

Financial Statements of

PT Coal Indonesia

For the years ended 31 March 2021 and 2020

With Independent Auditors' report thereon

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PT. Coal Indonesia
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BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2021 AND 2020
PT COAL INDONESIA

We, the undersigned :

1. Name : Mr. Girish Tolaram Agnani
Office address : Graha Mustika Ratu 3rd floor, Jalan Jendral Gatot Subroto Kav.74-75, Jakarta Selatan
Domicile address :
based on ID Card
Phone number : (021) 8307406
Function : Director

declare that :

1. We are responsible for the preparation and presentation of PT. Coal Indonesia's financial statements;
2. PT. Coal Indonesia's financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT. Coal Indonesia's Financial Statements have been disclosed in a complete and truthful manner;
b. PT. Coal Indonesia's financial statements do not contain incorrect information nor materials fact, nor do they omit information or material facts;
4. We are responsible for PT. Coal Indonesia's internal control systems.

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 23 April 2021

PT. COAL INDONESIA



Mr. Girish Tolaram Agnani
Director



Armen, Budiman & Rekan

Registered Public Accountants

Gedung Graha Seti, Lt.1
Jl. KH. Abdullah Syafe'i Kav. A-19
Gudang Peluru - Tebet
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Operating license :
KEP-3/KM.1/2008

No.: 00014/2.0735/AU.1/05/0481-1/1/IV/2021

Independent Auditors' Report

**The Shareholders and The Board of Directors,
PT. Coal Indonesia**

We have audited the accompanying financial statements of **PT. Coal Indonesia** ("The Company"), which comprise the statement of financial position as of 31 March 2021, and the statements of 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.

Auditor's 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 auditor's 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.



Armen, Budiman & Rekan

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT. Coal Indonesia** as of 31 March 2021 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to the note 13 to the financial statements. The company has suffered recurring losses from operations and as of 31 March 2021 has a capital deficiency of Rp. 4,283,423,715 and working capital deficiency of Rp 4.419.966.425. This conditions raise a substantial doubt about the Company's ability to continue as a going concern. However, the board of Directors is in the opinion that the "Going concern basis" in the preparation of this financial statements can still be applied as the main share holders committed to provide financial support to meet the company's obligations as and when they fall due. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Jakarta, 23 April 2021

Drs. Wahyu Darmawan, CPA

License No. AP.0481

PT. Coal Indonesia
Statements of Financial Position

As of 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Notes	2021	2020
Assets			
Current assets			
Cash and cash equivalents	3	25,440,617	64,678,046
Trade receivables		-	439,157,835
Loans and advances	4	157,032,457	89,704,107
		182,473,074	593,539,988
Other non current assets			
Prepaid taxes	5a	117,960,205	93,525,392
Fixed assets - net	6	18,582,505	26,691,667
Deferred tax assets	5d	-	4,273,838,993
		136,542,710	4,394,056,052
Total assets		319,015,784	4,987,596,040
Liabilities and Shareholders' equity			
Current liabilities			
Trade payable		568,920,363	531,018,142
Tax payable	5b	35,306,817	104,800,942
Others creditor and accruals	7	3,998,212,319	50,764,189
Total current liabilities		4,602,439,499	686,583,273
Long term liabilities			
Unsecured loans	8	-	50,591,778,047
Total Liabilities		4,602,439,499	51,278,361,320
Equity / (Deficit)			
Share capital :	9		
Authorized capital : 80.000 shares with par value of Rp. 500.000 per share.			
Issued and paid up capital : 80.000 shares at Rp. 500.000 per share.		40,000,000,000	1,500,000,000
Accumulated loss		(44,283,423,715)	(47,790,765,280)
Total equity / (deficit)		(4,283,423,715)	(46,290,765,280)
Total liabilities and shareholders' equity		319,015,784	4,987,596,040

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Coal Indonesia
Statements of Comprehensive Income

For the years ended 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Notes	2021	2020
Revenues		4,472,767,631	3,455,132,100
Less :			
Coal purchased		-	-
Direct expenses		-	-
Gross profit / (loss)		4,472,767,631	3,455,132,100
Operating expenses			
General and administrative expenses	10	(1,896,984,641)	(8,075,866,617)
Operating profit		2,575,782,990	(4,620,734,517)
Other income / (expenses) - net	11	5,227,761,406	(6,842,635,595)
Profit / (Loss) before income tax		7,803,544,396	(11,463,370,112)
Corporate income tax	5c		
Current		(22,363,838)	(17,275,661)
Deferred		(4,273,838,993)	-
		(4,296,202,831)	(17,275,661)
Net profit / (loss)		3,507,341,565	(11,480,645,773)
Other comprehensive income / (loss)		-	-
Total comprehensive income / (loss)		3,507,341,565	(11,480,645,773)

