PT CG Power Systems Indonesia

Financial statements as of March 31, 2018 and
for the year then ended with independent auditors' report

PT CG POWER SYSTEMS INDONESIA
FINANCIAL STATEMENTS
AS OF MARCH 31, 2018
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

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STATEMENT OF DIRECTORS REGARDING
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED
PT CG POWER SYSTEMS INDONESIA

On behalf of management of PT CG Power Systems Indonesia (the "Company"), in the opinion of the management of the Company:

1. We are responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements of the Company as of March 31, 2018 and for the year then ended have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the financial statements of the Company have been fully disclosed in a complete and truthful manner;
   b. The financial statements of the Company do not contain false material information or facts, nor do they not omit material information or facts;
4. We are responsible for the internal control system of the Company

We certify the accuracy of this statement.

May 9, 2018
For and on behalf of the Board of Directors,

CG POWER SYSTEMS INDONESIA
CILEUNGSI, BOGOR

Llyod Joseph Gerard Lucas Pinto
President Director

Nagendra Kumar Sayyaparaju
Director and Chief Financial Officer

Purwantono, Sungkoro & Surja

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Independent Auditors' Report

Report No. RPC-6975/PSS/2018

The Shareholders and the Boards of Commissioners and Directors
PT CG Power Systems Indonesia

We have audited the accompanying financial statements of PT CG Power Systems Indonesia, which comprise the statement of financial position as of March 31, 2018, and statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on such 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 such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

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Independent Auditors' Report (continued)

Report No. RPC-6975/PSS/2018 (continued)

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT CG Power Systems Indonesia as of March 31, 2018, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matter

As disclosed in Note 3 to the financial statements, commenced April 1, 2017, the Company changed its reporting currency from United States Dollar to Indonesian Rupiah by adopting Statement of Financial Accounting Standard No. 10 (Revised 2010) "The Effects of Changes in Foreign Exchange Rates". For comparison purposes, the statements of financial position as at March 31, 2017 and April 1, 2016/March 31, 2016, and statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended March 31, 2017, which had been previously presented in United States Dollar, have been translated in to Indonesian Rupiah.

Other matter

The accompanying financial information of the Company, which comprises the statement of financial position as of March 31, 2018, and the statement of profit or loss and other comprehensive income for the year then ended, which is presented in Appendix 1 as a supplementary information to the accompanying financial statements, is presented solely for the purposes of additional analysis for the use of Management in analyzing the performance of the Company as if the financial statements is presented in United States Dollar and should not be used for any other purposes, and is not a required part of the accompanying financial statements under Indonesian Financial Accounting Standards. The financial Information was translated directly from the accompanying financial statements. We did not audit such additional information and accordingly, we do not express an opinion on them nor any other assurance on this matter.

Purwantono, Sungkoro & Surja

Deden Riyadi
Public Accountant Registration No. AP.0692

May 9, 2018

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2018
(Expressed in thousands of Rupiah, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	53,194,974	70,821,300	11,594,198
Accounts receivable, net	6a	151,865,776	132,358,422	478,537,976
Unbilled receivables	6b	339,543,004	305,078,564	198,211,624
Costs and estimated earnings in excess of billings, net	7	212,603,612	114,680,834	103,692,862
Inventories, net	9	259,505,211	159,641,313	168,386,847
Prepaid tax	11a	14,412,416	2,379,128	14,021,944
Derivative assets	12	-	4,009,560	1,241,628
Loans to related parties	29c	746,877,964	645,818,657	628,585,561
Other current assets	10	24,481,994	28,595,568	15,176,600
TOTAL CURRENT ASSETS		1,802,484,951	1,463,383,346	1,619,449,240
NON-CURRENT ASSETS				
Estimated claims of refundable taxes	11b	204,652,104	186,122,100	129,012,469
Fixed assets, net	13	176,117,414	183,558,464	200,160,698
Deposits	8	2,006,587	89,288,073	1,965,713
Deferred tax assets, net	11f	8,009,057	-	-
Other non-current assets		10,855	-	-
TOTAL NON-CURRENT ASSETS		390,796,017	458,968,637	331,138,880
TOTAL ASSETS		**2,193,280,968**	**1,922,351,983**	**1,950,588,120**
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Bank overdraft	18	4,906,227	-	15,408,030
Accounts payable	14	339,222,652	275,697,806	350,371,207
Billings in excess of costs and estimated earnings, net	17	5,783,829	-	4,386,218
Taxes payable	11c	23,599,407	11,477,032	12,804,259
Derivative liabilities	12	9,148,383	3,042,527	11,574,961
Advances from customers	15	103,773,302	86,264,967	105,970,585
Loan from a related party	29e	-	13,954,906	-
Accruals and provisions	16	77,889,425	52,602,328	68,366,198
Short term employee benefits		22,215,499	14,808,672	12,402,284
TOTAL CURRENT LIABILITIES		586,538,724	457,848,238	581,283,742
NON-CURRENT LIABILITIES				
Deferred tax liability, net	11f	-	1,395,857	12,326,277
Provision for employee benefits	19	26,065,264	23,202,325	5,410,129
TOTAL NON-CURRENT LIABILITIES		26,065,264	24,598,182	17,736,406
TOTAL LIABILITIES		**612,603,988**	**482,446,420**	**599,020,148**

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

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF FINANCIAL POSITION (continued)
As of March 31, 2018
(Expressed in thousands of Rupiah, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
EQUITY				
Share capital - authorised 20,000 shares (Series A 19,000, Series B 1,000); issued and fully paid 12,057 shares of Series A and 635 shares of Series B of USD1,000 or Rp1,853,000 per share	21	23,518,276	23,518,276	23,518,276
Foreign exchange difference from paid in capital		145,031,474	145,031,474	145,031,474
Hedging reserve		(10,086,611)	(3,648,234)	(10,746,861)
Other comprehensive income	22	(24,044,867)	(16,997,841)	(12,727,112)
Retained earnings:				
Appropriated	20	33,709,952	33,709,952	33,489,111
Un-appropriated		1,412,548,756	1,258,291,936	1,173,003,084
TOTAL EQUITY		**1,580,676,980**	**1,439,905,563**	**1,351,567,972**
TOTAL LIABILITIES AND EQUITY		**2,193,280,968**	**1,922,351,983**	**1,950,588,120**

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

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Year Ended March 31, 2018
(Expressed in thousands of Rupiah, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017 (As restated, Note 3)
NET REVENUE	24	1,818,127,710	1,545,318,113
COST OF REVENUE	25	(1,335,020,086)	(1,166,891,750)
GROSS PROFIT		**483,107,624**	**378,426,363**
OPERATING EXPENSES:			
Selling and marketing expenses	26	(57,410,477)	(68,022,340)
General and administration expenses	27	(141,048,804)	(129,823,325)
Foreign exchange loss, net		11,671,339	(14,720,108)
Other operating expenses, net	28	(10,355,042)	(4,635,201)
Total operating expenses		(197,142,984)	(217,200,974)
OPERATING PROFIT		**285,964,640**	**161,225,389**
OTHER INCOME:			
Interest income		32,225,636	23,203,116
Final tax on interest income		(124,723)	(30,739)
		32,100,913	23,172,377
Interest expense		(292,728)	(1,277,112)
Other Income, net		**31,808,185**	**21,895,265**
PROFIT BEFORE CORPORATE INCOME TAX		**317,772,825**	**183,120,654**
CORPORATE INCOME TAX:			
Final tax from construction		(13,996,289)	(4,847,810)
Current tax expense		(53,804,074)	(36,816,585)
Deferred tax benefit		7,055,906	9,538,536
		(60,744,457)	**(32,125,859)**
PROFIT FOR THE YEAR		**257,028,368**	**150,994,795**
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss:			
Loss on remeasurement of defined benefit plans		(9,396,034)	(5,582,392)
Income tax related to other comprehensive income		2,349,008	1,395,596
		(7,047,026)	(4,186,796)
Cash flow hedges	12	(6,438,377)	7,169,497
OTHER COMPREHENSIVE LOSS		**(13,485,403)**	**2,982,701**
TOTAL COMPREHENSIVE INCOME		**243,542,965**	**153,977,496**

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

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF CHANGES IN EQUITY
For the Year Ended March 31, 2018
(Expressed in thousands of Rupiah, unless otherwise stated)

	Share capital	Foreign exchange difference from paid in capital	Hedging reserve	Other reserves	Retained earning Appropriated	Retained earning Un-appropriated	Total equity
Balance as of April 1, 2016/March 31, 2016 (As restated, Note 3)	**23,518,276**	**145,031,474**	**(10,746,861)**	**(12,727,112)**	**33,489,111**	**1,173,003,084**	**1,351,567,972**
Profit for the year	-	-	-	-	-	150,994,796	150,994,796
Other comprehensive (loss)/income for the year	-	-	7,098,627	(4,270,729)	-	-	2,827,898
Dividend	-	-	-	-	-	(68,255,216)	(68,255,216)
Foreign currency translation adjustments	-	-	-	-	220,841	2,549,272	2,770,113
Balance as of March 31, 2017 (As restated, Note 3)	**23,518,276**	**145,031,474**	**(3,648,234)**	**(16,997,841)**	**33,709,952**	**1,258,291,936**	**1,439,905,563**
Profit for the year	-	-	-	-	-	257,028,368	257,028,368
Other comprehensive loss for the year	-	-	(6,438,377)	(7,047,026)	-	-	(13,485,403)
Dividend	-	-	-	-	-	(102,771,548)	(102,771,548)
Balance as of March 31, 2018	**23,518,276**	**145,031,474**	**(10,086,611)**	**(24,044,867)**	**33,709,952**	**1,412,548,756**	**1,580,676,980**

