PT PRICOL SURYA

FINANCIAL STATEMENTS

31 MARCH 2011
(With Comparative Figures on 31 March 2010)

AND

INDEPENDENT AUDITORS' REPORT

PT PRICOL SURYA
FINANCIAL STATEMENTS
31 MARCH 2011
(With Comparative Figures on 31 March 2010)

CONTENTS

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Jakarta 12910 - Indonesia

No. : 460/1-PCS/HS-1/03.11
Re : **Financial Statements**
31 March 2011

Independent Auditors' 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, changes in shareholders' 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 finacial 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 amounted to Rp 15,381,801,465 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. Management's plans in regard to these matters are also described in Note 20 to the financial statements. The accompanying financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI & Rekan

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

19 May 2011

MA/yn

Notice to Readers

The accompanying financial statements are not intended to present the financial position, results of operations, changes in stockholders' 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.

Exhibit A

PT PRICOL SURYA
BALANCE SHEETS
31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

ASSETS	Notes	2011	2010
CURRENT ASSETS			
Cash on hand and in banks	2b,c,d,3	4,152,660	1,006,379
Trade receivables - Third parties	2b,c,e,4	23,771,690	2,410,161
Other receivables - Third parties	2b	2,429	44,861
Inventories	2f,5	17,963,785	10,394,923
Prepaid expenses	6	815,475	136,762
Prepaid taxes	2h,11a	4,140,370	2,510,321
Total Current Assets		50,846,409	16,503,407
NON-CURRENT ASSETS			
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	34,440,923
Security deposit		34,720	37,867
Deferred tax assets	2h,11d	3,498,947	3,291,632
Estimated claim for tax refund	2h,11c	822,390	-
Total Non-Current Assets		42,677,016	37,770,422
TOTAL ASSETS		93,523,425	54,273,829

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of the Financial Statements taken as a whole

PT PRICOL SURYA
BALANCE SHEETS
31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)	Notes	2011	2010
CURRENT LIABILITIES			
Trade payables	2b,j,8,18		
Third parties		27,265,588	2,422,894
Related party		27,523,501	12,020,559
Other payables	2b,j,9,18		
Third parties		1,824,431	213,783
Related party		10,977,303	3,532,063
Accrued expenses	10	262,396	491,127
Taxes payable - Related parties	2h,11b	127,040	61,687
Long - term bank loan of current maturities	2b,12	8,709,000	9,115,000
Total Current Liabilities		76,689,259	27,857,113
LONG-TERM LIABILITIES			
Long-term bank loan, net of non current maturities	2b,12	16,873,688	24,724,437
Estimated liabilities on employee benefits	2i,13	589,778	370,042
Total Long-Term Liabilities		17,463,466	25,094,479
Total Liabilities		94,152,725	52,951,592
SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)			
Share capital - Authorized, issued and fully paid - 1,500 shares, with par value of Rp 10,110,000 (USD 1,000)	14	15,165,000	15,165,000
Foreign exchange difference on paid-in share capital		(412,500)	(412,500)
Deficits	2a,20	(15,381,800)	(13,430,263)
Total (Capital Deficiency) Shareholders' Equity		(629,300)	1,322,237
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)		93,523,425	54,273,829

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of the Financial Statements taken as a whole

PT PRICOL SURYA
STATEMENTS OF INCOME
YEARS ENDED 31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

	Notes	2011	2010
SALES	2k,15	63,475,271	20,468,462
COST OF GOODS SOLD	2f,g,j,k,16,18	54,124,536	17,175,188
GROSS PROFIT		9,350,735	3,293,274
GENERAL AND ADMINISTRATIVE EXPENSES	2g,i,k,17	10,860,501	6,335,489
OPERATING LOSS		(1,509,766)	(3,042,215)
OTHER INCOME (CHARGES)			
Interest income		24,120	15,824
Gain on foreign exchange - Net	2c	1,278,362	11,018,315
Interest expenses		(1,951,568)	(2,443,453)
Other (Charges) Income - Net		(649,086)	8,590,686
(LOSS) PROFIT BEFORE INCOME TAX		(2,158,852)	5,548,471
INCOME TAX EXPENSE			
Deferred tax	2h,11d	207,315	(2,055,665)
NET (LOSS) PROFIT FOR THE YEAR		(1,951,537)	3,492,806

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of the Financial Statements taken as a whole

PT PRICOL SURYA
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CAPITAL DEFICIENCY)
YEARS ENDED 31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

	Share capital	Different of exchange rate	Deficits	Total shareholders' equity (capital deficiency)
Balance as of 31 March 2009	15,165,000	(412,500)	(16,923,069)	(2,170,569)
Net profit for the year	-	-	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	-	-	(1,951,537)	(1,951,537)
Balance as of 31 March 2011	15,165,000	(412,500)	(15,381,800)	(629,300)
	(Note 14)		(Note 20)	(Note 20)

