesia Motor, Mfg	2,407,711	12,279	2,824	14
PT Kawasaki Motor Indonesia	998,848	5,094	229,472	1,124
Tata Motor Thailand, Ltd	840,224	4,285	401,849	1,969
Denso International (Thailand) Co, Ltd	447,634	2,283	861,659	4,222
Chiranjivee Products	412,598	2,104	-	-
Vietnam Suzuki Corporation	293,602	1,497	-	-
Suzuki Philippines, Inc	210,678	1,074	-	-
PT Zephyr Indonesia	64,877	331	67,902	333
Qtech Hong Kong Limited	5,361	27	-	-
PT Megah Nusantara Perkasa	2,944	15	113	6
PTJ-Tech Manufacturing of Indonesia	-	-	37,897	186
PT Preshion Engplas	-	-	53,836	264
PT Darmawan Metal Mekanikal	-	-	5,198	25
	<u>23,771,690</u>	<u>121,236</u>	<u>2,410,161</u>	<u>11,810</u>
<b>T o t a l</b>	<u>23,771,690</u>	<u>121,236</u>	<u>2,410,161</u>	<u>11,810</u>
<b>Allowance for impairment losses</b>				
<b>N e t</b>	<u>23,771,690</u>	<u>121,236</u>	<u>2,410,161</u>	<u>11,810</u>

