

**PT MINDA ASEAN AUTOMOTIVE
(PARENT ENTITY)**

Financial Statements

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

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)

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for 3 (Three) Months Period Ended March 31, 2016	
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PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2017 and 2016
(In Full Rupiah)

	Notes	March 31, 2017 Rp	March 31, 2016 Rp
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	19,179,967,494	13,210,009,161
Trade Receivables			
Related Parties	4, 26	9,534,734,130	2,021,808,167
Third Parties	4	28,727,799,077	27,129,308,558
Inventories	5	9,631,836,167	10,282,384,419
Prepaid Tax	6.a	--	1,685,625
Prepaid Expenses	7	232,501,231	206,497,427
Advances	8	4,762,955,037	2,926,511,035
Other Receivables			
Related Parties	9, 26	30,294,861,985	30,217,830,832
Third Parties	9	2,612,550,236	1,159,779,595
Total Current Assets		<u>104,977,205,357</u>	<u>87,155,814,819</u>
NON-CURRENT ASSETS			
Investment in Shares	10	892,188,000	892,188,000
Property, Plant and Equipment	11	52,039,536,357	58,634,229,836
Deferred Tax Assets	6.d	1,556,719,360	986,394,570
Other Assets	12	66,836,454	66,836,454
Total Non-Current Assets		<u>54,555,280,171</u>	<u>60,579,648,860</u>
TOTAL ASSETS		<u>159,532,485,528</u>	<u>147,735,463,679</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-Term Bank Loans	13	--	4,447,567,356
Trade Payables			
Related Party	14, 26	1,959,388,687	1,927,320,731
Third Parties	14	34,984,187,015	25,481,700,077
Taxes Payable	6.b	3,416,345,012	2,711,002,710
Accrued Expenses	15	2,703,802,439	3,361,587,795
Current Maturities of Long-Term Bank Loan	16	--	6,414,628,512
Total Current Liabilities		<u>43,063,723,154</u>	<u>44,343,807,181</u>
NON-CURRENT LIABILITIES			
Post-Employment Benefits Liabilities	17	6,226,877,440	3,945,578,274
Total Liabilities		<u>49,290,600,594</u>	<u>48,289,385,455</u>
EQUITY			
Share Capital - par value Rp91,680 per Share			
Authorized 270,000 shares			
Issued and Paid Up 106,500 Shares			
as of March 31, 2017 and 2016, respectively	18.a	9,763,920,000	9,763,920,000
Foreign Exchange Rate Difference from Paid-up Capital	18.b	1,160,985,000	1,160,985,000
Retained Earnings	19	99,316,979,934	88,521,173,224
Total Equity		<u>110,241,884,934</u>	<u>99,446,078,224</u>
TOTAL LIABILITIES AND EQUITY		<u>159,532,485,528</u>	<u>147,735,463,679</u>

The accompanying notes form an integral part of these financial statements

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
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	265,311,904,646	61,438,170,798
Cost of Goods Sold	21	(199,650,404,575)	(44,581,657,039)
GROSS PROFIT		65,661,500,071	16,856,513,759
OPERATING EXPENSES			
General and Administrative Expenses	22	(39,305,700,999)	(11,010,991,889)
Selling Expense	23	(1,672,282,222)	(313,464,323)
Total Operating Expenses		(40,977,983,221)	(11,324,456,212)
OPERATING PROFIT		24,683,516,850	5,532,057,547
OTHER EXPENSES - NET	24	224,385,899	603,889,137
PROFIT BEFORE TAX		24,907,902,749	6,135,946,684
TAX BENEFITS (EXPENSES)			
Current Tax	6.b	(7,164,994,848)	(1,642,498,179)
Deferred Tax	6.b	412,940,170	77,028,249
Total Tax Expenses		(6,752,054,678)	(1,565,469,930)
PROFIT OF THE YEAR/PERIOD		18,155,848,072	4,570,476,754
OTHER COMPREHENSIVE INCOME			
Items not to be Reclassified to Profit or Loss :			
Actuarial Gain (Loss)		(629,538,482)	326,391,478
Deferred Tax		157,384,620	(81,597,870)
		(472,153,862)	244,793,608
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		17,683,694,210	4,815,270,362