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of the Financial Statements taken as a whole

PT PRICOL SURYA
STATEMENTS OF CASH FLOWS
YEARS ENDED 31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) profit for the year	(1,951,537)	3,492,806
Add (deduct) items not affecting operating cash follows:		
Depreciation of property, plant and equipments	2,763,581	2,257,299
Interest expense	1,951,568	2,443,453
Employee benefit	219,736	145,716
Amortization	-	233,416
Unrealised loss (gain) on foreign exchange	-	(13,618,062)
Interest income	(24,120)	(15,824)
Deferred tax (income) expense	(207,315)	2,055,665
Profit from operation before change working capital	2,751,913	(3,005,531)
Change in working capital:		
Trade receivables	(21,361,529)	(1,037,557)
Other receivables	42,432	(29,763)
Inventories	(7,568,862)	(6,047,112)
Prepaid expenses	(678,713)	79,220
Prepaid taxes	(1,630,049)	(1,291,763)
Security deposit	3,147	5,000
Estimated claim for tax refund	(822,390)	-
Trade payables	40,345,636	8,345,004
Other payables	9,055,888	3,587,546
Accrued expenses	(228,731)	(11,355)
Taxes payable	65,353	(26,764)
Payments for corporate income tax	-	(1,767)
Tax refund	-	204,132
Net cash flows provided by operating activities	19,974,095	769,290
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipments acquisition	(6,643,617)	(2,979,102)
Construction in progress	-	2,736,266
Net cash flows used in investing activities	(6,643,617)	(242,836)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Bank loan	(8,256,749)	-
Interest receipt	24,120	15,824
Interest paid	(1,951,568)	(2,443,453)
Net cash flows used in financing activities	(10,184,197)	(2,427,629)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	3,146,281	(1,901,175)
CASH ON HAND AND IN BANKS AT BEGINNING OF THE YEAR	1,006,379	2,907,554
CASH ON HAND AND IN BANKS AT THE END OF YEAR	4,152,660	1,006,379

See accompanying Notes to Financial Statements on Exhibit E
which are an integral part of the Financial Statements taken as a whole

PT PRICOL SURYA
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand 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 dated 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 No. 40 Year 2007 about the Limited Company was done by upper change in the Company's Statues with the Notary's Tafieldi Nevawan, S.H, No. 32 on 22 May 2008 and was ratified by the Minister of Law and Human Rights based on its Decree No. AHU-35251.AH.01.02 Tahun 2008 dated 23 June 2008 and the published in the State Gazette is still in 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, S.H., No. 56 dated 17 December 2010, concerning changes the Company's Board of 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 is still 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	: Magge Ramanathan Anil Kumar	Mr. Niranjan Rudraswamy
Director	: Mr. Krishnan Kutty Udhaya Kumar	Mr. Krishnan Kutty Udhaya Kumar
	: Venkatraman Ramakrishnan	-

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

PT PRICOL SURYA
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2011
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that were applied consistently in the preparation of the financial statements for the years 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 statements have been prepared in Rupiah currency and in accordance with generally accepted accounting principles 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.

b. Financial Assets and Lialibilities

(1) Financial Assets

The Company's financial assets consists of cash on hand and in banks, 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 Lialibilities

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Assets and Lialibilities (Continued)

(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 flows 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.

(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.

PT PRICOL SURYA
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31 MARCH 2011
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Assets and Lialibilities (Continued)

(5) Impairment of Financial Assets (Continued)

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 assets 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 sheets 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

PT PRICOL SURYA
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 moth in which the assets are placed into service. The estimated useful lives of the assets are as follows:

	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, plant and equipment.

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

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NOTES TO FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Property, Plant and Equipment (Continued)

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

i. **Post-Employment Benefits**

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 benefits 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 benefits obligation was calculated using Projected Unit - Credit 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

j. **Revenue and Expenses 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.

k. **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 incured in impairment of asset value should be recognized in the income statements.

l. **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.

