

**PT MINDA ASEAN AUTOMOTIVE
AND SUBSIDIARY**

**Consolidated Financial Statements
For The Year Ended March 31, 2017 and
for 3 (Three) Months Period Ended March 31, 2016**

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARY

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**BOARD OF DIRECTORS' STATEMENT REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017
PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARY**

We, the undersigned:

Name : LILA DHAR AGRAWAL
Office Address : Jl. Permata Raya Lot CA/7 Kawasan Industri KIIC, Sukaluyu
Teluk Jambe, Karawang 41361, West Java
Residential Address : Taman Kemayoran Condominium, Tower Cendana 20/05
Jakarta Pusat
Telephone : (0267) 419701, 419702
Title : Director

declare that:

1. We are responsible for the preparation and presentation of PT Minda Asean Automotive and subsidiary's consolidated financial statements;
2. PT Minda Asean Automotive and subsidiary's consolidated financial statements have been prepared and presented in accordance with Indonesia financial accounting standard;
3. a. All information in the PT Minda Asean Automotive and subsidiary's consolidated financial statements has been disclosed in a complete and truthful manner;
b. PT Minda Asean Automotive and subsidiary's consolidated financial statements do not contain any incorrect information or material fact, nor do they omit information or material fact;
4. We are responsible for PT Minda Asean Automotive and subsidiary's internal control system.

Thus this statement is made truthfully.

Jakarta, April 28, 2017

For and behalf of the Board of Directors


LILA DHAR AGRAWAL
Director

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

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Number : R/470.AGA/bna.4/2017

Independent Auditors' Report

The Shareholders, Commissioner and Directors
PT Minda Asean Automotive

We have audited the accompanying consolidated financial statements of PT Minda Asean Automotive ("the Company") and its subsidiary, which comprise the consolidated statement of financial position as of March 31, 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statments

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risks assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

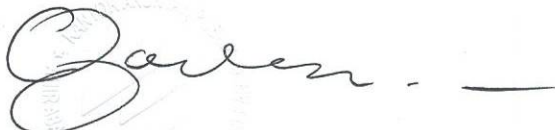
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Minda Asean Automotive and its subsidiary as of March 31, 2017, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Benny Andria

Public Accountant License Number: AP.0181

Jakarta, April 28, 2017

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2017 and 2016

(In Full of Rupiah)

	Notes	March 31, 2017 Rp	March 31, 2016 Rp
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	24,451,468,362	16,609,274,507
Trade Receivables :			
Related Parties	4	9,173,612,200	3,249,360,476
Third Parties	4	32,295,427,363	28,882,496,678
Inventories	5	11,410,850,977	12,718,328,802
Prepaid Tax	6	2,103,872,434	2,378,545,738
Prepaid Expenses	7	232,501,231	206,497,427
Advances	8	5,091,146,113	2,926,511,035
Other Receivables :			
Related Parties	9	30,225,261,985	30,217,830,832
Third Parties	9	2,633,800,234	1,223,446,263
Total Current Assets		117,617,940,899	98,412,291,758
NON-CURRENT ASSETS			
Deferred Tax Assets	6	1,564,601,432	991,229,831
Property, Plant and Equipment	10	52,045,962,466	58,651,238,552
Other Non-Current Assets	11	66,836,455	66,836,454
Total Non-Current Assets		53,677,400,353	59,709,304,837
TOTAL ASSETS		171,295,341,252	158,121,596,595
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-Term Bank Loans	12	--	4,447,567,356
Trade Payables			
Related Parties	13	5,977,124,974	8,387,789,480
Third Parties		36,100,092,550	24,048,792,665
Other Payables to Third Parties	14	80,609,901	131,737,482
Taxes Payable	6	3,432,913,008	2,729,668,545
Accrued Expenses	15	4,280,384,284	3,397,262,162
Current Maturities of Long-Term Bank Loans	16	--	6,414,628,512
Total Current Liabilities		49,871,124,717	49,557,446,202
NON-CURRENT LIABILITIES			
Long-Term Bank Loans - Net of Current Maturities	16	--	--
Post-Employment Benefits Liabilities	17	6,258,405,728	3,964,919,320
Total Non-Current Liabilities		6,258,405,728	3,964,919,320
Total Liabilities		56,129,530,445	53,522,365,522
EQUITY			
Share Capital - Rp91,680 Par Value per Share			
Authorized - 270,000 shares			
Issued and Paid-Up - 106,500 Shares			
as of March 31, 2017 and 2016, respectively	18	9,763,920,000	9,763,920,000
Foreign Exchange Rate Difference from Paid-Up Capital	18	1,160,985,000	1,160,985,000
Retained Earnings	19	104,182,744,667	93,613,872,663
Total Equity Attributable to Owners of the Parent Entity		115,107,649,667	104,538,777,663
Non-Controlling Interest		58,161,140	60,453,409
Total Equity		115,165,810,807	104,599,231,072
TOTAL LIABILITIES AND EQUITY		171,295,341,252	158,121,596,595

The accompanying notes form an integral part of these consolidated financial statements

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(In Full of Rupiah)

	Notes	2017 (1 Year) Rp	2016 (3 Months) Rp
Net Sales	20	292,958,477,219	68,312,307,709
Cost of Goods Sold	21	(224,349,564,418)	(50,594,395,877)
GROSS PROFIT		68,608,912,801	17,717,911,832
OPERATING EXPENSES			
General and Administrative Expenses	22	(42,006,902,464)	(11,487,260,458)
Selling Expenses	23	(1,921,848,047)	(373,300,020)
Total Operating Expenses		(43,928,750,511)	(11,860,560,478)
OPERATING INCOME		24,680,162,290	5,857,351,354
Other Income (Expenses) - Net	24	393,420,625	702,121,131
PROFIT BEFORE TAX		25,073,582,915	6,559,472,485
TAX BENEFITS (EXPENSES)			
Current Tax	6	(7,560,230,758)	(1,744,337,417)
Deferred Tax	6	415,307,470	77,522,241
Total Tax Expenses		(7,144,923,288)	(1,666,815,176)
PROFIT OF THE PERIOD/YEAR		17,928,659,627	4,892,657,309
OTHER COMPREHENSIVE INCOME			
Items not to be Reclassified to Profit or Loss :			
Actuarial Gain (Loss)		(632,256,522)	328,924,846
Deferred Tax Benefit (Expense)		158,064,130	(82,231,212)
Total Other Comprehensive Income - net of tax		(474,192,392)	246,693,634
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		17,454,467,235	5,139,350,942
PROFIT FOR THE PERIOD/YEAR ATTRIBUTABLE TO:			
Owners of the Parent Entity		17,930,931,511	4,889,435,503
Non Controlling Interest		(2,271,884)	3,221,806
TOTAL		17,928,659,627	4,892,657,309
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owner of the Parent Entity		17,456,759,504	5,136,110,136
Non-Controlling Interest		(2,292,269)	3,240,806
TOTAL		17,454,467,235	5,139,350,942

The accompanying notes form an integral part of these consolidated financial statements

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(In Full of Rupiah)

	Notes	Attributable to the Owner of the Parent Entity			Total Non Controlling Interest	Total Equity
		Share Capital	Exchange Rate Differences from Paid-Up Capital	Retained Earnings		
		Rp	Rp	Rp	Rp	Rp
BALANCE AS OF DECEMBER 31, 2015		9,763,920,000	1,160,985,000	88,477,762,526	57,212,603	99,459,880,129
Profit for the Period		--	--	4,889,435,503	3,221,806	4,892,657,309
Other Comprehensive Income for the Period		--	--	246,674,634	19,000	246,693,634
BALANCE AS OF MARCH 31, 2016		9,763,920,000	1,160,985,000	93,613,872,663	60,453,409	104,599,231,072
Cash Dividends	18	--	--	(6,887,887,500)	--	(6,887,887,500)
Profit for the Year		--	--	17,930,931,511	(2,271,884)	17,928,659,627
Other Comprehensive Income for the Year		--	--	(474,172,007)	(20,385)	(474,192,392)
BALANCE AS OF MARCH 31, 2017		9,763,920,000	1,160,985,000	104,182,744,667	58,161,140	115,165,810,807

The accompanying notes form an integral part of these
consolidated financial statements

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(In Full of Rupiah)

	Notes	2017 (1 Year) Rp	2016 (3 Months) Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Others		288,253,905,219	67,276,050,222
Paid to Suppliers, Employees, Others		(259,648,422,022)	(57,873,621,604)
Payment for Income Tax		(4,752,048,513)	(1,822,399,777)
Interest Paid for Bank Loans		(925,763,859)	(630,022,209)
Net Cash Flows Provided by Operating Activities		<u>22,927,670,825</u>	<u>6,950,006,632</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan to third Parties		--	(23,592,000,000)
Proceeds from Disposal of Property, Plant and Equipment		432,639,971	--
Purchase of Property, Plant and Equipment		(2,191,140,039)	(498,638,100)
Net Cash Flows Used in Investing Activities		<u>(1,758,500,068)</u>	<u>(24,090,638,100)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Received from Bank Loan		7,324,366,939	--
Payment of Bank Loan		(13,763,456,340)	(2,845,825,730)
Cash Dividend Paid	18	(6,887,887,500)	--
Net Cash Flows Used in Financing Activities		<u>(13,326,976,901)</u>	<u>(2,845,825,730)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		7,842,193,856	(19,986,457,198)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD		16,609,274,507	36,595,731,705
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD		<u>24,451,468,362</u>	<u>16,609,274,507</u>

The accompanying notes form an integral part of these consolidated financial statements

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

1. General

a. The Company Establishment

PT Minda Asean Automotive ("the Company") is a limited liability company established in Indonesia within the framework of the Foreign Capital Investment Law No.1 Year 1967 jo No.11 Year 1970. The approval of Foreign Capital Investment was stated in the approval letter of the Chairman of Capital Investment Coordinating Board No.510/I/PMA/2004 dated August 2, 2004. The Company's Article of Association was stated in the Notarial Deed of Haji Dana Sasmita, SH, No. 4 dated August 3, 2004, and approved by Ministry of Justice in its decision letter No. C-04131 HT.01.01.TH.2005 dated February 18, 2005. On July 27, 2007 the Company has got The Permanent Business License (IUT) based on Capital Investment Coordinating Board approval No.676/T/Industri/Perdagangan/2007.