The accompanying notes form an integral part of these financial statements

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)**STATEMENT 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	Share Capital	Foreign Exchange Rate Differences from Paid-up Capital	Retained Earnings	Total Equity
		Rp	Rp	Rp	Rp
BALANCE AS OF DECEMBER 31, 2015		9,763,920,000	1,160,985,000	83,705,902,862	94,630,807,862
Profit For The Period		--	--	4,570,476,754	4,570,476,754
Other Comprehensive Income for the Period		--	--	244,793,608	244,793,608
BALANCE AS OF MARCH 31, 2016		9,763,920,000	1,160,985,000	88,521,173,224	99,446,078,224
Cash Dividends	18	--	--	(6,887,887,500)	(6,887,887,500)
Profit For The Year		--	--	18,155,848,072	18,155,848,072
Other Comprehensive Loss for the Year		--	--	(472,153,862)	(472,153,862)
BALANCE AS OF MARCH 31, 2017		9,763,920,000	1,160,985,000	99,316,979,934	110,241,884,934

The accompanying notes form an integral part of these financial statements

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)**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)

	2017	2016
	(1 Year)	(3 Months)
	Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers & Others	254,889,620,411	61,438,170,797
Paid to Suppliers, Employees, Others	(228,551,954,709)	(54,066,346,845)
Payment for Income Tax	(4,356,466,541)	(1,695,337,613)
Interest Paid for Bank Loans	(925,763,859)	(317,449,354)
Net Cash Flows Provided by Operating Activities	<u>21,055,435,302</u>	<u>5,359,036,985</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to third parties	--	(23,592,000,000)
Proceeds from Sale of Fixed Assets	432,639,971	--
Purchase of Fixed Assets	(2,191,140,039)	(498,638,100)
Net Cash Flows Used in Investing Activities	<u>(1,758,500,069)</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	(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 IN CASH AND CASH EQUIVALENTS	5,969,958,333	(21,577,426,845)
CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR/PERIOD	<u>13,210,009,161</u>	<u>34,787,436,005</u>
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR/PERIOD	<u><u>19,179,967,493</u></u>	<u><u>13,210,009,161</u></u>

The accompanying notes form an integral part of these financial statements

**PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS**

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

1. General

1.a. Establishment and General Information

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 produce, design, trade spare parts and accessories for all types of two-wheeled vehicles or four wheeled vehicles (including engineering goods parts).
- ii. To operate export-import trading and main distributor of trade goods such as automotive and engineering 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 Industry 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.

1.b. Board of Commissioners and Directors

Based on Extraordinary Stockholders General Meeting that has been notarized through Notarial Deed of Tri Wahyuwidayati SH.M.Kn No.153 dated February 6, 2013 and Notarial Deed of Kokoh Henry SH.M.Kn No. 12 dated December 23, 2013, the structure of Company Boards of Commissioners and Directors as of March 31, 2017 and 2016 are as follows :

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Commissioner	Ravi Mehra	Ravi Mehra
Directors:		
President Director	Vikaas Bajaj	Vikaas Bajaj
Director:	Pawan Agarwal Lila Dhar Agrawal Poothampiiil Muralidharan Menon	Pawan Agarwal Lila Dhar Agrawal Poothampiiil Muralidharan Menon

As of March 31, 2017 and 2016, the Company employed 177 and 167 employees, respectively.

**PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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

1.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 No. 3 of Siti Rachmayanti, SH, dated April 8, 2010, and approved by Minister of Justice and Human Rights of the Republic of Indonesia in its decision letter No. AHU-19215.AH01.01.TH.2010 dated April 15, 2010, with amended 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 ammended 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 shareholders. 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 March 31, 2017 and 2016 the Company's portion of ownership in the subsidiaries is 99%, the other 1% is owned by Mr. Sanjay Jain.

2. Summary of Significant Accounting Policies

2.a. Presentation of Financial Accounting Standards

The financial statements are presented with comparison for the year ended March 31, 2017 and for three months period ended March 31, 2016 due to last period the Company changed its financial statement year from January to December became April to March.

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

The basis of measurement in the preparation of the financial statement is historical cost, except for certain accounts which are measured on the basis described in the related accounting policies. The 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 classfying cash flows into operating, investing, and financing activities.

The reporting currency used in the preparation of financial statement is Indonesian Rupiah.

2.c. Foreign Currency Transactions and Balances

The Company maintains its accounting records in Rupiah. Transactions in currencies other than Rupiah are recorded at 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 orr loss and other comprehensive income.

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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

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

2.d. Transaction with Related Parties

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

- a) A person or close member of that person's family is related to a reporting entity if that person:
 - (i). Has control or join control over reporting entity;
 - (ii). Has significant influence over reporting entity; or
 - (iii). Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to reporting entity if any of the following conditions applies:
 - (i). The entity and reporting entity are the same group 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 ther entity (or an associate entity or joint venture of a member group of which the other entity is a member);
 - (iii). Both entities are joint venture of the same third party;
 - (iv). One of entity is 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi). The entity is controlled or jointly control 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 of the entity (or of a parent of the entity).
 - (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.e. Cash Equivalents

Cash equivalents represents short term deposits with maturity of less than or equal to 3 (three) months since their placement and not pledged as collateral.

