PT AUTOMOTIVE SYSTEMS INDONESIA

STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2016
WITH COMPARATIVE FIGURE FOR THE YEAR 2015
(Expressed in Indonesian Rupiah)

	Note	2016	2015
ASSETS			
Current Assets			
Cash and cash equivalents	2a,3	14.949.673.577	14.932.748.184
Prepaid expense	4	-	82.334.342
Prepaid taxes	2d,6a	-	267.582.844
Total Current Assets		14.949.673.577	15.282.665.370
Non Current Assets			
Property, plant and equipment	2c,5	11.147.440.588	11.147.440.588
Total Non Current Assets		11.147.440.588	11.147.440.588
TOTAL ASSETS		**26.097.114.165**	**26.430.105.958**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Account payable		3.440.000	173.619.317
Taxes payable	2d,6b	-	29.271.685
Accrued expenses	2f	83.959.198	-
Total Current Liabilities		87.399.198	202.891.002
Shareholders' Equity			
Share capital – authorized, issued andfully paid USD 27.009 ordinaryshares, with par value of IDR 914.300(USD 100)	8	24.694.328.700	24.694.328.700
Foreign exchange rate difference on paidin capital		(440.246.700)	(440.246.700)
Retained earnings (deficit)		1.755.632.967	1.973.132.956
Total Shareholders' Equity		26.009.714.967	26.227.214.956
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**26.097.114.165**	**26.430.105.958**

The accompanying notes form an integral part of these financial statement

PT AUTOMOTIVE SYSTEMS INDONESIA

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2016
WITH COMPARATIVE FIGURE FOR THE YEAR 2015
(Expressed in Indonesian Rupiah)

	Note	2016	2015
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
Operating and administration expenses	2f,9	(789.326.799)	(1.475.799.329)
Operating loss		(789.326.799)	(1.475.799.329)
Other income (expenses)			
Interest income		349.720.147	347.652.833
Foreign exchange gain (loss) – net	2a	222.106.662	1.900.847.968
Other expense		-	(17.710.072)
		571.826.809	2.230.790.729
Profit (loss) before income tax		(217.499.990)	754.991.400
Provision for income tax (expense) benefit			
Current tax	2d,7c	-	(25.067.500)
Deferred tax	2d,7d	-	(475.433.824)
		-	(500.501.324)
Profit (loss) for the year		(217.499.990)	254.490.076
Other comprehensive incomethat will not be reclassified to profit or loss:		-	-
Total comprehensive income for the year		**(217.499.990)**	**254.490.076**

The accompanying notes form an integral part of these financial statements

PT AUTOMOTIVE SYSTEMS INDONESIA

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2016
WITH COMPARATIVE FIGURE FOR THE YEAR 2015
(Expressed in Indonesian Rupiah)

	Share capital	Foreign exhcange rate difference on paid in capital	Retained earnings (deficit)	Total
Balance as of March 31, 2014	**24.694.328.700**	**(440.246.700)**	**1.718.642.881**	**25.972.724.881**
Total comprehensive income for the year	-	-	254.490.076	254.490.076
Balance as of March 31, 2015	**24.694.328.700**	**(440.246.700)**	**1.973.132.957**	**26.227.214.957**
Total comprehensive income for the year	-	-	(217.499.990)	(217.499.990)
Balance as of March 31, 2016	**24.694.328.700**	**(440.246.700)**	**1.755.632.967**	**26.009.714.967**

The accompanying notes form an integral part of these financial statements

PT AUTOMOTIVE SYSTEMS INDONESIA

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016
WITH COMPARATIVE FIGURE FOR THE YEAR 2015
(Expressed in Indonesian Rupiah)