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

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2018
(Expressed in thousands of Rupiah, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017 (As restated, Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before corporate income tax expense		317,772,825	183,120,654
Adjustments to reconcile profit before corporate income tax expense to net cash provided by operating activities:			
Depreciation expense	13	23,200,989	23,401,140
Interest expense		292,728	1,088,116
Provision for employee benefits	19	12,002,212	13,914,186
Allowance for impairment of accounts receivables	6a	4,476,908	16,851,430
Reversal for decline in value of inventories	9	(1,014,889)	(397,463)
Unrealized foreign exchange gain		(26,350,634)	(604,439)
Interest income		(32,225,636)	(22,834,247)
		298,154,503	214,539,377
Changes in operating assets and liabilities:			
Accounts receivable		(21,271,675)	325,212,141
Unbilled receivables		(34,464,440)	(106,866,940)
Costs and estimated earnings in excess of billings		(97,922,778)	(10,987,972)
Billings in excess of costs and estimated earnings		5,783,829	(4,386,218)
Inventories		(98,849,009)	9,142,997
Prepaid taxes		(12,033,288)	11,642,816
Derivatives, net		3,677,038	(4,201,738)
Other current assets		4,113,574	(13,418,969)
Other non-current assets		(10,855)	-
Estimated claim for refundable tax		(22,861,596)	(86,473,532)
Deposits		87,281,486	(87,322,360)
Accounts payable		63,479,636	(71,321,643)
Taxes payable		(4,047,897)	(29,282,941)
Advances from customers		17,508,335	(19,705,617)
Accruals and provisions		25,287,097	(15,763,870)
Short term employee benefits		7,406,827	2,406,388
Cash provided from operations		221,230,787	113,211,919
Corporate income tax paid		(47,298,500)	18,429,045
Employee benefit paid	19	(1,544,155)	(1,739,600)
Contribution to plan assets		(16,991,153)	-
Net cash provided by operating activities		**155,396,979**	**129,901,364**

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

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended March 31, 2018
(Expressed in thousands of Rupiah, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017 (As restated, Note 3)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions of fixed assets	13	(7,208,206)	(4,248,551)
Additions of construction in progress	13	(8,551,733)	(1,230,405)
Loans to related parties		(53,424,592)	2,291,142
Interest received		8,274,181	3,310,008
Net cash (used)/provided in investing activities		**(60,910,350)**	**122,194**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid		(292,728)	(1,088,116)
Bank overdraft	18	4,906,227	(15,408,030)
Dividend paid	23	(102,771,548)	(68,255,216)
Loan from a related party		(13,954,906)	13,954,906
Net cash used in financing activities		**(112,112,955)**	**(70,796,456)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(17,626,326)**	**59,227,102**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**70,821,300**	**11,594,198**
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	**53,194,974**	**70,821,300**

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

(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL

PT CG Power Systems Indonesia, (the “Company”), was established under the name of PT Pauwels Trafo Asia within the framework of the Foreign Investment Law No. 1 of 1967 as amended by law No. 11 of 1970 based on Notarial Deed No. 47 of Irawati Marzuki Arifin, S.H., dated November 20, 1990. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in Decision Letter No. C2-181O.HT.01.92 dated February 25, 1992.

The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 148 of Sutjipto, SH., M.Kn. dated August 25, 2011, to approve the appointment of the Company’s Board of Commissioners and Directors for a period of five years. This change was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-AH.01.10-31715 dated October 4, 2011.

The Company started commercial operations in March 1993. The Company engages in the manufacturing, marketing and maintenance of power transformers and sells its products to domestic and international markets, including Australia, New Zealand, Saudi Arabia, Africa, North America and Southeast Asia. The Company also engages in the field of engineering, procurement and construction service in relation with the electricity transformers. The Company’s plant and head office are located in Cileungsi, Bogor, West Java.

As at March 31, 2018 and 2017, the Company has 470 permanent employees (unaudited).

The composition of the Board of Commissioners and Board of Directors as of March 31, 2018 and March 31, 2017 are as follows:

	March 31, 2018	March 31, 2017
President Commissioner	Mr. Sanjay Singh	Mr. Jean-Michel Aubertin
Commissioners	Mr. Venkatesh Vaidyanathapuram Ramamoorthy	Mr. Venkatesh Vaidyanathapuram Ramamoorthy
	Mr. Syahril Anwar	Mr. Syahril Anwar
President Director	Mr. Llyod Joseph Gerard Lucas Pinto	Mr. Llyod Joseph Gerard Lucas Pinto
Directors	Mr. Nagendra Kumar Sayyaparaju	Mr. Abhaya Bhushan Chatterjee
	Mr. Neelakant Narayanan Kollengode	Mr. Neelakant Narayanan Kollengode
	Mr. Gautam Thapar	

Based on Notarial Deed No. 03 of Aryanti Artisari, S.H., M. Kn., dated January 9, 2018, which was acknowledged by the Minister of Justice and Human Rights through his letter No. AHU.AH.01.03-0018526 dated January 16, 2018, Mr. Abhaya Bhushan Chatterjee resigned as Director and replaced by Mr. Nagendra Kumar Sayyaparaju.

Based on Notarial Deed No. 27 of Aryanti Artisari, S.H., M. Kn., dated May 10, 2017, which was acknowledged by the Minister of Justice and Human Rights through his letter No. AHU.AH.01.03-0139532 dated May 24, 2017, Mr. Jean-Michel Aubertin resigned as President Commissioner and replaced by Mr. Sanjay Singh.

Based on Notarial Deed No. 51 of Aryanti Artisari, S.H., M. Kn., dated June 15, 2017, which was acknowledge by the Minister of Justice and Human Rights through his letter No. AHU.AH.01.03.0147390 dated June 19, 2017, Mr. Gautam Thapar is appointed as a director.

The financial statements were completed and authorized for issuance by the Company’s management on May 9, 2018.

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of The Financial Statements

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise of the Statements of Financial Accounting Standards ("PSAK") and the Interpretations Financial Accounting Standards ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants.

The financial statements have been prepared using the accrual basis, and the measurement basis used is historical cost, except for certain accounts which are measured on the basis as described in the related accounting policies.

The statement of cash flow is prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities using the indirect method.

The Company's financial statements are presented in Rupiah which is the functional currency of the Company.

The financial reporting period of the Company is April 1 - March 31.

b. Foreign Currency Transactions and Balances

Transaction in foreign currencies are initially recorded by the Company at their respective functional currency rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at rates of exchange at the reporting date.

The exchange rates used as of March 31, 2018 and 2017 are as follows (in full amount):

	March 31, 2018	**March 31, 2017**
Rupiah/US Dollar 1	13,767	13,280
Rupiah/New Zealand Dollar 1	10,000	9,309
Rupiah/Euro 1	15,894	14,228
Rupiah/Singapore Dollar 1	16,667	9,532
Rupiah/Australian Dollar 1	11,111	10,186
Rupiah/Malaysia Ringgit 1	3,571	3,010
Rupiah/France Swiss 1	14,286	13,375

c. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in banks, short-term deposits with original maturities of three months or less, at the time of placements and not restricted as to use.

d. Accounts Receivable

Accounts receivable are stated at original invoice amount less an allowance for impairment. The accounting policy for allowance for impairment as of March 31, 2018 and 2017 is described in Note 2e.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments

a. Financial Assets

Initial recognition and measurement

Financial assets within the scope of PSAK No. 55 (Revised 2014) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Company determine the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluate this designation at each financial year-end.

When financial assets are initially recognized, they are measured at fair value, plus, in the case of financial assets not at fair value through statement of profit or loss and other comprehensive income, directly attributable transaction costs.

The Company’s financial assets include cash and cash equivalents, trade receivable, unbilled receivable, other receivables and loans to related parties which fall under the loans and receivables category.

The Company’s financial assets also consist of derivative assets which are classified under financial assets at fair value through profit or loss.

Subsequent measurement

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

Derivative assets are subsequently measured at fair value (Note 2f).

Derecognition

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

Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

a. Financial Assets (continued)

Impairment of Financial Assets (continued)

Assets carried at amortized cost

The Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The Company assesses whether objective evidence of impairment exists collectively. If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount has been charged to the allowance account, the amounts charged are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in the statement of profit or loss and other comprehensive income.

b. Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of PSAK No. 55 (Revised 2014) are classified as financial liabilities at fair value through profit and loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determined the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial Instruments (continued)

b. Financial Liabilities (continued)

Initial recognition and measurement (continued)

The Company's financial liabilities include accounts payable, accruals and short-term loans which are classified under financial liabilities measured at amortized cost.

Derivative liabilities are classified under financial liabilities at fair value through profit and loss. Derivative liabilities are subsequently measured at fair value (Note 2f).

Subsequent measurement

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value, unless the effect of discounting would be immaterial, in which case they are stated at cost.

For financial liabilities other than derivatives, gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized and through the amortization process. Any gains or losses arising from changes in fair value of derivatives are recognized in the statement of profit or loss and other comprehensive income. Net gains or losses on derivatives include exchange differences

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

c. Offsetting of Financial Instruments

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

d. Fair Value of Financial Instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques permitted by PSAK No. 55 (Revised 2014), such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Derivative Financial Instruments and Hedge Accounting

Derivatives are initially recognized at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged The Company designates derivatives as hedges of a particular risk associated with a recognized asset of liability or a highly probable forecast transaction (cash flow hedge).

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in the profit or loss within foreign exchange gain/(loss) - net.

Amounts accumulated in equity are recycled in the profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the profit or loss within foreign exchange gain/(loss) - net.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized immediately in the profit or loss.

g. Related Parties Transactions

The Company conducts transactions with related parties. The definition of related party is in accordance with “PSAK” No. 7 (Revised 2015), “Related Party Disclosures”.

All material transactions with related parties are disclosed in the notes to the Company’s financial statements.

The nature and extent of transactions with related parties are described in Note 29.

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined based on the moving average method and includes an appropriate proportion of directly attributable fixed and variable overheads. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Allowance for decline in value of inventory is determined on the basis of estimated future usage or sale of individual inventory items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the fixed assets 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 fixed assets 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 statement of profit or loss and other comprehensive income as incurred.

Depreciation is computed using the straight-line or double-declining balance methods based on the estimated useful lives or depreciation rates of the assets as follows:

	Years
Straight-line:	
Buildings	25
Machinery and equipment	10 - 20

	Rates
Double declining-balance:	
Transportation equipment	50%
Office furniture, fixtures and equipment	25%

Land is stated at cost and is not depreciated.

An item of fixed assets 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 profit or loss and other comprehensive income in the period the asset is derecognized.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Construction in progress represents the accumulated costs of materials and other relevant costs up to the date when the asset is complete and ready for use. These costs are reclassified to the respective fixed asset accounts when the asset has been made ready for use.

