

PT PIDILITE INDONESIA

FINANCIAL STATEMENT
AS OF 31 MARCH 2024 AND
FOR THE YEAR ENDED 31 MARCH 2024
WITH
INDEPENDENT AUDITOR'S REPORT



**DIRECTOR' STATEMENT LETTER
REGARDING THE RESPONSIBILITY FOR FINANCIAL STATEMENT
AS OF MARCH 31, 2024 AND
FOR THE YEAR ENDED MARCH 31, 2024
PT PIDILITE INDONESIA**

I, the undersigned:

Name : Dr. Dien Pandiman
Office Address : Artha Gading Niaga Blok H/16
Residential Address : Jl. Pantai Mutiara, Blok A. No 61 RT001 RW016
Position : President Director

Declare that:

1. I am responsible for the preparation and presentation of PT Pidilite Indonesia's financial statement.
2. PT Pidilite Indonesia's financial statement have been prepared and presented in accordance with Indonesian Financial Accounting Standards.
3. a. All information in the PT Pidilite Indonesia's financial statement have been disclosed in a complete and truthful manner.
b. PT Pidilite Indonesia's financial statement do not contain any incorrect material information or facts, and do not omit material information or facts.
4. I am responsible for PT Pidilite Indonesia's internal control system.

Thus this statement letter is made truthfully.

Sincerely,

Jakarta, 18th April 2024



**Dr Dien Pandiman
President Director**

PT. Pidilite Indonesia

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208 Nariman Point, Mumbai 400021 - India.



SAHAT HANDOKO DAN REKAN
REGISTERED PUBLIC ACCOUNTANTS



Nomor Izin Usaha : 613/KM.1/2017
Tanggal 12 Juni 2017
SENTRA BISNIS ARTHA GADING NIAGA
Blok E, No. 9, Jl. Boulevard Artha Gading,
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Reference No.: 00005/2.1123/AU.1/05/1267-1/1/IV/2024

INDEPENDENT AUDITOR'S REPORT

**The Shareholders, Board of Commissioners and Director
PT Pidilite Indonesia**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PT Pidilite Indonesia ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management responsible is for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always



detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KAP SAHAT HANDOKO DAN REKAN



SAHAT, HANDOKO & REKAN
REGISTERED PUBLIC ACCOUNTANTS

Larry Ryan Tenda

Public Accountant License No. AP. 1267

18 April 2024



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**PT PIDILITE INDONESIA
FINANCIAL STATEMENT
AS OF 31 MARCH 2024 AND
FOR THE YEAR ENDED 31 MARCH 2024
AND INDEPENDENT AUDITOR'S REPORT**

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PT PIDILITE INDONESIA

STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

	<u>Note</u>	<u>2024</u>	<u>2023</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2b, 3	598.556.702	1.548.819.254
Other Receivables	4	421.116.550	59.426.538
Prepaid Expenses	5	27.554.681	27.531.400
Total Current Assets		1.047.227.933	1.635.777.192
NON-CURRENT ASSETS			
Fixed Assets - net of accumulated depreciation of Rp 129.231.205 as of March 31, 2024 and Rp61.214.713 as of March 31, 2023	2d, 6	4.100.982.990	3.280.601.692
Construction in Progress		-	184.841.640
Deferred Tax Assets	9c	9.321.791	3.839.449
Total Non-current Assets		4.110.304.781	3.469.282.781
TOTAL ASSETS		5.157.532.714	5.105.059.973
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Provision For Employee Benefits	10	37.287.162	15.357.793
Other Payables	7	12.600.000	-
Accrued Expenses	8	32.498.650	30.608.000
Taxes Payables	2e, 9a	19.721.840	675.950
Total Current Liabilities		102.107.652	46.641.743
SHAREHOLDERS' EQUITY			
Share Capital- USD 10 per value per share Authorized - 342.000 shares	11	12.156.805.800	11.502.905.800
Share Application Pending Allotment		-	947.212.695
Accumulated Losses		(7.101.380.738)	(7.391.700.265)
TOTAL SHAREHOLDERS' EQUITY		5.055.425.062	5.058.418.230
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5.157.532.714	5.105.059.973

Jakarta, April 18th, 2024

Dr. Dien Pandiman
President Director

The accompanying accounting policies and explanatory notes form an integral part of these financial statements taken as a whole.

