

**PT LAMINDO INTER MULTIKON
AND ITS SUBSIDIARY
Financial Statements
For the year ended March 31, 2016**

CONTENT

	<u>Pages</u>
Independent Auditors' Report	
Director's Statement	
Cosolidated Statements of Financial Position	1
Cosolidated Statements of Profit or Loss and Other Comprehensive Income	2
Cosolidated Statements of Changes in Equity	3
Cosolidated Statements of Cash Flow	4
Notes to the Cosolidated Financial Statements	5-28
Supplementary Information	29-47

INDEPENDENT AUDITORS' REPORT

Ref : R-026/LIM-KPS/SYM04/IV/2016

**The Shareholders, Boards of Commissioners and Directors
PT Lamindo Inter Multikon**

We have audited the accompanying consolidated financial statements of PT Lamindo Inter Multikon (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of March 31, 2016, and the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity, and statement of 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 consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Lamindo Inter Multikon (the "Company") and its subsidiaries as of March 31, 2016, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit of the accompanying consolidated financial statements of the Group as of March 31, 2016 and for the year then ended was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of the Company (parent entity), which comprises the statement of financial position as of March 31, 2016, and the 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 (collectively referred to as the "Financial information of the Parent Entity"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purposes of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The financial information of the Parent Entity is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Financial Information of the Parent Entity has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Financial Information of the Parent Entity is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.



Syamsudin
NRAP. 0209

April 21, 2016

Ref. : R-026/LIM-KPS/SYM04/IV/2016



PT. LAMINDO INTER MULTIKON

BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2016 AND 2015
PT. LAMINDO INTER MULTIKON & ITS SUBSIDIARIES

We, the undersigned :

- | | | |
|------------------|---|---|
| 1. Name | : | Mr. Dani Daksinaputra |
| Office address | : | Graha Mustika Ratu, lantai 3, Jl. Jend.Gatot Subroto Kav. 74 - 75 |
| Domicile address | : | Jl. Destarata 7 no. 10 – Tegal Gundil, Bogor Utara, |
| based on ID Card | : | Kota Bogor 16152 |
| Phone number | : | 021 - 8307406 / Fax 83007407 Kode Pos: 12870 |
| Function | : | Director |

declare that :

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

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 21 April 2016

Dani Daksinaputra
Director

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

	Notes	2016	2015
ASSETS			
Current Assets			
Cash and cash equivalents	3a, 3b, 4	35,613,809	30,869,363
Sundry debtors	3c, 5	459,881	-
Inventories	3d, 6	104,520,615	130,540,194
Loans and advances	7	30,848,425	21,553,372
Total Current Assets		171,442,728	182,962,928
Non Current Assets			
Deposits	10	26,750,922	15,677,505
Deferred charges	9	152,559,579	11,996,750
Investment	11	200,000	100,000
Deferred tax assets	16d	99,405,858	46,572,610
Fixed assets - net	3g, 8	236,315,264	266,427,274
Other asset	12	7,920,780	3,488,872
Total Non Current Assets		523,152,403	344,263,013
TOTAL ASSETS		694,595,132	527,225,941
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Sundry creditors	3b, 13	109,492,333	71,909,069
Provisions	14	28,270,915	30,706,461
Taxes payables	16a	2,026,386	5,599,557
Other payables	15	856,389,908	21,587,179
Total Current Liabilities		996,179,542	129,802,266
Non Current Liabilities			
Provision for retirement			
Benefits	18	18,649,692	19,891,777
Loans	17	3,095,833	504,117,584
Total Non Current Liabilities		21,745,524	524,009,361
TOTAL LIABILITIES		1,017,925,066	653,811,627
EQUITY			
Authorized capital - 10.500 shares			
Rp 1,000,000 par value per share			
Issued share capital - 10,500 shares (2014)			
subscribed and fully paid up	19	10,500,000	10,500,000
Additional paid in capital		(110,662,558)	-
Retained earning		(171,617,511)	(130,452,961)
Other comprehensive income		(11,913,239)	(6,632,725)
Total Equity Attributable to Owners of the Company		(283,693,307)	(126,585,686)
Non Controlling Interest		(39,636,627)	-
TOTAL LIABILITIES AND EQUITY		694,595,132	527,225,941

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

	Notes	2016	2015
SALES	3h, 21	1,029,103,491	769,969,180
COST OF SALES	3h, 22	(954,474,271)	(641,769,513)
GROSS PROFIT		74,629,220	128,199,667
INDIRECT EXPENSES	23	(117,509,864)	(85,931,508)
OPERATING PROFIT		(42,880,644)	42,268,159
OTHER INCOME (EXPENSES)			
OTHERS INCOME	24	5,058,038	1,074,591
OTHERS EXPENSES	24	(17,137,957)	(107,982,955)
		(12,079,919)	(106,908,364)
PROFIT (LOSS) BEFORE INCOME TAX		(54,960,563)	(64,640,206)
TAX INCOME/(EXPENSES)			
Current tax	3g, 16c	-	(1,126,932)
Deferred tax	3g, 16d	8,390,438	15,648,159
		8,390,438	14,521,227
LOSS FOR THE YEAR		(46,570,125)	(50,118,979)
OTHER COMPREHENSIVE INCOME			
Actuarial Losses		(5,723,896)	(8,843,633)
Related Income tax		1,233,456	2,210,908
		(4,490,440)	(6,632,725)
TOTAL COMPREHENSIVE INCOME		(51,060,566)	(56,751,703)
Net income (loss) attributable to:			
Owners of the Company		(43,602,351)	(50,118,979)
Non-controlling interests		(2,967,774)	-
		(46,570,125)	(50,118,979)
Total comprehensive income (loss) attributable to:			
Owners of the Company		(48,092,792)	(56,751,703)
Non-controlling interests		(2,967,774)	-
		(51,060,566)	(56,751,703)