# PT Pricol Surya

4 TRADE RECEIVABLES (Contd.,)	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>b. By currency</b>				
Rupiah	11,360,028	57,936	1,077,621	5,280
United State Dollar	11,964,028	61,017	795,402	3,898
Thailand Bath	447,634	2,283	537,138	2,632
<b>TOTAL</b>	<b>23,771,690</b>	<b>121,236</b>	<b>2,410,161</b>	<b>11,810</b>
Mutation of allowance for impairment losses :				
Beginning balance	581,001	2,905	-	-
Allowance in current year	-	-	-	-
Write – off in current year	(581,001)	(2,905)	-	-
<b>Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. Inventories</b>				
Raw materials	16,750,976	85,430	9,558,367	46,836
Finished goods	1,212,809	6,185	836,556	4,099
<b>Total Inventories</b>	<b>17,963,785</b>	<b>91,615</b>	<b>10,394,923</b>	<b>50,935</b>
<b>6. Prepaid expenses</b>				
Interest	76,771	392	132,927	651
Rent	14,995	76	3,835	19
Freight	53,912	275	-	-
Coil Winding	669,794	3,416	-	-
<b>Total</b>	<b>815.472</b>	<b>4,159</b>	<b>136,762</b>	<b>670</b>
<b>7. Properties, plants and equipments</b>	April 2010 to March 2011 IDR '000			
	Opening Balance	Addition/ Reclassification	Disposal/ Reclassification	Ending Balance
Acquisition cost				
Direct ownership				
Land	13,288,380	-	-	13,288,380
Building	17,336,588	61,000	-	17,397,588
Machinery	4,034,725	2,773,700	-	6,808,425
Office equipments	2,346,581	116,937	-	2,463,518
Factory equipments	2,804,503	3,690,390	178,964	6,673,857
	<b>39,810,778</b>	<b>6,642,026</b>	<b>178,964</b>	<b>46,631,767</b>
Construction In Progress	1,232,472	1,591	(178,964)	1,055,099
<b>Total Fixed Assets</b>	<b>41,043,250</b>	<b>6,643,617</b>	<b>-</b>	<b>47,686,866</b>
Accumulated depreciation:				
Direct ownership				
Building	3,079,264	867,258	-	3,946,522
Machinery	879,491	596,824	-	1,476,315
Office equipments	1,795,390	492,349	-	2,287,739
Factory equipments	848,182	807,150	-	1,655,332
	<b>6,602,327</b>	<b>2,763,581</b>	<b>-</b>	<b>9,365,908</b>
<b>Carrying Amont</b>	<b>34,440,923</b>			<b>38,320,958</b>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	April 2010 to March 2011 INR '000			
	Opening Balance	Addition/ Reclassification	Disposal/ Reclassification	Ending Balance
<b>7. Properties, plants and equipments (Contd..)</b>				
<b>Acquisition cost</b>				
Direct ownership				
Land	67,771	-	-	67,771
Building	88,417	311	-	88,728
Machinery	20,577	14,146	-	34,723
Office equipments	11,968	596	-	12,564
Factory equipments	14,303	18,821	913	34,037
	<u>203,035</u>	<u>33,874</u>	<u>913</u>	<u>237,822</u>
<b>Construction In Progress</b>	6,286	8	(913)	5,381
	<u>209,321</u>	<u>33,882</u>	<u>-</u>	<u>243,203</u>
<b>Accumulated depreciation:</b>				
Direct ownership				
Building	15,704	4,423	-	20,127
Machinery	4,485	3,044	-	7,529
Office equipments	9,156	2,511	-	11,667
Factory equipments	4,326	4,116	-	8,442
	<u>33,672</u>	<u>14,094</u>	<u>-</u>	<u>47,766</u>
Carrying Amount	<u>175,649</u>	<u>19,788</u>	<u>-</u>	<u>195,437</u>
	April 2009 to March 2010 IDR '000			
	Opening Balance	Addition/ Reclassification	Disposal/ Reclassification	Ending Balance
<b>Acquisition cost</b>				
Direct ownership				
Land	13,288,380	-	-	13,288,380
Building	17,336,588	-	-	17,336,588
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	1,617,596	-	2,804,504
	<u>36,831,676</u>	<u>2,979,102</u>	<u>-</u>	<u>39,810,778</u>
<b>Construction In Progress</b>	3,968,738	-	2,736,266	1,232,472
	<u>40,800,414</u>	<u>2,979,102</u>	<u>2,736,266</u>	<u>41,043,250</u>
<b>Accumulated depreciation:</b>				
Direct Ownership				
Building	2,212,204	86,706	-	3,079,264
Machinery	496,719	382,772	-	879,491
Office equipments	1,210,613	584,777	-	1,795,390
Factory equipments	425,492	42,269	-	848,182
	<u>4,345,028</u>	<u>2,257,299</u>	<u>-</u>	<u>6,602,327</u>
Carrying Amount	<u>36,455,386</u>			<u>34,440,923</u>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	April 2009 to March 2010 INR '000			
	Opening Balance	Addition/ Reclassification	Disposal/ Reclassification	Ending Balance
<b>7. Properties, plants and equipments (Contd..)</b>				
<b>Acquisition cost</b>				
Direct ownership				
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>
<b>Construction In Progress</b>	19,447	-	13,408	6,039
	<u>199,923</u>	<u>14,598</u>	<u>13,408</u>	<u>201,113</u>
<b>Accumulated depreciation:</b>				
Direct ownership				
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>
<b>Carrying Amount</b>	<u>178,633</u>			<u>168,761</u>
	<b>2010-2011 April-March</b>	<b>2010-2011 April-March</b>	<b>2009-2010 April-March</b>	<b>2009-2010 April-March</b>
	<b>IDR '000</b>	<b>INR '000</b>	<b>IDR '000</b>	<b>INR '000</b>
Depreciation charges to operation is allocated as follows:				
Cost of goods sold (Note 16)	1,715,835	8,751	812,336	3,980
Operating and administration expenses (Note 17)	1,047,746	5,344	1,444,963	7,080
<b>Total</b>	<u>2,763,581</u>	<u>14,094</u>	<u>2,257,299</u>	<u>11,060</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>8. Trade payable</b>				
<b>a. By debtor</b>				
<b>Third parties</b>				
PT Dharma Electrindo Manufacturing	6,588,230	33,600	132,611	650
PT Honoris Industry	3,359,298	17,132	-	-
PT Preshion Engplas	2,666,313	13,598	276,295	1,354
Megah Nusantara Perkasa	1,878,365	9,580	-	-
PT. Banshu Electric Indonesia	1,401,427	7,147	-	-
PT NYK New Wave Logistic Indonesia	971,468	4,954	213,930	1,048
PT Saga Tekindo Sejati	704,558	3,593	-	-
Toshiba Consumer Marketing Singapore	654,481	3,338	-	-
PT Tas Puninar Express Indonesia	641,956	3,274	-	-
PT SBP Indonesia	609,822	3,110	-	-
PT Aneka Star	550,000	2,805	-	-
PT Leoco Indonesia	513,113	2,617	-	-
Shinko Asia (Malaysia) Sdn Bhd	431,966	2,203	-	-
Cipsa Tec India Pvt Ltd	378,695	1,931	-	-
PT Prima Sumber Kemasan	356,190	1,817	-	-
PT Yeong Shin Indonesia	353,045	1,801	-	-
Sangjin Co., Ltd	328,852	1,677	-	-
PT Indonesia G-Shank	303,795	1,549	-	-
CV Mandiri Karya	300,732	1,534	-	-
Marui Sum (Thailand) Co., Ltd	287,397	1,466	-	-
Sumitomo Electric Wintec Indonesia	283,730	1,447	-	-
Press Comp International P Ltd	252,896	1,290	-	-
PT Alpha Integrated	239,544	1,222	-	-
Logistic Indoraya	232,660	1,187	-	-
PT Adyawinsa Dinamika Karawang	227,707	1,161	-	-
Juken Uniproducs Pvt Ltd	201,533	1,028	-	-
PT Zephyr Indonesia	63,644	325	243,049	1,191
PT J-Tech Manufacturing of Indonesia	-	-	232,268	1,138
Others (Balance below Rp 200,000)	2,484,171	12,669	1,324,741	6,491
	<b>27,265,588</b>	<b>139,054</b>	<b>2,422,894</b>	<b>11,872</b>
<b>Related parties</b>				
<b>Pricol, Ltd</b>	<b>27,523,501</b>	<b>140,370</b>	<b>12,020,559</b>	<b>58,901</b>
<b>T o t a l</b>	<b>54,789,089</b>	<b>279,424</b>	<b>14,443,453</b>	<b>70,773</b>
<b>b. By currency</b>				
Indian Rupee	26,585,428	135,586	9,345,626	45,794
Rupiah	22,142,926	112,929	1,882,848	9,226
United State Dollar	6,048,252	30,846	3,214,979	15,753
Singapore Dollar	12,120	62	-	-
Japan Yen	363	2	-	-
<b>T o t a l</b>	<b>54,789,089</b>	<b>279,424</b>	<b>14,443,453</b>	<b>70,773</b>

## NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>9. OTHER PAYABLES</b>				
<b>a. By Debtor</b>				
<b>Third parties</b>				
PT Fuji Bijak Prestasi	893,773	4,558	-	-
Catering	233,646	1,192	-	-
CV Parahyangan Express	177,352	904	-	-
Alam Jaya Rent Car	114,029	582	-	-
Syarief Basir & Rekan	80,000	408	-	-
P L N	62,041	316	-	-
PT Harapan Anang Bakri and Sons	56,775	290	126,117	618
CV Trijaya	48,752	249	-	-
Jamsostek	40,916	209	-	-
PT Telkom	28,092	143	-	-
PT Bravo Satria Perkasa	26,605	136	-	-
PT Cipta Usaha	-	-	21,600	106
Others	62,450	318	66,066	324
<b>Related party</b>				
Pricol, Ltd	10,977,303	55,984	3,532,063	17,307
<b>T o t a l</b>	<b>12,801,734</b>	<b>65,289</b>	<b>3,745,846</b>	<b>18,355</b>
<b>b. By Currency</b>				
United State Dollar	11,039,842	56,303	3,532,063	17,307
Rupiah	1,761,892	8,986	213,783	1,048
<b>T o t a l</b>	<b>12,801,734</b>	<b>65,289</b>	<b>3,745,846</b>	<b>18,355</b>
<b>10. ACCRUED EXPENSES</b>				
Travelling expenses	113,288	578	-	-
Interest	83,120	424	145,639	714
Internet	25,767	131	14,000	69
Consultant fee	14,700	75	-	-
Freight	10,761	55	-	-
Salary	7,810	40	102,548	502
Entertain	3,665	19	-	-
Professional fee	2,945	15	28,000	137
Medical	340	2	-	-
T H R	-	-	130,315	639
Rental	-	-	20,196	99
Water and electricity	-	-	15,152	74
Catering	-	-	11,947	59
Labour insurance	-	-	10,882	53
Communication	-	-	10,274	50
Office stationary	-	-	2,174	11
<b>T O T A L</b>	<b>262,396</b>	<b>1,338</b>	<b>491,127</b>	<b>2,407</b>
<b>11. TAXATION</b>				
<b>a. Prepaid taxes</b>				
Value added tax-in	4,140,370	21,116	1,719,769	8,427
Income tax article	-	-	762,552	3,737
Fiscal foreign 22	-	-	28,000	137
	<b>4,140,370</b>	<b>21,116</b>	<b>2,510,321</b>	<b>12,301</b>