PT PIDILITE INDONESIA

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

(Figures in table are presented in Rupiah, unless otherwise stated)

	Notes	<u>2024</u>	<u>2023</u>
Operating Expenses	12	(1.343.772.480)	(1.166.446.948)
INCOME (LOSS) FROM OPERATIONS		(1.343.772.480)	(1.166.446.948)
Other Income	13	1.684.673.319	1.292.352.234
NET INCOME BEFORE TAX		340.900.839	125.905.286
Current Tax Income (Expense)	9b	(42.650.190)	(22.319.550)
Deferred Tax Income (Expense)	9c	2.128.976	1.396.331
Total Tax Benefit (Expenses)		(40.521.214)	(20.923.219)
NET PROFIT (LOSS) AFTER TAX		300.379.625	104.982.067
Other Comprehensive Income – Employee Benefit		(13.413.464)	(4.478.323)
Other Comprehensive Income – Tax on Employee Benefit		3.353.366	1.119.581
CURRENT OTHER COMPREHENSIVE INCOME (LOSS)		290.319.527	101.623.325

Jakarta, April 18th, 2024



Dr. Dien Pandiman
President Director

The accompanying accounting policies and explanatory notes form an integral part of these financial statements taken as a whole.

PT PIDILITE INDONESIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

	Paid Up Capital Stock	Share Application Pending Allotment	Retained Earnings	Total Equity
Balance as of March 31,2022	11.502.905.800	-	(7.493.323.590)	4.009.582.210
Share application monies pending allotment	-	947.212.695	-	947.212.695
Comprehensive income				
Net profit for the year	-	-	104.982.067	104.982.067
Other Comprehensive Income gains – OCI	-	-	(3.358.742)	(3.358.742)
Balance as of March 31,2023	11.502.905.800	947.212.695	(7.391.700.265)	5.058.418.230
Paid up capital	653.900.000	-	-	653.900.000
Share application monies pending allotment	-	(947.212.695)	-	(947.212.695)
Comprehensive income				
Net profit for the year	-	-	300.379.625	300.379.625
Other Comprehensive Income gains – OCI	-	-	(10.060.098)	(10.060.098)
Balance as of March 31,2024	12.156.805.800	-	(7.101.380.738)	5.055.425.062

The accompanying accounting policies and explanatory notes form an integral part of these financial statements taken as a whole.

PT PIDILITE INDONESIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit	290.319.527	101.623.325
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Deferred Tax Assets	(5.482.342)	(2.515.912)
Provisions for employee benefits	21.929.369	10.063.647
Depreciation - Guardrail	65.849.832	-
Depreciation - Office Equipment	2.166.660	-
Operating cash follows before changes in working capital	<u>374.783.046</u>	<u>109.171.060</u>
Changes in Working Capital:		
Other Receivables	(361.690.012)	(3.667.716)
Prepaid Expenses	(23.281)	(4.021.082)
Accrued Expenses	1.890.650	1.910.000
Tax Payables	19.045.890	569.382
Other Payables	12.600.000	-
Total Changes in Working Capital	<u>(328.176.753)</u>	<u>(5.209.416)</u>
Net cash flows used by operating activities	<u>46.606.293</u>	<u>103.961.644</u>
 CASH FLOWS FROM FINANCING ACTIVITY		
Share application monies pending allotment	(947.212.695)	947.212.695
Capital Stock	653.900.000	-
Net cash flows used by financing activities	<u>(293.312.695)</u>	<u>947.212.695</u>
 CASH FLOWS FROM INVESTING ACTIVITY		
Construction in Progress – Parameter wall	184.841.640	(184.841.640)
Guardrail – Parameter Wall	(877.997.790)	-
Office Equipment	(10.400.000)	-
Net cash flows used by investing activities	<u>(703.556.150)</u>	<u>(184.841.640)</u>
 NET INCREASE/ (DECREASE) CASH AND CASH EQUIVALENTS	 (950.262.552)	 866.332.699
 CASH AND CASH EQUIVALENTS AT BENINNING OF THE YEAR	 <u>1.548.819.254</u>	 <u>682.486.555</u>
 CASH AND CASH EQUIVALENTS AT END OF THE YEAR	 <u>598.556.702</u>	 <u>1.548.819.254</u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements taken as a whole.