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

	Share capital	Other Comprehensive Income	Retained earning	Additional paid in capital	Non controlling interest	Total
Balance as of April 1, 2014	10,500,000	-	(80,333,982)		-	(69,833,982)
Comprehensive income (loss) for the year	-	(6,632,725)	(50,118,979)	-	-	(56,751,703)
Balance as of March 31, 2015	10,500,000	(6,632,725)	(130,452,961)	-	-	(126,585,686)
Additional share capital non controlling interest	-	-	-	(110,662,558)	(36,668,853)	(147,331,411)
Adjustment related effect of combination of bisnis		(790,074)	2,437,802	-	-	1,647,728
Comprehensive income (loss) for the year	-	(4,490,440)	(43,602,351)	-	(2,967,774)	(51,060,566)
Balance as of March 31, 2016	10,500,000	(11,913,239)	(171,617,511)	(110,662,558)	(39,636,627)	(323,329,935)

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOW

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

	2016	2015
Cash flows from operating activities		
Profit/(loss) before income tax	(51,060,566)	(56,751,703)
<i>Add items not affecting operating cash flows</i>		
Depreciation	225,367,854	57,811,812
Retained earning adjusted	(145,683,683)	-
Amortization of deferred charges	14,656,647	2,535,091
Unrealized (gain)/loss on foreign exchange	(15,111,591)	(49,607,699)
Operating cash flows before changes in working capital	28,168,661	(46,012,499)
Changes in working capital		
Sundry debtors	(459,881)	36,668
Inventories	26,019,579	(42,110,626)
Deposits	(11,073,417)	(3,178,376)
Loans and advances	(9,295,053)	270,051,737
Other assets	(4,431,907)	3,965,674
Sundry creditors	37,583,264	44,034,893
Provision	(2,435,546)	14,638,188
Taxes payables	(56,406,418)	(18,740,711)
Other payables	835,257,672	(19,028,137)
Provision for retirement benefits	(1,242,085)	7,265,571
Net changes in working capital	813,516,208	256,934,881
Net cash flows provided from (used in) operating activities	841,684,870	210,922,382
Cash flows from investing activities		
Acquisition of fixed assets	(196,240,193)	(2,181,103)
Disposal of fixed assets	984,348	3,406,315
Deferred charges	(140,562,828)	(600,000)
Advance capital	-	696,400
Investments	(100,000)	-
Net cash flows used in investing activities	(335,918,674)	1,321,612
Cash flows from financing activities		
Loans	(501,021,751)	(188,020,257)
Net cash flows provided from financing activities	(501,021,751)	(188,020,257)
Net increase/(decrease) in cash and cash equivalents	4,744,445	24,223,738
Cash and cash equivalents at the beginning of the year	30,869,363	6,645,625
Cash and cash equivalents at the end of the year	35,613,808	30,869,363

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and General Information

PT LAMINDO INTER MULTIKON (the "Company") was established on July 25, 2002 based on notarial deed No.228 of Kartono, SH. The deed of establishment was approved by the Ministry of Justice in its decision letter No. C19538 HT.01.01 TH.2002 dated October 10, 2002. The Articles of Association has been amended several times, most recently by the notarial deed no. 11 of Rohana Frieta S.H., public Notary in Jakarta, dated May 8, 2013, regarding the change of the composition of Board of Commissioner and Directors. The change has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.10-20565, dated May 28, 2013.

According to Article 3 of its Articles of Association, the Company's scope of activities comprises services, trading and mining. The Company obtained its license for the exploitation of coal mining (IUP) in Bunyu Island, East Kalimantan, by Bupati Bulungan No.56/K-II/540/2010 dated February 9, 2010 Valid till August 7, 2036.

The Company domiciled in Jakarta. The company started its commercial operation in 2008.

b. Board of Commissioners and Directors, and Employees

The composition of the Company's Boards of Commissioner and Director is as follows:

	2016	2015
Commissioner	: Ms. Prosidawaty Malemta	Ms. Prosidawaty Malemta
Director		
President Director	: Mr. Abdi Khalik Ginting	Mr. Abdi Khalik Ginting
Director	: Mr. Dani Daksinaputra	Mr. Dani Daksinaputra

As of March 31, 2016 and 2015, the Company has a total of 775 and 916 employees.

c. Company's composition and subsidiaries

On September 28, 2015, based on Notarial Deed Assignment to ownership of shares, the Company agreed to acquire 656 shares of PT Mitra Niaga Mulia (75%) from PT Niaga Antar Bangsa a purchase price of Rp656.000.000. On the transfer of ownership of the number of shares, notarized in Deed No. 10 dated September 28, 2015 which was notarized in Notarial Rohana Frieta, AH. This transaction effectively occurs at the closing date (ie March 31, 2016).

The amendment was recorded by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.03-0969207, dated October 2, 2015.

Company Name	Domicile	Percentage Ownership	Total Aset 2016	Total Aset 2015
Subsidiaries with direct ownership				
PT Mitra Niaga Mulia	Jakarta	75%	242,171,240	-

d. Completion of the Company's financial statements

The Company's management has completed and agreed to issue the financial statements for the years ended March 31, 2016 on April 21, 2016.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

2. ACCOUNTING STANDARDS APPLIED

These financial statements are prepared in compliance to Indonesian Financial Accounting Standards.