2.f. Financial Instruments

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, and other receivables.

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

(ii) Available-for-Sale (AFS) Financial Assets

AFS financial assets are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivable, (b) held-to-maturity investment, or (c) financial assets at fair value through profit or loss.

After initial recognition, AFS financial assets are measured at its fair value. Gains or losses arising from a change in the fair value is recognized on other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. At that time, the cumulative gains losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost

Available-for-Sale (AFS) Financial Assets include Investment in share

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.

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.

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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 trade payables, other payables and accrued expenses.

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).

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.

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.

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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. Prepaid Expenses

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

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 cost 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. Property, Plant and Equipment

The Company 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.

	<u>Years</u>
Building	20
Plant and Machineries	8
Office Equipments	8
Computers	4
Furniture and Fixtures	8
Dies and Tools	4
Vehicles	4

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.

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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 groups 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 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.

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Deferred tax assets and liabilities are offset in the 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 realise 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 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 determined by discounting the benefit.

The Company 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.

Termination Benefits

The Company recognizes a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the Company can no longer withdraw the offer of those benefits; and
- (b) When the Company recognizes costs for a restructuring that is within the scope of PSAK No. 57 and involves payment of termination benefits.

The Company measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

2.n. Use of Estimates

The preparation of the Company 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.

The preparation of the Company 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 (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Determination of Functional Currency

In the process of applying the Company 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 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 Group'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 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.

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

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The Company reviews on useful lives 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 11 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 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 group 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 statements of profit or loss and other comprehensive income.

3. Cash and Cash Equivalents

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	<u>Rp</u>	<u>Rp</u>
Cash on Hand	123,928,033	154,721,921
Cash in Banks		
Rupiah		
PT Bank Permata Tbk	1,171,510,927	840,803,994
PT Bank Mandiri (Persero) Tbk	503,202,765	130,860,734
PT Bank CIMB Niaga Tbk	529,314,611	808,185,160
	<u>2,204,028,303</u>	<u>1,779,849,887</u>
US Dollar		
PT Bank Permata Tbk	1,495,547,604	557,367,768
PT Bank Mandiri (Persero) Tbk	324,363,553	218,069,585
	<u>1,819,911,157</u>	<u>775,437,353</u>
Sub Total	<u>4,023,939,460</u>	<u>2,555,287,240</u>
Time Deposits		
Rupiah		
PT Bank Permata	8,900,000,000	6,000,000,000
PT Bank Mandiri Tbk	4,800,000,000	4,500,000,000
	<u>13,700,000,000</u>	<u>10,500,000,000</u>
US Dollar		
PT Bank Permata	1,332,100,000	--
Sub Total	<u>15,032,100,000</u>	<u>10,500,000,000</u>
	<u>--</u>	<u>--</u>
Total	<u>19,179,967,494</u>	<u>13,210,009,161</u>
Interest Rate on Time Deposits per Annum	2% - 7,75%	1% - 8,75%
Maturity Period	3 Months	3 Months

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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4. Trade Receivables

	<u>March 31, 2017</u> Rp	<u>March 31, 2016</u> Rp
Related Parties (Note 26)		
Local - Rupiah	388,049,665	356,193,640
Foreign - USD	9,146,684,465	1,665,614,527
	<u>9,534,734,130</u>	<u>2,021,808,167</u>
Third Parties		
Local - Rupiah	27,721,299,619	25,297,517,543
Foreign - USD	1,006,499,458	1,831,791,015
	<u>28,727,799,077</u>	<u>27,129,308,558</u>
Total	<u>38,262,533,207</u>	<u>29,151,116,725</u>

The aging of trade receivables are as follows:

	<u>March 31, 2017</u> Rp	<u>March 31, 2016</u> Rp
Less than 31 days	28,060,559,745	28,786,943,833
31-60 days	2,804,694,381	340,759,473
61-90 days	6,473,478,387	8,941,253
91-120 days	920,555,032	9,621,116
more than 120 days	3,245,662	4,851,050
Total	<u>38,262,533,207</u>	<u>29,151,116,725</u>

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

	<u>March 31, 2017</u> Rp	<u>March 31, 2016</u> Rp
Raw Materials and Components (Note 21)	8,110,471,032	7,993,893,347
Work-in Process (Note 21)	837,379,069	1,227,271,987
Finished Goods (Note 21)	683,986,066	1,061,219,085
Total	<u>9,631,836,167</u>	<u>10,282,384,419</u>

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.