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a. The Company's Establishment

PT Pidilite Indonesia ("the Company") is a company domiciled in Indonesia located at Jl. Penjaringan 1, Jakarta. The Company was established by deed of public notary Bonardo Nasution, Sarjana Hukum, No 08 dated December 19, 2005. This deed was approved by the Ministry of Law and Human Rights Republic Indonesia under No C-05827.HT.01.01-Th.2006.

The Company Articles of Association has been amended several times, the latest with Deed of Resolution in Circular in Lieu of Extra Ordinary General Meeting of Shareholder Number 20 dated 14 October 2022 by notary Fiefie Peiter, S.H. notary, regarding addition of the Company's aims and objectives of the business activities to include 46651 Wholesale of Goods and Chemicals and 20291 Industry of Adhesive/Glue, change of Commissionaire from Mr. Arangannal to Mr. Iyer, and legalized all of the Board of Directors and Board of Commissionaire's actions, and this has been approved by the Ministry of Law and Human Rights of Indonesia No. AHU-0075302.AH.01.02.TAHUN 2022 date 18 October 2022.

b. Business Activities

The Company is mainly engaged in selling adhesives, sealants, resins, and special chemical product. In addition in 2022 there are additions to the Company's business activities which are 46651 Wholesale of Goods and Chemicals and 20291 Industry of Adhesive/Glue. The Company commenced its commercial operation in January 2006.

c. Board of Management

The Company's commissioner and director as of March 31, 2024 are as follows:

Commissioner	:	Mr. Shanker Iyer
President Director	:	Dr. Dien Pandiman
Director	:	Mr. Sanjay Bahadur

The Company's commissioner and director as of March 31, 2023 are as follows:

Commissioner	:	Mr. Shanker Iyer
President Director	:	Dr. Dien Pandiman
Director	:	Mr. Sanjay Bahadur

On Notary Deed No. 20, dated 14 October 2022, the Company pass a resolution to dismiss Dr. Dien Pandiman as President Director, Mr. Sanjay Bahadur as Director, Mr. Arangannal S/O Kathamuthu as Commissioner and to appoint again Dr. Dien Pandiman as President Director, Mr. Sanjay Bahadur as Director and Mr. Shanker Iyer as the new Commissioner for the period of 3 years. There is 2 employee in 2024 and 2023.

d. Completion Date of the Financial Statement

The management of the Company is responsible for the preparation of the financial statement which were authorized for issue on 18 April 2024.

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES

The following are significant accounting policies adopted in preparing the financial statements of the Company in accordance with Indonesian Financial Accounting Standards and authorized to be issued by Board of the Indonesian Institute of Accountants.

Significant accounting policies consistently applied in the preparation of financial statements for the period ended 31 March 2024 are as follows:

a. Basis for Preparation of Financial Statements

The financial statements have been prepared on the basis of historical cost. The account balances are presented in Rupiah. The statements of cash flows are prepared based on the indirect method, depending on the method adopted by classifying cash flow on the basis operating, investing and financing activities. For the purpose of the statements of cash flows, cash includes cash on hand, cash in bank and short-term deposits with maturity of three months or less and bank overdraft.