Presented below are the significant accounting policies, which have been used in the preparation of the financial statements of the Company, these are in conformity with the Indonesian Financial Accounting Standards (PSAK).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

As discussed in Note 1d, the Company acquired subsidiaries during 2015, because of this, the Company applied SFAS 4 and SFAS 65, which governs the preparation and presentation of consolidated financial statements for Company and its subsidiary of entities under the control of a Parent Company and in accounting for investments in subsidiary, jointly controlled entities and associates when separate financial statements are presented as additional information. Refer to Note 3b for detailed discussion of this accounting policy.

The consolidated financial statements have been prepared on the accrual basis of accounting, except for consolidated statements of cash flows, using the historical cost concept, except for certain accounts which are measured on the bases as described in the related accounting policy of each account.

The consolidated statements of cash flows present receipts and payments of cash and cash equivalents, classified into operating, investing and financing activities using the direct method.

The presentation currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah, which is the functional currency.

b. Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries mentioned in Note 1c, in which the Company owns more than 50% share ownership, either directly or indirectly

All material intercompany accounts and transactions, including unrealized gains or losses, if any, are eliminated to reflect the financial position and the results of operations of the Company and its subsidiaries as one business entity.

Subsidiary is fully consolidated from the date of acquisitions, being the date on which the Company obtained control, and continue to be consolidated until the date such control ceases. Control is presumed to exist if the Company owns, directly or indirectly through another subsidiary, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists under certain circumstances when there is:

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

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Principles of consolidation (Continued)

Losses of a non-wholly owned subsidiary are attributed to the Non-Controlling Interest (NCI) even if that results in a deficit balance. In case of loss of control over a subsidiary, the Company:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any NCI;
- derecognizes the cumulative translation differences, recorded in equity, if any;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or transfers directly retained earnings, as appropriate.

NCI represents the portion of the profit or loss and net assets of the subsidiaries not attributable directly or indirectly to the parent company, which are presented respectively in the consolidated statements of comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent company.

c. Business Combination

Among entities under common control

Business combination transaction of entities under common control in form of business transfer with regard to reorganization of entities within the same group of companies does not result in a change of the economic substance of the ownership, in which the transaction does not incur gain or loss to the group as a whole or to the individual company within the group. Therefore, the transaction is recognized at carrying value based on pooling-of-interests method.

Any difference between amount of consideration transferred and the carrying value of each business combination of entities under common control is recognized as additional paid-in capital as part of equity section in the consolidated statements of financial position.

An entity which is disposing a business unit in connection with the disposal of a business unit of an entity under common control recognizes the difference between the consideration received and carrying amount of the disposed business unit as additional paid-in capital as part of equity section in the consolidated statements of financial position.

d. Functional currency

The Company maintains its accounting records in Indonesian Rupiah. Transactions denominated in foreign currencies are converted into Rupiah (IDR) at the fiscal exchange rates prevailing on a beginning week. On the balance sheet date, assets and liabilities in foreign currencies are translated into Rupiah at the exchange rate prevailing as of that date.

Exchange gains and losses arising from foreign currency transactions and on the translation of foreign currency monetary assets and liabilities are recognized in the current period's statement of income.

On the balance sheets date, monetary assets and liabilities denominated in foreign currency were translated using the following rates:

	<u>2016</u>	<u>2015</u>
US Dollar (USD) 1	Rp13,276	Rp13,084

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Sundry debtors

Sundry debtors are presented at net of an allowance for doubtful accounts, based on a review of the status of the individual debtors at year-end.

f. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on weighted average basis and comprises mining contractor's cost, directly attributable fixed and variable overheads related to mine coal. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

g. Deferred charges

Expenses of cost that is expected to have period of benefit more than one year are record as deferred expenses and amortized according to the expected period of benefit using straight-line method.

h. Fixed assets

The cost of an item of fixed assets initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company has adopted PSAK 16 (Revised 2007) regarding "Fixed Assets" and has chosen to use the cost model for measuring its fixed assets. Under cost model, fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fixed assets are depreciated using the straight line method over their estimated useful lives, as follows:

	<u>Years</u>
Building & Structures	20
Plant & Machinery	10
Mining equipment	5
Vehicles	5
Misc. site equipment	4

i. Taxation

The Company has adopted Statements of Financial Accounting Standards (PSAK) No. 46 with respect to "Accounting for Income Tax", for presenting the income tax expense and the income tax payable. Under this method, the tax effects of the temporary differences in the recognition of income and expenses between financial reporting and for tax purposes are recognized as deferred tax assets and/or liabilities. The currently enacted tax rates are used to determine the deferred taxes.

Deferred tax assets relating to the carry forward of unused tax losses, if any, are recognized to the extent, that future taxable profit would be available to compensate for the unused tax losses.

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

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Revenue and expenses recognition

Revenue is recognized when goods are delivered. Expenses are recognized when incurred.

k. Related party transactions

The Company has entered into transactions with certain related parties as defined in Statement of Financial Accounting Standards (PSAK) No. 7, "Related Party Disclosures". Compensation to the key person during 2015 amounting to Rp 3,537,425,994.