When the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down to its estimated recoverable amount, which is determined as the higher of the net selling price or value in use.

j. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. Leases that transfer to the lessee substantially all of the risks and rewards incidental to ownership of the leased item are classified as finance leases. Leases which do not transfer substantially all of the risks and rewards incidental to ownership of the leased item are classified as operating leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Leases (continued)

The Company as a lessee

i) Under a finance lease, the Company is required to recognize assets and liabilities in its statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payments are required to be apportioned between finance charges and the reduction of the outstanding liability. The finance charges are required to be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are required to be charged as expenses in the periods in which they are incurred. Finance charges are reflected in the financial statement of profit or loss and other comprehensive income. Capitalized leased assets (presented are part of fixed assets) are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership of the asset by the end of the lease term.

ii) Under an operating lease, the related lease payments are recognized in statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

k. 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, 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 an asset's or Cash Generating Unit (CGU)'s 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 arse recognized in statement 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 as profit or loss under expense categories that are consistent with the functions of the impaired assets.

l. Trade and Other Payables

Trade and other payables are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. The accounting policy for trade and other payables as of March 31, 2018 are described in Note 2e.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

n. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares (if any) are shown in equity as a deduction, net of tax, from the proceeds.

o. Project work in progress, Revenue and Expense Recognition

Revenue from the sale of products is recognised when all significant risks and rewards of ownership have been transferred to the customers, net of returns, discounts, sales incentives and value added tax.

Revenue from construction contract is accounted for using the percentage of completion basis, after management's assessment of each individual contract. Stage of completion is measured by reference to costs incurred to date as a percentage of total contract cost. All foreseeable losses are recognised as soon as they are apparent. Project work in progress is valued with reference to cost plus profit recognised to date.

Expenses are recognised when they are incurred (accrual basis).

Contract cost includes direct labour and overheads that relate to specific contracts, and the appropriate portion of those costs which can be attributed to contract activity in general and which can be allocated on a reasonable basis. Amounts provided for losses on contracts and progress billings, are deducted from the amount of the project cost at valuation.

Revenue in excess of the amount billed is recorded as an asset, in project work in progress. Progress billing in excess of revenue is recorded as a liability, in advance from customers.

p. Corporate Income Tax

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction recognizing losses.

Referring to revised PSAK No. 46 as mentioned above, final tax is no longer governed by PSAK No. 46. Therefore, the Company has decided to present all of the final tax arising from office rent revenue and interest income which subject to final tax as separate line item.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Corporate Income Tax (continued)

Current Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

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

Underpayment/overpayment of income tax are presented as part of “Tax Expense - Current” in the statement of profit or loss and other comprehensive income. The Company also presented interest/penalty, if any, as part of “Tax Expense - Current”.

Amendments to taxation obligation are recorded when an assessment is received or, if appeal is applied, when the results of the appeal are received. The additional taxes and penalty imposed through Tax Assessment Letter (“SKP”) are recognized as income or expense in the current period profit or loss, unless objection/appeal action is taken. The additional taxes and penalty imposed through SKP are deferred as long as they meet the asset recognition criteria.

Deferred Tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Provision for Employee Benefits

Short-term employee benefits

Short-term employee benefits are recognised when they accrue to the employees.

Pension benefits and other post-employment benefits

The Company made long-term employee benefits liabilities in order to meet and cover the minimum benefits required to be paid to the qualified employees under Labor Law No. 13/2003 (the "Labor Law"). The liabilities are estimated using actuarial calculations using the "Projected Unit Credit" method.

The Company recognized all actuarial gains and losses as other reserve (other comprehensive income method) in the period in which they arise. Past service costs are directly charged to profit or loss.

The Company also provides other post-employment termination, which is separation pay. The separation pay benefit is paid to employees in the case of voluntary resignation, subject to a minimum number of years of service. This benefit has been accounted for using the same methodology as for the defined benefit pension plan.

Other long-term benefits

The Company also provides other long-term employee benefits as per collective labor agreement such as long service leave and jubilee awards. Entitlement to these benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for defined benefit pension plans, but in a simplified form. These obligations are valued annually by independent qualified actuary.

r. Segment Information

A segment is a distinguishable component of the Company that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those in other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and intra-group transactions are eliminated.

s. Adoption of new accounting standards

The Company adopted the following amendment and annual improvements that are considered relevant to the financial reporting of the Company effective January 1, 2017:

- Amendment PSAK No.1: Presentation of Financial Statements on Disclosures Initiative.
- PSAK 3: Interim Financial Reporting (Improvement 2016).
- PSAK 24: Employee Benefits (Improvement 2016).
- PSAK 60: Financial Instrument - Disclosure (Improvement 2016).

Those amendment and annual improvements on accounting standard have no significant impact to the financial statements of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. New and Revised Accounting Standards that have been Published but not yet Effective

The following are several issued accounting standards by DSAK that are considered relevant to the financial reporting of the Company but not yet effective for March 31, 2018 financial statements:

Effective on or after the date of January 1, 2018:

- Amendments PSAK 2: Statement of Cash Flow on the Disclosure Initiative.
- Amendments PSAK 46: Income Taxes on the Recognition of Deferred Tax Asset for Unrealized Losses.

Effective on or after the date of January 1, 2020:

- PSAK 71 Financial Instruments, adopted from IFRS 9.
- PSAK 72: Revenue from Contract with Customer.
- PSAK 73: Leases.

The Company is presently evaluating and has not determined the effects of these new and revised accounting standards on its financial statements.

3. CHANGE IN REPORTING CURRENCY

Started April 1, 2017, the Company changed its reporting currency from US Dollar to Rupiah, its functional currency, due to substantially, if not all:

- the Company's major incoming cash are occurred in domestic and originated in Rupiah
- the currency that mainly influences sales prices for goods and services are denominated and settled in Rupiah
- the currency that mainly influences labour and other costs of providing goods or services are denominated and settled in Rupiah

As such, the Board of Directors believes the change will result in a more appropriate presentation of the Company's transaction in the financial statements.

The change of the Company's reporting currency has been accounted for in accordance with PSAK No. 10 (Revised 2010), "The Effect of Changes in Foreign Exchange Rates" which should be applied on or after April 1, 2017.

For comparative purposes, the financial statements and the related notes as of March 31, 2017 and April 1, 2016/March 31, 2016 and the statement of profit or loss and other comprehensive income for the year ended March 31, 2017 have been translated into Rupiah using the procedures outlined below:

- all assets and liabilities are translated into Rupiah at the exchange rates prevailing on the reporting date;
- share capital and reserves are translated into Rupiah at exchange at rates approximating historical exchange rate;
- income statement items are translated into Rupiah at the the monthly average exchange rate, and
- the resulting exchange differences arising on translation are taken to shareholders' equity

(Expressed in thousands of Rupiah, unless otherwise stated)

3. CHANGE IN REPORTING CURRENCY (continued)

The following are the statements of financial position as of March 31, 2017 and April 1, 2016/March 31, 2016 which have been reported in US Dollar currency, unless otherwise stated:

	March 31, 2017	April 1, 2016/ March 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,332,929	873,320
Accounts receivable, net	9,966,749	36,045,343
Unbilled receivables	22,972,783	14,930,071
Costs and estimated earnings in excess of billings, net	8,635,605	7,810,550
Inventories, net	12,021,183	12,763,348
Prepaid tax	179,151	1,056,187
Derivative assets	301,925	94,113
Loans to related parties	48,630,923	47,347,511
Other current assets	2,153,283	1,150,353
TOTAL CURRENT ASSETS	110,194,531	122,070,796
NON-CURRENT ASSETS		
Estimated claims of refundable taxes	14,015,218	9,717,721
Fixed assets, net	13,822,173	15,171,735
Deposits	6,723,499	148,065
TOTAL NON-CURRENT ASSETS	34,560,890	25,037,521
TOTAL ASSETS	**144,755,421**	**147,108,317**
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	20,760,377	26,391,323
Billings in excess of costs and estimated earnings, net	-	330,387
Taxes payable	864,234	964,467
Derivative liabilities	229,106	877,356
Advances from customers	6,495,856	7,982,117
Loan from a related party	1,050,821	-
Accruals and provisions	3,961,019	5,160,277
Short term employee benefits	1,115,111	934,188
Bank overdraft	-	1,160,593
TOTAL CURRENT LIABILITIES	34,476,524	43,800,708
NON-CURRENT LIABILITIES		
Deferred tax liability, net	105,110	928,463
Provision for employee benefits	1,747,163	407,512
TOTAL NON-CURRENT LIABILITIES	1,852,273	1,335,975
TOTAL LIABILITIES	**36,328,797**	**45,136,683**

(Expressed in thousands of Rupiah, unless otherwise stated)

3. CHANGE IN REPORTING CURRENCY (continued)

The following are the statements of financial position as of March 31, 2017 and April 1, 2016/March 31, 2016 which have been reported in US Dollar currency, unless otherwise stated (continued):

	March 31, 2017	April 1, 2016/ March 31, 2016
EQUITY		
Share capital - authorised 20,000 shares (Series A 19,000, Series B 1,000); issued and fully paid 12,057 shares of Series A and 635 shares of Series B of USD1,000 or Rp1,853,000 per share	12,692,000	12,692,000
Hedging reserve	(274,716)	(814,588)
Other comprehensive income	(1,279,958)	(964,687)
Retained earnings:		
Appropriated	2,538,400	2,538,400
Unappropriated	94,750,898	88,520,509
TOTAL EQUITY	**108,426,624**	**101,971,634**
TOTAL LIABILITIES AND EQUITY	**144,755,421**	**147,108,317**

(Expressed in thousands of Rupiah, unless otherwise stated)

3. CHANGE IN REPORTING CURRENCY (continued)

The following is the statements of profit or loss and other comprehensive income for the year ended March 31, 2017 presented in US Dollar currency, unless otherwise stated:

	March 31, 2017
NET REVENUE	116,364,316
COST OF REVENUE	(87,868,355)
GROSS PROFIT	**28,495,961**
OPERATING EXPENSES:	
General and administration expenses	(9,775,853)
Selling and marketing expenses	(5,122,164)
Foreign exchange loss, net	(1,108,442)
Other operating expenses, net	(349,035)
Total operating expenses	**(16,355,494)**
OPERATING PROFIT	**12,140,467**
OTHER INCOME:	
Interest income	1,747,222
Final tax on interest income	(2,315)
	1,744,907
Interest expense	(96,168)
Other income, net	**1,648,739**
PROFIT BEFORE CORPORATE INCOME TAX	**13,789,206**
CORPORATE INCOME TAX:	
Final tax from construction	(365,046)
Current tax expense	(2,772,333)
Deferred tax benefit	718,263
	(2,419,116)
PROFIT FOR THE YEAR	**11,370,090**
OTHER COMPREHENSIVE INCOME:	
Items that will not be reclassified to profit or loss:	
Loss on remeasurement of defined benefit plans	(420,361)
Income tax related to other comprehensive income	105,090
	(315,271)
Cash flow hedges	539,872
OTHER COMPREHENSIVE INCOME	**224,601**
TOTAL COMPREHENSIVE INCOME	**11,594,691**

4. SOURCE OF ESTIMATION UNCERTAINTY

The preparation of the Company'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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Classification of Financial Assets and Financial Liabilities

The Company determined the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company and accounting policies disclosed in Note 2e.