	Note	2016	2015
Cash flows from operating activities			
Total comprehensive income for the year		(217.499.990)	254.490.076
Adjustment to reconcile income before tax to net cash provided by operating activities:			
Deferred tax	2d	-	475.433.824
Change in working capital :			
Other receivable	2b	-	15.436.080
Prepaid expense	5	82.334.342	91.104.238
Prepaid taxes	2d,7a	267.582.844	1.045.417.796
Account payable		(170.179.317)	76.376.598
Taxes payable	2d,7b	(29.271.685)	26.459.725
Accrued expenses	2f,	83.959.200	-
Net cash flows providedfrom (used to) operating activities		16.925.394	1.984.718.337
Net increase/ (decrease) in cash and cash equivalents		16.925.394	1.984.718.337
Cash and cash equivalents at the beginning of the year		14.932.748.184	12.948.029.847
Cash and cash equivalents at the end of the year	2a,2b,3	**14.949.673.577**	**14.932.748.184**

The accompanying notes form an integral part of these financial statements

(Expressed in Indonesian Rupiah)

1. General

PT AUTOMOTIVE SYSTEMS INDONESIA ("the Company") is a foreign direct investment company established based on Notarial Deed DR. A, Partomuan Pohan, SH., LL.M., No. 9 dated April 12, 2006 which was approved by the Ministry of Law and Human Rights on May 1, 2006 No. C-12416 HT.01.01.TH.2006. Articles of association of the company has been amended based on Notary Deed of DR. A, Partomuan Pohan, SH., LL.M., No. 6, dated May 7, 2009, on duty and authority of the Board of Director and the alteration of the composition of Board of Executive Decision of Extra ordinary Shares Holder General Meeting. The Company obtained the investment approval from the Capital Investment Coordinating Board (BKPM) based on decision letter No. 298/I/PMA/2006 dated March 17, 2006. The last approval from the Capital Investment Coordinating Board (BKPM) based on decision letter No. 777/1/IP/PMA/2014 dated March 14, 2014.

The scope of activities comprises producing and marketing on two and three wheels components and spare parts, for Domestic and Export Market.

The composition of the Company's Board of Commissioner and Board of Directors as of March 31, 2016 and 2015 were as follows:

Commissioner	: Mr. Kalathur Seshadri
President Director	: Mr. Subramaniam Sampath
Director	: Mr.SubhasisDey
Director	: Mr. Raman Umashankar

The number of the Company's employees as of March 31, 2016 and 2015 was nil.

Up to year ended March 31, 2016, the Company was still in development stage.

2. Summary of significant accounting policies

Compliance with Financial Accounting Standards.

The accompanying financial statements have been prepared in accordance with Indonesian Financial Accounting Standards, which comprise the Statements of Financial Accounting Standards (PSAK) and interpretations of Financial Accounting Standards (ISAK) issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants (DSAK – IAI).

The significant accounting policies that were applied consistently in the preparation of the financial statements for the years ended March 31, 2016 and 2015 were as follows:

a. Basis of preparation of financial statements

The financial statement were prepared & presented on a going concern basis based on Indonesian financial accounting standard. The financial statements of the Company prepared based on accrual basic with historical cost concept, except for certain accounts which are measured on the basis as described in the relevant notes herein. The statements of cash flows represent cash received and disbursement which are classified into operating, investment and financing activities. The statements of cash flows are prepared using the indirect method.

2. Summary of significant accounting policies – *continued*

a. Basis of preparation of financial statements - *continued*

The Company's accounts are maintained in Indonesian Rupiah currency which is the functional and reporting currency. Whereas transactions denominated in foreign currencies are translated into Indonesian Rupiah at the prevailing rates when transactions are made.

At balance sheet date, balances of monetary assets and liabilities in foreign currencies are translated into Indonesian Rupiah using the prevailing rates at that date. Gains or losses from foreign exchange are charged/credit to current year income. The exchange rate of Indonesian Rupiah to United States Dollar on March 31, 2016 and 2015 respectively were IDR13.276 and IDR13.084for USD1.

Changes to the statements of financial accounting standards ("PSAK") and interpretations of statements of financial accounting standards ("ISAK").