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash in banks, and time deposits and call deposits with maturities of three months or less.

c. Foreign Currency Transaction

Transactions denominated in foreign currency are converted into Rupiah at exchange rate prevailing at the date transaction, at the balance sheet date monetary assets and liabilities in foreign currencies are translated at exchange rates prevailing at the date.

Exchange gains and losses arising on transaction in foreign currency and on the translation of currency monetary assets and liabilities are recognized in the income statements. For 31 March 2024 and 2023, the rates of exchange used as benchmark is the middle rate which is issued by Bank Indonesia respectively: 2024 – IDR15,853.00 and 2023 - IDR15,062.00

d. Fixed Assets

Fixed assets and other assets are stated at cost less accumulated depreciation, except for land rights which are not depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets are follows:

	%	Years
Office Equipment	25%	4 years
Guardrail	10%	10 years

The cost maintenance and repairs is charged as an expense as incurred. When assets are retired or otherwise disposed of, their carrying values and related accumulated depreciation are eliminated from the financial statements and the resulting gains and losses on the disposal of fixed assets are recognized in the income statements.

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Corporate Income Tax

Income tax is recognized using the tax payable method. Under this method, the provision for income tax is determined on the basis of estimated taxable income for the year. Deferred income (expenses) tax is provided, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

f. Other Income and Expense Recognition

Other income is recognised when the services have been performed, rendered and mutually accepted by the parties as per related terms and conditions set out in Service Agreement dated 8th April 2019 between Pidilite Industries Limited and PT. Pidilite Indonesia.

Expenses are recognized as they are incurred.

g. Employee Benefits

The Company has adopted PSAK 24 (revised 2010) "Employee Benefits" in 2016. The pension plan recognized in the Company's balance sheets are obligations calculated based on applicable labor-related laws UU No.13/2003 regulations and or the Company's policy with average pension age of 55 years. The UU No.13/2003 is amended UU No.11/2020 with the Presidential Regulation (PP) No. 35-37/2021. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheets date less the fair value of plan assets and unrecognized past service cost. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

h. Source of Estimation Uncertainty

The preparation of the 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.

Judgment

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:

Determination of Functional Currency

The functional currency of the Company is the currency from the primary economic environment where such entity operates. Those currencies are the currencies that influence the revenues and costs of the Company. The determination of functional currency may require judgment due to various complexity; the Company may transact in more than one currency in its daily business activities.

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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 in the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the tax losses can be utilized. 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 future taxable profits together with future tax planning strategies.

i. Summary of Changes in Accounting Policies and Disclosure

In the current period, the Company has applied a number of amendments/improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2023 and January 1, 2024, which are:

Effective beginning on or after January 1, 2023

- **Amendment of PSAK 1: Presentation of financial statement - Disclosure of accounting policies.**

This amendments provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendment aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

- **Amendments to PSAK 16: Fixed Assets - Proceeds before Intended Use.**

The amendments prohibit entities to deduct from the cost of an item of fixed assets, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in the profit or loss.

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Summary of Changes in Accounting Policies and Disclosure (Continued)

- **Amendment of PSAK No. 25: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

The amendments to PSAK 25 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates

- **Amendment of PSAK No. 46: Income Taxes - Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction**

The amendments to PSAK 46 Income Taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

Effective January 1, 2024

- **Amendment of PSAK 1: Non-current Liabilities with Covenants.**

The amendments specify the requirements for classifying liabilities as current or non-current and clarify:

- what is meant by a right to defer settlement,
- the right to defer must exist at the end of the reporting period,
- classification is not affected by the likelihood that an entity will exercise its deferral right, and
- only if an embedded derivative in a convertible liability is an equity instrument would the terms and conditions of a liability will not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

- **Amendment to PSAK 73: Lease Liability in a Sale and Leaseback.**

The amendment to PSAK 73 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Effective January 1, 2025

- Amendment of PSAK 74: "Insurance Contract" on the effect of insurance contracts on the financial performance and risk exposure of entities.