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

11. TAXATION (Contd.)	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>b. Tax payables</b>				
Income tax article art 21	25,767	131	19,718	97
Income tax article art 23	12,094	62	1,245	6
Income tax article art 26	89,179	455	40,724	200
<b>Total</b>	<b>127,040</b>	<b>648</b>	<b>61,687</b>	<b>303</b>
<b>c. Corporate income tax calculation</b>				
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, 2011 was as follows:				
Profit (Loss) before corporate income tax	(2,158,852)	(10,794)	5,548,471	25,800
Permanent Differences :				
Non –deductible expenses :				
Employee Cost	768,319	3,842	385,630	1,793
Communication expenses	15,462	77	13,310	62
Repair and maintenance	26,284	131	8,811	41
Travelling and transportation	51,865	259	48,359	225
Rate , Tax and Licence	444,418	2,222	13,252	62
Miscellaneous expenses	217,841	1,089	47,147	219
Bank Charges	4,401	22	3,063	14
Interest income	(24,120)	(121)	(15,824)	(74)
Professional charge	-	-	21,275	99
Income subject to final tax in nature :	-	-	-	-
Rental	79,300	397	14,583	68
	<b>1,583,410</b>	<b>7,919</b>	<b>539,606</b>	<b>2,509</b>
Temporary different				
Depreciation property , plant and equipment	(55,404)	(277)	(20,517)	(95)
Employee benefit expenses	219,736	1,099	257,552	1,198
	<b>164,332</b>	<b>822</b>	<b>237,035</b>	<b>1,102</b>
Estimated taxable (loss) gain	<b>(411,110)</b>	<b>(2,054)</b>	<b>6,325,112</b>	<b>29,412</b>
Compensation taxables losses can be utilized to compensate taxable profit				
<b>Prior years tax loss carry forward :</b>				
— 2006	—	—	(3,018,640)	(14,037)
— 2007	—	—	(3,306,472)	(15,375)
<b>Total</b>	<b>—</b>	<b>—</b>	<b>(6,325,112)</b>	<b>(29,412)</b>
Estimated taxable (loss) gain after compensation taxable losses	—	—	—	—
Estimated income tax	-	-	-	-
<b>Tax credit :</b>				
Income Tax Article 22	822,390	4,112	-	-
Estimated claim for tax refund	822,390	4,112	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