The following standards have been adopted by the Company for the first time for the financial year beginning on or after January 1, 2015 and have a material impact on the Company's financial statements:

- Amendment to PSAK 46, "Income taxes", to clarify that final tax is not regulated within the scope of this standard.
- Amendment to PSAK 50"Financial instrument: Presentation", to clarify requirements for offsetting financial assets and liabilities on the statement of financial position
- Amendment to PSAK 60, "Financial instruments: Disclosures", to enhance offsetting disclosures.
- PSAK 68 "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within PSAK

The adoption of the following revised interpretation of the accounting standards, which are effective from January 1, 2015, did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current year financial statements:

- PSAK 1 (revised 2013) "Presentation of financial statements"
- PSAK 4 (revised 2013) "Separate financial statements"
- PSAK 15 (revised 2013) "Investment in associates and joint ventures"
- PSAK 24 (revised 2013) "Employee benefits"
- PSAK 46 (revised 2014) "Income tax"
- PSAK 48 (revised 2013) "Impairment"
- PSAK 50 (revised 2013) "Financial instrument: Presentation"
- PSAK 55 (revised 2014) "Financial instrument: Recognition and Measurement"
- PSAK 60 (revised 2014) "Financial instrument: Disclosure"
- PSAK 65 (revised 2013) "Consolidated financial statements"
- PSAK 66 "Joint arrangements"
- PSAK 67 "Disclosures of interests in other entities"
- ISAK 15 (revised 2015) "The limit on a defined benefit asset"
- ISAK 26(revised 2013) "Revaluation of embedded derivative"

2. Summary of significant accounting policies – *continued*

a. Basis of preparation of financial statements - *continued*

- Withdrawal of PSAK 12 (revised 2009) "Interest in joint venture"
- Withdrawal of ISAK 7 "Consolidation special purpose entities"
- Withdrawal of ISAK 12 "Jointly controlled entities: Non-monetary contribution by venturers"

The revised, new standards and withdrawal of standards above will become effective for the annual period beginning 1 January 2015 and early implementation is prohibited.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning January 1, 2016 are as follows:

- PSAK 1 (revised 2015) "Presentation of financial statements"
- PSAK 4 (revised 2015) "Separate financial statements"
- PSAK 5 (revised 2015) "Operating Segment"
- PSAK 7 (revised 2015) "Related Party Disclosure
- PSAK 15 (revised 2015) "Investment in associates and joint ventures"
- PSAK 16 (revised 2015) "Fixed asset"
- PSAK 19 (revised 2015) "Intangible asset"
- PSAK 22 (revised 2015) "Business combination"
- PSAK 24 (revised 2015) "Employee benefits"
- PSAK 25 (revised 2015) "Accounting policies, Changes in Accounting Estimates and Errors"
- PSAK 53 (revised 2015) "Share Based Payment"
- PSAK 65 (revised 2015) "Consolidated financial statements"
- PSAK 66 (revised 2015) "Joint arrangements"
- PSAK 67 (revised 2015) "Disclosures of interests in other entities"
- PSAK 68 (revised 2015) "Fair Value Measurement"
- ISAK 30 (revised 2015) "Collection"
- ISAK 31 (revised 2015) "Interpretation of PSAK 13 "Investing properties"

As at the authorization date of these financial statements, the Company is still evaluating the potential impact of these new and revised PSAK to its financial statements.

b. Financial instruments

The Company adopted SFAS No. 50 (Revised 2013), "Financial Instruments: Presentation", SFAS No. 55 (Revised 2014), "Financial Instruments: Recognition and Measurement", and SFAS No. 60 (Revised 2014), "Financaial Statements: Disclosure".

SFAS No. 50 and SFAS No. 60 contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividend, losses and gains; and the circumstances in which financial liabilities should be offset. This SFAS requires the disclosure of, among others, information about factors that effect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments.

2. Summary of significant accounting policies – *continued*

b. Financial instruments

SFAS No. 55 established the principles for recognizing and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items. This standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurements, hedge accounting and determination of hedging relationships, among others.

i. Financial Assets

Financial assets within the scope of SFAS No. 55 (Revised 2014) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for-sale financial assets, or as derivatives designated as hedging instruments in a effective hedge, as appropriate. The Company determine the classification of their financial assets at initial recognition and, where allowed and appropriate, re-evaluate the designated of such assets at each reporting date.

Financial assets are recognized initially at fair value plus, in the case of investments not a fair value through profit or loss, directly attributable transaction costs.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commit to purchase or sell the assets.