3. CASH AND CASH EQUIVALENTS

	2024	2023
Cash at bank – Citibank	598.556.702	1.548.819.254
Total	598.556.702	1.548.819.254

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

4. OTHER RECEIVABLES- RELATED PARTIES

	2024	2023
Ultimate holding company		
- Pidilite Industries Limited, India	421.116.550	59.426.538
Total	421.116.550	59.426.538

5. PREPAID EXPENSES

	2024	2023
Prepaid Expenses	27.554.681	27.531.400
Total	27.554.681	27.531.400

6. FIXED ASSETS

2024				
	Beginning Balance	Additions/ Purchase	Deductions/ Disposal	Ending Balance
Cost:				
Land	3.280.601.692	-	-	3.280.601.692
Office Equipment	61.214.713	10.400.000	-	71.614.713
Guardrail	-	877.997.790	-	877.997.790
Total	3.341.816.405	888.397.790	-	4.230.214.195
			-	
<u>Accumulated Depreciation:</u>				
Office Equipment	61.214.713	2.166.660	-	63.381.373
Guardrail	-	65.849.832	-	65.849.832
Total	61.214.713	68.016.492	-	129.231.205
Net Book Value	3.280.601.692	820.381.298	-	4.100.982.990
2023				
	Beginning Balance	Additions/ Purchase	Deductions/ Disposal	Ending Balance
Cost:				
Land	3.280.601.692	-	-	3.280.601.692
Office Equipment	61.214.713	-	-	61.214.713
Total	3.341.816.405	-	-	3.341.816.405
			-	
<u>Accumulated Depreciation:</u>				
Office Equipment	61.214.713	-	-	61.214.713
Total	61.214.713	-	-	61.214.713
Net Book Value	3.280.601.692	-	-	3.280.601.692

7. OTHER PAYABLES

	2024	2023
Other Payables	12.600.000	-
Total	12.600.000	-

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

8. ACCRUED EXPENSES

	2024	2023
Audit Fee	32.498.650	30.608.000
Total	32.498.650	30.608.000

9. TAXATION

a. Taxes Payables

	2024	2023
Income Tax Article 25/29	19.721.840	675.950
Total	19.721.840	675.950

b. Estimated Corporate Income Tax

	2024	2023
Net income (loss) before tax	340.900.839	125.905.286
<u>Temporary Differences</u>		
Employee Benefits	8.515.905	5.585.324
Entertainment	13.700.239	4.185.104
<u>Permanent Differences</u>		
Tax Expenses	24.612.750	33.479.593
Realize Gain or Loss	-	33.750.692
Fiscal Profit (Loss)	387.729.733	202.905.999
Tax / Fiscal Loss Carry Forward	-	-
Estimated Taxable Income (Fiscal Loss)	-	-
Estimated Corporate Income Tax		
Less Tax Credit:		
Income Tax Article 29	42.650.190	22.319.550

c. Deferred Tax Assets

The balance and changes of deferred tax assets for the years 31 March 2024 and 2023 are as follows:

Description	2024			
	Beginning Balance	In Profit or Loss	In OCI	Ending Balance
<u>Deferred Tax Asset</u>				
Provision for Employee Benefits	3.839.449	2.128.976	3.353.366	9.321.791
Total	3.839.449	2.128.976	3.353.366	9.321.791

Description	2023			
	Beginning Balance	In Profit or Loss	In OCI	Ending Balance
<u>Deferred Tax Asset</u>				
Provision for Employee Benefits	1.323.537	1.396.331	1.119.581	3.839.449
Total	1.323.537	1.396.331	1.119.581	3.839.449

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
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(Figures in table are presented in Rupiah, unless otherwise stated)