Subsidiary has entered into transactions with certain related parties as defined in Statement of Financial Accounting Standards (PSAK) No. 7, "Related Party Disclosures". Compensation to the key person during 2015 amounting to Rp 456,960,794.

l. Financial assets and liabilities

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 50 (Revised 2006) "Financial Instruments: Presentation and Disclosure" and SFAS No. 55 (Revised 2006) "Financial Instruments: Recognition and Measurement" applicable for financial statements covering periods beginning on or after January 1, 2010, the accounting policy on financial assets and liabilities are as follows:

1) Financial Asset

Financial assets are classified into the following categories (i) financial assets at fair value are recognized through the income statement, (ii) loans and receivables, (iii) financial assets held to maturity, and (iv) financial assets available for sale. The classification is dependent on the objective when the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

(i) Financial assets at fair value are recognized through the income statement

Financial assets at fair value are recognized in the consolidated profit or loss are financial assets classified as assets to be traded. A financial asset is classified as an asset to be traded if it is obtained primarily for the purpose of sale or repurchase in the near future and there is evidence to suggest the background to take advantage of short-term.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or predetermined payment that is not affected by an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at cost which is amortized using the effective interest rate method.

(iii) Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with payments and fixed maturity and has determined that the Company's management has the positive intent and ability to maturity, other than:

- a. The Company's financial assets are recognized at fair value through profit or loss;
- b. Company's financial assets available for sale; and
- c. Financial assets that meet the definition as loans and receivables.

These financial assets are initially recognized at fair value including transaction costs and subsequently remeasured at amortized cost by applying the effective interest rate method.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1) Financial Asset (Continued)

(iv) Financial assets available for sale

Financial assets available for sale are financial assets that are held to an unlimited period of time, which can be sold to meet liquidity needs or changes in interest rates, exchange rates, or that are not classified as loans and receivables, financial assets held to maturity tempo or financial assets at fair value are recognized through the income statement.

Financial assets available for sale are initially recognized at fair value plus transaction costs and are subsequently remeasured at fair value gains and losses are recognized in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until such financial assets no longer recognized. If a financial asset available for sale is impaired, the cumulative gain or loss previously recognized in the statement of changes in equity, will be recognized in the income statement. However, interest calculated using the effective interest rate method, and gains or losses on foreign currency monetary assets which are classified as assets available for sale are recognized in the income statement for the year.

2) Financial liabilities

The company classifies its financial liabilities in categories (i) financial liabilities at fair value are recognized through the income statement and (ii) financial liabilities measured at amortized cost.

(i) Financial liabilities are recognized at fair value through profit and loss

Financial liabilities are recognized at fair value through profit or loss are financial liabilities classified as trading liabilities. A financial liability is classified as a trading liability if it acquired primarily for the purpose of sale or repurchase in the near future and there is evidence to suggest the background to take advantage of short-term.

Gains and losses arising from changes in fair value of derivatives that are managed in conjunction with the financial obligation is included in "gain / loss on foreign exchange".

(ii) Financial liabilities measured at amortized cost

Financial liabilities not classified as financial liabilities at fair value are recognized through profit and loss are measured at amortized cost. Financial liabilities measured at amortized cost are trade and other payables, accrued expenses, and loans.

3) Fair value estimation

The Company uses several assessment techniques that are used in general to determine the fair value of financial instruments. Inputs used in valuation techniques for financial instruments on the market data that can be observed.

The fair value of financial instruments not traded in active markets is determined using valuation techniques. The Company uses discounted cash flow method using assumptions based on market conditions at balance sheet date which are then used to determine the fair value of financial instruments.

m. Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the inherent uncertainty in making estimates, actual results reported in the future periods may be based on amounts that differ from these estimates.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Adoption of New Accounting Standards

Effective since January 1, 2015, the Company adopted the following revised accounting standards, which are considered relevant to the statements but do not have significant impact:

- SFAS No. 1, (2013 Revision), Presentation of Financial Statements
- SFAS No. 4, (2013 Revision), Separate Financial Statements
- SFAS No. 15, (2013 Revision), Investments in Associates and Joint Ventures
- SFAS No. 24, (2013 Revision), Employee Benefits
- SFAS No. 46, (2013 Revision), Income Taxes
- SFAS No. 48, (2013 Revision), Impairment of Assets
- SFAS No. 50, (2013 Revision), Financial Instruments: Presentation
- SFAS No. 55, (2013 Revision), Financial Instruments: Recognition and Measurement
- SFAS No. 60, (2013 Revision), Financial Instruments: Disclosures
- SFAS No. 65, (2013 Revision), Consolidated financial statements
- SFAS No. 68, (2013 Revision), Fair Value Measurement

The effects of those implementation, the comparative financial statements as of December 31, 2015 and January 1, 2014 have been restated as disclosed in Note 26 to financial statements.

4. CASH AND CASH EQUIVALENTS

	2016	2015
Cash on hand	-	41,869
Bank Accounts:		
In Rupiah		
- Bank Mandiri IDR Jakarta	1,439,958	8,176
- Bank Mandiri IDR - Bunyu	511,209	1,046,366
- Bank Mandiri IDR Bunyu	31,295	-
- Bank Pembangunan Daerah	746,014	135,684
- BPD Kaltim	545,408	-
- Bank BNI	146,864	62,264
- State Bank of India (SBI) - IDR	5,341	7,156
	<u>3,426,089</u>	<u>1,259,646</u>

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS (Continued)