Determination of Functional Currency

Functional currency of the Company is the currency of the primary economic environment in which the Company operates. The functional currency is a currency that affects the revenues and expenses of the services rendered. The Company determined that its functional currency is Indonesian Rupiah.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Employee Benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

4. SOURCE OF ESTIMATION UNCERTAINTY (continued)

Estimates and Assumptions (continued)

Revenue Recognition

The Company uses the percentage of completion method in accounting for its fixed price contracts to deliver construction services. The use of percentage of completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Warranty

The Company provide guarantee that their product is reliable and free from known defects and that the Company will, without charge, repair or replace defective parts within 24 months and under certain conditions. Based on past experience, the Company believes that the actual warranty will not exceed 0.5% of the actual sales for the last 24 months. The Company has, therefore, recognized provision for warranty and recorded as a cost of sales.

Penalty on Late Delivery

Based on the sales agreement with the customer, the Company provide guarantee that they are reliable to provide and install the goods in their customer's premises in the date stipulated in the contracts. Failure to provide on the agreed date will resulted on penalty as per mentioned in the contract. The Company has, therefore, recognized provision for penalty on late delivery based on further review over the actual recognized delivery date and the date in contract.

Depreciation of Fixed Assets

Management determines the estimated useful lives and related depreciation charges for the fixed assets. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down technically obsolete assets or non-strategic assets that have been abandoned or sold. Further details are disclosed in Note 13.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognized liabilities for corporate income tax issues based on estimates of whether additional corporate income tax will be due.

Uncertain Tax Exposure

In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by 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 applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, “Provisions, Contingent Liabilities and Contingent Assets”. The Company makes an analysis of all tax positions related to income taxes to determine whether a tax liability on unrecognized tax benefit should be recognized.

(Expressed in thousands of Rupiah, unless otherwise stated)

4. SOURCE OF ESTIMATION UNCERTAINTY (continued)

Estimates and Assumptions (continued)

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of the future taxable profits together with future tax planning strategies.

Allowance for Decline in Value of Inventories

Allowance for declining value of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to sell. The allowance are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amounts of the Company's inventories before allowance for declining value of inventories are disclosed in Note 9.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the statement 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 judgments include considerations 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.

5. CASH AND CASH EQUIVALENTS

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Cash on hand	116,379	274,273	115,658
Cash in banks:			
U.S. Dollar accounts	6,467,214	12,658,740	3,216,981
New Zealand Dollar accounts	13,832,996	8,824,923	739,037
Australian Dollar accounts	758,151	1,942,505	938,631
Indonesian Rupiah accounts	31,889,635	47,025,935	6,388,477
European Euro accounts	130,599	94,924	195,414
	53,194,974	**70,821,300**	**11,594,198**

(Expressed in thousands of Rupiah, unless otherwise stated)

6a. ACCOUNTS RECEIVABLE, NET

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Third parties	168,433,722	149,128,374	478,094,586
Related party (Note 29a)	4,760,392	81,478	443,390
	173,194,114	149,209,852	478,537,976
Less: Allowance for impairment	(21,328,338)	(16,851,430)	-
Total	**151,865,776**	**132,358,422**	**478,537,976**

Management believes that the provision for impairment of trade receivables is adequate to cover possibility losses on non-collectible trade receivables.

6b. UNBILLED RECEIVABLES

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Third parties	**339,543,004**	**305,078,564**	**198,211,624**

7. COSTS AND ESTIMATED EARNINGS IN EXCESS OF BILLINGS, NET

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Contract costs incurred	541,565,211	558,345,011	486,566,874
Estimated earnings	86,321,643	80,877,365	71,134,853
	627,886,854	639,222,376	557,701,727
Less: Progress billings	(415,283,242)	(524,541,542)	(454,008,865)
Total	**212,603,612**	**114,680,834**	**103,692,862**

8. DEPOSITS

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Deposits	**2,006,587**	**89,288,073**	**1,965,713**

Deposits mainly represents fund placed in the banks as collaterals for the issuance of Performance Bonds in favor of PT PLN (Persero) ("PLN") related to sales of transformers. The Performance Bonds range from 5% - 10% of the total contracts.

(Expressed in thousands of Rupiah, unless otherwise stated)

9. INVENTORIES, NET

	March 31, 2018	**March 31, 2017 (As restated, Note 3)**	**April 1, 2016/ March 31, 2016 (As restated, Note 3)**
Project work in process	195,764,714	110,849,598	101,043,444
Raw materials	61,552,890	32,963,264	44,897,462
Materials in transit	3,272,910	17,928,643	24,943,596
	260,590,514	161,741,505	170,884,502
Allowance for decline in value of inventory	(1,085,303)	(2,100,192)	(2,497,655)
Total	**259,505,211**	**159,641,313**	**168,386,847**

Changes in the allowance for decline in value of inventory are as follows:

	March 31, 2018	**March 31, 2017 (As restated, Note 3)**	**April 1, 2016/ March 31, 2016 (As restated, Note 3)**
Beginning balance	(2,100,192)	(2,497,655)	(2,726,637)
Reversal allowance for decline in value of inventory	1,014,889	397,463	228,982
Total	**(1,085,303)**	**(2,100,192)**	**(2,497,655)**

At year end management believes that the provision for decline in value of inventories is adequate to cover possible losses due to the slow moving inventories.

10. OTHER CURRENT ASSETS

	March 31, 2018	**March 31, 2017 (As restated, Note 3)**	**April 1, 2016/ March 31, 2016 (As restated, Note 3)**
Advance for purchase of raw materials - third parties	15,882,099	19,487,086	12,089,368
Advance for purchase of raw materials - related parties (Note 29d)	-	1,982,661	-
Prepayments:			
Prepaid rentals	7,257,348	5,619,665	2,272,840
Prepaid insurance	627,129	1,036,250	505,156
Others	137,418	469,906	309,236
Other receivables	578,000	-	-
	24,481,994	**28,595,568**	**15,176,600**

(Expressed in thousands of Rupiah, unless otherwise stated)

11. TAXATION

a. Prepaid tax

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Value added tax	**14,412,416**	**2,379,128**	**14,021,944**

b. Estimated claims of refundable taxes

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Refundable corporate income tax 2017	7,304,275	-	-
Refundable corporate income tax 2016	-	1,358,836	-
Refundable corporate income tax 2015	11,153,378	10,759,177	19,056,717
Refundable corporate income tax 2011	6,057,604	5,843,320	5,841,559
Value added tax - fiscal year:			
- 2018	25,549,894	-	-
- 2017	101,432,197	16,389,180	-
- 2016	28,823,847	102,970,225	20,703,754
- 2015	11,286,023	31,057,378	64,515,784
- 2014	3,663,685	4,690,669	4,962,091
- 2013	4,664,158	7,156,924	8,037,954
- 2012	4,717,043	5,896,391	5,894,610
	204,652,104	**186,122,100**	**129,012,469**

Corporate Income Tax ("CIT")

Year	Date of tax assessments	Amount	Status as of March 31, 2018
2017	-	Rp7,304,275	The refund is subject to the upcoming tax audit
2016	July 25, 2017	-	The Company received a tax assessment from the Directorate General of Taxation ("DGT") on July 25, 2017 reflecting underpayment of Corporate Income Tax ("CIT") 2016 of US$156,026 (equivalent to Rp2,148,010), while the Company claimed a refundable CIT in the tax return of US$102,323 (equivalent to Rp1,408,681). The Company accepted this tax assessment and charged the total of US$258,349 (equivalent to Rp3,556,691) in under/over CIT to the current year statement of profit or loss and other comprehensive income.

(Expressed in thousands of Rupiah, unless otherwise stated)

11. TAXATION (continued)

b. Estimated claims of refundable taxes (continued)

Corporate Income Tax ("CIT") (continued)

Year	Date of tax assessments	Amount	Status as of March 31, 2018
2015	July 27, 2016	Rp11,153,378	The Company received a tax assessment from the DGT on July 27, 2016 reflecting overpayment of CIT 2015 of US$625,247 (equivalent to Rp8,607,775) which was lower by US$810,179 (equivalent to Rp11,153,378) than the amount claimed as refundable in the tax return. The refund was received on August 19, 2016. On September 1, 2016, the Company submitted an objection letter against this tax assessment amounted to US$810,179 (equivalent to Rp11,153,378). On October 2, 2017, the DGT rejected the Company's request. On October 17, 2017, the Company submitted a tax appeal to the Tax Court. Up to the completion date of the financial statements, the Tax Court has not yet issued its decision.
2011	April 25, 2013	Rp6,057,604	The Company received an overpayment tax assessment letter from the DGT dated April 25, 2013 with respect of 2011 corporate income tax, reflecting a refund of US$2,601,600 (equivalent to Rp35,816,227) or lower US$1,057,839 (equivalent to Rp14,563,270) than the amounts claimed in the Company's tax return. On May 15, 2013, the Company received the refunds. On July 1, 2013, the Company filed an objection letter to the DGT for the portion of the remaining amount of US$440,009 (equivalent to Rp6,057,604) and charged the un-refunded balance to the 2014 profit or loss. On July 14, 2014, the DGT rejected the Company's request. On September 9, 2014, the Company submitted tax appeal to the Tax Court. Up to the completion date of this financial statements, the Tax Court has not yet issued its decision.