The Article of Association has been amended several times, the latest amendment was by Notarial Deed No. 12 dated December 23, 2013 of Kokoh Henry, SH., MKn, in relation to the increase in the Company's issued and paid-up capital. The approval of Foreign Capital Investment was stated in the approval letter of the Chairman of Capital Investment Coordinating Board No.1971/1/IP-PB/PMA/2013 dated December 23, 2013. This amendment had been approved by Minister of Law and Human Rights through his decision letter No AHU-AH.01.10-56395 dated December 30, 2013.

In accordance with Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are to operate in Trade, Industry, and Services.

In order to achieve the purposes and objectives, the Company may carry out the following activities:

- i. To operate export-import trading and main distributor of trade goods such as automotive and engineering parts.
- ii. To produce, design, trade spare parts and accessories for all types of two-wheeled vehicles or four wheeled vehicles (including engineering goods parts).
- iii. To operate management consultancy services, consulting and advice on business development, design and technology and manufacture of automotive components and spare parts.

The Company is domiciled at Permata Raya Lot CA-7, Kawasan Industri KIIC, Karawang, Jawa Barat 41361. The Company started to operate commercially on February 18, 2005. Ultimate parent entity is Minda Industries Limited and Minda Investment Limited.

b. Board of Commissioner, Directors and Employees

The Company's Boards of Commissioner and Directors as of March 31, 2017 and 2016 are as follows:

	March 31, 2017	March 31, 2016
Commissioner	Ravi Mehra	Ravi Mehra
Directors:		
President Director	Vikaas Bajaj	Vikaas Bajaj
Director:	Pawan Agarwal	Pawan Agarwal
	Lila Dhar Agrawal	Lila Dhar Agrawal
	Poothampilil	Poothampilil
	Muralidharan Menon	Muralidharan Menon

As of March 31, 2017 and 2016 the Company has 177 and 167 employees, respectively (unaudited).

Details of salaries and benefits for the Directors for the year ended March 31, 2017 and for three months period March 31, 2016 amounting to Rp3,793,487,166 and Rp1,287,536,181, respectively.

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

c. The Structure of Subsidiaries

PT Minda Trading

The Company has direct ownership to PT Minda Trading ("subsidiary") a limited liability company, which has received an approval from Foreign Capital Investment through the approval letter of the Chairman of Capital Investment Coordinating Board No. 00490/1/PPM/PMA/2010 dated March 31, 2010.

The Subsidiary's Article of Association was stated in the Notarial Deed of Siti Rachmayanti, SH, No. 3 dated April 8, 2010, and approved by the Ministry of Justice and Human Right through its decision letter No. AHU-19215.AH01.01.TH.2010 dated April 15, 2010, with amended by article No. 35 dated October 18, 2012 and approved by Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-AH-01.10-02542 dated January 31, 2013 and amended article of association dated 8 April 2014 and approved by Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No. AHU-01576.40.22.2014 dated 10 April 2014. The latest amendment was made by notarial deed of Hesti Pudjiastuti, S.H, No.6. dated June 16, 2015 related to changes in the composition of Director. The amendment was approved by the Minister of law and Human Right of Republic Indonesia based on decision letter No. AHU-AH.01.03-0942302 dated June 17, 2015.

In accordance with Article 3 of the Subsidiary's Articles of Association, the purpose and objectives of the subsidiary is to operate in trade and services. In order to achieve the purpose and objectives, the Subsidiary carry out the following activities:

- i. Operate export-import trading and main distributor of trade goods such as automotive and engineering parts.
- ii. Operate management consultancy services, consulting and advice on business development.

As of March 31, 2017 and 2016, the Company's portion of ownership to the subsidiary is 99%, the other 1% is owned by Mr. Sanjay Jain.

2. Summary of Significant Accounting Policies

2.a. The Statements of Compliance

The consolidated financial statements of the Company for the years ended March 31, 2017 is prepared and presented in accordance with the Indonesian Financial Accounting Standards.

This consolidated financial statements is prepared for the purposes of change of financial year. Accordingly, the consolidated financial statements are presented with comparison for the year ended March 31, 2017 and for three months period ended March 31, 2016 (the fourth quarter of the year begin from January 1, 2016).

2.b. Basis Measurement and Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared and presented based on going concern assumption and accrual basis of accounting, except for the consolidated statements of cash flows. Basis of measurement in preparation of these consolidated financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in their respective policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statement are prepared using accrual basis of accounting, except for statement of cash flow. The statement of cash flows have been prepared by using direct method by classifying cash flows into operating, investing, and financing activities.

The reporting currency used in the preparation of financial statement is Indonesian Rupiah, which is the Company and its subsidiary's functional currency.

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

The following are new standards, amendments of standards and interpretation of standard issued by DSAK - IAI and effectively applied for the period starting on or after January 1, 2016, as follows:

New Standard

- PSAK No. 70: "Accounting for Tax Amnesty Asset and Liability"

Revised

- PSAK No. 110: "Accounting for Sukuk"

Amendments

- PSAK No. 4: "Separate Financial Statements" about Equity Method in Separate Financial Statements
- PSAK No. 15: "Investment in Associates and Joint Venture" about Investment Entity: Exception to Consolidation
- PSAK No. 16: "Fixed Assets" about Clarification of Acceptable Methods of Depreciation and Amortization
- PSAK No. 19: "Intangible Asset" about Clarification of Acceptable Methods of Depreciation and Amortization
- PSAK No. 24: "Employee Benefits" about Defined Benefit Plans: Employee Contributions
- PSAK No. 65: "Consolidated Financial Statements" about Investment Entity: Exception to Consolidation
- PSAK No. 66: "Joint Arrangements" about Accounting for Acquisitions of Interest in Joint Operation
- PSAK No. 67: "Disclosures of Interests in Other Entities" about Investment Entities: Exception to Consolidation
- ISAK No. 30: "Levies"

Adjustments

- PSAK No. 5: "Operating Segments"
- PSAK No. 7: "Related Party Disclosures"
- PSAK No. 13: "Investments Property"
- PSAK No. 16: "Fixed Assets"
- PSAK No. 19: "Intangible Assets"
- PSAK No. 22: "Business Combination"
- PSAK No. 25: "Accounting Policies, Changes in Accounting Estimates and Errors"
- PSAK No. 53: "Share-based Payments"
- PSAK No. 68: "Fair Value Measurement"
- PSAK No. 110: "Sukuk Accounting"

Amendments

- PSAK No. 4: "Separate Financial Statements" about Equity Method in Separate Financial Statements
- PSAK No. 15: "Investment in Associates and Joint Venture" about Investment Entities: Applying the Consolidation Exception
- PSAK No. 16: "Fixed Assets" about Clarification of Acceptable Methods of Depreciation and Amortization
- PSAK No. 19: "Intangible Asset" about Clarification of Acceptable Methods of Depreciation and Amortization
- PSAK No. 24: "Employee Benefits" about Defined Benefit Plans: Employee Contributions
- PSAK No. 65: "Consolidated Financial Statements" about Investment Entity: Applying the Consolidation Exception
- PSAK No. 66: "Joint Arrangements" about Accounting for Acquisitions of Interests in Joint Operations
- PSAK No. 67: "Disclosures of Interest in Other Entities" about Investment Entity: Exception the Consolidation

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

Adjustments

- PSAK No. 5 (Improvement 2015): "Operating Segment"
- PSAK No. 7 (Improvement 2015): "Related Party Disclosure"
- PSAK No. 13 (Improvement 2015): "Investment Property"
- PSAK No. 16 (Improvement 2015): "Property, Plant, and Equipment"
- PSAK No. 19 (Improvement 2015): "Intangible Assets"
- PSAK No. 22 (Improvement 2015): "Business Combination"
- PSAK No. 25 (Improvement 2015): "Accounting Policies, Changes in Accounting Estimates and Errors"
- PSAK No. 53 (Improvement 2015): "Share-based Payments"
- PSAK No. 68 (Improvement 2015): "Fair Value Measurement"

The following is the impact of the amendments in accounting standards that are relevant and significant to the consolidated financial statements of the Company:

- PSAK No. 7 (Adjustment 2015): "Related Party Disclosures"

PSAK No. 7 (Adjustment 2015) adds requirements of related parties that an entity is related to the reporting entity when the entity or a member of a group of which the entity is a member, provides key management personnel services to the reporting entity, or to the parent of the reporting entity.