6. Taxation

a. Prepaid Tax

	<u>March 31, 2017</u> Rp	<u>March 31, 2016</u> Rp
Prepaid Tax :		
Article 21	--	1,685,625
Total	<u>--</u>	<u>1,685,625</u>

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

b. Taxes Payable

	March 31, 2017	March 31, 2016
	Rp	Rp
Withholding Income Tax :		
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 - Net	520,200,363	988,025,822
Total	3,416,345,012	2,711,002,710

c. Income Tax Expense

	2017	2016
	(1 Year)	(3 Months)
	Rp	Rp
Income Tax Expenses (Benefits)		
Current Tax	7,164,994,848	1,642,498,179
Deferred Tax	(412,940,170)	(77,028,249)
Total	6,752,054,678	1,565,469,930

The reconciliation between income before income tax as shown in the statements of profit or loss and other comprehensive income and the estimated taxable income of the Company for the years ended March 31, 2017 and for 3 (Three) months period ended March 31, 2016, are as follows:

	2017	2016
	(1 Year)	(3 Months)
	Rp	Rp
Income Before Income Tax as per statements of profit or loss and other Income	24,907,902,749	6,135,946,684
<i>Add/(Less):</i>		
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	394,606,495
	3,752,076,645	434,046,033
Taxable Income - Net	28,659,979,394	6,569,992,716
Current Tax Expenses (with applicable rate 25%)	7,164,994,848	1,642,498,179
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 (Over Payment) of Corporate Income Tax - Current Year	1,670,300,525	728,679,861

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

	March 31, 2017 Rp	March 31, 2016 Rp
Profit Before Tax	24,907,902,749	6,135,946,684
Income Tax Calculated Using prevailing tax rate	6,226,975,687	1,533,986,671
Tax Effect of Income (Expenses) that are Not Deductible For Tax Purpose is as follows:		
Entertainment	100,671,847	2,362,451
Medical	65,637,597	19,558,000
Guest House	446,040	3,784,890
Tax Expense	33,649,001	4,945,475
Festival (Ceremony) Expense	44,099,584	--
Staf Welfare Expense	57,420,325	14,846,305
Interest Income	(47,304,256)	(110,415,486)
Other Income	(9,000,000)	(2,250,000)
Other Expenses	279,458,853	98,651,624
Total	525,078,990	31,483,259
Total of Tax Expenses	6,752,054,677	1,565,469,930

d. Deferred Tax Assets

	December 31, 2015 Rp	Credited to Profit or Loss (1 Year) Rp	Charged to Other Comprehensive Income (1 Year) Rp	March 31, 2016	Credited to Profit or Loss (3 Months) Rp	Charged to Other Comprehensive Income (3 Months) Rp	March 31, 2017
Employee Benefit Liabilities	990,964,190	77,028,249	(81,597,870)	986,394,570	412,940,170	157,384,620	1,556,719,360
Total	990,964,190	77,028,249	(81,597,870)	986,394,570	412,940,170	157,384,620	1,556,719,360

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 for consist of purchasing tools and raw materials amounted to Rp4,762,955,037 and Rp2,926,511,035, respectively.

9. Other Receivables

	March 31, 2017 Rp	March 31, 2016 Rp
Related Parties		
Global Mazinkert S.L.U	30,225,261,985	30,217,830,832
PT Minda Trading	69,600,000	--
	<u>30,294,861,985</u>	<u>30,217,830,832</u>
Third Parties		
Claim to Third Party	2,006,955,181	
Employee Receivables	598,649,890	906,962,711
Others (each under Rp120,000,000, respectively)	6,945,165	252,816,884
	<u>2,612,550,236</u>	<u>1,159,779,595</u>
Total	32,907,412,221	31,377,610,427

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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.

10. Investment in Shares

Investment in Shares	Location	Percentage Of Ownership	March 31, 2017 Rp	March 31, 2016 Rp
PT Minda Trading	Karawang	99%	<u>892,188,000</u>	<u>892,188,000</u>

11. Property, Plant and Equipments

	2017 (1 Year)			
	Beginning Balance	Additions	Disposals	Ending Balance
	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	38,545,211,959	253,522,733	580,886,261	38,217,848,431
Dies and Tools	16,035,040,546	950,047,870		16,985,088,416
Furnitures and Fixtures	3,193,983,713	366,590,000	5,324,502	3,555,249,211
Computers	3,007,683,292	127,214,545	76,344,551	3,058,553,286
Office Equipments	2,805,651,619	34,995,200	--	2,840,646,819
Vehicles	2,911,812,086	458,769,691	466,255,001	2,904,326,776
	<u>111,919,351,988</u>	<u>2,191,140,039</u>	<u>1,128,810,315</u>	<u>112,981,681,712</u>
Accumulated Depreciation				
Buildings	14,337,219,031	1,916,463,709	--	16,253,682,739
Plant and Machineries	18,023,537,539	3,589,582,944	389,783,480	21,223,337,003
Dies and Tools	12,151,976,787	1,934,680,105	--	14,086,656,893
Furnitures and Fixtures	1,804,763,994	322,423,154	5,324,502	2,121,862,646
Computers	2,511,263,413	275,745,955	73,084,134	2,713,925,234
Office Equipments	1,990,017,924	181,615,692	--	2,171,633,616
Vehicles	2,466,343,463	370,958,763	466,255,001	2,371,047,225
	<u>53,285,122,152</u>	<u>8,591,470,321</u>	<u>934,447,117</u>	<u>60,942,145,355</u>
Carrying Amount	<u>58,634,229,836</u>			<u>52,039,536,357</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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(In Full of Rupiah)