PT PRICOL SURYA
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2011
(With Comparative Figures on 31 March 2010)
(Expressed in Thousand Rupiah, unless otherwise stated)

3. CASH ON HAND AND IN BANKS

	2011	2010
Cash on hand		
Rupiah	4,792	244
United State Dollar	31,405	19,743
	36,197	19,987
Cash in banks		
Rupiah		
PT Bank International Indonesia Tbk	998,857	762,739
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	147,415	2,582
PT Bank SBI Indonesia (formerly PT Bank IndoMonex)	562	1,074
	1,146,834	766,395
United State Dollar		
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	2,950,408	214,750
PT Bank SBI Indonesia (formerly PT Bank IndoMonex)	18,459	-
PT Bank International Indonesia Tbk	762	5,247
	2,969,629	219,997
Total Cash on Hand and in Banks	4,152,660	1,006,379

4. TRADE RECEIVABLES

a. By Debtor

	2011	2010
Third parties		
Denso Corporation	10,136,781	-
PT Denso Sales Indonesia	4,952,933	748,394
PT Suzuki Indomobil Indonesia	2,997,499	-
PT Yamaha Indonesia Motor, Mfg	2,407,711	2,824
PT Kawasaki Motor Indonesia	998,848	229,472
Tata Motor Thailand, Ltd	840,224	401,849
Denso International (Thailand) Co, Ltd	447,634	861,659
Chiranjivee Products	412,598	-
Vietnam Suzuki Corporation	293,602	-
Suzuki Philippines, Inc	210,678	-
PT Zephyr Indonesia	64,877	67,902
Qtech Hong Kong Limited	5,361	-
PT Megah Nusantara Perkasa	2,944	1,130
PTJ-Tech Manufacturing of Indonesia	-	37,897
PT Preshion Engplas	-	53,836
PT Darmawan Metal Mekanikal	-	5,198
Total	23,771,690	2,410,161
Allowance for impairment losses	-	-
Net	23,771,690	2,410,161

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4. TRADE RECEIVABLES (Continued)

b. By Currency

	2011	2010
Rupiah	11,356,991	1,077,621
United State Dollar	11,967,065	795,402
Thailand Bath	447,634	537,138
Total	23,771,690	2,410,161

Mutation of allowance for impairment losses:

	2011	2010
Beginning balance	581,001	-
Allowance in current year	-	-
Write-off in current year	(581,001)	-
Ending balance	-	-

Based on management's evaluation in determining whether the balance of trade receivables are impaired at 31 March 2011, both individually or collectively, management believes that the allowance for impairment losses is sufficient to cover possible losses from uncollectible receivables.

Based on management's evaluation of trade receivables as of 31 March 2010, they believe that the allowance for doubtful account is sufficient to cover possible losses from uncollectible receivables.

5. INVENTORIES

	2011	2010
Raw materials	16,750,976	9,558,367
Finished goods	1,212,809	836,556
Total	17,963,785	10,394,923

At 31 March 2011 and 2010 inventories were insured with PT Asuransi Allianz Utama Indonesia all risks of physical loss and damages and earthquake risk for total coverage of USD 627,500.

All the above inventories are used as collateral for bank loans (Note 12).

6. PREPAID EXPENSES

	2011	2010
Coil Winding	669,794	-
Interest	76,771	132,927
Freight	53,912	-
Rent	14,998	3,835
Total	815,475	136,762

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7. PROPERTY, PLANT AND EQUIPMENTS

2 0 1 1	Opening balance	Additions	Disposals/ reclass	Ending balance
Acquisition cost				
Direct ownership				
L a n d	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	116,936	-	2,463,517
Factory equipments	2,804,504	3,690,390	178,964	6,673,858
	39,810,778	6,642,026	178,964	46,631,768
Construction in progress	1,232,472	1,591	(178,964)	1,055,099
	41,043,250	6,643,617	-	47,686,867
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
	6,602,327	2,763,581	-	9,365,908
Carrying amount	34,440,923			38,320,959

2 0 1 0	Opening balance	Additions	Disposals/ reclass	Ending balance
Acquisition cost				
Direct ownership				
L a n d	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
	36,831,676	2,979,102	-	39,810,778
Construction in progress	3,968,738	-	2,736,266	1,232,472
	40,800,414	2,979,102	2,736,266	41,043,250
Accumulated depreciation				
Direct ownership				
Building	2,212,204	867,060	-	3,079,264
Machinery	496,719	382,772	-	879,491
Office equipments	1,210,613	584,777	-	1,795,390
Factory equipments	425,492	422,690	-	848,182
	4,345,028	2,257,299	-	6,602,327
Carrying amount	36,455,386			34,440,923

At 31 March 2011 and 2010, property, plant and equipment were insured with PT Asuransi Allianz Utama Indonesia all risks of physical loss and damages and earthquake risk for total coverage of USD 3,424,269.

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7. PROPERTIES, PLANT AND EQUIPMENTS (Continued)

Directly acquired plant building and machineries are used as collateral for bank loans (Note 12).

		2011	2010
Depreciation charges to operation is allocated as follows:			
Cost of goods sold	(Note 16)	1,715,835	812,336
Operating and administration expenses	(Note 17)	1,047,746	1,444,963
Total		2,763,581	2,257,299

The management believes that there are no events or changes in circumstances that may raise indications of impairment in the property, plant and equipments value. Accordingly, the Company did not provide any allowance for decline in value of property, plant and equipments of direct acquisitions in 31 March 2011 and 2010.