PSAK No. 7 (Adjustment 2015) clarifies that reporting entity is not required to disclose compensation paid by the management entity to employees or directors of the management entity, and requires that reporting entity disclose the amounts paid to the management entity for key management personnel services that are provided by the management entity.

The Company had adopting this SFAS and had completed the requirement regarding the related parties information.

- PSAK No. 24 (Amendment 2015): "Employee Benefits" about Defined Benefit Plans: Employee Contributions

PSAK No. 24 (Amendment 2015) states that attribution of employee or third party contributions depends on whether the contributions are determined based on the year of service. If the contributions depend on the year of service, then they are attributed along the service period using the attribution method that is similar with requirement in paragraph 70 for gross benefit. If the contributions do not depend on the year of service, then they are recognized as deductions against service cost in the period when the service is provided by the employee.

The Company has completed the disclosures requirement as required under this standard.

2.c. Principles of Consolidation

The consolidated financial statements incorporate financial statements of the Parent Entity and Subsidiaries, direct and indirectly owned by the Parent Entity. Subsidiaries are fully consolidated from the date of effective control are achieved by the Parent Entity and will be no longer consolidated from the date of the Parent Entity has cease effective controls. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, except that, such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity when there is:

- a) power over more than half of the voting rights by virtue of an agreement with other investors;
- b) power to govern the financial and operating policies of the entity under a statute or an agreement;
- c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The consolidated financial statements are prepared using uniform basis, i.e.: similar accounting policy for similar transactions, events and circumstances. The policy has been applied consistently by Subsidiary, unless otherwise stated.

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

In preparing the consolidated financial statements, the financial statements of the Parent Company and Subsidiaries are combined on a line basis by adding together similar elements of assets, liabilities, equity, income and expenses. All material balances and transactions between the Parent Company and the Subsidiaries have been eliminated.

The account of "Non Controlling Interests in Subsidiaries" account represents interest of the minority shareholders in the Subsidiaries. Non controlling interest in net income (loss) of Subsidiaries in the consolidated statement of comprehensive income is presented as "Current Year Profit/Loss Attributable to Non Controlling Interest".

Losses of non-wholly owned subsidiary are attributed to the non controlling interest even if the non controlling interest results in deficit balance.

2.d. Foreign Currency Transactions and Balances

The Company maintains its accounting records in Rupiah. Transactions in currencies other than Rupiah are recorded at the end of previous month middle exchange rate quoted by Bank Indonesia.

At statements of financial position date, all monetary assets and liabilities in foreign currencies are translated into Rupiah by using middle rate of exchange published by Bank Indonesia at such date.

Exchange gains and losses arising from translations of foreign currency monetary assets and liabilities are recognized in the current year's statements of profit or loss and other comprehensive income.

Exchange rates used as of March 31, 2017 and 2016 to translate the major foreign currencies are as follows:

	March 31, 2017	March 31, 2016
	Rp	Rp
USD 1	13,321	13,276
EUR 1	14,228	15,030

2.e. Cash Equivalents

Cash equivalents consists of time deposits with maturity of less than or equal to 3 (three) months and are not pledged as collateral.

2.f. Financial Assets and Liabilities**Financial Assets**

Financial assets are classified into four categories, as follows: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity financial assets and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) 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 cost and subsequently measured at amortized cost using the effective interest rate method.

Loans and receivables include cash and cash equivalents, trade receivables, other receivables, and other assets.

Impairment of Financial Assets

Financial assets, other than those at Fair Value Through Profit and Loss (FVTPL), are assessed for indicators of impairment at each financial position's reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For quoted and unquoted equity investments classified as AFS, a significant or prolonged decline in the fair value of the equity investment below its cost is considered to be an objective evidence of impairment.

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

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Some objective evidence for impairment value are as follows:

- significant financial difficulty of the issuer or counterparty; or
- a breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial asset, such as receivables, the impairment value of assets are assessed individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as, and observable changes in the national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment is the difference between the assets's carrying amount and the present value of estimated future cash flows, discounted at the financial assets's original effective interest rate.

The carrying amount of the financial asset is directly reduced by the amount of impairment loss for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized the statement of income.

When an Available For Sale (AFS) financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to the statement of income in the current period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment on the date of the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity instrument, impairment losses previously recognized in the statement of income are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial Liabilities

Financial liabilities are classified into the category of (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

(i) Financial liabilities measured at amortized cost

Financial liabilities that are not classified as financial liabilities at fair value through profit or loss are categorized and measured at amortized cost.

Financial liabilities which categorized into financial liabilities measured at amortized cost are short term bank loan, trade payables to third parties, other payables to third parties, accrued expenses, and long term bank loan.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PSAK No. 60, "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 1) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- 2) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2), and
- 3) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price, while financial liabilities use ask price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and its net amount presented in the statement of financial position only if it has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis or to realize the assets and settle liabilities simultaneously.

Derecognition

Derecognition of a financial asset when the contractual rights to the cash flows from the financial asset expire or when the financial asset has been transferred and substantially all the risks and rewards of ownership have been transferred (if, substantially all the risks and rewards are not transferred, then the Company will conduct an evaluation to ensure ongoing involvement of the controls which are still not prevent derecognition).

Financial liabilities are derecognized when the liability specified in the contract is discharged or canceled or expire. If an existing financial liability is replaced by another liability 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 derecognition of original liabilities and the recognition of a new liability, and the difference between the carrying amount of each financial liabilities are recognized in the statement of comprehensive income.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and others paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

2.g. Related Party Transactions

Related parties is a person or entity that is related to the entity that is preparing its financial statement (reporting entity) that following criteria applies:

- a. A person or a close member of that persons 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.

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- b. An entity is related to the reporting entity if it meets one of the following:
- (i) The entity and reporting entity are the same The Company and subsidiary member (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 entity or joint venture of a member The Company and subsidiary of which the other entity is a member).
 - (iii) Both entities are joint venture of the same third party.
 - (iv) An 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.
 - (vi) An entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel.
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

All significant transactions and balances with related parties are disclosed in the relevant Notes.

2.h. Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost is based on the first in first out method and comprises all costs and purchase, cost of conversion and appropriate overheads incurred in bringing the inventories to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

2.i. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

2.j. Impairment of Non Financial Assets

The Company assess at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e., an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or Cash Generated Unit's (CGU) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or The Company and subsidiaries of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statements of profit or loss and other comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations, if any, are recognized in the statements of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset other than goodwill is reversed only if there has

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been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period.

Reversal of an impairment loss is recognized in the statements of profit or loss and other comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.k. Revenue and Expense Recognition

Revenue is recognized when products are delivered to customers. Expenses are recognized when they are incurred. Other income are recognized when earned.

2.l. Income Taxes

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases except those differences that are subject to final tax. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted as of the statement of financial position date. Deferred tax is charged or credited in the statement of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset in the consolidated statement of financial position, except deferred tax assets and liabilities of different entity in the same manner the current tax assets and liabilities are presented.

Deferred tax assets and liability are offset if, and only if (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.m. Employee Benefits Obligation**Short-term Employee Benefits**

Short-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 ("Law 13/2003").

The Company and subsidiary recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit method. Present value benefit obligation determine by discounting the benefit.

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The Company and subsidiary account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interests on the net defined benefit liability (asset) are recognized in profit and loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

2.n. Property, Plant and Equipment

The Company and subsidiary had chosen the cost model as the accounting policy for their property, plant and equipments measurement.

Property, plant and equipments are stated at cost less accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the property, plant and equipments when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipments as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statements of comprehensive income as incurred.

Depreciation of property, plant and equipments, except land, is computed using the straight-line method over the following estimated useful lives.

	Years
Buildings	20
Plant and Machineries	8
Office Equipments	8
Computers	4
Furniture and Fixtures	8
Dies and Tools	4
Vehicles	4

Land is stated at cost and not depreciated.

The cost of maintenance and repairs is charged as an expense as incurred. Expenditures which extend the useful life of an asset or provide further economic benefits by increasing the capacity or quality of production of the asset, are capitalized and depreciated based on the applicable depreciation rate.

An item of property, plant and equipments is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the period the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipments are reviewed and adjusted prospectively, if appropriate, at the end of each financial period.

The accumulated costs of the construction of buildings and plant and the installation of machinery are capitalized as construction in progress. These costs are reclassified to the appropriate property, plant and equipments accounts when the construction or installation is completed. Depreciation is charged from the date when the assets become available for their intended use

2.o. Use of Estimates

The preparation of the Company and subsidiary's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future years.

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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The preparation of the Company and subsidiary's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future years.

Determination of Functional Currency

In the process of applying the Company and subsidiary's accounting policies, management has made judgment on the determination of functional currency, apart from those estimations and assumptions which have the most significant effects on the amounts recognized in the consolidated financial statements.