(Expressed in thousands of Rupiah, unless otherwise stated)

11. TAXATION (continued).

b. Estimated claims of refundable taxes (continued)

Value Added Tax ("VAT")

Tax period	Date of tax assessments	Amount	Status as of March 31, 2018
2018	-	Rp25,549,894	The refund is subject to the upcoming tax audit.
2017	January 26, 2018	Rp101,432,197	On January 26, 2018, the Company received a tax assessment from the DGT reflecting underpayment of VAT for period January 2017 amounted to Rp4,829,217, while the Company reported refundable in the tax return amounted to Rp8,955,961. On February 27, 2018, the Company submitted objection letter against this tax assessment for period January 2017 amounted to Rp8,955,961. Up to the completion date of this financial statements, the DGT has not yet issued its decision. VAT period February - December 2017 of Rp92,476,236 thousand are being audited by the DGT.
March, May, June, August and October - December 2016	June 22, August 29, December 4, December 6, 2017 and February 26, 2018	Rp28,823,847	On October 31, December 20, 2017 and February 26 - 27, 2018, the Company submitted an objection letter against tax assessments for period March, May, June, August and October - December 2016 totaling Rp28,823,847. Up to the completion date of this financial statements, the DGT has not yet issued its decision.
March, June, July and September 2015	February 25, April 29, June 9, 2016, July 25, 2016, October 14, 2017 and December 6, 2017	Rp11,286,023	On July 6, October 17, October 31, 2017, the Company submitted a tax appeal to the Tax Court for VAT period March, June, July and September 2015 totaling Rp11,286,023. Up to the completion date of this financial statements, the Tax Court has not yet issued its decision.

(Expressed in thousands of Rupiah, unless otherwise stated)

11. TAXATION (continued).

b. Estimated claims of refundable taxes (continued)

Value Added Tax ("VAT") (continued)

Tax period	Date of tax assessments	Amount	Status as of March 31, 2018
September - December 2014	January 19 and May 21, 2015	Rp3,663,685	On September 14, 2016 and February 1, 2017, the Company submitted a tax appeal to the Tax Court against the decision of the DGT to the Tax Court for the Tax Collection Letter period September - December 2014 amounted to Rp3,663,685. Up to the completion date of this financial statements, the Tax Court has not yet issued its decision.
January - June 2013	March 10, September 26 and November 10 2014	Rp4,664,158	On June 20, 2017, the Company filed a judicial review to the Supreme Court against the rejected tax appeal by the Tax Court for Tax Collection Letter period January - June 2013 totaling Rp4,664,158. Up to the completion date of this financial statements, the Supreme Court has not yet issued its decision.
July - December 2012	January 20 and December 16, 2014	Rp4,717,043	On January 3, 2018, the Company filed a judicial review to the Supreme Court against the rejected tax appeal from Tax Court for VAT period December 2012 and Tax Collection Letter for VAT for period July - December 2012 totaling Rp4,717,043. Up to the completion date of this financial statements, the Supreme Court has not yet issued its decision.

c. Taxes payable

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Corporate income tax payable	19,236,499	2,866,459	4,840,549
Final tax	2,197,348	199,768	3,095,379
Withholding income tax Articles 23 and 26	1,569,381	7,400,647	1,046,707
Employee income tax Article 21	596,179	1,010,158	649,244
Value added tax	-	-	3,172,380
	23,599,407	**11,477,032**	**12,804,259**

(Expressed in thousands of Rupiah, unless otherwise stated)

11. TAXATION (continued).

d. Reconciliation of corporate income tax

The reconciliation between income before corporate income tax expense multiplied by the tax rate of 25% and income tax expense in Rupiah currency are presented below:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Income before corporate income tax expense	317,772,825	183,120,656	205,612,342
Less: Income from revenue subject to final tax	(99,475,390)	(81,231,165)	(13,422,726)
	218,297,435	101,889,491	192,189,616
Tax on income at the statutory rate of 25%	54,574,359	25,472,368	48,047,404
Final tax on construction contracts	13,996,289	4,847,810	1,970,212
Net permanent differences	(7,280,826)	4,164,007	6,745,264
Under/(over) provision of prior year corporate income tax	850,856	(2,358,326)	(631,407)
Currency translation adjustment	(1,396,221)	-	-
Corporate income tax expense	**60,744,457**	**32,125,859**	**56,131,473**

e. Components of corporate income tax expense

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Current tax expense	52,953,218	39,174,911	45,504,048
Final tax on construction contracts	13,996,289	4,847,810	1,970,212
Over provision of 2017 corporate income tax	(2,705,835)	-	-
Under/(over) provision of 2016 corporate income tax	3,556,691	(2,358,326)	-
Over provision of 2015 corporate income tax	-	-	(631,407)
Deferred tax expense relating to the origination and reversal of temporary difference	(7,055,906)	(9,538,536)	9,288,620
Corporate income tax expense	**60,744,457**	**32,125,859**	**56,131,473**

(Expressed in thousands of Rupiah, unless otherwise stated)

11. TAXATION (continued).

f. Deferred tax assets and liability

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Deferred tax assets:			
Provision for employee benefits	6,961,119	6,245,385	1,797,199
Provision for warranty	5,193,092	5,221,616	4,324,710
Provision for impairment of receivables	5,301,195	4,212,854	-
Provision for bonus	5,553,875	3,702,172	3,100,570
Allowance for decline in value of inventory	271,326	525,052	628,340
Provision for late delivery	3,080,456	216,547	1,339,270
Provision for commission	-	32,483	130,354
	26,361,063	20,156,109	11,320,443
Deferred tax liability:			
Fixed assets	(18,352,006)	(21,551,966)	(23,646,720)
Deferred tax assets/(liability), net	**8,009,057**	**(1,395,857)**	**(12,326,277)**

The utilization of deferred tax assets recognized by the Company is dependent upon future taxable income in excess of income arising from the reversal of existing taxable temporary differences. The Company's management believes that the deferred tax assets can be utilized in the future.

g. Analysis of changes in deferred tax assets and liability

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Deferred tax liability - beginning balance	(1,395,857)	(12,329,989)	(1,385,924)
Deferred tax (expense)/benefit for the year	7,055,906	9,538,536	(9,288,619)
Deferred tax benefit/(expense) recognized in other comprehensive income	2,349,008	1,395,596	(1,651,734)
Deferred tax assets/(liability) - ending balance	**8,009,057**	**(1,395,857)**	**(12,326,277)**

h. Administration

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. Based on taxation laws, the DGT may assess or amend taxes within five years from the date the tax becomes due.

(Expressed in thousands of Rupiah, unless otherwise stated)

12. DERIVATIVE ASSETS AND LIABILITIES

	March 31, 2018		March 31, 2017 (As restated, Note 3)		April 1, 2016/March 31, 2016 (As restated, Note 3)	
	Derivative *assets*	Derivative *liabilities*	Derivative *assets*	Derivative *liabilities*	Derivative *assets*	Derivative *liabilities*
Designated as cash flow hedges	-	(9,321,332)	4,009,560	(7,419,628)	1,241,628	(10,673,137)
Not qualifying as hedges	-	172,949	-	4,377,101	-	(901,824)
	-	**(9,148,383)**	**4,009,560**	**(3,042,527)**	**1,241,628**	**(11,574,961)**

The fair value of derivative liabilities have been determined using rates quoted by the Company's bankers at the reporting date which are calculated by reference to the market interest rates and foreign exchange rates.

The Company entered into forward exchange and commodity contracts to manage its exposure to the variability of cash flows, primarily related to future sales and purchases of inventories denominated in foreign currencies over the next 12 months. As of March 31, 2018, the Company had an outstanding forward foreign exchange contracts with a notional amount of Rupiah (IDR) 68,354,000, American Dollar (USD) 6,345,663, New Zealand Dollar (NZD) 2,677,840. (March 31, 2017: Rupiah (IDR) 146,603,368, Malaysia Ringgit (MYR) 13,344,428, Euro (EUR) 2,541,266, New Zealand Dollar (NZD) 1,541,804, Franc Swiss (CHF) 275,400).

As of March 31, 2018, the balance of deferred net loss on derivatives of Rp10,086,611 (March 31, 2017: loss of Rp3,648,234) incurred from changes in the fair value of forward foreign exchange and commodity contracts that are highly effective, has been recognized in hedging reserve. The Company expects that substantially all of this amount will be credited into the profit or loss within 12 months from the reporting date.

13. FIXED ASSETS, NET

Movements in March 31, 2018

	Balance March 31, 2017	Additions	Deductions	Transfers/ Reclassification	Balance March 31, 2018
Cost:					
Land	12,294,779	-	-	-	12,294,779
Buildings	119,395,848	-	-	-	119,395,848
Machinery and equipment	331,142,294	7,208,206	-	-	338,350,500
Transportation equipment	731,239	-	-	-	731,239
Office furniture, fixtures and equipment	27,737,333	-	-	-	27,737,333
Assets under construction	-	8,551,733	-	-	8,551,733
	491,301,493	15,759,939	-	-	507,061,432
Accumulated depreciation:					
Buildings	81,296,877	4,945,887	-	-	86,242,764
Machinery and equipment	202,188,788	17,206,580	-	-	219,395,368
Transportation equipment	727,018	2,110	-	-	729,128
Office furniture, fixtures and equipment	23,530,346	1,046,412	-	-	24,576,758
	307,743,029	23,200,989	-	-	330,944,018
Net book value	**183,558,464**				**176,117,414**

(Expressed in thousands of Rupiah, unless otherwise stated)

13. FIXED ASSETS, NET (continued)

Movements in March 31, 2017

	Balance March 31, 2016	Additions	Deductions	Transfers/ Reclassification	Foreign Currency Translation Adjustment	Balance March 31, 2017
Cost						
Land	12,214,238	-	-	-	80,541	12,294,779
Buildings	118,601,441	-	-	-	794,407	119,395,848
Machineries and equipment	323,079,366	4,212,482	-	1,719,919	2,130,527	331,142,294
Transportation equipment	726,446	-	-	-	4,793	731,239
Office furniture, fixtures and equipment	27,532,009	36,068	-	-	169,256	27,737,333
Assets under construction	486,307	1,230,405	-	(1,719,919)	3,207	-
	482,639,807	5,478,955	-	-	3,182,731	491,301,493
Accumulated depreciation						
Buildings	75,848,958	4,945,884	-	-	502,035	81,296,877
Machinery and equipment	183,922,320	17,053,618	-	-	1,212,850	202,188,788
Transportation equipment	718,055	4,223	-	-	4,740	727,018
Office furniture, fixtures and equipment	21,989,776	1,397,415	-	-	143,155	23,530,346
	282,479,109	23,401,140	-	-	1,862,780	307,743,029
Net book value	**200,160,698**					**183,558,464**

Depreciation in March 31, 2018 and 2017 were charged to the following accounts:

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Cost of revenue (Note 25)	22,128,427	22,060,831
General and administration expenses (Note 27)	932,231	1,173,248
Selling expenses (Note 26)	140,331	167,061
	23,200,989	**23,401,140**

14. ACCOUNTS PAYABLE

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Trade payable:			
Third parties	326,712,231	262,819,018	345,233,408
Related parties (Note 29b)	12,510,421	12,878,788	5,137,799
Total	**339,222,652**	**275,697,806**	**350,371,207**

Trade payables and other payables are non-interest bearing and are normally settled on terms ranged between 30 to 90 days.