	2016	2015
In USD		
- SCB BANK 206-08689014 (USD 950.05 in 2016 and USD 2,204,977.35 in 2015) - DSR Account	12,613	28,849,924
- SCB BANK-306-086-8902-2- (USD 27,495.11 in 2016 and USD 45,090.06 in 2015)	365,025	589,958
- SCB BANK-306-086-8902-2- (USD 30,910.27 in 2016 and nil in 2015)	410,365	-
- State Bank of India (SBI) - (USD 2,207,379.35 in 2016 and USD 6,092.29 in 2015)	29,305,168	79,712
- Bank Mandiri (USD 144,226.35 in 2016 and USD 3,024.54 in 2015)	1,914,749	39,573
- State Bank of India (SBI) - (USD 13,543.24 in 2016 and nil in 2015)	179,800	-
- DBS Bank (USD 0 in 2016 and USD 663.54 in 2015)	-	8,682
	32,187,720	29,567,848
Subtotal	35,613,809	30,827,494
Total	35,613,809	30,869,363

5. SUNDRY DEBTORS

	2016	2015
Export debtors	459,881	-
Local debtors	-	-
	459,881	-
The aging analysis of sundry debtor is as follows :		
Current	-	-
Due date :		
< 90 days	459,881	-
	459,881	-

Based on review of the status of the individual receivable accounts at the end of the period, the Company's management determined that all receivables are collectible. Accordingly, no allowance for doubtful accounts was provided.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

6. INVENTORIES

	2016	2015
Coal stock		
(in 2016, 606,918 MT and 2015 509,804 MT)	78,827,445	103,556,116
Store/spare	19,633,789	21,281,450
Solar	6,059,380	5,702,628
	104,520,615	130,540,194

As of March 31, 2016, inventory crushed coal and Run of Mine in the open storage are covered by insurance with a total sum insured amounting to USD 16,000,000. Based on Management's opinion, the insurance is adequate to cover possible losses.

As of March 2016 and 2015, Inventory stock quantity as follows :

	2016 (in MT)	2015 (in MT)
Opening Stock	724,183	291,748
ROM Production	5,009,127	3,835,056
Less : Coal Sales	(5,126,392)	(3,616,999)
Closing Stock (ROM + Crushed Coal)	606,918	509,804

7. LOANS AND ADVANCES

	2016	2015
Advances to supplier and service provider	25,159,631	16,644,353
Prepaid expenses	4,263,366	3,060,958
Advances to staff	1,425,428	1,613,358
Insurance claim	-	234,703
	30,848,425	21,553,372

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

8. FIXED ASSETS

	2016					
	Beginning Balance		Additions	Deductions	Reclassification	Ending Balance
	Company	Subsidiary				
Acquisition Cost:						
Building and structures	59,187,040	-	1,692,211	-	-	60,879,252
Marine structure (Jetty)	43,893,468	-	-	-	-	43,893,468
Mining equipment	87,474,842	175,878,373.9	-	6,351,099	-	257,002,117
Plant & machinery	263,799,315	7,247,176.1	1,823,639	-	-	272,870,131
Vehicle	8,761,930	1,666,133.3	-	-	-	10,428,064
Computer & Fuel Management System	9,075,456	12,990.0	58,412	-	-	9,146,858
Office equipment-furniture	5,564,927	-	208,320	3,000	-	5,770,247
	477,756,980	184,804,673.4	3,782,583	6,354,099	-	659,990,137
Construction - in progress	6,957,253	-	7,652,937	293,269	-	14,316,921
	484,714,233	184,804,673.4	11,435,520	6,647,367	-	674,307,059
Accumulated Depreciation:						
Building and structures	28,168,154	-	2,643,397	-	-	30,811,551
Marine structure (Jetty)	13,635,309	-	2,194,673	-	-	15,829,982
Mining equipment	64,064,386	154,256,403.5	28,459,170	5,663,020	-	241,116,941
Heavy earth moving	-	-	-	-	-	-
Plant & machinery	99,366,834	4,205,134.6	27,673,116	-	-	131,245,084
Vehicle	6,646,310	1,485,785.3	1,392,832	-	-	9,524,928
Computer & Fuel Management System	1,940,103	12,936.8	273,318	-	-	2,226,358
Office equipment-furniture	4,465,863	-	2,771,088	-	-	7,236,951
	218,286,959	159,960,260	65,407,594	5,663,020	-	437,991,794
Net Book Value	266,427,274	24,844,413.3				236,315,264

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

8. FIXED ASSETS (Continued)

	2015				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Acquisition Cost:					
Building and structures	59,187,040	-	-	-	59,187,040
Marine structure (Jetty)	43,893,468	-	-	-	43,893,468
Mining equipment	93,325,687	660,000	6,510,845	-	87,474,842
Plant & machinery	263,438,920	360,395	-	-	263,799,315
Vehicle	9,088,740	-	326,810	-	8,761,930
Computer & Fuel					
Management System	2,255,028	1,150,502	-	5,669,927	9,075,456
Office equipment- furniture	5,564,927	-	-	-	5,564,927
	476,753,811	2,170,897	6,837,655	5,669,927	477,756,980
Construction - in progress	14,200,539	10,206	1,583,565	(5,669,927)	6,957,253
	490,954,350	2,181,103	8,421,220	-	484,714,233
Accumulated Depreciation:					
Building and structures	22,342,787	5,825,367	-	-	28,168,154
Marine structure (Jetty)	11,440,635	2,194,673	-	-	13,635,309
Mining equipment	51,214,889	17,624,712	4,775,214	-	64,064,386
Heavy earth moving	-				-
Plant & machinery	71,700,445	27,666,389	-	-	99,366,834
Vehicle	5,122,691	1,763,310	239,691	-	6,646,310
Computer & Fuel	1,479,419	460,684	-	-	1,940,103
Management System					
Office equipment- furniture	2,189,186	2,276,677	-	-	4,465,863
	165,490,052	57,811,812	5,014,905	-	218,286,959
Net Book Value	325,464,298				266,427,274