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Coal Indonesia
Statements of Changes in Shareholders' Equity

For the years ended 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Notes	2021	2020
Share Capital	9		
Beginning balance		1,500,000,000	1,500,000,000
Movement		38,500,000,000	-
Ending balance		40,000,000,000	1,500,000,000
Retained earnings / (deficit)			
Beginning balance		(47,790,765,280)	(36,310,119,507)
Net comprehensive income / (loss) for the year		3,507,341,565	(11,480,645,773)
Ending balance		(44,283,423,715)	(47,790,765,280)

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Coal Indonesia
Statements of Cash flows

For the years ended 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Notes	2021	2020
Cash flows from operating activities			
Profit/(Loss) before income tax		7,803,544,396	(11,463,370,112)
Adjustments to reconcile profit before corporate income tax to net cash provided by operating activities:			
Depreciation of fixed assets		36,434,662	39,574,495
Unrealised foreign exchange (gain) / loss		(8,954,648,716)	6,559,337,828
Changes in working capital			
Trade receivable		439,157,835	8,447,612,083
Prepaid tax		(24,434,813)	87,837,260
Loans and advances		(67,328,350)	171,424,454
Trade payable		37,902,221	(30,536,429)
Tax payable		(91,857,963)	(53,163,218)
Others creditor and accruals		3,947,448,130	20,480,564
Net cash used for operating activities		3,126,217,402	3,779,196,925
Cash flows from investing activities			
Additions of fixed assets		(28,325,500)	(24,800,000)
Sales of investments		-	-
Net cash used for investing activities		(28,325,500)	(24,800,000)
Cash flows from financing activities			
Share capital increase		38,500,000,000	-
Proceeds from loans		(41,637,129,331)	(4,319,036,854)
Net cash from financing activities		(3,137,129,331)	(4,319,036,854)
Increase / (decrease) in cash and cash equivalents		(39,237,429)	(564,639,929)
Cash and cash equivalents - at the beginning of year		64,678,046	629,317,975
Cash and cash equivalents - at the end of year		25,440,617	64,678,046

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Coal Indonesia

Notes to the Financial Statements

The Financial Statements are prepared in Rupiah

1. General

PT. Coal Indonesia ("the Company") was established under the notary deed No. 10 of Rohana Frieta, S.H., public notary in Jakarta, dated 21 October 2008, and has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia in the letter No. : AHU-88602.AH.01.01.Tahun 2008.

The Company's Articles of Association has been amended several times and the latest changes was under the notarial deed no. 11 of Rohana Frieta S.H., public Notary in Jakarta, dated 12 March 2020, regarding the change its Share Capital. The change in the Articles have been acknowledged by the Ministry of Justice and Human Rights of the Republic of Indonesia vide letter no. AHU-AH.01.03-0147926, dated 17 March 2020.

According to the Articles of Association, the Company's scope of activities, among others, are coal Trading - export/import, general contractor and others.

According article of association under the notarial deed no 10 Of Rohana Friesta S. H, Public Notary in Jakarta, Dated 26 November 2019, regarding the change composition Board of Director. The change in the article have been acknowledged by the Ministry of Justice and Human Rights of Republic of Indonesia vide letter no. AHU-AH.01.03-0367721, dated 3 December 2019. The Board of Commissioners and Directors are as follows:

	2021	2020
Board of Commissioners:		
President Commissioner	: Mr. Palakkumar Kiritkumar Trivedi	: Mr. Palakkumar Kiritkumar Trivedi
Commissioners	: Mr. Satishkumar Narayanbhai	: Mr. Satishkumar Narayanbhai
Board of Directors:		
President Director	: Mr. Girish Tolaram Agnani	: Mr. Girish Tolaram Agnani
Director	: Mr. Vijay Singh	: Mr. Vijay Singh

2. Summary of significant accounting policies

Set out below is a summary of the significant accounting policies adopted by the Company in the preparation of the financial statements.

a. Basis of financial statements preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia, except otherwise stated.

The statement of cash flows is prepared using the indirect method, and presents the changes in cash and cash equivalents from operating, investing and financing activities.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates.

The company maintains its accounting records in Rupiah currency. Transactions in currencies other than Rupiah are recorded at the prevailing rate of exchange in effect on the date of the transactions.

At balance sheet date, all monetary assets and liabilities denominated in foreign currency have been translated at the prevailing exchange rate at that date.