8. TRADE PAYABLES

a. By Debtor

		2011	2010
Third parties			
PT Dharma Electrindo Manufacturing		6,588,230	132,611
PT Honoris Industry		3,359,298	-
PT Preshion Engplas		2,666,313	276,295
Megah Nusantara Perkasa		1,878,365	-
PT Banshu Electric Indonesia		1,401,427	-
PT NYK New Wave Logistic Indonesia		971,468	213,930
PT Saga Tekindo Sejati		704,558	-
Toshiba Consumer Marketing Singapore		654,481	-
PT Tas Puninar Express Indonesia		641,956	-
PT SBP Indonesia		609,822	-
PT Aneka Star		550,000	-
PT Leoco Indonesia		513,113	-
Shinko Asia (Malaysia) Sdn Bhd		431,966	-
Cipsa Tec India Pvt Ltd		378,695	-
PT Prima Sumber Kemasan		356,190	-
PT Yeong Shin Indonesia		353,045	-
Sangjin Co., Ltd		328,852	-
PT Indonesia G-Shank		303,795	-
CV Mandiri Karya		300,732	-
Marui Sum (Thailand) Co., Ltd		287,397	-
Sumitomo Electric Wintec Indonesia		283,730	-
Press Comp International P Ltd		252,896	-
PT Alpha Integrated		239,544	-
Logistic Indoraya		232,660	-
PT Adyawinsa Dinamika Karawang		227,707	-
Juken Uniproducts Pvt Ltd		201,533	-
PT Zephyr Indonesia		63,644	243,049
PT J-Tech Manufacturing of Indonesia		-	232,268
Others (Balance below Rp 200,000)		2,484,171	1,324,741
		27,265,588	2,422,894
Related party			
Pricol, Ltd	(Note 18)	27,523,501	12,020,559
Total		54,789,089	14,443,453

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8. TRADE PAYABLES (Continued)

b. By Currency

	2011	2010
Indian Rupee	26,585,428	9,345,626
Rupiah	22,142,926	1,882,848
United State Dollar	6,048,252	3,214,979
Singapore Dollar	12,120	-
Japan Yen	363	-
Total	54,789,089	14,443,453

9. OTHER PAYABLES

a. By Debtor

		2011	2010
Third parties			
PT Fuji Bijak Prestasi		893,773	-
Catering		233,646	-
CV Parahyangan Express		177,352	-
Alam Jaya Rent Car		114,029	-
Syarief Basir & Rekan		80,000	-
P L N		62,041	-
PT Harapan Anang Bakri and Sons		56,775	126,117
CV Trijaya		48,752	-
Jamsostek		40,916	-
PT Telkom		28,092	-
PT Bravo Satria Perkasa		26,605	-
PT Cipta Usaha		-	21,600
Others		62,450	66,066
Related party	(Note 18)		
Pricol, Ltd		10,977,303	3,532,063
Total		12,801,734	3,745,846

b. By Currency

	2011	2010
United State Dollar	11,039,842	3,532,063
Rupiah	1,761,892	213,783
Total	12,801,734	3,745,846

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10. ACCRUED EXPENSES

	2011	2010
Travelling expenses	113,288	-
Interest	83,120	145,639
Internet	25,767	14,000
Consultant fees	14,700	-
Freight	10,761	-
Salary	7,810	102,548
Entertain	3,665	-
Professional fees	2,945	28,000
Medical	340	-
T H R	-	130,315
Rental	-	20,196
Water and electricity	-	15,152
Catering	-	11,947
Labour insurance	-	10,882
Communication	-	10,274
Office stationary	-	2,174
Total	262,396	491,127

11. TAXATION

a. Prepaid Taxes

	2011	2010
Value Added Tax-Input	4,140,370	1,719,769
Income Tax Article 22	-	762,552
Fiscal foreign	-	28,000
Total	4,140,370	2,510,321

b. Taxes Payable

	2011	2010
Income Tax Article 21	25,767	19,718
Income Tax Article 23	12,094	1,245
Income Tax Article 26	89,179	40,724
Total	127,040	61,687

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11. TAXATION (Continued)

c. Corporate Income Tax Calculation

Reconciliation between (loss) profit before corporate income tax as shown in the statements of income and the Company's estimated taxable profit for the year ended 31 March 2011 and 2010 was as follows:

	2011	2010
(Loss) profit before corporate income tax	(2,158,852)	5,548,471
Permanent differences:		
Non-deductible expenses:		
Employee cost	768,319	385,630
Communication expenses	15,462	13,310
Repair and maintenance	26,284	8,811
Travelling and transportation	51,865	48,359
Rates, taxes and license	444,418	13,252
Miscellaneous expenses	217,841	47,147
Bank charges	4,041	3,063
Interest income	(24,120)	(15,824)
Professional charge	-	21,275
Income subject to final tax in nature:		
Rental	79,300	14,583
	1,583,410	539,606
Temporary differences:		
Depreciation property, plant and equipments	(55,404)	(20,517)
Employee benefit expenses	219,736	257,552
	164,332	237,035
Estimated taxable (loss) gain	(411,110)	6,325,112
Compensation taxable losses can be utilized to compensate taxable profit:		
- 2006	-	(3,018,640)
- 2007	-	(3,306,472)
	-	(6,325,112)
Estimated taxable loss (gain) after compensation taxable losses	-	-
Estimated income tax	-	-
Tax credit:		
Income Tax Article 22	822,390	-
Estimated claim for tax refund	822,390	-

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11. TAXATION (Continued)

c. Corporate Income Tax Calculation (Continued)

The Company have tax loss carry forward are as follows:

	2011	2010
- 2007	(1,166,805)	(1,166,805)
- 2008	(10,875,500)	(10,875,500)
- 2010	(411,110)	-
	(12,453,415)	(12,042,305)

d. Deferred Tax

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

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

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

2011	Beginning deferred tax asset (liabilities)	Income (expenses)	Adjustment	Ending deferred tax asset (liabilities)
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
	3,291,632	171,563	35,752	3,498,947

2010	Beginning deferred tax asset (liabilities)	Income	Expenses	Ending deferred tax asset (liabilities)
Fiscal loss	5,354,144	-	(1,958,963)	3,395,181
Depreciation	(71,894)	-	(133,132)	(205,026)
Employee benefit	65,047	36,430	-	101,477
	5,347,297	36,430	(2,092,095)	3,291,632

Under the Taxation Laws of Indonesia, the Company submits tax returns on a self assessment basis. The tax authorities may assess or amend the amount of tax payables within ten (10) years from the due date of the tax liability. Amendments to the Company's taxation obligations were recorded when an assessment was received or, if appealed against were recorded when the result of the appeal was determined.

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

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12. BANK LOAN

	2011	2010
ICICI Bank, Singapore Branch	16,873,688	24,724,437
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	8,709,000	9,115,000
	25,582,688	33,839,437
Long - term bank loan of current maturities		
ICICI Bank, Singapore Branch	(6,749,475)	-
PT ANZ Panin Bank (formerly The Royal Bank of Scotland)	(8,709,000)	(9,115,000)
	(15,458,475)	(9,115,000)
Long-term bank loan, net of non current maturities		
ICICI Bank, Singapore Branch	10,124,213	24,724,437

The Company obtained term loan facility from ICICI Bank, Singapore Branch, with credit limit of USD 1,937,500 for term loan and working capital loan facility from PT ANZ Panin Bank (formerly The Royal Bank of Scotland) with credit limit of USD 1,000,000 for working capital loan. The working capital bears interest rate at 1.30% plus 3 month LIBOR and the term loan bears interest rate at 5%.

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

The term loan will be due in 13 June 2013 and the working capital will be due in 1 June 2011, respectively.

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

13. ESTIMATED LIABILITIES ON EMPLOYEE BENEFITS

	2011	2010
Funded status		
Present value of net obligation	550,989	326,172
Unrecognized pass service cost non vested plan amendment	(25,877)	-
Unrecognized actuarial adjustment	64,666	43,870
Obligation at 31 March	589,778	370,042
Obligation at 1 April	370,042	224,326
Expense recognized during the year	251,497	145,716
Actual benefit payment	(31,761)	-
Obligation at 31 March	589,778	370,042

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13. ESTIMATED LIABILITIES ON EMPLOYEE BENEFITS (Continued)

	2011	2010
Current service cost	222,866	122,164
Interest cost	29,441	23,563
Recognized actuarial (gains) or losses	(810)	(11)
	251,497	145,716

An actuarial assessment of the employee liabilities as of 31 March 2011 and 2010 was conducted by actuary from PT RAS Actuarial Consulting with the following assumptions:

	2011	2010
Discount rate	9%	10%
Annual salary increase	10%	10%
Retirement age	55	55
Employee	56	22

As of 31 March 2011 and 2010, the Company accrued for retirement employee benefit as required by SFAS No. 24. The allowance is prepared to cover post-employment benefit for pension, resignation, disability and dead as required in Labor Law No. 13 in 2003. Management believes that the allowance enough to cover the liability in the future. Calculation of the allowance was conducted by actuarist.