As of March 31, 2016, all assets are covered by insurance under the blanket policies of PT Asuransi Astra and Fairfax Insurance Indonesia with a total sum insured amounting to USD 45,852,000. Based on Management's opinion, there are no impairment of assets and the insurance adequate to cover possible losses. There are no asset as guarantee.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

9. DEFERRED CHARGES

2016					
	Beginning Balance		Additions	Deductions	Ending Balance
	Company	Subsidiary			
Acquisition cost:					
Land compensation	13,376,819	66,618,534	1,336,000	-	81,331,353
Miscellaneous expense	8,478,145	96,908,005	-	-	105,386,150
	21,854,964	163,526,538	1,336,000	-	186,717,503
Accumulated amortization:					
Land compensation	5,842,657	1,909,534	3,744,483	-	11,496,675
Miscellaneous expense	4,015,557	7,733,529	10,912,164	-	22,661,250
	9,858,214	9,643,063	14,656,647	-	34,157,924
Net book value	165,880,225				152,559,579

2015				
	Beginning Balance	Additions	Deductions	Ending Balance
Acquisition cost:				
Land compensation	12,776,820	600,000	-	13,376,819
Miscellaneous expense	8,478,145	-	-	8,478,145
	21,254,965	600,000	-	21,854,964
Accumulated amortization:				
Land compensation	4,311,454	1,531,203	-	5,842,657
Miscellaneous expense	3,011,668	1,003,888	-	4,015,557
	7,323,122	2,535,092	-	9,858,214
Net book value	13,931,843			11,996,750

10. DEPOSITS

	2016	2015
Deposit with Government	26,750,922	15,677,505
	26,750,922	15,677,505

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

11. INVESTMENT

	2016	2015
- PT Coalindo Indonesia	200,000	100,000
	200,000	100,000

12. OTHER ASSETS

	2016	2015
- Others assets	7,920,780	3,488,872
	7,920,780	3,488,872

Others assets represent income tax - article 28a and Vat-in.

13. SUNDRY CREDITORS

	2016	2015
Related Party		
- Sundry creditor-group company	2,975,265	2,619,101
Third Party		
- Sundry creditor for expense	67,952,186	36,909,135
- Sundry creditor for goods/spares	37,200,999	28,852,546
- Sundry creditor for capital goods	1,363,883	3,528,287
	109,492,333	71,909,069

14. PROVISIONS

	2016	2015
Provision for expenses payable	28,270,915	30,706,461
	28,270,915	30,706,461

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

15. OTHER PAYABLES

	2016	2015
Interest payables	71,604,252	-
Salary payables	651,822	8,174
Other	784,133,833	21,579,006
	856,389,908	21,587,179

Other represent receipts from Adani Global Pte. Ltd for coal purchase.

16. TAXATION

	2016	2015
a. Taxes payable		
Company		
Income tax - article 21	793,990	1,169,128
Income tax - article 23	551,932	186,743
Income tax - article 26	397,163	4,139,064
Income tax - article 15	36,828	104,004
Income tax - article 4 (2)	-	618
Value Added Tax	7,565	-
	1,787,477	5,599,557
Subsidiary		
Income tax - article 23	145,852	-
Income tax - article 21	75,360	-
Income tax - article 15	17,696	-
	238,909	-
b. Tax income/(expenses)		
Company		
Current tax	-	(1,126,932)
Deferred tax income/(expenses)	20,360,198	15,648,159
	20,360,198	14,521,227
Subsidiary		
Current tax	-	-
Deferred tax income/(expenses)	(11,969,760)	-
	(11,969,760)	-

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

16. TAXATION (Continued)

c. Current tax

The reconciliation between income before tax as shown in the statements of income and the estimated taxable income are as follows:

	2016	2015
Consolidated income before income tax	(54,960,563)	(73,483,860)
Less: Income (loss) before taxes subsidiary and elimination	115,751	-
Income before income tax - Company	(54,844,813)	(73,483,860)
Temporary differences:		
Amortization of legal and professional expenses	(226,518)	(226,518)
Depreciation	14,044,044	12,452,734
Pension retirement benefit	(7,292,288)	7,060,178
Permanent differences:		
Non deductible expenses	(30,576,559)	7,041,417
Deductible expenses (Interest Income)	(758,833)	(798,592)
Taxable income before tax loss carry forward	(79,654,966)	(47,954,640)
Less : Tax loss carry forward	-	-
Estimated taxable Income (loss)	(79,654,966)	(47,954,640)
Income tax article 29 - Company		
Add: Corporate income tax - subsidiaries	-	-
Corporate income tax - consolidated	-	-

Calculation of current tax expenses and tax refundable/ (taxes payable) are as follows:

	2016	2015
Current tax expenses and (tax refundable)	-	-
Deduct: Prepaid taxes		
Income tax art 22	(5,331,751)	-
Income tax art 25	(2,589,028)	-
Corporate tax (rate 25%)	(7,920,780)	-

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

16. TAXATION (Continued)

d. Deferred tax

The tax effect of the temporary differences between commercial and fiscal calculation with a tax rate (25%) is as follows:

	2016	2015
Deferred tax assets/ (liabilities)		
Company		
Pre-operative expenses	(29,346)	(13,450)
Amortization of legal and professional expenses	(380,388)	(339,654)
Depreciation	9,308,934	5,797,923
Pension retirement benefit	4,117,566	4,921,596
Taxable (profit) / Loss	54,935,084	36,206,196
	67,951,850	46,572,610
Subsidiary		
Amortization of pre-operative expenses	(4,663,204)	-
Depreciation	4,365,303	-
Pension retirement benefit	493,509	-
Taxable (profit) / Loss	31,258,400	-
	31,454,008	-

e. Administration

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. The tax authorities can assess or amend the taxes within a period of five (5) years from the date the taxes became due.

