

PT AUTOMOTIVE SYSTEMS INDONESIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

PT AUTOMOTIVE SYSTEMS INDONESIA**STATEMENT OF FINANCIAL POSITION**

As of March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

	Notes	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	14,509,836,639	16,596,887,111
Prepaid expenses	6	-	103,715,710
TOTAL CURRENT ASSETS		14,509,836,639	16,700,602,821
NON-CURRENT ASSETS			
Property, plant and equipment	4b,7	11,147,440,588	11,147,440,588
TOTAL NON-CURRENT ASSETS		11,147,440,588	11,147,440,588
TOTAL ASSETS		25,657,277,227	27,848,043,409
LIABILITIES AND SHAREHOLDER'S EQUITY			
SHORT-TERM LIABILITIES			
Account payable	8	102,897,308	203,659,940
Accrued expenses	9	44,000,000	11,000,000
Tax payable	4c,10a	1,905,506	36,650,355
TOTAL SHORT-TERM LIABILITIES		148,802,814	251,310,295
TOTAL LIABILITIES		148,802,814	251,310,295
SHAREHOLDERS' EQUITY			
Share capital - authorized, issued and fully paid USD 27,009 ordinary shares, with par value of IDR914,300 (US\$100) 27,009 shares	11	24,694,328,700	24,694,328,700
Foreign exchange difference on paid in capital		(440,246,700)	(440,246,700)
Retained earnings		1,254,392,413	3,342,651,114
TOTAL SHAREHOLDERS' EQUITY		25,508,474,413	27,596,733,114
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		25,657,277,227	27,848,043,409

May 6, 2021



Elango Srinivasan
President Director

See accompanying notes to financial statements which form an integral part of these financial statements.

PT AUTOMOTIVE SYSTEMS INDONESIA
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

	Notes	2021	2020
SALES		-	-
COST OF GOODS SOLD		-	-
GROSS PROFIT		-	-
OPERATING EXPENSES			
General and administrative expenses	4d,12	(620,309,789)	(664,045,868)
OPERATING LOSS		(620,309,789)	(664,045,868)
OTHER INCOME (EXPENSES)			
Interest income	13	261,451,635	270,858,443
Foreign exchange gain (loss) - net		(1,729,400,547)	2,039,339,274
		(1,467,948,912)	2,310,197,717
PROFIT (LOSS) BEFORE CORPORATE INCOME TAX		(2,088,258,701)	1,646,151,849
CORPORATE INCOME TAX			
Current tax	10b	-	(32,548,875)
NET PROFIT (LOSS)		(2,088,258,701)	1,613,602,974
OTHER COMPREHENSIVE INCOME		-	-
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		(2,088,258,701)	1,613,602,974

May 6, 2021



Elango Srinivasan
President Director

PT AUTOMOTIVE SYSTEMS INDONESIA
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

	Share capital	Foreign exchange rate difference on paid in capital	Retained earnings	Total
Balance as of March 31, 2019	24,694,328,700	(440,246,700)	1,729,048,140	25,983,130,140
Total comprehensive income for the year 2020	-	-	1,613,602,974	1,613,602,974
Balance as of March 31, 2020	24,694,328,700	(440,246,700)	3,342,651,114	27,596,733,114
Total comprehensive income (loss) for the year	-	-	(2,088,258,701)	(2,088,258,701)
Balance as of March 31, 2021	24,694,328,700	(440,246,700)	1,254,392,413	25,508,474,413

See accompanying notes to financial statements which form an integral part of these financial statements.

PT AUTOMOTIVE SYSTEMS INDONESIA
STATEMENT OF CASH FLOWS
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before Corporate Income Tax	(2,088,258,701)	1,646,151,849
Changes in:		
Prepaid expenses	103,715,710	(103,715,710)
Account payable	(100,762,632)	202,964,940
Accrued expenses	33,000,000	(92,233,323)
Tax payable	(34,744,849)	4,101,480
Net cash flows provided from (used in) operating activities	(2,087,050,472)	1,657,269,236
Net Increase in cash and cash equivalents	(2,087,050,472)	1,657,269,236
Cash and cash equivalents at the beginning of the year	16,596,887,111	14,939,617,875
Cash and cash equivalents at the end of the year	14,509,836,639	16,596,887,111

See accompanying notes to financial statements which form an integral part of these financial statements.