10. ESTIMATED LIABILITIES FOR EMPLOYEE BENEFITS

The Company has adopted PSAK 24 (revised 2010) concerning “Employee Benefits” in 2016. The pension plan recognized in the Company’s balance sheets are obligations calculated based on applicable labor-related laws UU No.13/2003 regulations and or the Company’s policy with average pension of 55 years. The UU No.13/2003 is amended UU No.11/2020 with the Presidential Regulation (PP) No. 35-37/2021. Estimated liability for employee benefits

The liability recognized in the balance sheets is the present value of the defined benefit obligation at the balance sheets date less the fair value of plan assets, with adjustments for unrecognized actuarial gains or losses and unrecognized past service cost using the projected unit credit method.

Variables	2024	2023
Discount rate	5,5%	5,5%
Annual salary increases	0%	0%
Mortality rate	TMI 2011	TMI 2011
Disable rate	5,00% of mortality rate	5,00% of mortality rate
Retirement age	55 years old	58 years old
Total employee	1	1

Reconciliation of the assets and liabilities recognized in the balance sheet as of 31 March 2024 and 2023 are as follows:

	2024	2023
Current Service Cost	7.309.790	5.031.823
Interest Expenses	1.206.115	553.501
Total Expense Recognized	8.515.905	5.585.324
Beginning Balance	15.357.793	5.294.146
Retirement Cost For Current Year	8.515.905	5.585.324
Actuarial (gains)/ losses in OCI	13.413.464	4.478.323
Ending Balance	37.287.162	15.357.793

11. CAPITAL STOCK

	2024		
Name of Shareholder	Number of Shares	Percentage of Ownership	Amount IDR
Pidilite International Pte Ltd	119.636	99%	12.035.381.600
Pidilite Middle East Ltd	1.207	1%	121.424.200
Total	120.843	100%	12.156.805.800
	2023		
Name of Shareholder	Number of Shares	Percentage of Ownership	Amount IDR
Pidilite International Pte Ltd	113.201	99%	11.388.020.600
Pidilite Middle East Ltd	1.142	1%	114.885.200
Total	114.343	100%	11.502.905.800

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
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(Figures in table are presented in Rupiah, unless otherwise stated)

11. CAPITAL STOCK (continued)

In 2006 the company has issued 85.500 shares (Rp7.795.890.000) and paid Rp3.897.945.000, which is 50% of shares issued, as per Law Number 1 of 1995 regarding Limited Liabilities Companies (March 7, 1996), article 26(3) as well as Pidilite Deed of Establishment Article 4 (3), shares issued has fully paid after receipt of deed of establishment approval the Minister of Law and Human Right which was issued on March 1, 2006 by its letter no. C-05827-HT.01.01.TH.2006. The Company Articles of Association has been amended several times, the latest with Deed of Resolution in Circular in Lieu of Extra Ordinary General Meeting of Shareholder Number 14 dated 14 October 2022 by notary Fiefie Peiter, S.H. notary, regarding addition of the Company's aims and objectives of the business activities to include 46651 Wholesale of Goods and Chemicals and 20291 Industry of Adhesive/Glue, change of Commissionaire from Mr. Arangannal to Mr. Iyer, and legalized all of the Board of Directors and Board of Commissionaire's actions, and this has been approved by the Ministry of Law and Human Rights of Indonesia No. AHU-0075302.AH.01.02.TAHUN 2022 date 18 October 2022.

The share application money has been entered into share capital by the latest notary Deed of Statement of decision outside the meeting - limited liability company shareholders Number 14 dated 14 July 2023 by notary Fiefie Peiter, S.H. notary, regarding changes to the Articles of Association – Increase in Issued/Paid-in capital and this has been approved by the Ministry of Law and Human Rights of Indonesia No. AHU-AH.01.03-0096868 TAHUN 2023 date 26 July 2023.