11. TAXATION (Contd.)	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
The company have tax loss carry forward are as follows :				
— 2007	(1,166,805)	(5,834)	(1,166,805)	(5,426)
— 2008	(10,875,500)	(54,378)	(10,875,550)	(50,571)
— 2010	(411,110)	(2,056)	-	-
<b>Total</b>	<b>(12.453.415)</b>	<b>(62,268)</b>	<b>(12,042,305)</b>	<b>(55,997)</b>
	<b>April 2010 to March 2011 IDR '000</b>			
	<b>Beginning Deferred tax asset (Liabilities)</b>	<b>Income Expenses</b>	<b>Adjustment</b>	<b>Ending Deferred Tax asset (Liabilities)</b>
Fiscal loss	3,395,181	102,778		3,497,959
Depreciation	(205,026)	13,851	44,717	(146,458)
Employee Benefit	101,477	54,934	(8,965)	147,446
	<b>3,291,632</b>	<b>171,563</b>	<b>35,752</b>	<b>3,498,947</b>
Fiscal loss	17,315	524	-	17,840
Depreciation	(1,046)	71	228	(747)
Employee Benefit	518	280	(46)	752
	<b>16,787</b>	<b>875</b>	<b>182</b>	<b>17,845</b>
<b>12. BANK LOAN</b>	<b>2009-2010 April-March IDR '000</b>	<b>2009-2010 April-March INR '000</b>	<b>2008-2009 April-March IDR '000</b>	<b>2008-2009 April-March INR '000</b>
ICICI Bank, Singapore Branch	16,873,688	86,056	24,724,437	121,150
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	8,709,000	43,545	9,115,000	44,664
<b>T o t a l</b>	<b>25,582,688</b>	<b>129,601</b>	<b>33,839,437</b>	<b>165,814</b>
<b>Long – term bank loan of current maturities</b>				
ICICI Bank, Singapore Branch	(6,749,475)	(34,422)	-	-
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	(8,709,000)	(43,545)	(9,115,000)	44,664
	<b>(15,458,475)</b>	<b>(77,967)</b>	<b>(9,115,000)</b>	<b>44,664</b>
<b>Long-term bank loan, net of non current maturities</b>				
ICICI Bank, Singapore Branch	10,124,213	51,633	24,724,437	121,150

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>13 Estimated Liabilities On Employee Benefits</b>				
Present value of net obligation	550,989	2,810	326,172	1,598
Funded status	550,989	2,810	326,172	1,598
Unrecognized pass service cost non vested plan amendment	(25,877)	(132)	-	-
Unrecognised actuarial adjustment	64,666	330	43,870	215
Obligation at March 31	589,778	3,008	370,042	1,813
Obligation at April 1	370,042	1,887	224,326	1,099
Expense recognized during the year	251,497	1,283	1,45,716	714
Actual Benefit payment	(31,761)	(162)	-	-
Obligation at March 31	589,778	3,008	370,042	1,813
Current service cost	222,866	1,137	122,164	599
Interest cost	29,441	150	23,563	115
Recognized actuarial (gains) or losses	(810)	(4)	(11)	-
Total benefit expenses	251,497	1,283	145,716	714
	2010-2011 April-March		2009-2010 April-March	
Discount rate	9%		10%	
Annual salary increase	10%		10%	
Retirement age	55		55	
Employee	56		2	
<b>14. SHARE CAPITAL</b>				
		As of March 31, 2011 and March 31, 2010		
<b>Shareholders</b>	<b>Number of share</b>	<b>Nominal value</b>		<b>Percentage of ownership</b>
		USD	IDR	INR
Pricol, Ltd.	1,499	1,499,000	15,154,890	-
Pricol Holdings, Ltd.	1	1	1,011	-
TOTAL	1,500	1,500,000	15,165,000	-
<b>15. SALES</b>				
		2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000
Domestic		33,246,342	166,232	12,532,194
Export		30,228,929	151,145	7,936,268
TOTAL SALES		63,475,271	317,376	20,468,462
				2009-2010 April-March INR '000
				95,179