For explanations on the Company's liquidity risk management processes, refer to Note 30.

(Expressed in thousands of Rupiah, unless otherwise stated)

15. ADVANCES FROM CUSTOMERS

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Advance from customers	**103,773,302**	**86,264,967**	**105,970,585**

This account represents advances from customers in relation to the sales of power transformer units.

16. ACCRUALS AND PROVISIONS

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Accrued material cost	15,178,787	18,129,576	38,899,837
Provision warranty	20,772,366	20,886,450	17,190,699
Provision late delivery charges	12,321,823	866,226	5,323,602
Accrued freight charges	674,536	2,840,158	-
Provision commission	-	129,932	5,281,682
Others	28,941,913	9,749,986	1,670,378
	77,889,425	**52,602,328**	**68,366,198**

17. BILLINGS IN EXCESS OF COSTS AND ESTIMATED EARNINGS, NET

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Contract costs incurred	296,759,425	-	8,736,683
Estimated earnings	55,509,825	-	-
	352,269,250	-	8,736,683
Less: Progress billings	(358,053,079)	-	(13,122,901)
	(5,783,829)	**-**	**(4,386,218)**

18. BANK OVERDRAFT

a. Bank Overdraft

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Standard Chartered Bank (“SCB”)	**4,906,227**	**-**	**15,408,030**

The Company obtained banking facilities from SCB based on banking facilities agreement dated May 16, 2005, with combined limit of US$6,500,000 (equivalent to Rp89,479,000). The agreement has been amended several times, the latest was on December 19, 2017 to increase limit facility up to US$15,000,000 and Rp71,000,000 (equivalent to Rp277,505,000). The facilities period is extended until December 31, 2018. These banking facilities include short term loan facility, bank overdraft facility, import Letter of Credit facilities, shipping guarantee facility, import invoice financing facility, export invoice financing facility, credit bill negotiated discrepant facility, and commercial standby letters of credit facility. The bank overdraft was subject to interest at rate of 4.00% per annum. These facilities are secured by Corporate Guarantee from CG Power and Industrial Solutions Ltd.

(Expressed in thousands of Rupiah, unless otherwise stated)

18. BANK OVERDRAFT (continued)

a. Bank Overdraft (continued)

The Company obtained banking facilities from ANZ Bank based on banking facilities agreement dated October 9, 2007, with combined limit of US$6,500,000 (equivalent to Rp89,479,000) which has been amended to US$25,000,000 (equivalent to Rp344,150,000). The agreement has been amended several times, the latest was on September 14, 2017 to extend the loan facility until January 30, 2018. These banking facilities include bank overdraft facility, import letter of credit facilities, shipping guarantee facility, import invoice financing facility, export invoice financing facility and credit bill negotiated discrepant facility. These facilities are secured by Corporate Guarantee from CG Holdings Belgium N.V. Up to January 30, 2018 the Company decided to terminate these bank facilities.

The Company obtained banking facilities from UOB Bank based on banking facilities agreement dated May 21, 2015, with combined limit of US$10,000,000 (equivalent to Rp137,670,000). These banking facilities include letter of credit facility, trust receipt facility, clean trust receipt facility, and bank guarantee facility. The facilities period is extended until April 30, 2018. These facilities are secured by Corporate Guarantees from CG Power and Industrial Solutions Ltd. and CG Holdings Belgium N.V.

The Company obtained banking facilities from SBII Bank based on banking facilities agreement dated August 28, 2017 with combined limit of US$10,000,000 (equivalent to Rp137,670,000). These banking facilities include letter of credit facility and bank guarantee facility. The facilities period is valid until August 28, 2018. These facilities are secured by Corporate Guarantees from CG Power and Industrial Solutions Ltd. and the Company's land, factory, machineries, inventories and receivables.

The Company was in compliance with all of the loan covenants for those bank facilities.

b. Summary of Banking Facilities

Standard Chartered Bank

	March 31, 2018	**March 31, 2017 (As restated, Note 3)**	**April 1, 2016/ March 31, 2016 (As restated, Note 3)**
Total Credit Facilities	277,505,000	205,840,000	132,760,000
Utilization:			
Bank Guarantee	(183,447,074)	(195,797,704)	(46,470,700)
Letter of Credit	(1,965,279)	(7,019,649)	(19,251,979)
Bank Overdraft	(4,906,227)	-	(15,408,033)
	87,186,420	**3,022,647**	**51,629,288**

ANZ Bank Indonesia

	March 31, 2018	**March 31, 2017 (As restated, Note 3)**	**April 1, 2016/ March 31, 2016 (As restated, Note 3)**
Total Credit Facilities	-	332,000,000	332,000,000
Utilization:			
Bank Guarantee	-	(88,800,053)	(243,608,413)
Letter of Credit	-	-	(34,508,425)
	-	**243,199,947**	**53,883,162**

(Expressed in thousands of Rupiah, unless otherwise stated)

18. BANK OVERDRAFT (continued)

b. Summary of Banking Facilities (continued)

United Overseas Bank ("UOB")

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Total Credit Facilities	137,670,000	132,800,000	132,760,000
Utilization:			
Bank Guarantee	(94,509,085)	(80,436,442)	(36,742,419)
Letter of Credit	(11,665,620)	(48,039,577)	(45,413,678)
	31,495,295	**4,323,981**	**50,603,903**

SBI Indonesia Bank ("SBII")

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Total Credit Facilities	137,670,000	-	-
Utilization:			
Bank Guarantee	(121,423,176)	-	-
Letter of Credit	(3,915,246)	-	-
	12,331,578	**-**	**-**

19. PROVISION FOR EMPLOYEE BENEFITS

As of March 31, 2018 and 2017, the Company provided provision for employee benefit based on the report of independent actuaries, PT Padma Radya Aktuaria, as per its report dated April 20, 2018 and April 1, 2017, respectively.

The estimated liabilities for employee service entitlements based on the actuary reports have been determined using the following assumptions:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Discount rate	7.50% per annum	8.35% per annum	8.75% per annum
Wages and salary increase	7.50% per annum	7.50% per annum	7.50% per annum
Retirement age	55 year of age	55 year of age	55 year of age
Mortality rate	100% TMI3	100% TMI3	100% TMI3
Withdrawal rate	3.5% p.a at age 30 and reducing linearly to 0% p.a at age 55	3.5% p.a at age 30 and reducing linearly to 0% p.a at age 55	3.5% p.a at age 30 and reducing linearly to 0% p.a at age 55
Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit

(Expressed in thousands of Rupiah, unless otherwise stated)

19. PROVISION FOR EMPLOYEE BENEFITS (continued)

The details of the provision for employee service entitlements are as follows:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Present value of benefit obligation	124,682,431	100,935,105	82,950,984
Fair value of plan assets	(98,617,167)	(77,732,780)	(77,540,855)
Provision for employee service entitlements	**26,065,264**	**23,202,325**	**5,410,129**

The changes in the provision for employee service entitlements are as follows:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Beginning balance	23,202,325	5,410,129	27,971,839
Expenses charged to the profit and loss account	12,002,212	13,914,186	12,327,337
Payments during the year	(1,544,154)	(1,739,600)	(1,537,879)
Other comprehensive income	9,396,034	5,582,394	(6,606,921)
Contribution paid to plan assets	(16,991,153)	-	(27,088,802)
Effect of changes in foreign exchange rate	-	35,216	344,555
	26,065,264	**23,202,325**	**5,410,129**

A one percentage point change in the assumed discount and salary rate would have the following effects:

	Change in assumption	Effect on present value of benefit obligation
March 31, 2018		
Discount rate	+1%/1%	114,045,251/(129,378,495)
Wages and salary increase	+1%/1%	135,887,644/(106,286,955)

The movement of present value of obligation is as follows:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
At beginning of year	100,935,105	82,950,984	76,990,790
Current service cost	12,358,917	10,342,557	9,814,973
Past service cost	(1,723,034)	-	725,109
Interest cost	8,239,589	7,192,727	5,636,392
Expected benefit payment	(3,495,362)	(3,077,109)	(2,449,024)
Actuarial gain/(loss)	8,367,216	3,566,291	(1,080,149)
Effect of changes in foreign exchange rate	-	(40,345)	(6,687,107)
At end of year	**124,682,431**	**100,935,105**	**82,950,984**

(Expressed in thousands of Rupiah, unless otherwise stated)

19. PROVISION FOR EMPLOYEE BENEFITS (continued)

The details of the employee service entitlements expense recognized in the 2018 and 2017 statement of profit or loss and other comprehensive income is as follows:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Current service cost	12,358,917	10,342,557	9,814,973
Interest cost	1,748,910	678,754	2,041,902
Past service cost	(1,723,034)	3,037,693	725,108
Actuarial loss	(382,581)	(144,818)	(254,646)
	12,002,212	**13,914,186**	**12,327,337**

The maturity of undiscounted defined benefit obligation as of March 31, 2018, is as follows:

	March 31, 2018
Within the next 12 months (the next annual report)	5,988,980
From 2 to 5 years	54,026,920
From 6 to 10 years	123,238,479
More than 10 years	687,408,294
Total expected payments	**870,662,673**

The average duration of the defined benefit plan obligation at the end of the reporting period is 14 years.