The functional currency is the currency of the primary economic environment in which each of them operates. It is the currency, among others, that mainly influences sales prices for goods and services, of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services, and the currency in which funds from financing activities are generated.

Determination of Fair Values of Financial Assets and Financial Liabilities

When the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Realization of Deferred Tax Assets

The Company reviews the carrying amounts of deferred tax assets at the end of each reporting period and reduce these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company assessment on the recognition of deferred tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods.

This forecast is based on the Company past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized.

Estimating Provision for Impairment Losses on Receivables

If there is objective evidence that an impairment loss has been incurred on trade receivables, the Company estimate the provision for impairment losses related to their trade receivables that are specifically identified as doubtful of collection. The level of provision is evaluated by management on the basis of factors that affect the collectibility of the accounts. In these cases, the Company use judgment based on the best available facts and circumstances, including but not limited to, the length of the Company relationship with the customers and the customers' credit status based on third-party credit reports and known market factors, to record specific reserves for customers against amounts due in order to reduce The Company and subsidiary's receivables to amounts that they expect to collect. These specific reserves are re-evaluated and adjusted as additional information received affects the amounts estimated.

Uncertainty of Tax Exposure

In certain circumstances, the Company and subsidiary's may not be able to determine the exact amount of their current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company apply similar considerations as they would use in determining the amount of a provision to be recognized in accordance with PSAK 57, "Provisions, Contingent Liabilities and Contingent Assets". Company make an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

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Interest and penalties for the underpayment of income tax, if any, are presented under Other Income (Expenses) as part of "Others - net" in the consolidated statements of profit or loss and other comprehensive income.

Estimated of Useful Life

The Company and subsidiary's reviews on useful life of property, plant and equipments based on several factors i.e. technical conditions and technology development in the future. Operating results in the future will be affected by the estimated changes of those factors (See Note 9 for carrying value of property, plant and equipments).

Post-Employment Benefit

The present value of post employment benefit depends on several factors which are determined by actuarial basis based on several assumptions. Assumptions used to determine pension costs (benefits) covered discount rate. The changes of assumption might affect carrying value of post employment benefit.

Impairment of Non Financial Assets

In accordance with the Company and subsidiary's accounting policy, each asset or Cash Generated Unit (CGU) is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating The Company and subsidiary of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, closure and rehabilitation costs and future capital expenditure. these estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may have an impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statements of profit or loss and other comprehensive income.

3. Cash and Cash Equivalents

	March 31, 2017	March 31, 2016
	Rp	Rp
Cash on Hand	133,300,694	288,154,242
Cash in Banks		
Rupiah		
PT Bank Permata Tbk	1,171,510,927	840,803,994
PT Bank Mandiri (Persero) Tbk	1,018,883,518	386,271,120
PT Bank CIMB Niaga Tbk	529,314,611	808,185,160
	<u>2,719,709,056</u>	<u>2,035,260,274</u>
US Dollar		
PT Bank Permata Tbk	1,495,547,604	557,367,767
PT Bank Mandiri (Persero) Tbk	770,811,007	728,492,223
	<u>2,266,358,611</u>	<u>1,285,859,990</u>
Subtotal	<u>4,986,067,667</u>	<u>3,321,120,264</u>
Time Deposits		
Rupiah		
PT Bank Permata Tbk	8,900,000,000	6,000,000,000
PT Bank Mandiri (Persero) Tbk	9,100,000,000	4,500,000,000
PT Bank CIMB Niaga Tbk	--	2,500,000,000
	<u>18,000,000,000</u>	<u>13,000,000,000</u>

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	March 31, 2017	March 31, 2016
	Rp	Rp
US Dollar		
PT Bank Mandiri (Persero) Tbk	1,332,100,000	--
Subtotal	19,332,100,000	13,000,000,000
Total	24,451,468,362	16,609,274,507
Interest Rate on Time Deposits per Year	2% - 7.75%	1% - 8.75%
Maturity period	3 Months	3 Months

4. Trade Receivables

	March 31, 2017	March 31, 2016
	Rp	Rp
Related Parties (Note 28)		
Foreign - USD	9,173,612,200	1,665,614,527
Third Parties		
Local - Rupiah	30,313,973,638	27,889,323,765
Foreign - USD	1,981,453,725	2,576,918,862
	32,295,427,363	30,466,242,627
Total	41,469,039,563	32,131,857,154

Details of accounts receivable aging schedule as of March 31, 2017 and 2016 are as follows:

	March 31, 2017	March 31, 2016
	Rp	Rp
Less than 31 Days	31,192,183,833	31,006,341,395
31 - 60 Days	2,844,545,083	870,017,729
61 - 90 Days	6,473,478,387	236,898,488
91 - 120 Days	920,555,032	9,621,117
More than 120 Days	38,277,228	8,978,426
Total	41,469,039,563	32,131,857,155

As of March 31, 2017 significant amount of trade receivables consist of current outstanding, thus the Management believes that all receivables are collectible and a provision for impairment losses is not considered necessary.

5. Inventories

	March 31, 2017	March 31, 2016
	Rp	Rp
Raw Materials and Components (Note 21)	7,194,130,411	7,993,893,347
Work In Process (Note 21)	837,379,069	1,227,271,987
Finished Goods (Note 21)	3,379,341,497	3,497,163,468
Total	11,410,850,977	12,718,328,802

As of March 31, 2017 the Company's inventories were insured with PT Asuransi Wahana Tata, PT Asuransi FPG Indonesia, and PT Asuransi Central Asia all risks with sum insured of USD1,186,000. The Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

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6. Taxation
a. Prepaid Taxes

	March 31, 2017 Rp	March 31, 2016 Rp
The Company		
Article 21	--	1,685,625
	--	1,685,625
Subsidiary		
Corporate Income Tax Article 28A:		
2011	264,125,615	264,125,615
Value Added Tax - Net	529,404,982	802,102,424
Article 21	--	290,237
Others Prepaid Tax	1,310,341,837	1,310,341,837
	2,103,872,434	2,376,860,113
Total	2,103,872,434	2,378,545,738

Other prepaid tax represents Income Tax Article 25 for the year 2011, which is still on appeal againsts of tax. As of March 31, 2017, due to uncertainty result of the appeal process, the management has made provision which consist of Article 28A and Others Prepaid Tax amounted to Rp1,574,467,452 (Note 15).

b. Taxes Payable

	March 31, 2017 Rp	March 31, 2016 Rp
The Company		
Income Taxes:		
Article 21	207,422,217	171,903,115
Article 23	28,757,611	15,981,463
Article 25	427,602,224	230,995,106
Article 26	562,062,072	575,417,343
Article 29	1,670,300,525	728,679,861
Value Added Tax	520,200,363	988,025,822
	3,416,345,012	2,711,002,710
Subsidiary		
Income Taxes:		
Article 21	5,699,832	10,557,067
Article 23	1,008,743	296,600
Article 25	5,952,736	5,473,035
Article 29	306,685	1,439,133
Article 4 (2)	3,600,000	900,000
	16,567,996	18,665,835
Total	3,432,913,008	2,729,668,545

c. Corporate Income Tax

	2017 (1 Year) Rp	2016 (3 Months) Rp
Current Tax		
The Company	7,164,994,848	1,642,498,179
Subsidiary	395,235,910	101,839,238
	7,560,230,758	1,744,337,417
Deferred Tax Benefit (Expense)		
The Company	(412,940,170)	(77,028,249)
Subsidiary	(2,367,300)	(493,992)
	(415,307,470)	(77,522,241)
Total	7,144,923,288	1,666,815,176

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The reconciliation between income before income tax as shown in the statements of profit or loss and other comprehensive income, the estimated taxable income of the Company for the year ended March 31, 2017 and for 3 (Three) months period ended March 31, 2017 is as follows:

	(1 Year) Rp	(3 Months) Rp
Consolidated Profit Before Tax	25,073,582,915	6,559,472,485
Profit Before Tax of Subsidiary	(165,680,167)	(423,525,800)
Profit Before Tax of the Company	24,907,902,748	6,135,946,685
Final Taxable Income:		
Interest Income	(189,217,023)	(441,661,943)
Others Income	(36,000,000)	(9,000,000)
Timing Difference:		
Employee Benefits	1,651,760,684	308,112,997
Permanent Differences:		
Entertainment	402,687,387	9,449,804
Medical	262,550,386	78,231,999
Guest House	1,784,160	15,139,558
Tax Expense	134,596,002	19,781,901
Festival (Ceremony) Expense	176,398,337	--
Staf Welfare Expense	229,681,301	59,385,221
Other Expenses	1,117,835,411	394,606,496
	3,752,076,645	434,046,033
Taxable Income - Net	28,659,979,393	6,569,992,718
Current Tax Expenses (with Applicable Rate of 25%)	7,164,994,848	1,642,498,179
Less: Prepaid Corporate Income Tax		
Article 22	752,901,247	220,833,000
Article 25	4,741,793,076	692,985,318
	5,494,694,323	913,818,318
Tax Payable of Corporate Income Tax	1,670,300,525	728,679,861

Current income tax computation are based on estimated taxable income. The amount may be adjusted when the Annual Tax Returns are filled with the tax office.