PT AUTOMOTIVE SYSTEMS INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

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. 236/1/IP/PMA/2017 dated January 19, 2017.

The scope of activities comprises producing and marketing on two and three wheels components and spare parts, for domestic and export market.

At the Extraordinary Meeting of the Shareholders on September 25, 2018, the shareholders agreed to the resignation of Mr. Kalathur Seshadri from his position as Commissioner, Mr. Subraniam Sampath from his position as President Director and Mr. Subhasis Dey from his position as Director of the Company, and the appointment of Mr. Arvind Balaji as Commissioner, Mr. Elango Srinivasan as President Director and Mr. Ravinder Kumar also Mr. Raman Umashankar as Director of the Company, effective on September 29, 2018. This change was notarised by deed of public notary Ashoya Ratam No. 93 dated September 29, 2018 and was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-AH.01.03-0246482.

The composition of the Company's Boards of Commissioner and Directors as of March 31, 2021 and 2020 were as follows

Commissioner	: Mr. Arvind Balaji
President Director	: Mr. Elango Srinivasan
Director	: Mr. Ravinder Kumar
Director	: Mr. Raman Umashankar

Since the management cancelled the decision of liquidate the Company and cease its operation and activities, and has an intention to start the operation once it gets sufficient order from potential buyer, the Company didn't have any employee yet.

2. COMPLIANCE STATEMENT

The Company's Director stated that the financial statements for the year ended March 31, 2021 have been prepared in accordance with Indonesian Financial Accounting Standards and comply with all the requirements. The financial statement are not intended to present the financial position, results of operations, and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

PT AUTOMOTIVE SYSTEMS INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

3. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (“PSAK”) AND INTERPRETATIONS OF PSAK (“ISAK”)

In the current period, the Company has implemented standards and some of amendments/ improvements/ interpretations to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2020, that are: PSAK 71: Financial Instrument; PSAK 72: Revenue from Contract with Customers, and PSAK 73: Lease. Further arrangements are described in the relevant accounting policies.

The adoption of these standards have not had any material impact on the disclosures or on the amounts reported in the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2021 and 2020 were as follows:

a. Basis of preparation of financial statement

The financial statement were prepared and presented on a going concern basis based on Indonesian financial accounting standard. The financial statements of the Company prepared based on accrual basis 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, except for financing and investing activities are prepared using the direct method.

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, 2021 and 2020 were IDR14,572 and IDR16,367 for USD1, respectively.

PT AUTOMOTIVE SYSTEMS INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Property, plant, and equipment

Land was stated at cost and not amortized. The Company currently only has land.

c. Taxes

Current tax is the expected tax payable or refundable on the taxable income or loss for the year, using tax rates substantively enacted as the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for difference arising from tax assessments.

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.

Final tax paid on certain types of income is not considered as income tax when such income is not from the primary revenue generating activities.

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.

d. 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.

5. CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
IDR:		
Bank of Tokyo Mitsubishi	-	7,202,967
Bank SBI Indonesia	216,335,100	811,633,290
USD:		
Bank of Tokyo Mitsubishi (USD 559.40)	-	9,155,700
Bank SBI Indonesia (2021: USD45,888.11; 2020: USD28,456.66)	668,681,539	465,750,154
Time deposit (USD935,000)	13,624,820,000	15,303,145,000
	<u>14,509,836,639</u>	<u>16,596,887,111</u>

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(Expressed in Rupiah, unless otherwise stated)

6. PREPAID EXPENSES

	2021	2020
Estate service fee – PT Maligi Permata Industrial Estate	-	103,715,710
	-	103,715,710

7. PROPERTY, PLANT AND EQUIPMENT

2021				
	Beginning balance	Addition	Deduction	Ending balance
Cost				
Land	11,147,440,588	-	-	11,147,440,588
Accumulated Depreciation				
Land	-	-	-	-
Book Value	11,147,440,588			11,147,440,588
2020				
	Beginning balance	Addition	Deduction	Ending balance
Cost				
Land	11,147,440,588	-	-	11,147,440,588
	11,147,440,588	-	-	11,147,440,588
Accumulated Depreciation				
Land	-	-	-	-
Book Value	11,147,440,588			11,147,440,588