	2016 (3 Months)			
	Beginning	Additions	Disposals	Ending
	Balance			Balance
	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	38,167,347,459	377,864,500	--	38,545,211,959
Dies and Tools	15,963,006,946	72,033,600	--	16,035,040,546
Furnitures and Fixtures	3,175,093,713	18,890,000	--	3,193,983,713
Computers	2,977,833,292	29,850,000	--	3,007,683,292
Office Equipments	2,805,651,619	--	--	2,805,651,619
Vehicles	2,911,812,086	--	--	2,911,812,086
	<u>111,420,713,888</u>	<u>498,638,100</u>	<u>--</u>	<u>111,919,351,988</u>
Accumulated Depreciation				
Buildings	13,858,103,104	479,115,927	--	14,337,219,031
Plant and Machineries	17,126,235,815	897,301,724	--	18,023,537,539
Dies and Tools	11,660,210,356	491,766,431	--	12,151,976,787
Furnitures and Fixtures	1,737,717,815	67,046,179	--	1,804,763,994
Computers	2,429,795,585	81,467,828	--	2,511,263,413
Office Equipments	1,938,629,793	51,388,131	--	1,990,017,924
Vehicles	2,372,507,639	93,835,824	--	2,466,343,463
	<u>51,123,200,108</u>	<u>2,161,922,044</u>	<u>--</u>	<u>53,285,122,152</u>
Carrying Amount	<u>60,297,513,780</u>			<u>58,634,229,836</u>

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

As of March 31, 2017 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, 2017, 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:

	2017	2016
	(1 Year)	(3 Months)
	Rp	Rp
Selling Proceeds	241,537,190	--
Carrying values :		
Computers	3,260,417	--
Machine	--	--
Vehicle	--	--
Sub Total	<u>3,260,417</u>	<u>--</u>
Gain on Disposal	<u>238,276,773</u>	<u>--</u>

Depreciation expenses were allocated as follows :

	2017	2016
	(1 Year)	(3 Months)
	Rp	Rp
Cost of Goods Sold (Note 21)	7,455,061,655	1,868,184,082
General and Administrative Expenses (Note 22)	1,136,408,666	293,737,962
Total	<u>8,591,470,321</u>	<u>2,161,922,044</u>

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

12. Other Assets

Other assets represent security deposit amounted Rp66,836,454 as of March 31, 2017 and 2016, respectively.

13. Short-Term Bank Loan

	March 31, 2017 Rp	March 31, 2016 Rp
IDR		
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 Rp36,512,000,000 and Rp19,607,000,000.
 - d. Account Receivable / Inventory amounting to Rp40,000,000,000
5. The Company
6. 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 USD 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.

14. Trade Payables

	March 31, 2017 Rp	March 31, 2016 Rp
Related Parties (Note 26)		
Foreign - USD	1,959,388,687	1,927,320,731
Third Parties		
Local - Rupiah	33,516,660,822	20,900,899,129
Foreign - USD	1,467,526,193	4,580,800,948
Total	36,943,575,702	27,409,020,808

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

15. Accrued Expenses

	March 31, 2017	March 31, 2016
	Rp	Rp
Royalty	2,486,511,181	2,434,433,396
Salaries	20,488,237	731,218,557
Others (each below Rp50,000,000)	196,803,021	195,935,842
Total	2,703,802,439	3,361,587,795

16. Long-Term Bank Loans

	March 31, 2017	March 31, 2016
	Rp	Rp
PT Bank Permata Tbk	--	6,414,628,512
Current Maturities	--	6,414,628,512
Long-Term Loan	--	--

This represents facilities obtained by the Company as follows :

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-Employment Benefit Liabilities

	March 31, 2017	March 31, 2016
	Rp	Rp
Post-Employee Benefit Liabilities	6,226,877,440	3,945,578,274

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

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

The 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 30, 2017 and April 14, 2016 in accordance with PSAK 24 (Revised 2013) using the Projected Unit Credit consider the following assumptions :

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
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
Normal Retirement Age	55	55