The Company’s financial assets include cash and cash equivalents, trade receivables, non-trade receivables, advances, refundable deposits, and membership deposits.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

- Loans and receivables

  Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gain and losses are recognized in the statements of income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

  The Company’s cash and cash equivalents, other receivables are included in this category

ii. Financial Liabilities

<u>Initial Recognition</u>

Financial liabilities within the scope of SFAS No.55 (Revised 2014) are classified as financial liabilities at fair value through profit or loss, other liabilities, or as derivatives designated as hedging instruments in a effective hedge, as appropriate. The Company determines the classification of their financial liabilities at initial recognition.

2. Summary of significant accounting policies – *continued*

b. Financial instruments - *continued*

ii. Financial Liabilities - *continued*

Financial liabilities are recognized initially at fair value and, in this case of loans and borrowings, include directly attributable transaction costs.

The Company's financial liabilities include accrued expenses,.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at fair value through profit or loss.
- Liabilities

After initial recognition, other liabilitiesare subsequently measured at amortized cost using the effective interest rate method.

Amortized cost is computed using the effective interest method less anya allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in the statements of comprehensive income when the liabilities are derecognized as well as through the amortization process.

iii. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

v. Amortized Cost of Financial Instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2. Summary of significant accounting policies – *continued*

b. Financial instruments - *continued*

vi. Impairment of Financial Assets

The Company assess at the end of each reporting year whether there is any objective evidence that a financial assets is impaired.

Financial assets carried at amortized costs

For loans ad receivables carried at amortized cost, the Company and Subsidiaries first assess whether objective evidence of impairment exist individually significant, or collectively for financial assets that are not individually significant.

If the Compny determine that no one objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, the assets included in a group of financial assets with similar credit risk characteristics and collectively assessed forimpairment. 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.

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.
If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a "loans and receivables" financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statements of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company.

If, in subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occuring after the impairment what recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognized in profit or loss.

2. Summary of significant accounting policies – *continued*

b. Financial instruments - *continued*

v. De-recognition of Financial Assets and Liabilities

Financial assets

A financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flow from the asset have expired; or (2) the Company have transferred their rights to receive cash flow from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company have transferred substantially all the risks and rewards of the asset, or(b) the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

c. Property, plant, and equipment

Property, plant, and equipment are stated at cost less accumulated depreciation and any impairment in value. All items of property, plant and equipment are initially recorded at cost.

The Company choose to use cost model to measure property, plant and equipment.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Properties, plant and equipment are depreciated using the straight line method over the estimated useful life of the assets, commencing in the month in which the assets are put into use.

Land was stated at cost and not amortized.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service, an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

2. Summary of significant accounting policies – *continued*

c. Property, plant, and equipment - *continued*

When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

d. Taxes

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

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 five years from the date of the tax became due. Amendments to the company's taxation obligations are recorded when an assessment is received or, if appealed against are recorded when the results of the appeal is determined. Deferred tax are recognised for accumulated tax losses carried forward to extend that realisation of the tax benefit through the future taxable income is probable.

e. Transactions with related parties

Related party represents a person or an entity who is related to the reporting entity:

(a) A person or a close member of the person's family is related to a reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:
   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled or jointly controlled by a person identified in (a).

A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(Expressed in Indonesian Rupiah)

2. Summary of significant accounting policies – *continued*

f. Expenses

Expenses are recognised based on accrual basis. Expenditures for pre-operating are capitalized to extend the expenditures will give benefit in the future and will be amortized starting from the establishment date.

3. Cash and cash equivalents

	2016	2015
Bank IDR	127.736.083	55.328.122
Bank USD	417.477.494	419.673.202
Time deposit USD	14.404.460.000	14.457.746.860
	14.949.673.577	14.932.748.184

4. Prepaid expenses

	2016	2015
Estate service fee – PT Harapan Anang Bakri & Sons	-	77.099.942
LKPM report-PT DafaSinergiAnugerah	-	5.234.400
	-	82.334.342

5. Property, plant and equipments

	2016	2015
Cost :		
Land		
Beginning balance	11.147.440.588	11.147.440.588
Reclassification from deferred expense – land right	-	-
Ending balance	11.147.440.588	11.147.440.588