The Company has a land area of 9.670 square meters located in Jl. Permata V, Lot EE2, Sinarbaya, Teluk Jambe Timur, Karawang

8. ACCOUNT PAYABLE

	2021	2020
Estate service fee- PT Maligi Permata Industrial Estate	102,897,308	203,659,940
Professional fee-PT Multi Utama Consulting	-	-
	102,897,308	203,659,940

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(Expressed in Rupiah, unless otherwise stated)

9. ACCRUED EXPENSES

	<u>2021</u>	<u>2020</u>
Professional fee	44,000,000	11,000,000
Estate service fee	-	-
	<u>44,000,000</u>	<u>11,000,000</u>

10. TAXATION

a. Taxes Payable

	<u>2021</u>	<u>2020</u>
Withholding tax, article 23	1,905,506	4,101,480
Income tax art 29	-	32,548,875
	<u>1,905,506</u>	<u>36,650,355</u>

b. 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, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Profit before corporate income tax	(2,088,258,701)	1,646,151,849
Correction		
Temporary differences	-	-
Permanent differences	(258,086,000)	(264,767,420)
Income (loss) after reconciliation	(2,346,344,701)	1,381,384,429
Tax loss carried forward compensation		
- Loss compensation 2015	-	(498,496,397)
- Loss compensation 2016	-	(583,174,456)
- Loss compensation 2018	-	(39,321,766.27)
Estimated taxable income	(2,346,344,701)	260,391,809
Corporate income tax (Tax Rate 12,5%)	-	32,548,875
Less prepaid tax		
- Income tax article 25	-	-
	-	-
Underpayment of income tax	-	32,548,875

PT AUTOMOTIVE SYSTEMS INDONESIA
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(Expressed in Rupiah, unless otherwise stated)

11. SHAREHOLDERS' EQUITY

The composition of the Company's shareholders as of March 31, 2021 and 2020 were as follows:

Shareholders	number of share	Nominal Value		Percentage of ownership
		USD	IDR	
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%

12. OPERATING EXPENSES

	2021	2020
Estate service fee	420,288,460	380,883,706
Professional fee	133,100,000	162,692,000
Other tax	65,591,805	111,776,610
Bank charges	1,273,510	8,493,575
Stamp duty	56,015	199,977
	620,309,789	664,045,868

13. OTHER INCOME (EXPENSES)

	2021	2020
Interest income	261,451,635	270,858,443
Gain (loss) on foreign exchange	(1,729,400,547)	2,039,339,274
	(1,467,948,912)	2,310,197,717

14. 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
Lucas - TVS Ltd	Shareholder

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table sets out the carrying value and estimated fair value of the Company's financial instruments as of March 31, 2021 and 2020:

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
A. Financial assets				
Cash and cash equivalents	14,509,836,639	14,509,836,639	16,596,887,111	16,596,887,111

PT AUTOMOTIVE SYSTEMS INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2021

(Expressed in Rupiah, unless otherwise stated)

15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

	2021		2020	
	Carrying value	Fair value	Carrying value	Fair value
B. Financial liabilities				
Account payable	102,897,308	102,897,308	203,659,940	203,659,940
Accrued expenses	44,000,000	44,000,000	11,000,000	11,000,000

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.

- 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.

16. GOING CONCERN

The Company has never started any production since it did not get any purchase order which satisfies economic of scale condition. The management of the Company has declared to liquidate the Company and cease its operation and activities since the date of Extraordinary General Meeting of Shareholders (EGMS) on April 6, 2016 but then cancelled the decision and has an intention to start the operation once it gets sufficient order from potential buyer.

17. DATE OF COMPLETION OF PREPARATION OF THE FINANCIAL STATEMENTS

The Company's director was responsible for the presentation and disclosures of the financial statements for the year ended March 31, 2021 which have been completed on May 6, 2021.