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:

	<u>2017 (1 Year) Rp</u>	<u>2016 (3 Months) Rp</u>
Actual Present Value of Obligation at Beginning of Year	3,945,578,274	3,963,856,757
Current Service Cost	1,288,767,483	222,890,077
Interest Cost	362,993,201	85,222,920
Actuarial (Gain) Loss on Obligation	629,538,482	(326,391,480)
Present Value of Obligation at End of Year - Actual	<u>6,226,877,440</u>	<u>3,945,578,274</u>

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:

	<u>2017 (1 Year) Rp</u>	<u>2016 (3 Months) Rp</u>
Current Service Cost	1,288,767,483	222,890,077
Interest income (Net)	362,993,201	85,222,920
Net benefit expense	<u>1,651,760,684</u>	<u>308,112,997</u>

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:

	<u>2017 (1 Year) Rp</u>	<u>2016 (3 Months) Rp</u>
Beginning Balance	3,945,578,274	3,963,856,757
Total Expense Recorded at Profit or Loss	1,651,760,684	308,112,997
Total Expense Recorded at Other Comprehensive Income	629,538,482	(326,391,480)
Ending Balance	<u>6,226,877,440</u>	<u>3,945,578,274</u>

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

	<u>2017 (1 Year) Rp</u>	<u>2016 (3 Months) Rp</u>
Beginning Balance	316,009,239	(10,382,241)
Current Year	(629,538,482)	326,391,480
Ending Balance	<u>(313,529,243)</u>	<u>316,009,239</u>

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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 transfer 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, 2017 and March 31, 2016 are as follows:

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

- b. 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.

- c. 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 :

	(1 Year) March 31, 2017 Rp	(3 Months) 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	--

19. Retained Earning

	(1 Year) March 31, 2017 Rp	(3 Months) March 31, 2016 Rp
	Accumulated of Retained Earnings	99,536,553,505
Other Comprehensive Income Accumulated - net after tax		
Actuarial Gain (Note 17)	(219,573,571)	252,580,290
Total	99,316,979,934	88,521,173,223

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	231,576,125,844
Export	33,735,778,802	3,159,170,829
Total	265,311,904,646	61,438,170,798

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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	133,886,760,368	32,787,852,140
Freight and Handling Charges	2,590,097,513	564,719,116
Plating & Rework	1,592,835,843	532,758,723
Custom Duty	1,303,147,933	507,954,160
Packing Expense	1,103,224,271	332,465,980
Ending Inventory - Raw Materials (Note 5)	<u>(8,110,471,032)</u>	<u>(7,993,893,347)</u>
	<u>140,359,488,242</u>	<u>34,345,838,225</u>
Direct Labor		
Wages	13,677,283,157	3,523,083,443
Overtime	2,162,405,839	687,332,984
THR and Bonus	1,603,065,757	--
Transportation	1,426,282,695	345,978,291
Catering	983,117,310	249,925,428
Casual Expenses	729,289,687	256,172,687
Jamsostek	683,172,327	180,548,473
BPJS	525,867,825	127,670,188
Uniform	87,449,000	7,528,000
Medical	12,675,000	9,820,000
	<u>21,890,608,597</u>	<u>5,388,059,494</u>
Factory Overhead		
Consumptions	15,114,083,093	1,284,833,206
Depreciation (Note 11)	7,455,061,655	1,868,184,082
Design & Drawing Expense	6,354,468,814	--
Salary for Production Staffs	3,148,190,335	676,225,242
Electricity, Fuel & Power	2,468,982,653	563,802,822
Repair and Maintenance for Production	1,096,595,556	283,005,118
THR and Bonus Production Staffs	460,774,889	--
Testing Charges	535,024,804	84,216,390
	<u>36,633,181,799</u>	<u>4,760,266,861</u>
	<u>198,883,278,639</u>	<u>44,494,164,580</u>
Total Manufacturing Costs		
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	199,273,171,556	44,662,066,681
Finished Goods		
Beginning Balance	1,061,219,085	980,809,443
Ending Balance (Note 5)	<u>(683,986,066)</u>	<u>(1,061,219,085)</u>
Total Cost of Goods Sold	<u>199,650,404,575</u>	<u>44,581,657,039</u>

22. General and Administrative Expenses

	2017 (1 Year) Rp	2016 (3 Months) Rp
Royalty	11,339,570,531	2,889,716,745
Salary, Allowances, and Bonus	10,501,913,651	3,762,338,500
Transportation, Travelling and Forwarding	3,956,782,916	913,699,498
Professional Fee	3,756,151,005	1,017,222,180
Employee Benefit	1,651,760,684	308,112,997
Depreciation (Note 11)	1,136,408,666	293,737,962
Security	908,045,115	216,162,200
Expat School Fee	708,707,389	196,847,191
Office Running, Repair and Maintenance	637,841,488	157,156,165
Insurance	577,909,583	153,955,757
Others (each under Rp500,000,000, respectively)	4,130,609,972	222,271,299
Total	<u>39,305,700,999</u>	<u>11,010,991,889</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