As of March 31, 2018, the Company has funded the total amount of post-employment benefit of Rp98,617,167 (March 31, 2017: Rp77,732,780) to Manulife Insurance.

20. APPROPRIATION FOR STATUTORY RESERVE

The Company established a statutory reserve amounting to Rp33,709,952. It is in accordance with Law No. 40 Year 2007 on a Limited Liability Company, which requires companies to set up a reserve reaching to a minimum 20% of the Company's issued and fully paid share capital.

21. SHARE CAPITAL

The ownership of the Company's share capital as of March 31, 2018 and March 31, 2017 were as follows:

Shareholders	Number of shares	Percentage of ownership	Authorized, issued and paid in capital
CG Power Systems Belgium N.V.	12,057	95%	22,341,621
PT Meta Fokus Sarana Ananda	635	5%	1,176,655
	12,692	**100%**	**23,518,276**

(Expressed in thousands of Rupiah, unless otherwise stated)

22. OTHER COMPREHENSIVE INCOME

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Beginning balance	(16,997,841)	(12,727,112)	(17,766,230)
(Lost)/profit on re-measurement of defined benefit plan	(9,396,034)	(5,582,394)	6,606,921
Income/(loss) tax related to other comprehensive income	2,349,008	1,395,596	(1,651,734)
Foreign currency translation adjustment	-	(83,931)	83,931
	(24,044,867)	**(16,997,841)**	**(12,727,112)**

Other comprehensive income represent gain/(loss) on remeasurement of defined benefit plan resulted from calculation on provision for employee service entitlements during the year.

23. DIVIDENDS

Based on the minutes of circular resolutions of shareholders of the Company dated July 22, 2016, the Shareholders agreed to declare dividends from unappropriated retained earnings of Rp66,400,000 to "Series A" share and Rp1,855,216 to "Series B" share which were paid on July 26, 2016.

Based on the minutes of circular resolutions of shareholders of the Company dated August 1, 2017, the Shareholders agreed to declare dividends from unappropriated retained earnings of Rp99,978,150 to "Series A" share and Rp2,793,398 to "Series B" share which were paid on August 30 and 22, 2017, respectively.

24. NET REVENUE

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Sales of products:		
Domestic	1,409,569,964	1,319,000,778
Export	125,660,722	109,670,171
Total sales of product	1,535,230,686	1,428,670,949
Revenue from construction contracts:		
Domestic	308,669,229	90,061,866
Export	12,412,761	26,585,298
Total revenue from construction contracts	321,081,990	116,647,164
Less: Sales return	(38,184,966)	-
	1,818,127,710	**1,545,318,113**

(Expressed in thousands of Rupiah, unless otherwise stated)

25. COST OF REVENUE

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Cost of goods sold:		
Material costs	931,650,139	883,134,927
Direct labor	23,706,856	17,666,344
Provision for employee benefits	7,203,690	6,325,091
Manufacturing expenses:		
Freight on sales	48,510,023	46,387,053
Indirect labor	49,603,723	48,333,702
Utilities	24,637,175	25,585,846
Depreciation of fixed assets (Note 13)	22,128,427	22,060,831
Others	6,083,419	14,912,603
	1,113,523,452	1,064,406,397
Construction contract costs:		
Material costs	216,224,265	87,727,355
Direct labor	1,227,374	5,687,094
Overhead expenses	4,044,995	9,070,904
	221,496,634	102,485,353
	1,335,020,086	**1,166,891,750**

26. SELLING AND MARKETING EXPENSES

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Salaries and wages	22,244,363	27,534,365
Penalty late deliveries	23,547,954	2,684,172
Provision for impairment of trade receivable	3,971,098	16,851,430
Provision for employee benefits	2,209,082	4,886,410
Travelling	1,764,603	3,601,882
Marketing	657,179	190,146
Depreciation of fixed assets (Note 13)	140,331	167,061
Others	2,875,867	12,106,874
	57,410,477	**68,022,340**

(Expressed in thousands of Rupiah, unless otherwise stated)

27. GENERAL AND ADMINISTRATION EXPENSES

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Salaries and wages	50,633,347	44,349,023
Corporate fees	70,251,000	64,944,825
Professional fees	3,530,695	2,582,269
Utilities	8,082,330	7,892,175
Provision for employee benefits	2,589,441	2,702,687
Depreciation of fixed assets (Note 13)	932,231	1,173,248
Insurance	146,871	142,099
Others	4,882,889	6,036,999
	141,048,804	**129,823,325**

28. OTHER OPERATING EXPENSES, NET

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Sales of scrap	431,296	1,072,912
Bank charges	(10,901,470)	(3,248,186)
Others, net	115,132	(2,459,927)
	(10,355,042)	**(4,635,201)**

29. RELATED PARTY BALANCES AND TRANSACTIONS

In the normal course of business, the Company engages in transactions with related parties which are conducted on term and conditions agreed between parties.

The nature of transactions and relationships with related parties, are as follows:

Nature of related parties	Related parties	Transactions
Ultimate Shareholder	CG Power and Industrial Solutions Ltd.	Sales of transformers, reimbursement of expenses and purchase of raw materials
Ultimate Holding Company	CG International B.V.	Reimbursement of expenses and interest expenses
Shareholder	CG Power Systems Belgium N.V.	Sales of transformers, reimbursement of expenses, management fee and purchase of raw materials
Other related parties	CG Power and Industrial Solutions Ltd. Mumbai	Reimbursement of expenses and purchase of raw materials

(Expressed in thousands of Rupiah, unless otherwise stated)

29. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The nature of transactions and relationships with related parties, are as follows (continued):

Nature of related parties	Related parties	Transactions
	CG Power and Industrial Solutions Ltd. Nashik	Purchase of raw materials and reimbursement of expenses
	CG Holdings Belgium N.V.	Interest income, purchase of raw materials, management fee and reimbursement of expenses
	ZIV Aplicaciones Y Technologia S.L. PT Crompton Prima Switchgear Indonesia	Reimbursement of expenses
	ZIV Grid Automation S.L.	Purchase of raw materials and reimbursement of expenses
	CG International Holdings Singapore	Reimbursement of expenses and interest income
	CG Electric Systems Hungary	Purchase of raw materials and reimbursement of expenses

a) Due from related parties - accounts receivable (Note 6a):

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
PT Crompton Prima Switchgear Indonesia	4,676,543	-	443,390
CG Electric Systems Hungary	83,849	81,478	-
	4,760,392	**81,478**	**443,390**

Outstanding balances of due from related parties at the year-end are unsecured and interest free. There have been no guarantees received for any amount due from related parties. For the year ended March 31, 2018 and 2017, there was no impairment in due from related parties as all of the amounts are collectible. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(Expressed in thousands of Rupiah, unless otherwise stated)

29. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

b) Due to related parties - accounts payable (Note 14):

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
CG International B.V.	6,012,192	3,994,969	-
CG Holdings Belgium N.V.	3,048,192	6,164,523	3,206,831
CG Power Systems Belgium N.V.	1,967,772	1,888,735	467,514
CG Electric Systems Hungary	1,341,692	830,561	928,444
CG Power and Industrial Solutions Ltd.	140,573	-	535,010
	12,510,421	**12,878,788**	**5,137,799**

Outstanding balances of due to related parties at the year-end are unsecured and interest free. There have been no guarantees provided for any amount due to related parties.

c) Loans to related parties:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
CG Holdings Belgium N.V.	705,443,263	638,712,885	621,774,504
CG International Holdings Singapore	41,434,701	7,105,772	6,811,057
	746,877,964	**645,818,657**	**628,585,561**

The Company provided loans denominated in US Dollar currency to related parties. During the year, the loans are charged with interest at the rates ranging from 4.2% to 5.2% per annum (March 31, 2017: 3.2% to 3.8% per annum). The loans are covered by agreement, unsecured and have no fixed repayment schedules.

d) Advance to related parties (Note 10):

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
CG Power and Industrial Solutions Ltd./S1	-	1,546,187	-
CG Electric Systems Hungary	-	436,474	-
	-	**1,982,661**	**-**

(Expressed in thousands of Rupiah, unless otherwise stated)

29. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

e) Loan from a related party:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
CG International B.V.	**-**	**13,954,906**	**-**

The Company obtained loans denominated in US Dollar from CG International B.V. The loan was subject to interest at the rates ranging from 3.4% to 3.8% per annum and has been settled in September 2017.

f) Details of transactions with related parties:

Sales and other income

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Interest income:		
CG Holdings Belgium N.V.	30,789,112	22,726,011
CG International Holdings Singapore	533,433	292,665
	31,322,545	**23,018,676**
As a percentage of total interest income	**97%**	**99%**
Sales of transformers and services:		
CG Power Systems Belgium N.V.	**1,150,877**	**416,872**
As a percentage of total sales	**0.06%**	**0.03%**

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Purchases and other expenses		
Purchase of raw material:		
CG Power and Industrial Solutions Ltd. Mumbai	1,911,416	-
CG Power and Industrial Solutions Ltd.	774,223	-
CG Power and Industrial Solutions Ltd./S1	-	2,828,242
CG Electric Systems Hungary	-	213,609
	2,685,639	**3,041,851**
As a percentage of total purchase	**0.31%**	**0.42%**

(Expressed in thousands of Rupiah, unless otherwise stated)

29. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

f) Details of transactions with related parties (continued):

	March 31, 2018	March 31, 2017 (As restated, Note 3)
Purchases and other expenses (continued)		
Reimbursement of expenses/(income):		
CG Power and Industrial Solutions Ltd.	33,396,093	-
CG Power Systems Belgium N.V.	17,263,324	54,512,288
CG International B.V.	17,948,484	7,617,049
CG Holdings Belgium N.V.	3,119,211	23,559,796
CG Electric Systems Hungary	844,453	(81,473)
CG Power and Industrial Solutions Ltd./S1	-	(6,640)
ZIV Grid Automation S.L.	-	(56,998)
ZIV Aplicaciones Y Technologia S.L.	-	(918,617)
	72,571,565	**84,625,405**
As a percentage of total operating expenses	**15%**	**39%**

The Company is charged with allocated charges over centralized department function that has been performed by CG Power Systems Belgium N.V. and CG Holding Belgium N.V.