(Expressed in Indonesian Rupiah)

6. Taxation

a. Prepaid taxes

	2016	2015
Value added tax	-	267.582.844
	-	267.582.844

b. Tax payables

	2016	2015
Income tax article 23	-	4.204.185
Income tax article 29	-	25.067.500
	-	29.271.685

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 income for the years ended March 31, 2016 and 2015 were as follows:

	2016	2015
Income (loss) before corporate income tax	(217.499.990)	754.991.400
Temporary differences		-
Permanent differences	(305.193.267)	758.564.124
Income (loss) after reconciliation	(522.693.257)	1.513.555.524
Tax loss carried forward compensation	-	(1.313.014.539)
Taxable income (loss)	(522.693.257)	200.540.000
Corporate income tax	-	25.067.500
Less: Prepaid tax	-	-
Corporate income tax under (over) paid	-	25.067.500

(Expressed in Indonesian Rupiah)

7. Taxation - *continued*

d. Deferred tax

Deferred 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 tax.

Deferred 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 tax.

The deferred tax effect was calculated with maximum income tax rate of 25% for 2015 as follows:

	2015		
Items	Deferred tax assets (liabilities) – Beginnind	Deferred tax income (expense) – Current year	Deferred tax assets (liabilities) – Ending
Tax loss carry forward 2010	290.560.824	(290.560.824)	-
Tax loss carry forward 2011	184.873.000	(184.873.000)	-
	475.433.824	475.433.824	-

8. Shareholders' equity

The composition of the Company's shareholders as of March 31, 2016 and 2015 were as follows:

Shareholders	Number of share	Nominal value USD	Nominal value IDR	Percentage of ownership
India Nippon Electrical Ltd.	27.000	2.700.000	24.686.100.000	99,97%
Lucas – TVS Ltd.	9	900	8.228.700	0,03%
	27.009	2.700.900	24.694.328.700	100,00%

9. Operating expenses

	2016	2015
Other tax	339.828.104	1.106.216.958
Estate service fee	334.742.934	273.978.638
Professional fee	112.734.400	93.902.700
Bank charges	1.979.429	994.641
Mailing & Delivery Exp	-	676.143
Stamp duty	41.932	30.249
	789.326.799	1.475.799.329

(Expressed in Indonesian Rupiah)

10. Nature and transaction with related parties

Nature of related parties consist was as follow:

Company	Nature of related parties
India Nippon Electrical Limited (INEL)	Shareholder

11. Financial risk management

a. Objective and policies
Exposure to risk arises in the normal course of the Company's business. The Company monitors its risk on an ongoing basis to ensure that the net exposure is at acceptable level.

b. Market risk
Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on risk.

c. Liquidity risk
The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

d. Interest rate risk
The Company has no interest bearing liabilities or any significant interest bearing assets, as such the Company's income is substantially independent of changes in market interest rate.

12. Fair value of financial assets and liabilities

The following table sets out the carriying value and estimated fair value of the Company's financial instruments as of March 31, 2016:

	Carrying value	Fair value
A. Financial assets		
Cash and cash equivalents	14.949.673.577	14.949.673.577
Other receivables	-	-
B. Financial liabilities		
Account payable	3.440.000	3.440.000
Accrued expenses	83.959.198	83.959.198

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.The fair values of the financial assets and liabilities are presented at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

12. Fair value of financial assets and liabilities - *continued*

a. Current financial assets and liabilities.

   Current financial instruments with remaining maturities of one year or less approximate their carrying amounts due to their short-term nature.

b. Non-current financial instruments.
   The fair value of other non-current assets can not be measured reliably since no fixed realization period, therefore valuation method is not practice to be done. Whereas the fair value of loan from shareholders are measured by discounting future cash flows using applicable rates from observable current market transactions for instruments with similar terms, credit risk and remaining maturities.

13. Going concern

The management of the Company has declared to liquidate the Company and cease its operation and activities since the date of Extra ordinary General Meeting of Shareholders (EGMS) on April 6, 2016.

14. 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, 2016 which have been completed on April 22, 2016.