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

	2010-2011 April-March IDR '000	2010-2011 April-March INR '000	2009-2010 April-March IDR '000	2009-2010 April-March INR '000
<b>16. COST OF GOODS SOLD</b>				
Raw material and components				
Beginning	9,558,367	46,637	3,931,615	17,299
Purchase	54,960,420	274,802	20,368,387	98,200
Ending	(16,750,976)	(85,430)	(9,558,367)	(46,637)
Raw material used	47,767,811	236,009	14,741,635	68,862
Direct labor	3,988,708	19,944	1,688,547	7,852
Factory overhead	2,744,270	13,721	1,165,365	5,419
Production cost	54,500,789	269,674	17,595,547	82,133
Finished goods				
Beginning	836,556	4,099	416,197	1,831
Ending	(1,212,809)	(6,185)	(836,556)	(4,099)
<b>Total Cost of goods sold</b>	<b>54,124,536</b>	<b>267,588</b>	<b>17,175,188</b>	<b>79,865</b>
The detail of Factory Overhead are as follows:				
Depreciation Notes 7	1,715,835	8,579	812,336	3,777
Water and electricity	407,074	2,035	220,736	1,026
Repair & maintenance	555,241	2,776	107,209	499
Consumable tools	66,120	331	25,084	117
<b>Total Factory Overhead</b>	<b>2,744,270</b>	<b>13,721</b>	<b>1,165,365</b>	<b>5,419</b>
<b>17. Operating and Administration expenses</b>				
Employee cost	4,929,314	24,647	2,849,297	13,249
Freight and forwarding	1,156,074	5,780	365,798	1,701
Depreciation (Note 7)	1,084,638	5,423	389,769	1,812
Travelling and transportation	1,047,746	5,239	1,444,963	6,719
Professional charge	885,904	4,430	79,275	369
Rates, taxes, and licence	556,871	2,784	78,746	366
Communication expenses	305,476	1,527	302,936	1,409
Repair & maintenance	300,205	1,501	313,725	1,459
Printing & stationery	114,470	572	71,574	333
Entertainment, advertisement & publicity	91,768	459	3,797	18
Rental	79,300	397	14,583	68
Insurance	53,368	267	84,811	394
Bank charge	37,526	188	55,653	259
Amortization	-	-	233,416	1,085
Miscellaneous expenses	217,841	1,089	47,146	219
<b>Total Operating Administration Expenses</b>	<b>10,860,501</b>	<b>54,303</b>	<b>6,335,489</b>	<b>29,460</b>
<b>18. Nature and transaction with related parties</b>				
Nature of related parties consist was as follow:				
	Company		Nature of related parties	
	Pricol Ltd.		Shareholder	

NOTES TO THE FINANCIAL STATEMENTS (Contd..)

19. Assets and liabilities in foreign currency

	March 31, 2011				
	Foreign currency (USD)	Foreign currency (THB)	(JPY)	(SGD)	(INR)
<b>Assets</b>					
Cash on hand and in banks	344,589.87	-	-	-	-
Account Receivables	1,374,103.26	1,558,153.7	-	-	-
<b>Total</b>	<b>1,718,693.1</b>	<b>1,558,153.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>					
Trade payables	694,483.0	-	3450	1,755	136,297
Other Payables	1,267,636.1	-	-	-	994
Bank loan	2,937,500.0	-	-	-	-
<b>(Total)</b>	<b>4,899,619.1</b>	<b>-</b>	<b>3450</b>	<b>1,755</b>	<b>137,291</b>

20. a. Credit risk concentration

	Corporate		Others		Maximum Exposure	
	2010-2011 April-March	2010-2011 April-March	2010-2011 April-March	2010-2011 April-March	2010-2011 April-March	2010-2011 April-March
	IDR' 000	INR'000	IDR' 000	INR'000	IDR' 000	INR'000
Trade receivables	23,771,690	121,236	-	-	23,771,690	121,236
Other receivables	2,429	12	-	-	2,429	12
	<b>23,774,119</b>	<b>121,248</b>	<b>-</b>	<b>-</b>	<b>23,774,119</b>	<b>121,248</b>

21. b. Market Risk

	Foreign Currencies	Rupiah Equivalent IDR ' 000	2,012 IDR ' 000	Due Date	
				2,013 IDR ' 000	> 2014 IDR ' 000
<b>Assets</b>					
Cash on hand and in banks					
USD	344,590	3,001,034	3,001,034	-	-
Trade receivables					
USD	1,374,103	11,967,065	11,967,065	-	-
THB	1,558,154	447,634	447,634	-	-
<b>Liabilities</b>					
<b>Trade payables</b>					
USD	694,483	6,048,252	6,048,252	-	-
JPY	345	363	363	-	-
SGD	1,755	1,212	1,212	-	-
INR	136,297,994	26,585,428	26,585,428	-	-
Other payables					
USD	1,267,636	11,039,842	11,039,842	-	-
Bank loan					
USD	2,937,500	25,582,688	15,458,475	6,749,475	3,374,738