23. Selling Expense

	2017 (1 Year) Rp	2016 (3 Months) Rp
Entertainment	1,122,086,066	216,143,820
Promotion	250,921,523	82,851,366
Warranty Claim	299,274,634	14,469,137
Total	1,672,282,222	313,464,323

24. Other Income (Expenses)

	2017 (1 Year) Rp	2016 (3 Months) Rp
Other Income/ (Expenses) :		
Gain On Sale of Property, Plant and Equipment (Note 11)	238,276,773	--
Bank Interests	189,217,023	303,340,834
Interest Income	1,594,599,153	138,321,109
Others	178,314,021	28,545,090
	<u>2,200,406,970</u>	<u>470,207,033</u>
Gain (Loss) on Foreign Exchange	(828,359,068)	555,434,023
Interest on Bank Loan	(925,763,859)	(317,449,354)
Bank Charges	(78,678,544)	(16,255,254)
Others Expenses	(143,219,600)	(88,047,311)
	<u>(1,976,021,071)</u>	<u>133,682,104</u>
Total Others Income - Net	224,385,899	603,889,137

25. Monetary Asset and Liability in Foreign Currency

		March 31, 2017		March 31, 2016	
		Rp		Rp	
		Equivalent to Rp	Foreign Currency	Equivalent to Rp	Foreign Currency
Monetary Assets					
Cash and Cash Equivalents	USD	16,914,331,990	1,269,749	775,437,353	58,409
Trade Receivables	USD	10,153,183,923	762,194	3,497,405,542	263,438
Other Receivable	EUR	30,225,261,985	2,124,351	30,217,830,832	2,010,532
Total Monetary Assets		57,292,777,898		34,490,673,727	
Monetary Liabilities					
Trade Payables	USD	3,426,914,880	257,257	6,508,121,679	490,217
Accrued Expenses	USD	2,486,511,181	186,661	2,434,433,396	183,371
Total Monetary Liabilities		5,913,426,061		15,357,183,587	
Net Monetary Liabilities		51,379,351,837		19,133,490,141	

26. Related Parties Transactions

a. Nature of Relationships

PT Minda Trading	Subsidiary	Sales
Minda Industries Ltd	Shareholder	Sales and Purchases
Minda Vietnam Company Limited	Under Common Control	Sales and Purchases
Global Mazinkert, S.L.	Under Common Control	Loan

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

b. Details of Transactions with Related Parties:

	March 31, 2017 Rp	% of Total Assets	March 31, 2016 Rp	% of Total Assets
Trade Receivables				
PT Minda Trading	388,049,665	0.24%	356,193,640	0.24%
Minda Industries Ltd	6,928,617,515	4.34%	1,665,614,527	1.13%
Minda Vietnam Company Limited	2,218,066,950	1.39%	1,583,745,949	1.07%
Total	9,534,734,130	5.98%	3,605,554,116	2.44%
	March 31, 2017 Rp	% of Total Assets	March 31, 2016 Rp	% of Total Assets
Other Receivables				
Global Mazinkert, S.L.	30,225,261,985	18.95%	--	0.00%
PT Minda Trading	69,600,000	0.04%	--	0.00%
Total	30,294,861,985	18.99%	--	0.00%
	March 31, 2017 Rp	% of Total Liabilities	March 31, 2016 Rp	% of Total Liabilities
Trade Payable				
Minda Industries Ltd	1,720,475,087	1.86%	1,927,320,731	3.99%
Minda Vietnam Company Limited	238,913,600	0.26%	--	0.00%
Total	1,959,388,687	2.12%	1,927,320,731	0.00%
	March 31, 2017 Rp	% of Total COGS	March 31, 2016 Rp	% of Total COGS
Purchase				
PT Minda Trading	13,520,930	0.01%	--	0.00%
Minda Vietnam Company Limited	14,865,268,477	7.45%	13,443,892	0.03%
Minda Industries Ltd	762,449,000	0.38%	4,347,019,787	9.75%
Total	15,641,238,407	7.83%	4,360,463,679	9.78%
	March 31, 2017 Rp	% of Total Sales	March 31, 2016 Rp	% of Total Sales
Sales				
PT Minda Trading	3,696,226,805	1.39%	705,158,945	1.15%
Minda Industries Ltd	12,927,574,306	4.87%	1,738,762,334	2.83%
Minda Vietnam Company Limited	11,146,593,160	4.20%	--	0.00%
Total	27,770,394,271	10.47%	2,443,921,279	3.98%

27. 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, 2016, the Company's monetary assets and monetary liabilities are as disclosed in Note 25 of the Financial Statements.