PT. Coal Indonesia

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of significant accounting policies - *continued*.

b. Foreign currency transactions and balances - continued.

The principal rate of exchange used as of 31 March were as follows:

	2021	2020
USD. 1	14,572	16,367

Exchange gains or losses arising from foreign currency translations are recognized in the current year statements of profit and loss.

c. Financial Assets

Classification of financial assets depends on the purpose for which the financial assets were acquired, which is determined at initial recognition. Financial assets of the Group mainly comprised cash and cash equivalents, trade debtors and other debtors which represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accordingly, such financial assets have been classified as loans and receivables.

Loans and receivables are classified as current assets, except if the maturities are greater than 12 months after the end of the reporting period.

Loans and receivables are carried at amortised cost using the effective interest method.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

d. Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company and its subsidiaries after deducting all of their liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables, bank and other borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.

The Company derecognise financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

PT. Coal Indonesia

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of significant accounting policies - continued

d. Financial Liabilities and Equity Instruments - continued

The Company only offset financial assets and liabilities and present the net amount in the statement of financial position where they :

- currently have a legal enforceable right to set off the recognized amount, and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

e. Cash and cash equivalent

Cash and cash equivalents consist of cash on hand and at banks, short term deposits with maturity not more than three months at the time of placement and bank overdraft, which are not pledged as collateral nor restricted to be used.

f. Related parties

Related party transaction is a transfer of resources or obligations between related party, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The definition of related parties used is in accordance with SFAS 7, "Related Parties".

All material transactions with related parties are disclosed in the notes to these consolidated financial statements.

g. Fixed assets

Fixed assets are stated at cost less their accumulated depreciation.

Depreciation is computed using the straight-line method at rates considered adequate to cover the estimated useful life of the assets, as follows:

Mining equipment and transportation	5 - 10 years
Plant and machinery	10 years
Computer	4 years
Office equipment and furniture	4 years
Miscellaneous site equipment	4 years

The cost of repairs and maintenance are charged to expense as incurred, and the significant renewals and betterment costs are capitalised. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to the statement of profit and loss for the period.

h. Revenue and expenses recognition

In relation to the revenue from coal mining services and coal handling services, revenue is recognised when the services has been rendered and invoiced, and no significant uncertainties remain regarding the associated costs.

In relation to sale of coals, revenue is recognised when the significant risk and reward of ownership has been transferred to the buyer, and no significant uncertainties remain regarding the associated costs or the possible return of goods.

Expenses are recognised when incurred.

PT. Coal Indonesia

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of significant accounting policies - continued

i. Corporate income tax

The income tax expense comprises current and deferred tax. Tax is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In this case, the tax is also recognised directly in equity or in other comprehensive income, respectively.

The current income tax is calculated using tax rates that have been enacted at the financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes charged by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Amendments to taxations obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal are determined.

	2021	2020
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3. Cash and cash equivalents

Cash	-	-
Bank	25,440,617	64,678,046
	25,440,617	64,678,046

4. Loans and advances

Other Receivable - PT Adani	10,000,000	-
Staff advances	113,704,107	59,704,107
Prepaid expenses	30,000,000	30,000,000
	157,032,457	89,704,107

PT. Coal Indonesia**Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

	2021	2020		
5. Taxes				
a. Prepaid taxes				
Prepaid Corporate income tax	117,960,205	93,525,392		
b. Tax payables				
Withholding tax on salary	12,510,736	87,093,038		
Withholding tax - others	22,796,081	17,707,904		
	35,306,817	104,800,942		
c. Corporate income tax				
Revenue for the year - subject to final income tax @ 0,5%	4,472,767,631	3,455,132,100		
Corporate income tax expense there on :				
Current - 0,5 % thereon	(22,363,838)	(17,275,661)		
Deferred	(4,273,838,993)	-		
	(4,296,202,831)	(17,275,661)		
d. Deferred tax assets				
	Balance 2020	Addition	Adjustment / Disposal	Balance 2021
Depreciation of fixed assets	(4,705,865)	-	4,705,865	-
Carried forward tax losses	17,100,061,838	-	(17,100,061,838)	-
	17,095,355,973	-	(17,095,355,973)	-
Deferred tax asset at 25%	4,273,838,993	-	(4,273,838,993)	-
	Balance 2019	Addition	Adjustment / Disposal	Balance 2020
Depreciation of fixed assets	(4,705,865)			(4,705,865)
Carried forward tax losses	17,100,061,838			17,100,061,838
	17,095,355,973	-	-	17,095,355,973
Deferred tax asset at 25%	4,273,838,993	-	-	4,273,838,993