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PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

12. OPERATING EXPENSES

	2024	2023
Selling Expenses:		
Salary and Wages	599.013.696	570.600.000
Transportation	31.987.136	32.324.648
Travel	5.807.997	5.746.765
Insurance Allowance	46.748.116	46.622.784
Sample Expenses	1.190.000	-
	<u>684.746.945</u>	<u>655.294.197</u>
General and Administration Expenses:		
Professional Fee	377.463.174	302.216.758
Auditor's remuneration – current year	32.498.650	30.608.000
Post Employment Benefit	8.515.905	5.585.324
Rental	34.559.800	30.558.468
Land Tax	43.162.619	43.162.619
Fuel, Gas, And Oil	46.815.430	32.753.369
Storage Expenses	1.118.880	1.118.880
Phone and Fax	6.931.800	6.250.746
Bank Charges	339.300	237.800
Entertainment	13.700.239	4.185.104
Tax Expenses	24.612.750	33.479.593
Repair and Maintenance	-	18.145.170
Depreciation	68.016.492	-
Stationary	362.661	444.410
Miscellaneous Expenses	927.835	2.406.510
	<u>659.025.535</u>	<u>511.152.751</u>
Total	<u>1.343.772.480</u>	<u>1.166.446.948</u>

13. OTHER INCOME (EXPENSES)

	2024	2023
Application Service Income (Note 2.f)	1.396.669.440	1.326.102.926
Realized Gains / (Losses)	288.003.879	(33.750.692)
Total	<u>1.684.673.319</u>	<u>1.292.352.234</u>

PT PIDILITE INDONESIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

(Figures in table are presented in Rupiah, unless otherwise stated)

14. FINANCIAL RISK MANAGEMENT

a. Objective and Policies

Exposure to risk arises in the normal course of the Company's business. The Company monitors its risk on an ongoing basis to ensure that the net exposure is at an acceptable level.

b. Credit Risk

Cash and cash equivalents are placed with reputable financial institutions with high credit rating and no history of default. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

c. Liquidity Risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation and to mitigate the effects of fluctuations in cash flows.

d. Interest rate Risk

The Company has no interest-bearing liabilities or any significant interest-bearing assets, as such the Company's income is substantially independent of changes in market interest rates.

e. Foreign currency Risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Indonesian rupiah. The currency giving rise to this risk is primarily United States dollar.

15. CONTINGENT TAX LIABILITIES

On 4 November 2019, the tax authority sent a letter to the Company, No. SPD2K-1904/WPJ.07/KP.02/2019. This letter contains the research of the tax authority on the 2018 corporate tax return. The results of the research are:

1. Recalculation of 2018 corporate income tax liability of Rp742.695.173.
2. PT Pidilite Indonesia should use the income tax rate of Tax Law Art. 17 or 31E. The final income tax of Art. 15 is applicable only to foreign tax subject as regulated in the Ministry of Finance Decree No. 634/KMK.04/1994.
3. The profit percentage of PT Pidilite Indonesia should be similar to Pidilite Industries Limited.
4. Based on the explanation above, the tax authority requests the Company to present clarification or explanation within 14 days after the letter is received.

On 12 December 2019 the Company sent a letter to the tax authority in reply to the letter No. SPD2K-1904/WPJ.07/KP.02/2019. This letter stated that:

1. PT Pidilite Indonesia has no sales until now. The sale of Pidilite Industries Limited is done directly from India to Indonesia
2. For the Consolidated Report from PT Pidilite Indonesia can be seen at the link below <http://www.pidilite.com/subsidiary-companies>
3. On the basis of the two points above, PT Pidilite Indonesia should not be owed the corporate income tax

The Company has stopped paying the income tax Art. 15 since October 2019 and has plan to pay income tax using the income tax rate of Art. 17 or 31E.

We assume that the matter has closed as there is no reply from Tax office since 12 December 2019 until now.