Reconciliation between tax expenses and result of multiplication of accounting profit before tax using the prevailing rate is as follows:

	2017 Rp	2016 Rp
Profit before Tax as Presented in Consolidated Statements of Profit or Loss and Other Comprehensive Income	25,073,582,915	6,559,472,485
Less Profit before tax of Subsidiaries	(165,680,167)	(423,525,800)
Profit Before Tax - the Company	24,907,902,748	6,135,946,685
Enacted Effective Tax Rate 25%	6,226,975,687	1,533,986,671
Tax Effect of Tax Adjustments	525,078,991	31,483,259

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

	2017 Rp	2016 Rp
Current Tax Expenses for The Year		
Current Tax	6,752,054,678	1,565,469,930
Income Tax Expense - the Company	6,752,054,678	1,565,469,930
Income Tax Expense - Subsidiaries:	392,868,610	101,345,246
Consolidated Income Tax Expense	7,144,923,288	1,666,815,176

d. Deferred Tax Assets

	December 31, 2015	Credited to Profit or Loss	Charged to Other Comprehensive Income	March 31, 2016	Credited to Profit or Loss	Credited to Other Comprehensive Income	March 31, 2017
	Rp	(3 Months) Rp	(3 Months) Rp	Rp	(1 Year) Rp	(1 Year) Rp	Rp
The Company							
Employee Benefit	990,964,189	77,028,249	(81,597,870)	986,394,569	412,940,170	157,384,620	1,556,719,360
Subsidiary							
Employee Benefit	4,974,612	493,992	(633,342)	4,835,262	2,367,300	679,510	7,882,072
Total	995,938,801	77,522,241	(82,231,212)	991,229,831	415,307,470	158,064,130	1,564,601,432

7. Prepaid Expenses

Prepaid expenses as of March 31, 2017 and 2016 represents prepaid insurance cover for money, inventories, fixed assets and medical amounted to Rp232,501,231 and Rp206,497,427, respectively.

8. Advances

Advance to suppliers as of March 31, 2017 and 2016 are consist of purchasing tools and raw materials amounted to Rp5,091,146,113 and Rp2,926,511,035, respectively.

9. Other Receivables

	March 31, 2017 Rp	March 31, 2016 Rp
Related Parties		
Others Receivable (Note.28)	30,225,261,985	30,217,830,832
Third Parties		
Claim to Third Party	2,006,955,181	--
Employee Receivables	619,899,888	969,629,379
Others (each below Rp15,000,000)	6,945,165	253,816,884
	<u>2,633,800,234</u>	<u>1,223,446,263</u>
Total	32,859,062,219	31,441,277,095

In January 2015, PT Minda Asean Automotive lend fund to Global Mazinkert S.L.U amounted Euro 380,000 with interest rate 6.5% p.a and 5.75% p.a which effective from august 1, 2015 for one year period.

In March 2016 PT Minda Asean Automotive has added loan to Global Mazinkert S.L.U became amounted Euro 1,600,000 with interest rate 5.75% p.a which effective from august 1, 2015 for one year period these loans are repayable on demand.

Employee receivables mainly represent loan which given by the company to support the rental house for expatriates on their demand. The payment of these receivables is deducted from the monthly salaries.

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

10. Property, Plant and Equipment

	2017 (1 Year)				
	Beginning Balance	Additions	Disposals	Adjustment	Ending Balance
	Rp	Rp	Rp	Rp	Rp
Acquisition Cost					
Land	7,090,694,600	--	--	--	7,090,694,600
Buildings	38,329,274,173	--	--	--	38,329,274,173
Plant and Machineries	38,545,211,958	253,522,733	580,886,261	--	38,217,848,430
Dies and Tools	16,035,040,547	950,047,870	--	--	16,985,088,417
Furnitures and Fixtures	3,193,983,714	366,590,000	5,324,502	--	3,555,249,212
Computers	3,058,647,870	127,214,545	76,344,551	--	3,109,517,864
Office Equipments	2,813,493,219	34,995,199	--	--	2,848,488,418
Vehicles	2,911,812,085	458,769,691	466,255,001	--	2,904,326,775
	<u>111,978,158,166</u>	<u>2,191,140,038</u>	<u>1,128,810,315</u>	<u>--</u>	<u>113,040,487,890</u>
Accumulated Depreciation					
Buildings	14,337,219,031	1,916,463,709	--	--	16,253,682,740
Plant and Machineries	18,023,537,540	3,589,582,944	389,783,480	--	21,223,337,004
Dies and Tools	12,151,976,787	1,934,680,105	--	--	14,086,656,892
Furnitures and Fixtures	1,804,763,993	322,423,154	5,324,502	--	2,121,862,645
Computers	2,550,283,644	285,348,362	73,084,134	--	2,762,547,871
Office Equipments	1,992,795,156	182,595,891	--	--	2,175,391,047
Vehicles	2,466,343,463	370,958,763	466,255,001	--	2,371,047,225
	<u>53,326,919,614</u>	<u>8,602,052,928</u>	<u>934,447,117</u>	<u>--</u>	<u>60,994,525,424</u>
Carrying Amount	<u>58,651,238,552</u>				<u>52,045,962,466</u>
	2016 (3 Months)				
	Beginning Balance	Additions	Disposals	Adjustment	Ending Balance
	Rp	Rp	Rp	Rp	Rp
Acquisition Cost					
Land	7,090,694,600	--	--	--	7,090,694,600
Buildings	38,329,274,173	--	--	--	38,329,274,173
Plant and Machineries	38,167,347,458	377,864,500	--	--	38,545,211,958
Dies and Tools	15,963,006,947	72,033,600	--	--	16,035,040,547
Furnitures and Fixtures	3,175,093,714	18,890,000	--	--	3,193,983,714
Computers	3,028,797,870	29,850,000	--	--	3,058,647,870
Office Equipments	2,813,493,219	--	--	--	2,813,493,219
Vehicles	2,911,812,085	--	--	--	2,911,812,085
	<u>111,479,520,066</u>	<u>498,638,100</u>	<u>--</u>	<u>--</u>	<u>111,978,158,166</u>
Accumulated Depreciation					
Buildings	13,858,103,104	479,115,927	--	--	14,337,219,031
Plant and Machineries	17,126,235,815	897,301,725	--	--	18,023,537,540
Dies and Tools	11,660,210,355	491,766,432	--	--	12,151,976,787
Furnitures and Fixtures	1,737,717,814	67,046,179	--	--	1,804,763,993
Computers	2,466,415,215	83,868,429	--	--	2,550,283,644
Office Equipments	1,941,161,975	51,633,181	--	--	1,992,795,156
Vehicles	2,372,507,639	93,835,824	--	--	2,466,343,463
	<u>51,162,351,917</u>	<u>2,164,567,697</u>	<u>--</u>	<u>--</u>	<u>53,326,919,614</u>
Carrying Amount	<u>60,317,168,149</u>				<u>58,651,238,552</u>

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

Land represents usage rights (HGB) for a maximum period of 20 years and could be extended.

As of March 31, 2016 the property, plant and equipment (exclude vehicles) were insured to PT Asuransi Wahana Tata, PT Asuransi FPG Indonesia and PT Asuransi Central Asia against all risks and earthquake for USD10,850,000 and period covered from September 23, 2016 to September 23, 2017. As of March 31, 2016, Vehicle was insured to PT Asuransi Allianz Utama Indonesia against all risks for Rp2,554,000,000 and period covered from May 4, 2016 to May 4, 2017. Machinery was insured to PT Asuransi Wahana Tata for Rp 8,503,571,225. Management believes that the insurance coverage is adequate to cover possible losses on the assets insure.

Detail of gain sale of property, plant and equipments are as follows:

	March 31, 2017 Rp	March 31, 2016 Rp
Selling Proceeds	241,537,190	--
Carrying Amount :		
Computers	3,260,417	--
Vehicle	--	--
Sub Total	3,260,417	
Gain on Disposal	238,276,773	--

Depreciation expenses were allocated as follows:

	2017 (1 Year) Rp	2016 (3 Months) Rp
Cost of Goods Sold (Note 21)	7,456,041,855	1,868,429,133
General and Administrative Expenses (Note 22)	1,146,011,073	296,138,564
Total	8,602,052,928	2,164,567,697

11. Other Non- Current Assets

Other assets represent security deposit amounted Rp66,836,455 as of March 31, 2017 and 2016, respectively.