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

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 March 31, 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	(118,214,495)	12,533,336
EUR	+ 100 bp	212,435,072	201,053,249

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			Total
	Current	Non Current	Non Interest Bearing	
	Rp	Rp	Rp	Rp
Liability				
Trade Payable to Related Parties	--	--	1,959,388,687	1,959,388,687
Trade Payable to Third Parties	--	--	34,984,187,015	34,984,187,015
Accrued Expense	--	--	2,703,802,439	2,703,802,439
Total Financial Liability	--	--	39,647,378,141	39,647,378,141

	March 31, 2016			
	Floating Interest Rate			Total
	Current	Non Current	Non Interest Bearing	
	Rp	Rp	Rp	Rp
Liability				
Trade Payable to Related Parties	--	--	1,927,320,731	1,927,320,731
Trade Payable to Third Parties	--	--	25,481,700,077	25,481,700,077
Accrued Expense	--	--	3,361,587,795	3,361,587,795
Current Maturities of Long Term Bank Loan	10,862,195,868	--	--	10,862,195,868
Total Financial Liability	10,862,195,868	--	30,770,608,603	41,632,804,471

	Change in Interest Rate	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.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	March 31, 2017	
	Within One Year	Over One Year
	Rp	Rp
ASSETS		
Cash and Cash Equivalents	19,179,967,494	--
Trade Receivables:		
Related Parties	9,534,734,130	--
Third Parties	28,727,799,077	--
Other Receivables:		
Related Parties	30,294,861,985	--
Third Parties	2,612,550,236	--
Other Assets	66,836,454	--
Total	90,416,749,376	--
LIABILITIES		
Trade Payable		
Related Parties	1,959,388,687	--
Third Parties	34,984,187,015	--
Accrued Expense	2,703,802,439	--
Total	39,647,378,141	--
	March 31, 2016	
	Within One Year	Over One Year
	Rp	Rp
ASSETS		
Cash and Cash Equivalents	13,210,009,161	--
Trade Receivables		
Related Parties	2,021,808,167	--
Third Parties	27,129,308,558	--
Other Receivables from Third Parties	31,377,610,427	--
Other Assets	66,836,454	--
Total	73,805,572,767	--
LIABILITIES		
Trade Payable to Third Parties		
Related Parties	1,927,320,731	--
Third Parties	25,481,700,077	--
Accrued Expense	3,361,587,795	--
Current Maturities of Long Term - Bank Loan	10,862,195,868	--
Total	41,632,804,471	--

(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.

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

PT MINDA ASEAN AUTOMOTIVE (PARENT ENTITY)
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	March 31, 2017		March 31, 2016	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
Financial Assets				
Cash and Cash Equivalents	19,179,967,494	19,179,967,494	13,210,009,161	13,210,009,161
Trade Receivables:				
Related Parties	9,534,734,130	9,534,734,130	2,021,808,167	2,021,808,167
Third Parties	28,727,799,077	28,727,799,077	27,129,308,558	27,129,308,558
Other Receivables:				
Related Parties	30,294,861,985	30,294,861,985	--	--
Third Parties	2,612,550,236	2,612,550,236	31,377,610,427	31,377,610,427
Other Assets	66,836,454	66,836,454	66,836,454	66,836,454
Total	90,416,749,376	90,416,749,376	73,805,572,767	73,805,572,767
Financial Liabilities				
Trade Payable :				
Related Parties	1,959,388,687	1,959,388,687	1,927,320,731	1,927,320,731
Third Parties	34,984,187,015	34,984,187,015	25,481,700,077	25,481,700,077
Accrued Expense	2,703,802,439	2,703,802,439	3,361,587,795	3,361,587,795
Bank Loan	--	--	10,862,195,868	10,862,195,868
Total	39,647,378,141	39,647,378,141	41,632,804,471	41,632,804,471

28. 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 0.44x. The ratio of debt to equity as at March 31, 2017 are as follows:

	March 31, 2017 Rp	March 31, 2016 Rp
Short-term Liabilities	43,063,723,154	44,343,807,181
Long-term Liabilities	6,226,877,440	3,945,578,274
Total Liabilities	49,290,600,594	48,289,385,455
Total Equity	110,241,884,934	99,446,078,224
Debt to Equity Ratio	0.44x	0.48x

29. New Prospective Accounting Standards

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;

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

- 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 financial statement, the Company is still evaluating the potential impact of these new and revised standard.

29. Completion of The Financial Statement

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