14. SHARE CAPITAL

Based on deed No. 3 dated 1 December 2005 of DR. A Partomuan Pohan, S.H., the Company's authorized capital amounting to Rp 15,165,000, divided into 1.500 shares with a nominal value of Rp 10,110 (full amount) per share. All shares were issued and fully paid up.

The Company's shareholders and their respective shareholdings as of 31 March 2011 and 2010 were as follows:

Shareholders	Number of shares	USD	IDR	Percentage of ownership
Pricol, Ltd	1,499	1,499,000	15,154,890	99.93%
Pricol Holdings, Ltd	1	1,000	10,110	0.07%
Total	1,500	1,500,000	15,165,000	100.00%

Foreign exchange rate on paid in capital amounting to Rp 412.500 represented the difference between the actual foreign exchange rate used at the date of receipt of the paid in capital and the exchange rate stated in the Company's Articles of Association.

15. SALES

	2011	2010
Domestic	33,246,342	12,532,194
Export	30,228,929	7,936,268
Total Sales	63,475,271	20,468,462

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16. COST OF GOODS SOLD

		2011	2010
Raw material and components			
Beginning		9,558,367	3,931,615
Purchase		54,960,420	20,368,387
Ending		(16,750,976)	(9,558,367)
Raw material used		47,767,811	14,741,635
Direct labor		3,988,708	1,688,547
Factory overhead		2,744,270	1,165,365
Production cost		54,500,789	17,595,547
Finished goods			
Beginning		836,556	416,197
Ending		(1,212,809)	(836,556)
Total Cost of Goods Sold		54,124,536	17,175,188
The detail of factory overhead are as follows:			
Depreciation	(Note 7)	1,715,835	812,336
Water and electricity		407,074	220,736
Repair and maintenance		555,241	107,209
Consumable tools		66,120	25,084
Total Factory Overhead		2,744,270	1,165,365

17. GENERAL AND ADMINISTRATIVE EXPENSES

		2011	2010
Employee cost		4,929,314	2,849,297
Freight and forwarding		1,156,074	365,798
Travelling and transportation		1,084,638	389,769
Depreciation	(Note 7)	1,047,746	1,444,963
Professional charge		885,904	79,275
Rates, taxes and licence		556,871	78,746
Communication expenses		305,476	302,936
Repair and maintenance		300,205	313,725
Printing and stationery		114,470	71,574
Entertainment, advertisement and publicity		91,768	3,797
Rental		79,300	14,583
Insurance		53,368	84,811
Bank charge		37,526	55,653
Amortization		-	233,416
Miscellaneous expenses		217,841	47,146
Total General and Administrative Expenses		10,860,501	6,335,489

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18. NATURE AND TRANSACTION WITH RELATED PARTIES

Nature of related parties consist was as follow:

Company	Nature of related parties
Pricol, Ltd.	Shareholder

The Company have purchased raw materials and components from Pricol, Ltd amounting to Rp 25,922,036 and Rp 11,620,377 for the year ended 31 March 2011 and 2010, respectively. Total trade payables to Pricol, Ltd were amounting to Rp 27,523,501 and Rp 12,020,559 on 31 March 2011 and 2010, respectively. Total other payables to Pricol, Ltd were amounting to Rp 10,977,303 and Rp 3,532,063 on 31 March 2011 and 2010, respectively.

The trade payables and other payables, the Company has not entered into an agreement in writing and not be charged interest on the debt.

Based on a statement made by Management, dated 9 May 2011, that the Company will make payment due to shareholder in 2012.

19. ASSETS AND LIABILITIES IN FOREIGN CURRENCY

Assets and liabilities in foreign currency as of 31 March 2011 are as follows:

31 March 2011	Foreign currency					Rupiah
	(USD)	(THB)	(JPY)	(SGD)	(INR)	(000)
Assets						
Cash on hand and in banks	344,589.87	-	-	-	-	3,001,034
Trade receivables	1,374,103.26	1,558,153.64	-	-	-	12,414,699
Total	1,718,693.13	1,558,153.64	-	-	-	15,415,733
Liabilities						
Trade payables	694,483.00	-	3,450	1,755	136,297,994	32,646,163
Other payables	1,267,636.05	-	-	-	-	11,039,842
Bank loan	2,937,500.00	-	-	-	-	25,582,688
Total	4,899,619.05	-	3,450	1,755	136,297,994	69,268,693

If the net assets denominated in foreign currency as of 31 March 2011, were presented using Bank Indonesia's middle rates of exchange on 19 May 2011, the date of the independent auditors' report date (Rp 8,544 to USD 1, Rp 282.63 to THB 1, Rp 104.76 to JPY 1, Rp 6,902.31 to SGD 1, Rp 189.86 to INR 1) the net liabilities would decrease by Rp 1,225,812.