12. Short-Term Bank Loans

	March 31, 2017 Rp	March 31, 2016 Rp
Rupiah		
PT Bank Permata Tbk	--	4,447,567,356
Total	--	4,447,567,356

This represents facilities obtained by the Company as follows :

1. Revolving loan credit facility with credit limit of USD1,000,000 with credit term for 1 year from the signing date of credit agreement, which dated on October 5, 2015 and maturity dated on October 5, 2016.
2. The facility bear interest rate at 5.50%.pa.
3. The objective of this facility is to finance the purchase of raw materials from suppliers.
4. This loan facility is secured by collateral such as:
 - a. Land and Building – the current production facility amounting to Rp27,562,500,000.
 - b. Land and Building – expansion from the current production facility amounting to Rp29,187,500,000.
 - c. Machineries and Equipments amounting to Rp19,607,000,000. and Rp36,512,000,000
 - d. Account Receivable / Inventory amounting to Rp40,000,000,000

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

5. The Company should be maintain several negative covenant as disclosed in credit agreement such as:
- Total debt to EBITDA ratio of a maximum of 3X
 - Current Ratio
 - FYE 2011 : min 0,60X
 - FYE 2012-2016 : min 1X
 - Interest Coverage Ratio (Annualized) any time not less than 3X
 - The consolidated equity at any time not less than USD 30 billion
 - DSRC any time not less than 1,50X
 - DER:
 - 2011 : Max 2,50X
 - 2012 : Max 2,00X
 - 2013-2016 :1,00X

All collateral located in Jl. Permata Raya Lot CA/7, Kawasan Industri KIIC, Karawang Barat 41361, Jawa Barat, Indonesia.

This facility has ended and fully repaid on February 25, 2017.

13. Trade Payables

	March 31, 2017 Rp	March 31, 2016 Rp
Related Parties		
Foreign - US Dollar (Note 28)	5,977,124,974	4,070,951,280
Third Party		
Local - Rupiah	34,566,189,413	21,875,063,907
Foreign - US Dollar	1,533,903,137	6,490,566,958
	<u>36,100,092,550</u>	<u>28,365,630,865</u>
Total	<u>42,077,217,524</u>	<u>32,436,582,145</u>

Trade payables represent payable for purchases of raw materials and trading goods.

14. Other Payables to Third Parties

Other payables as of March 31, 2017 and 2016 are consist of sales return from subsidiary to customer amounted to Rp80,609,900 and Rp131,737,482, respectively.

15. Accrued Expenses

	March 31, 2017 Rp	March 31, 2016 Rp
Royalty	2,486,511,181	2,434,433,396
Taxes Provision (Note 6.a)	1,574,467,452	--
Salaries	20,488,237	765,408,285
Others (each below Rp100,000,000)	198,917,414	197,420,481
Total	<u>4,280,384,284</u>	<u>3,397,262,162</u>

16. Long Term Bank Loans

	March 31, 2017 Rp	March 31, 2016 Rp
PT Bank Permata Tbk	--	6,414,628,512
Current Maturities	--	6,414,628,512
Long term Bank Loans - Net	<u>--</u>	<u>--</u>

This represents facilities obtained by the Company as follows :

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016

(Expressed in Rupiah)

1. Committed term loan sub limit credit facility with credit limit of USD3,500,000 with credit term for four year which will fall due in July 27, 2016
2. The facility bear interest rate at 5.25%.pa.
3. The objective of this facility is to finance plant expansion in Kawasan International Industry City, Karawang Barat.
4. This loan facility is secured by collateral such as:
 - a. Land and Building – the current production facility amounting to Rp27,562,500,000.
 - b. Land and Building – expansion from the current production facility amounting to Rp29,187,500,000.
 - c. Machineries and Equipments amounting to Rp19,607,000,000 and Rp36,512,000,000.
 - d. Account Receivable / Inventory amounting to Rp40,000,000,000.
5. The Company should be maintain several negative covenant as disclosed in credit agreement such as:
 - a. Total debt to EBITDA ratio of a maximum of 3X
 - b. Current Ratio
 - FYE 2011 : min 0,60X
 - FYE 2012-2016 : min 1X
 - c. Interest Coverage Ratio (Annualized) any time not less than 3X
 - d. The consolidated equity at any time not less than IDR 30 billion
 - e. DSRC any time not less than 1,50X
 - f. DER:
 - 2011 : Max 2,50X
 - 2012 : Max 2,00X
 - 2013-2016 :1,00X

All collateral located in Jl. Permata Raya Lot CA/7, Kawasan Industri KIIC, Karawang Barat 41361, Jawa Barat, Indonesia.

This facility has ended and fully repaid on February 25, 2017.

17. Post-Employee Benefits Liabilities

	March 31, 2017	March 31, 2016
	Rp	Rp
Post-Employee Benefit Liabilities:		
The Company	6,226,877,440	3,945,578,274
Subsidiary	31,528,288	19,341,046
	6,258,405,728	3,964,919,320

The Company provides employee benefits obligation based on Labor Law No. 13/2003 dated March 25, 2003. The benefits are unfunded.

Calculation of all factors is commonly called the actuarial present value. The actuarial valuation at the expense of pension PT Minda Asean Automotive respectively on March 31, 2017 and 2016 conducted by PT Bumi Dharma Aktuaria, an independent actuary , in its report respectively on March 31, 2017 and 2016 in accordance with PSAK 24 (Revised 2013) using the Projected Unit Credit consider the following assumptions :

	March 31, 2017	March 31, 2016
Discount Rate	8.03%	9.20%
Salary Increase Rate	10.00%	10.00%
Mortality Rate	TMI 2011	TMI 2011
Disability Rate	10% x TMI-2011	10% x TMI-2011
Pension Age Normal	55	55

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

The movement in actual present value of obligation for the year ended March 31, 2017 and for 3 (Three) months period ended March 31, 2016 are as follow:

	March 31, 2017 (1 Year)		
	The Company	Subsidiary	Total
	Rp	Rp	Rp
Actual Present Value of Obligation at Beginning of Year	3,945,578,274	19,341,046	3,964,919,321
Current Service Cost	1,288,767,483	7,689,826	1,296,457,309
Interest Cost	362,993,201	1,779,376	364,772,577
Actuarial Loss on Obligation	629,538,482	2,718,040	632,256,522
Present Value of Obligation at End of Year - Actual	6,226,877,440	31,528,288	6,258,405,729

	March 31, 2016 (3 Months)		
	The Company	Subsidiary	Total
	Rp	Rp	Rp
Actual Present Value of Obligation at Beginning of Year	3,963,856,757	19,898,449	3,983,755,206
Current Service Cost	222,890,077	1,553,124	224,443,201
Interest Cost	85,222,920	422,842	85,645,762
Actuarial Gain on Obligation	(326,391,480)	(2,533,369)	(328,924,849)
Present Value of Obligation at End of Year - Actual	3,945,578,274	19,341,046	3,964,919,320

Net benefit expense for the year ended March 31, 2017 and for 3 (Three) months period ended March 31, 2016 based on actuarial valuation are as follow:

	March 31, 2017 (1 Year)		
	The Company	Subsidiary	Total
	Rp	Rp	Rp
Current Service Cost	1,288,767,483	7,689,826	1,296,457,309
Interest income (Net)	362,993,201	1,779,376	364,772,577
Net benefit expense	1,651,760,684	9,469,202	1,661,229,886

	March 31, 2016 (3 Months)		
	The Company	Subsidiary	Total
	Rp	Rp	Rp
Current Service Cost	222,890,077	1,553,124	224,443,201
Interest income (Net)	85,222,920	422,842	85,645,762
Net benefit expense	308,112,997	1,975,966	310,088,963

The movement in the employee benefit liability for the year ended March 31, 2017 and for 3 (Three) months period ended March 31, 2016 are as follows:

	March 31, 2017 (1 Year)		
	The Company	Subsidiary	Total
	Rp	Rp	Rp
Beginning Balance	3,945,578,274	19,341,046	3,964,919,320
Total Expense Recorded			
at Profit or Loss	1,651,760,684	9,469,202	1,661,229,886
at Other Comprehensive Income	629,538,482	2,718,040	632,256,522
Ending Balance	6,226,877,440	31,528,289	6,258,405,728

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

	March 31, 2016 (3 Months)		
	The Company Rp	Subsidiary Rp	Total Rp
Beginning Balance	3,963,856,757	19,898,449	3,983,755,206
Total Expense Recorded			
at Profit or Loss	308,112,997	1,975,966	310,088,963
at Other Comprehensive Income	(326,391,480)	(2,533,369)	(328,924,849)
Ending Balance	3,945,578,274	19,341,046	3,964,919,320

The movement in actuarial gain (losses) for the year ended March 31, 2017 and for 3 (Three) months period ended March 31, 2016 are as follows:

	March 31, 2017 (1 Year)		
	The Company Rp	Subsidiary Rp	Total Rp
Other Comprehensive Income			
Beginning of Year	336,773,721	199,114,446	535,888,167
Other Comprehensive Income (Expense)			
for the Year/Period	(629,538,482)	(2,718,040)	(632,256,522)
Ending Balance	(292,764,761)	196,396,406	(96,368,355)

	March 31, 2016 (3 Months)		
	The Company Rp	Subsidiary Rp	Total Rp
Other Comprehensive Income			
Beginning of Year	10,382,241	196,581,077	206,963,318
Other Comprehensive Income (Expense)			
for the Year/Period	326,391,480	2,533,369	328,924,849
Ending Balance	336,773,721	199,114,446	535,888,167

18. Share Capital

- a. Based on Circular Resolution of the Shareholders of the Company dated August 28 2015 which had been put forth into Notarial Deed No. 03 dated August 28, 2015, by Notary Hesti Pudjiastuti, among others decided the tranfer of shares ownership of Minda Investment Limited amounted to 13,845 shares to Minda Industries Limited. Therefore, the Company's Shareholders as of March 31, 2016 are as follows:

Shareholders	Number of Shares	Percentage of Ownership %	Issued and Paid- in Capital Rp
SAM Global Pte., Ltd.	39,000	37	3,575,520,000
Minda Industries Limited	34,095	32	3,125,829,600
Minda Investment Limited	33,405	31	3,062,570,400
Total	106,500	100	9,763,920,000

- b. Based on the shareholders' written resolution in lieu of the annual general meeting of shareholders dated August 29, 2016 and September 23, 2016, the shareholders approved to declare dividends for 2016. Dividends were distributed to :

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

	March 31, 2017 Rp	March 31, 2016 Rp
Minda Investments Ltd	2,160,468,375	--
SAM Global PTE Ltd	2,522,325,000	--
Minda Industries Ltd	2,205,094,125	--
Total	6,887,887,500	--

- c. The exchange rate difference from paid-up capital amounted to Rp1,160,985,000 represents exchange rate difference on paid-in capital as a result of differences in the rates of exchange at the time of receipt of capital contributions in US Dollar and rate of exchange as per the Company's Articles of Association.