In 2012, the Company entered into an agreement with CG International B.V. wherein the Company agreed to use CG's Trademark in the manufacture of the products. As compensation, the Company pays a branding fee to CG International B.V.

g) Key management compensation:

The key management personal employee benefit as at March 31, 2018 and 2017 are as follow:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Salaries and other short-term employee benefit	4,242,797	4,920,731	4,673,086
Post-employment benefit	270,150	538,371	351,322
	4,512,947	**5,459,102**	**5,024,408**

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a. Financial Risk Factors

The Company's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Controlling Shareholder Group Treasury under policies approved by the Head Office. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Head Office provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the European Euro, Australian Dollar and New Zealand Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company is required to hedge its foreign exchange risk exposure with the Group Treasury. To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Company uses forward contracts, transacted with the Group Treasury.

The Group Treasury's risk management policy is to hedge between 80% and 100% of anticipated cash flows (mainly export sales and purchase of raw materials) in each major foreign currency for the subsequent 12 months.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales of products are only made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high-credit-quality financial institutions. The Company has policies that limit the amount of credit exposure to any financial institution.

Credit risk is managed on a Group basis. Credit risk arises from short-term bank deposits, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Company trades only with recognized and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a. Financial Risk Factors (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company seeks to manage its liquid funds through cash planning. The Company uses historical figures and experiences and forecasts from its collections and disbursements. Also, the Company only places funds that exceeded its requirements in the money market. Placements made are strictly based on cash planning assumptions and covers only a short period of time.

b. Fair Value Estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, in an arm's length transaction basis.

The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

The gross carrying amount for financial assets with maturity of less than one year, including cash and bank, accounts receivable, loan to related parties are assumed to approximate their fair values due to their short-term maturity.

The carrying values of financial liabilities with maturity of less than one year, including accounts payable, are assumed to approximate their fair values as the impact of discounting is not considered significant.

31. COMMITMENTS

The Company has capital expenditure commitment on building, machinery and equipment for improving testing unit facilities. As of March 31, 2018, the outstanding commitment amounted to Rp1,791,412 (March 31, 2017: Rp281,586).

32. SEGMENT INFORMATION

The Company is presently engaged in the following business activities:
a. Power division
b. System division

(Expressed in thousands of Rupiah, unless otherwise stated)

32. SEGMENT INFORMATION (continued)

Segment information based on business segments is presented below:

	March 31, 2018			
	Power Transformer Division	**System Division**	**Elimination**	**Total**
Revenue	1,553,201,200	282,897,024	(17,970,514)	1,818,127,710
Cost of revenue	(1,113,523,452)	(239,467,148)	17,970,514	(1,335,020,086)
Gross income	439,677,748	43,429,876	-	483,107,624
Operating expenses and others	(158,114,717)	(7,220,082)	-	(165,334,799)
Income before corporate income tax expense	**281,563,031**	**36,209,794**	**-**	**317,772,825**

	March 31, 2017			
	Power Transformer Division	**System Division**	**Elimination**	**Total**
Revenue	1,434,852,499	116,647,163	(6,181,549)	1,545,318,113
Cost of revenue	(1,070,587,941)	(102,485,358)	6,181,549	(1,166,891,750)
Gross income	364,264,558	14,161,805	-	378,426,363
Operating expenses and others	(171,783,960)	(23,521,749)	-	(195,305,709)
Income before corporate income tax expense	**192,480,598**	**(9,359,944)**	**-**	**183,120,654**

The following table shows the distribution of the Company's information by geographical segment:

	March 31, 2018			
	Indonesia	**Australia**	**New Zealand**	**Total**
Revenue	1,726,896,290	76,630	91,154,790	1,818,127,710
Cost of revenue	(1,251,629,346)	(24,036)	(83,366,704)	(1,335,020,086)
Gross income	475,266,944	52,594	7,788,086	483,107,624
Operating expenses and others	(139,667,732)	(2,494,114)	(23,172,953)	(165,334,799)
Income/(loss) before corporate income tax expense	**335,599,212**	**(2,441,520)**	**(15,384,867)**	**317,772,825**

	March 31, 2017			
	Indonesia	**Australia**	**New Zealand**	**Total**
Revenue	1,466,792,586	3,230,372	75,295,155	1,545,318,113
Cost of revenue	(1,103,158,296)	(2,001,003)	(61,732,451)	(1,166,891,750)
Gross income	363,634,290	1,229,369	13,562,704	378,426,363
Operating expenses and others	(174,225,460)	(2,982,609)	(18,097,640)	(195,305,709)
Income/(loss) before corporate income tax expense	**189,408,830**	**(1,753,240)**	**(4,534,936)**	**183,120,654**

(Expressed in thousands of Rupiah, unless otherwise stated)

33. NON-CASH TRANSACTIONS

Non-cash transactions of the Company as follow:

	March 31, 2018	March 31, 2017 (As restated, Note 3)	April 1, 2016/ March 31, 2016 (As restated, Note 3)
Reclassification of assets under construction to fixed assets (Note 13)	-	1,719,919	93,011

PT CG POWER SYSTEMS INDONESIA
NOTES TO ADDITIONAL INFORMATION
As of March 31, 2018 and for the year then ended
(Amounts Expressed in US Dollar)
(Unaudited)

PREPARATION OF UNITED STATES DOLLAR FINANCIAL STATEMENTS

The Company's financial statements are presented in Rupiah. The translation of the Rupiah amounts into United States Dollars is presented solely for the purpose of Management's analysis as if the Company's financial statements are presented in United States Dollars. The translation of the Rupiah financial statement balances into United States Dollars should not be construed as representing that the Rupiah amounts have been, could have been, or could in the future be, converted into United States Dollars at the exchange rates applied in the translation of Rupiah amounts into United States Dollars of exchange.

The Company's Rupiah financial statement balances are translated into United States Dollars, as follows:

a) all assets and liabilities are translated into United States Dollars at the exchange rates prevailing on the reporting date;
b) share capital and reserves are translated into United States Dollars at exchange at rates approximating historical exchange rate;
c) income statement items are translated into United States Dollars at the the monthly average exchange rate, and
d) the resulting exchange differences arising on translation are taken to shareholders' equity.

The following is separate PT CG Power Systems Indonesia Financial Information, consisting of the statement of financial position of the Company as of March 31, 2018 in US Dollar and the related profit or loss and other comprehensive income of the Company for the year ended March 31, 2018 in US Dollar:

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2018
(Expressed in United States dollars, unless otherwise stated)
(Unaudited)

	March 31, 2018
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	3,863,948
Accounts receivable, net	11,031,145
Unbilled receivables	24,663,544
Costs and estimated earnings in excess of billings, net	15,442,988
Inventories, net	18,849,801
Prepaid tax	1,046,881
Derivative assets	-
Loans to related parties	54,251,323
Other current assets	1,778,310
TOTAL CURRENT ASSETS	130,927,940
NON-CURRENT ASSETS	
Estimated claims of refundable taxes	14,865,410
Fixed assets, net	12,792,723
Deposits	145,753
Deferred tax asset, net	581,757
Other non-current assets	788
TOTAL NON-CURRENT ASSETS	28,386,431
TOTAL ASSETS	**159,314,371**
LIABILITIES AND EQUITY	
LIABILITIES	
CURRENT LIABILITIES	
Bank overdraft	356,376
Accounts payable	24,640,274
Billings in excess of costs and estimated earnings, net	420,123
Taxes payable	1,714,201
Derivative liabilities	664,515
Advances from customers	7,537,830
Accruals and provisions	5,657,690
Short term employee benefits	1,613,678
TOTAL CURRENT LIABILITIES	42,604,687
NON-CURRENT LIABILITIES	
Provision for employee benefits	1,893,315
TOTAL NON-CURRENT LIABILITIES	1,893,315
TOTAL LIABILITIES	**44,498,002**

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF FINANCIAL POSITION (continued)
As of March 31, 2018
(Expressed in United States dollars, unless otherwise stated)
(Unaudited)

	March 31, 2018
EQUITY	
Share capital - authorised 20,000 shares (Series A 19,000, Series B 1,000); issued and fully paid 12,057 shares of Series A and 635 shares of Series B of USD1,000 or Rp1,853,000 per share	12,692,000
Hedging reserve	(732,666)
Other comprehensive income	(1,746,558)
Foreign currency translation adjustment	(3,549,637)
Retained earnings:	
Appropriated	2,448,606
Unappropriated	105,704,624
TOTAL EQUITY	114,816,369
TOTAL LIABILITIES AND EQUITY	**159,314,371**

PT CG POWER SYSTEMS INDONESIA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Year Ended March 31, 2018
(Expressed in United States dollars, unless otherwise stated)
(Unaudited)

	March 31, 2018
NET REVENUE	132,064,190
COST OF REVENUE	(96,972,477)
GROSS PROFIT	**35,091,713**
OPERATING EXPENSES:	
Selling and marketing expenses	(4,170,152)
General and administration expenses	(10,245,428)
Foreign exchange gain, net	847,776
Other operating expenses, net	(752,164)
Total operating expenses	(14,319,968)
OPERATING PROFIT	**20,771,745**
OTHER INCOME:	
Interest income	2,340,789
Final tax on interest income	(9,060)
	2,331,729
Interest expense	(21,263)
Other Income, net	**2,310,466**
PROFIT BEFORE CORPORATE INCOME TAX	**23,082,211**
CORPORATE INCOME TAX:	
Final tax from construction	(1,016,655)
Current tax expense	(3,908,192)
Deferred tax benefit	512,523
	(4,412,324)
PROFIT FOR THE YEAR	**18,669,887**
OTHER COMPREHENSIVE INCOME:	
Items that will not be reclassified to profit or loss:	
Loss on remeasurement of defined benefit plans	(682,504)
Income tax related to other comprehensive income	170,626
	(511,878)
Cash flow hedges	(467,667)
OTHER COMPREHENSIVE INCOME	**(979,545)**
TOTAL COMPREHENSIVE INCOME	**17,690,342**