20. GOING CONCERN

The 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 of 31 March 2011, the Company has suffered accumulated loss and capital deficiency amounted to Rp 15,381,800 and Rp 629,300. Further, the Company has received confirmation from the majority shareholders that they will continuously provide the financial needs, operational and management support for the Company.

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20. GOING CONCERN (Continued)

In response to the Company's ability to continue as a going concern, the Company will perform the following action:
1. Company efficiency;
2. Improve the marketing program
3. Cost Reduction program

21. FIRST TIME ADOPTION OF SFAS NO. 50 (REVISED 2006) AND SFAS NO. 55 (REVISED 2006)

The financial statements as of and for the year ended 31 December 2010 are the first the financial statements of the Company which adopted SFAS No. 50 (revised 2006) and SFAS No. 55 (revised 2006).

In adopting the new standards above, the Company has indentified the transition adjustments in accordance with Technical Bulletin No. 4 of the transitional provisions for the initial adoption of SFAS No. 50 (revised 2006) and SFAS No. 55 (revised 2006) issued by the Indonesian Institute of Accountants.

However there was no significant impact from adjustments made in connection with the initial adoption of this SFAS.

22. FINANCIAL RISK MANAGEMENT

Considering that good risk management practice implementation could better support the performance of the company, hence the risk management would always be an important supporting element for the Company in running its business. The target and main purpose of the implementation of risk management practices in the Company is to maintain and protect the Company through managing the risk of losses, which might arise from its various activities as well as maintaining risk level in order to match with the direction already established by the management of the Company.

The Company has exposure to the following risks from financial instruments, such as: credit risk, market risk and liquidity risk.

a. **Credit Risk**

Credit risk is the risk of suffering financial loss, should any of the Company's customers fail to fulfil their contractual obligations to the Company. Credit risk is primarily attributable to its cash and cash equivalents, trade and other receivables. The Company places its cash and cash equivalents with reputable financial institutions, while trade and other receivables are entered with mostly done by cooperating with business partners who have a good reputation and trough engagement or contract to mitigate the credit risk.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment losses, represents the Company's exposure to credit risk.

The Company's customer is dominated by Denso Group, which represents 90% of the Company's total revenue for the year ended 31 March 2011. Management believes that the credit risk is limited as the management has not experienced credit loss from such customers.

The table below illustrates the maximum exposure to credit risk and concentration risk by the Company:

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22. FINANCIAL RISK MANAGEMENT (Continued)

a. Credit Risk (Continued)

	Credit risk concentration		Maximum
	Corporate	Others	exposure
Trade receivables	23,771,690	-	23,771,690
Other receivables	2,429	-	2,429
	23,774,119	-	23,774,119

b. Market Risk

Market risks is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate, currency and price. Market risk attributable to the Company is currency risk, since the Company entered into transactions in foreign currencies and has financial assets and liabilities denominated in foreign currencies.

The risk management applied by the Company in relation to the market risk is through selling to EOM.

The table below shows details of maturity of financial assets and liabilities based on foreign currency:

	Foreign currencies	Rupiah equivalent (000)	Due date 2012 (000)	2013 (000)	> 2014 (000)	Fair value (000)
Assets						
Cash on hand and in banks						
USD	344,589.87	3,001,034	3,001,034	-	-	3,001,034
Trade receivables						
USD	1,374,103.26	11,967,065	11,967,065	-	-	11,967,065
THB	1,558,153.64	447,634	447,634	-	-	447,634
Liabilities						
Trade payables						
USD	694,483	6,048,252	6,048,252	-	-	6,048,252
JPY	3,450	363	363	-	-	363
SGD	1,755	12,120	12,120	-	-	12,120
INR	136,297,994	26,585,428	26,585,428	-	-	26,585,428
Other payables						
USD	1,267,636.05	11,039,842	11,039,842	-	-	11,039,842
Bank loan						
USD	2,937,500	25,582,688	15,458,475	6,749,475	3,374,738	25,582,688

c. Liquidity Risk

Liquidity risk is the risk of suffering loss from the gap between receipt and expenditures that may decrease the Company's ability to meet its obligations as they fall due.

The risk management applied by the Company in relation to the liquidity risk is through working capital requirement due to huge project coming.

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23. NEW ACCOUNTING STANDART

SFAS No. 1 (Revised 2009) - **"Presentation of Financial Statements"**, prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.

SFAS No. 2 (Revised 2009) - **"Statement of Cash Flows"**, requires the provision of information about the historical changes in cash and cash equivalents by means of a statements of cash flows which classifies cash flows during the period from operating, investing and financing activities.