19. Retained Earnings

Retained Earning consist of:

	March 31, 2017 Rp	March 31, 2016 Rp
Retained Earnings	104,256,493,906	93,213,449,897
Other Comprehensive Income Accumulated - net after tax		
Actuarial Gain (Note 17)	(73,749,239)	400,422,766
Total	104,182,744,667	93,613,872,663

Retained earnings represents the accumulative balance of profit or loss after deducting dividends and the appropriation of reserve through annual general meeting of shareholders's decision (if any).

Other comprehensive income represents actuarial gain which is derived from the measurement of post-employment benefit.

20. Sales

	2017 (1 Year) Rp	2016 (3 Months) Rp
Local - Net	248,143,669,464	62,747,956,287
Export	44,814,807,755	5,564,351,422
Less:		
Sales Discount	(279,244,958)	--
Net	292,679,232,260	68,312,307,709

21. Cost of Goods Sold

	2017 (1 Year) Rp	2016 (3 Months) Rp
Manufacturing Cost:		
Direct Material		
Beginning Inventory - Raw Materials and Components	7,993,893,347	7,613,981,454
Purchases	133,873,239,438	32,082,693,195
Plating and Rework	1,592,835,843	532,758,723
Freight and Handling Charges	2,590,097,513	564,719,115
Custom Duty	1,303,147,933	507,954,160
Packing Expense	1,404,140,731	368,778,333
Ending Inventory - Raw Materials and Components (Note 5)	(7,194,130,411)	(7,993,893,347)
	141,563,224,394	33,676,991,633

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016
(Expressed in Rupiah)

	2017 (1 Year) Rp	2016 (3 Months) Rp
Direct Labor		
Wages	13,741,160,267	3,536,988,254
Overtime	2,173,354,128	687,332,984
THR and Bonus	1,610,300,435	--
Transportation	1,426,282,695	345,978,291
Catering	983,117,310	249,925,428
Casual Expenses	729,289,687	256,172,686
Jamsostek	686,574,797	181,107,068
BPJS	528,761,295	128,127,115
Uniform	87,449,000	7,528,000
Medical	12,675,000	9,820,000
	<u>21,978,964,614</u>	<u>5,402,979,826</u>
Factory Overhead		
Consumptions	15,114,083,093	1,284,833,206
Design and Drawing Expense	6,354,468,814	--
Depreciation (Note 10)	7,456,041,855	1,868,429,133
Electricity, Fuel & Power	2,468,982,653	563,802,822
Salary for Production Staffs	3,148,190,335	676,225,242
Testing Charges	535,024,804	84,216,390
Repair and Maintenance for Production	1,096,595,556	283,005,118
Production Staffs Allowance and Bonus	460,774,889	--
	<u>36,634,161,999</u>	<u>4,760,511,912</u>
Total Manufacturing Costs	<u>200,176,351,009</u>	<u>43,840,483,372</u>
Work In Process		
Beginning Balance	1,227,271,987	1,395,174,088
Ending Balance (Note 5)	<u>(837,379,069)</u>	<u>(1,227,271,987)</u>
Cost of Goods Manufactured	200,566,243,927	44,008,385,473
Finished Goods		
Beginning Balance	3,497,163,468	3,614,774,452
Purchases	22,642,008,864	6,232,848,170
Freight and Handling Charges	763,584,366	160,428,250
Custom Duty	259,905,290	75,123,000
Ending Balance (Note 5)	<u>(3,379,341,497)</u>	<u>(3,497,163,468)</u>
Total Cost of Goods Sold	<u>224,349,564,418</u>	<u>50,594,395,877</u>

22. General and Administrative Expenses

	2017 (1 Year) Rp	2016 (3 Months) Rp
Royalty	11,339,570,531	2,889,716,745
Salary, Allowance and Bonus	11,171,054,586	4,040,009,647
Transportation, Travelling and Forwarding	4,035,072,009	925,479,498
Professional Fee	3,998,484,005	1,062,037,680
Taxation	1,710,714,729	19,781,901
Employee Benefit (Note 17)	1,661,229,886	310,088,963
Depreciation (Note 10)	1,146,011,073	296,138,565
Security	908,045,115	216,162,200
Office Running, Repair and Maintenance	716,414,156	160,916,665
Expats Expenses--House Rent & School Fee	709,223,397	313,047,190
Insurance	577,909,583	153,955,757
Others (each below Rp500,000,000)	4,033,173,395	1,099,925,647
Total	<u>42,006,902,464</u>	<u>11,487,260,458</u>

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(Expressed in Rupiah)

23. Selling Expenses

	2017 (1 Year) Rp	2016 (3 Months) Rp
Entertainment	1,122,775,566	217,259,320
Promotion	499,797,847	141,571,563
Warranty Claim	299,274,634	14,469,137
Total	1,921,848,047	373,300,020

24. Other Income (Expenses) - Net

	2017 (1 Year) Rp	2016 (3 Months) Rp
Other Income		
Gain On Sale of property, plant and equipments (Note 10)	238,276,773	--
Income From Interest Loan	1,594,599,153	138,321,109
Bank Interests	259,161,796	309,711,487
Gain on Foreign Exchange	--	660,085,581
Others	143,143,941	--
	<u>2,235,181,663</u>	<u>1,108,118,177</u>
Other Expenses		
Loss on Foreign Exchange	(671,846,900)	--
Interest on Bank Loan	(925,763,859)	(317,449,354)
Bank Charges	(243,745,679)	(20,231,360)
Others Expenses	(404,600)	(68,316,332)
	<u>(1,841,761,038)</u>	<u>(405,997,046)</u>
Total - Net	393,420,625	702,121,131

25. Monetary Assets and Liabilities in Foreign Currency

		March 31, 2017		March 31, 2016	
		Equivalent to Rp	Foreign Currency	Equivalent to Rp	Foreign Currency
Monetary Assets					
Cash and Cash Equivalents	USD	3,666,358,146	275,231	1,285,859,990	96,856
Trade Receivables	USD	11,155,065,925	837,405	4,242,533,390	319,564
Other Receivables	USD	2,006,955,181	150,661	--	--
Other Receivables	EUR	28,218,306,804	1,983,270	30,217,830,832	2,010,532
Total Monetary Assets		<u>45,046,686,056</u>		<u>35,746,224,212</u>	
Monetary Liabilities					
Trade Payables	USD	7,511,028,111	563,849	10,561,518,238	795,535
Other Payables	USD	80,609,901	6,051	131,737,482	9,923
Accrued Expenses	USD	2,486,511,181	186,661	2,434,433,396	183,371
Long Term Bank Loans	USD	--	--	6,414,628,512	483,175
Total Monetary Liabilities		<u>10,078,149,193</u>		<u>19,542,317,628</u>	
Net Monetary Assets		34,968,536,864		16,203,906,584	

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26. Financial Instruments and Financial Risks Management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (which includes currency risk and interest risk), liquidity risk and credit risk. The Directors carried out their financial risks management in accordance with established policies and procedures.

(i) Market Risk

a. Currency Risk

The Company has foreign currency exposures arising from transactions with customers and suppliers which are denominated in USD. As of the statement of financial position date March 31, 2017 and 2016, the Company's monetary assets and monetary liabilities are as disclosed in Note 25 of the Financial Statements.

Following is the sensitivity to a 100 basis point change in exchange rate of functional currency of US Dollar and Euro against significant outstanding non-functional currency as of March 31, 2017 and 2016, with other variables held constant, of the Company after tax. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 100 basis point change in foreign currency rate:

	Change in Currency Rate	Effect on Profit after Tax	
		March 31, 2017	March 31, 2016
		Rp	Rp
USD	+ 100 bp	38,005,199	(79,168,750)
EUR	+ 100 bp	169,903,529	150,789,937

b. Interest Rate Risk

Interest on the cash flow risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company exposure to interest rate is considered low when viewed from the side of the balance sheet, but continue to monitor these companies to minimize the negative impact on the company. Borrowings issued at variable interest rates expose the company to cash flows from interest rate risk.