PT. Coal Indonesia**Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

6. Fixed assets - net

Balances and movement of fixed assets are as follows :

	Balance 2020	Addition	Adjustment / Disposal	Balance 2021
<u>At Cost</u>				
Plant and machineries	13,598,400	-	-	13,598,400
Computer	149,821,199	28,325,500	-	178,146,699
Office Equipment Furniture	40,507,000	-	-	40,507,000
	203,926,599	28,325,500	-	232,252,099
<u>Accumulated depreciation</u>				
Plant and machineries	13,598,400	-	-	13,598,400
Computer	123,129,532	36,434,662	-	159,564,194
Office equipment furniture	40,507,000	-	-	40,507,000
	177,234,932	36,434,662	-	213,669,594
	26,691,667			18,582,505
	Balance 2019	Addition	Adjustment / Disposal	Balance 2020
<u>At Cost</u>				
Plant and machineries	13,598,400	-	-	13,598,400
Computer	125,021,199	24,800,000	-	149,821,199
Office equipment Furniture	40,507,000	-	-	40,507,000
	179,126,599	24,800,000	-	203,926,599
<u>Accumulated depreciation</u>				
Plant and machineries	13,598,400	-	-	13,598,400
Computer	83,555,037	39,574,495	-	123,129,532
Office equipment furniture	40,507,000	-	-	40,507,000
	137,660,437	39,574,495	-	177,234,932
	41,466,162			26,691,667

PT. Coal Indonesia

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2021	2020
7. Others creditor and accruals		
Jamsostek payable	2,702,972	23,792,419
Expenses payable	20,000,000	20,000,000
BPJS payable	-	6,035,227
Salary Payable	-	936,543
Customer credit balance	-	-
Others	3,975,509,347	
	3,998,212,319	50,764,189

8. Unsecured loans

Adani Global Pte. Singapore.	-	50,591,778,047
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Loans from Adani Global Pte. Singapore amounted to USD. nil (2020, USD. 3.091.048,38.) There is no interest charged on this loan.

9. Share capital

The company changed its share capitals, which was notarised under the notarial deed No. 12 of Rohana Friesta S.H., public notary in Jakarta, dated 12 March 2020, as follows :

Authorized shares capital

80.000 shares (2020, 80.000 shares) with par value of Rp. 40,000,000,000 40,000,000,000
500.000 each, as follows

Name of Shareholders	Ownership		2021	2020
	No.-of shares	Percentage		
PT. Adani Global	79,980	99.98%	39,990,000,000	1,490,000,000
PT. Adani Global Coal Trading	20	0.03%	10,000,000	10,000,000
	80,000	100%	40,000,000,000	1,500,000,000

Issued and paid up capital

79.980 shares has been issued and fully paid, as follows :

Name of Shareholders	Ownership		2021	2020
	No.-of shares	Percentage		
PT. Adani Global	79,980	99.98%	39,990,000,000	1,490,000,000
PT. Adani Global Coal Trading	20	0.03%	10,000,000	10,000,000
	80,000	100%	40,000,000,000	1,500,000,000

PT. Coal Indonesia**Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

10. General and administrative expenses

Salaries and allowances	1,601,684,390	7,034,350,081
Travelling expenses	111,064,000	413,753,030
Legal and other professional fees	105,060,000	377,999,754
Office expenses	22,888,252	49,896,921
Depreciation of fixed assets	36,434,662	39,574,495
Others	19,853,337	160,292,336
	1,896,984,641	8,075,866,617

	2021	2020
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11. Other income / (expenses)

Gain / (loss) on foreign exchange	5,235,111,976	(6,838,188,242)
Interest income on bank current account	72,794	129,246
Bank charges	(7,423,364)	(4,576,599)
	5,227,761,406	(6,842,635,595)

12. Related party transactions and balances

Transactions			
Service	PT. Lamindo Inter Multikon	4,472,767,631	3,455,132,100
Balances :			
Un - secured loan	Adani Global Pte. Singapore.	-	50,591,778,047

13. Going concern

The financial statements have been prepared on the going concern basis. As of 31 March 2021, the company had Working Capital Deficiency of Rp 4.419.966.425 (2020 deficit 93.043.285) net capital deficiency of Rp. 4.283.423.715 (2020, Rp. 46.290.765.280), and is therefore dependent upon continuing external financial support in order for it to meet its obligations as and when they fall due. However, the board of Directors is in the opinion that the "Going concern basis" in the preparation of this financial statements can still be applied as the share holders committed to provide financial support to meet the company's obligations as and when they