17. LOANS

The Company received loans from PT Standard Chartered Bank (SCB), to support construction of fixed assets and working capital.

As of March 31, 2016 and March 31, 2015 the balance of this account is follows:

a. SECURED LOANS

	2016	2015
PT Standard Chartered Bank (SCB) (USD 0 in 2016 and USD 38,529,317) in 2015)	-	504,117,584
PT Standard Chartered Bank (SCB)		

In the month of July 2012, PT. Lamindo Intermultikon executed into capped pre-paid swap structured transaction with SCB. Under the structure of transaction, SCB paid up front amount of USD 80,000,000 & PT. Lamindo Intermultikon has to make monthly floating amount linked to API4 coal price (subject to capped price of \$ 50) of specified notional coal quantity for 49 months.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

17. LOANS (Continued)

a. SECURED LOANS (Continued)

PT Standard Chartered Bank (SCB)

The facility & Amount of PT SCB Bank as details are follows :

Facility A : SCB will pay to Counterparty a Fixed Amount I Equal to: USD 80,000,000.
 Facility B : Counterparty will pay to SCB a Fixed Amount II equal to: USD 1,000,000.

Transaction Details:

Party A : Standard Chartered Bank Singapore
 Party B : PT Lamindo Inter Multikon
 Trade Date : 9 July 2012
 Effective Date : 9 July 2012
 Termination Date : 31 July 2016
 Commodity : API4 Coal
 Total National Qty : 1,809,800 Metric Tonnes
 Calculation Period : 49 monthly Calculation Periods, starting from and including the effective Date.

Fixed Amount I:

Fixed Amount I : On the Initial Payment date, Party A shall pay Party B an amount equal to: USD 80,000,000.

Floating Amount

Cap Price : 50 USD/MT
 Floating Price Payer : Party B
 Initial Payment Date : With respect to each Calculation Period, Party B pays Party A, on the relevant Settlement Date, an amount in USD as determined by the Calculation Agent equal to:

Floating Price X National quantity per Calculation Period.

Floating Price : With respect to a calculation Period, the relevant Unweighted Average Price, subject to a maximum of the Cap Price.

Where, "Unweighted Average Price" means, with respect to a Calculation Period, the Unweighted arithmetic mean of the Commodity Reference Price on each Pricing Date during such Calculation Period.

Commodity Reference

Price : "COAL - API 4-ARGUS/MCCLOSKEY'S" means that the price for a Pricing Date will be that day's Specified Price per tonne of steam coal 6,000 kcal/kg, up to 1% sulphur Nar basis, fob Richard Bay, stated in U.S. Dollars, published under the heading "International Coal Indexes incorporating the APITM Indices: Monthly Coal Price Indexes: API 4 (fob Richards Bay)" in the issue of Argus/McCloskey's Coal Price Index Report that report that reports prices effective on that Pricing Date.

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

17. LOANS (Continued)

a. SECURED LOANS (Continued)

PT Standard Chartered Bank (SCB)

Specified Price : The official price as published monthly of API 4 steam coal stated in U.S Dollars published under the heading "International Coal Indices: Monthly Coal Price Indices: API 4 (fob Richards Bay)(formerly known as TFS API 4)"in the issue of Argus/McCloskey's Coal Price Index Report that reports such monthly average price on the last Friday of any calendar month.

Pricing Date : Each Commodity Business Day during the relevant Calculation Period.

Settlement Date(s) : Five (5) Business Days following the Period End Date in Respect of Each Calculation Period.

Business Days

(for settlement

purposes) : New York, London, Singapore and Jakarta.

b. UNSECURED LOANS

As of March 31, 2016 and 2015 the balance of this account is follows:

	2016	2015
PT Adani Global	3,095,833	-
	3,095,833	-

The Company received unsecured loan from related party, PT Adani Global to procure heavy equipment, pay land compensation and for working capital. Interest rate for loan is at 10% per annum for IDR and 6,5% per annum for USD.

18. PROVISION FOR RETIREMENT BENEFIT

The Company provides provision for employee benefits based on Law of Manpower No. 13 of 2003. The estimated liability for employee benefits as of March 31, 2016 and 2015 amounted to Rp18,649,692, and Rp19,891,777, respectively. As of March 31, 2016, the estimated of employee benefits was determined by the independent actuarial calculation of PT Sigma Prima Solusindo, Independent actuarial used the "Projected Unit Credit" method with the following assumptions as following:

	2016	2015
Salary increase rate	7%	9%
Discount rate	8.18%	7.68%
Mortality rate	TMI-III in 2011	TMI-III in 2011

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

18. PROVISION FOR RETIREMENT BENEFIT (Continued)

Recognition of (Liabilities) / Assets in Balance Sheet

	2016	2015
<u>Company</u>		
Assets and Liabilities		
Present Value of Defined Benefit Obligation	16,675,657	19,891,777
Fair Value of Plan Assets	-	-
Funding Status	16,675,657	19,891,777
Recognition of (Liabilities) / Assets in Balance Sheet	16,675,657	19,891,777