	March 31, 2017			
	Floating Interest Rate		Non Interest Bearing	Total
	Current	Non Current		
	Rp	Rp	Rp	Rp
Liability				
Trade Payable to Related Parties	--	--	5,977,124,974	5,977,124,974
Trade Payable to Third Parties	--	--	36,100,092,550	36,100,092,550
Accrued Expense	--	--	4,280,384,284	4,280,384,284
Other Payable	--	--	80,609,901	80,609,901
Total Financial Liability	--	--	40,461,086,736	46,438,211,709
	March 31, 2016			
	Floating Interest Rate		Non Interest Bearing	Total
	Current	Non Current		
	Rp	Rp	Rp	Rp
Liability				
Trade Payable to Related Parties	--	--	4,070,951,280	4,070,951,280
Trade Payable to Third Parties	--	--	28,365,630,865	28,365,630,865
Accrued Expense	--	--	3,397,262,162	3,397,262,162
Other Payable	--	--	131,737,482	131,737,482
Current Maturities of Long Term Bank Loan	10,862,195,867	--	--	10,862,195,867
Total Financial Liability	10,862,195,867	--	31,894,630,509	46,827,777,657

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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(Expressed in Rupiah)

	Change in Interest	Effect on Profit after Tax	
		March 31, 2017	March 31, 2016
		Rp	Rp
Rupiah	+ 50 bp	--	32,073,143

(ii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuous forecast and cash flows and matching the maturity profiles of financial assets and liabilities.

The following table represents the liquidity analysis of financial instruments as of March 31, 2017 and 2016 based on exposure on due date on undiscounted contractual maturities for all non-derivative financial assets and liabilities. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	March 31, 2017	
	Within One Year	Within One Year
	Rp	Rp
Trade Payable:		
Related Parties	5,977,124,974	--
Third Parties	36,100,092,550	--
Accrued Expense	4,280,384,284	--
Other Payables	80,609,901	--
Total	46,438,211,709	--
	March 31, 2016	
	Within One Year	Within One Year
	Rp	Rp
Trade Payable:		
Related Parties	4,070,951,280	--
Third Parties	28,365,630,865	--
Accrued Expense	3,397,262,162	--
Other Payables	131,737,482	--
Current Maturities of Long Term - Bank Loan	10,862,195,867	--
Total	46,827,777,657	--

(iii) Credit Risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and receivables.

Financial instruments of the Company which are potentially exposed to credit risk are cash in banks and trade accounts receivables. The maximum exposure to credit risk is equal to its carrying value.

	March 31, 2017	
	Within One Year	Within One Year
	Rp	Rp
Cash and Cash Equivalents	24,451,468,362	--
Trade Receivables:		
Related Parties	9,173,612,200	--
Third Parties	32,295,427,363	--
Other Receivables:		
Related Parties	30,225,261,985	--
Third Parties	2,633,800,234	--
Other Assets	66,836,455	--
Total	98,846,406,599	--

PT MINDA ASEAN AUTOMOTIVE AND SUBSIDIARIES**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

For the Year Ended March 31, 2017 and for 3 (Three) Months Period Ended March 31, 2016

(Expressed in Rupiah)

	March 31, 2016	
	Within One Year Rp	Within One Year Rp
Cash and Cash Equivalents	16,609,274,507	--
Trade Receivables:		
Related Parties	1,665,614,527	--
Third Parties	30,466,242,627	--
Other Receivables from Third Parties	1,223,446,263	--
Other Assets	66,836,455	--
Total	49,964,577,924	--

The fair values of financial assets and liabilities, together with the carrying amounts, are as follow:

	March 31, 2017	
	Carrying Value Rp	Fair Value Rp
Financial Assets		
Cash and Cash Equivalents	24,451,468,362	24,451,468,362
Trade Receivables:		
Related Parties	9,173,612,200	9,173,612,200
Third Parties	32,295,427,363	32,295,427,363
Other Receivables:		
Related Parties	30,225,261,985	30,225,261,985
Third Parties	2,633,800,234	2,633,800,234
Other Assets	66,836,455	66,836,455
Total	98,846,406,599	98,846,406,599

	March 31, 2016	
	Carrying Value Rp	Fair Value Rp
Financial Assets		
Cash and Cash Equivalents	16,609,274,507	16,609,274,507
Trade Receivables		
Related Parties	1,665,614,527	1,665,614,527
Third Parties	30,466,242,627	30,466,242,627
Other Receivables	31,441,277,095	31,441,277,095
Other Assets	66,836,454	66,836,454
Total	80,249,245,210	80,249,245,210

27. Capital Management

The Company purpose in managing capital is to protect the ability of the entity in maintaining business continuity, so that entities can still deliver results for shareholders and benefits for other stakeholders, and to provide adequate returns to shareholders by pricing products and services that are commensurate with the level of risk.

The Company set a number of capitals in proportion to the risk. The Company manages its capital structure and makes adjustments taking into account changes in economic conditions and risk characteristics of the underlying asset. Consistent with other companies in the industry, the Company monitors capital on the basis of the ratio of adjusted debt to capital. This ratio is calculated as follows: net debt divided by adjusted capital. Net debt is total debt (as the amount in the statement of financial position) less cash and cash equivalents. Adjusted capital comprises all components of equity (including capital stock, foreign exchange translation adjustment of foreign currency and retained earnings). During the year 2017, the Company's strategy has not changed, namely, to maintain the debt to equity ratio at maximum 0.49x. The ratio of debt to equity as at March 31, 2017 are as follows:

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(Expressed in Rupiah)

	March 31, 2017	March 31, 2016
	Rp	Rp
Short-term Liabilities	49,871,124,717	49,557,446,202
Long-term Liabilities	6,258,405,728	3,964,919,320
Total Liabilities	56,129,530,445	53,522,365,522
Total Equity	115,165,810,807	104,599,231,072
Debt to Equity Ratio	0.49x	0.51x

28. Related Parties Transactions

a. Nature of Relationships

Company Name	Type of Relationship	Transaction
Minda Industries Ltd	Major Shareholder	Purchases, Sales
Minda Vietnam Company Limited	Under Common Control	Purchases, Sales
Global Mazinkert. S.L.	Under Common Control	Loan

b. Details of Transactions with Related Parties:

	March 31, 2017	% of Total Assets/ Liabilities/ sales/ <u>Cost of Good Sold</u>	March 31, 2016	% of Total Assets/ Liabilities/ sales/ <u>Cost of Good Sold</u>
	Rp		Rp	
Minda Industries Ltd				
Trade Receivables	6,928,617,515	4.04%	1,665,614,527	1.05%
Trade Payable	1,720,475,087	3.07%	4,313,108,308	8.06%
Sales	12,954,546,513	4.42%	1,738,762,334	2.55%
Purchases	14,865,268,477	6.63%	7,312,418,928	14.45%

		% of Total Assets/ Liabilities/ sales/ Cost of Good Sold		% of Total Assets/ Liabilities/ sales/ Cost of Good Sold
	March 31, 2017		March 31, 2016	
	Rp		Rp	
Minda Vietnam Company Limited				
Trade Receivables	2,218,066,950	1.29%	1,583,745,949	1.00%
Trade Payable	238,913,600	0.43%	3,729,892	0.01%
Sales	11,146,593,160	3.80%	2,384,182,358	3.49%
Purchases	762,449,000	0.34%	1,857,696,198	3.67%

	March 31, 2017	% of	March 31, 2016	% of
	Rp	Total Assets	Rp	Total Assets
Global Mazinkert, S.L.				
Other Receivables	28,218,306.804	16.47%	30,217,830.832	19.11%

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29. Standard and Improvement to Standards Effective After Ending Period

The following are ratification of amendments and improvements of ISAK and PSAK issued by the Financial Accounting Standard Board (DSAK-IAI) in 2015 and 2016, but not yet effective for the year started on or after January 1, 2016, are as follows:

1. Amendment, the following interpretations and standards effective for periods beginning on or after January 1, 2017, with earlier application permitted, are as follows:
 - Amendments to PSAK No. 1: Presentation of Financial Statements;
 - ISAK No. 31: Interpretation of the Scope of PSAK No. 13: Investment Property;
 - PSAK No. 3 (Revised 2016): Interim Financial Reporting;
 - PSAK No. 24 (Revised 2016): Employee Benefits;
 - PSAK No. 58 (Revised 2016): Non-current Assets Held for Sale and Discontinued Operations;
 - PSAK No. 60 (Revised 2016): Financial Instruments: Disclosures
2. Amendments and following standards effective for periods beginning on or after January 1, 2018, with earlier application permitted, are as follows:
 - Amendments to PSAK No. 16: Agriculture Crop Production;
 - PSAK No. 69: Agriculture;
 - Amendments to PSAK No. 2: Statement of Cash Flows;
 - Amendments to PSAK 46: Income Taxes

As at authorization date of this consolidated financial statement, the Group is still evaluating the potential impact of these new and revised standard.

30. Completion of the Consolidated Financial Statements

Management of the Company is responsible for preparation and presentation of the consolidated financial statements. The consolidated financial statements has been authorized for issuance by the Directors on April 28, 2017.