SFAS No. 3 (Revised 2010) - "Interim Financial Statements", prescribes the minimum content of an interim financial report and the principles for recognition and measurement in complete or condensed financial statements for an interim financial report.

SFAS No. 4 (Revised 2009) - "Consolidated and Separate Financial Statements", shall be applied in the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent and in accounting for investments in subsidiaries, jointly controlled entities and associates when separate financial statements are presented as additional information.

SFAS No. 5 (Revised 2009) - "Operating Segments", segment information is disclosed to enable users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates.

SFAS No. 7 (Revised 2010) - "Related Party Disclosures", to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and out-standing balances with such parties.

SFAS No. 8 (Revised 2010) - "Events after The Reporting Period", this standard is to prescribe: (a) when an entity should adjust its financial statements for event after the reporting period and (b) the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period. This standards also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate.

SFAS No. 12 (Revised 2009) - "Interests in Joint Ventures", shall be applied in accounting for interests in joint venture and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of ventures and investors, regardless of the structures of forms under which the joint venture activates take place.

SFAS No. 15 (Revised 2009) - "Investments in Associates", shall be applied in accounting for investments in associates. Supersedes **SFAS No. 15 (1994) "Accounting for Investments in Associates"** and **SFAS No. 40 (1997) "Accounting for Changes in Equity of Subsidiaries/ Associates"**.

SFAS No. 19 (Revised 2010) - "Intangible Assets", requires an entity to recognize an intangible asset when specified criteria are met. The standard also outlines ways to measure the carrying amount of intangible assets and requires disclosures relating to intangible assets.

SFAS No. 22 (Revised 2010) - "Business Combinations", the standard applies to a transaction or other event that meets the definition of a business combination. It is essential to determine whether a transaction is a business combination or a transaction to acquire a group of assets.

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23. NEW ACCOUNTING STANDART (Continued)

SFAS No. 23 (Revised 2010) - "Revenue", revenue arises from an entity's ordinary course of activities.

SFAS No. 25 (Revised 2009) - "Accounting Policies, Changes in Accounting Estimates and Errors", prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors.

SFAS No. 48 (Revised 2009) - "Impairment of Assets", prescribes the procedures applied to ensure that assets are carried at no more than their recoverable amount and if the assets are impaired, an impairment loss should be recognized.

SFAS No. 57 (Revised 2009) - "Provisions, Contingent Liabilities and Contingent Assets", aims to provide that appropriate recognition criteria and measurement basses are applied to provisions, contingent liabilities and contingent assets and to ensure that sufficient information is disclosed in the notes to enable users to understand the nature, timing and amount related to the information.

SFAS No. 58 (Revised 2009), "Non-Current Assets, Held for Sale and Discontinued Operations", aims to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations.

IFAS No. 7 (Revised 2009) - "Consolidation-Special Purpose Entities (SPE)", provides for the consolidation of SPEs when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity.

IFAS No. 9 - "Changes in Existing Decommissioning, Restoration and Similar Liabilities", applies to changes in the measurement of any existing decommissioning, restoration or similar liability recognized as part of the cost of an item of property, plant and equipment in accordance with SFAS No. 16 and as a liability in accordance with SFAS No. 57.

IFAS No. 10 - "Customer Loyalty Programmes", applies to customer loyalty award credits granted to customers as part of a sales transaction, and subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services.

IFAS No. 11 - "Distributions of Non-Cash Assets to Owners", applies to types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners, i.ee, distributions of non-cash assets and distributions that give owners a choice of receiving either non-cash assets or a cash alternative.

IFAS No. 12 - "Jointly Controlled Entities (JCE): Non-Monetary Contributions by Ventures", deals with the venture's accounting for non-monetary contributions to a JCE in exchange for an equity interest in the JCE accounted for using either the equity method or proportionate consolidation.

IFAS No. 14 - "Intangible Assets - Web Site Costs", the entity could perform internal expenditure on the development and operation of its website for the internal and external access.

Effective on or after 1 January 2012:

SFAS No. 10 - "The Effects of Changes in Foreign Exchanges Rate", prescribes how to include foreign currency transactions and foreign operations in the financial statements of an entity and translate financial statements into a presentation currency.

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23. NEW ACCOUNTING STANDART (Continued)

IFAS No. 13 - "Hedges of a Net Investment in a Foreign Operation", applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with **SFAS No. 55 (Revised 2006)**. Refers to the parent entity and to the financial statements in which the net assets of foreign operations are included as consolidated financial statements.

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

24. PREPARATION OF THE FINANCIAL STATEMENTS

The Company's management was responsible for the presentation and disclosures of the financial statements for the year ended 31 March 2011 which have completed on 19 May 2011.