Subsidiary

Assets and Liabilities		
Present Value of Defined Benefit Obligation	1,974,035	-
Fair Value of Plan Assets	-	-
Funding Status	1,974,035	-
Recognition of (Liabilities) / Assets in Balance Sheet	1,974,035	-

	2016	2015
--	-------------	-------------

Reconcile of Amount that Recognized in Balance Sheet

Company

(Liabilities)/Assets at Beginning Period	19,891,777	12,626,206
(Expenses)/Revenue	3,684,457	5,197,398
Other Comprehensive Income / (Expenses)	4,076,168	8,843,633
Realization of Benefits Payment	(10,976,745)	(6,775,460)
(Liabilities)/Assets at Ending Period	16,675,657	19,891,777

	2016	2015
--	-------------	-------------

Company

Expenses		
Current Services Cost	3,175,534	4,227,705
Interest Cost	1,627,147	969,693
Increase/ (Decrease) in Liabilities Transition	(1,118,225)	-
Expenses / (Revenue) in Income Statement	3,684,457	5,197,398

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

18. PROVISION FOR RETIREMENT BENEFIT (Continued)

	2016	2015
Reconcile of Amount that Recognized in Balance Sheet		
Subsidiary		
(Liabilities)/Assets at Beginning Period	2,397,540	-
(Expenses)/Revenue	378,462	-
Other Comprehensive Income / (Expenses)	857,655	-
Realization of Benefits Payment	(1,659,622)	-
(Liabilities)/Assets at Ending Period	1,976,051	-
Expenses		
Current Services Cost	331,913	-
Interest Cost	194,920	-
Increase/ (Decrease) in Liabilities Transition	(148,371)	-
Expenses / (Revenue) in Income Statement	378,462	-

19. SHARE CAPITAL

According to the Notarial Deed number 8 by Rohana Frieta, SH dated 24 May 2011, the Shareholders agreed to increase of the share capital of the Company from Rp500,000,000,- to become Rp10,500,000,000,-.

The composition of issued and paid-up shares as of March 31, 2016 and 2015 is as follows:

Shareholders	Number of Shares Issued	Percentage of Ownership	Amount
PT Niaga Antar Bangsa	7,875	75%	7,875,000
PT Niaga Lintas Samudra	2,625	25%	2,625,000
	10,500	100%	10,500,000

20. NON CONTROLLING INTEREST

This account represents the share of non-controlling shareholders, which is PT Niaga Lintas Samudra, on the net assets of subsidiaries, with details as follows:

	2016	2015
PT Niaga Lintas Samudra	(39,636,627)	-
Total	(39,636,627)	-

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

21. SALES

	2016	2015
Coal	1,029,103,491	769,969,180
Total	1,029,103,491	769,969,180

22. COST OF SALES

	2016	2015
Opening Stocks	103,556,116	63,314,628
Subsidiary closing stock from previous year	43,546,685	-
Direct Cost :		
OB Removal Charges	251,010,878	-
Solar expenses	151,833,109	178,008,334
Salaries	118,061,455	122,135,374
Crane hiring rent	65,520,203	84,869,632
Depreciation	65,407,594	57,811,812
Barge expenses	59,975,741	37,313,661
Dump truck expenses	47,610,159	52,289,781
Rental equipment charges	27,708,772	67,355,211
Excavator expenses	21,438,883	13,138,618
Coal handling plant expense	16,235,717	9,767,630
Stevedoring expenses	14,826,599	14,855,984
Demurage charge	12,565,377	-
Dozer expenses	6,880,874	12,997,690
Generator expense	6,348,289	234,200
Freight others	4,775,776	5,488,567
Drilling and exploration expenses	4,515,121	5,139,193
Testing & analysis expenses	3,666,316	3,407,268
General spares expenses	2,938,019	8,975,640
Pickup expenses	1,705,450	2,918,460
Loading & unloading	1,003,360	942,781
Agency fees for barges	768,669	654,531
Marine insurance	531,550	689,307
Wages (Site)	482,189	-
Solar (Diesel for Barges)	-	2,262,230
Draught survey	-	165,750
Others	388,815	589,345
	886,198,916	682,011,001
Closing Stocks	(78,827,445)	(103,556,116)
	954,474,271	641,769,513

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

23. INDIRECT EXPENSES

	2016	2015
Royalty	26,077,697	18,226,883
Amortization of deferred expenses	14,656,647	2,535,091
Traveling expenses	12,393,617	13,732,162
Repair and maintenance	10,454,324	8,358,923
Fooding expenses	9,497,984	11,700,542
Misscelenous	8,697,687	14,025
Medical	4,869,127	3,881,992
Tax expenses	4,080,944	-
Employee benefit expenses	4,062,919	5,197,398
Office expenses	3,690,503	5,570,193
Legal & professional fees	3,382,416	2,699,289
CSR expenses	2,974,423	1,860,411
Insurance expenses	2,769,190	2,993,245
Honorarium	2,592,569	1,905,037
Miscellaneous shipping	1,339,766	-
Fresh water charge	922,714	-
KP expenses	756,667	-
Heavy earth moving expenses	583,941	-
Speed boat charges	538,300	-
Reclamation expenses	506,184	393,940
Rent	480,615	-
Others	2,181,627	6,862,377
	117,509,864	85,931,508

24. OTHERS INCOME (EXPENSES)

	2016	2015
OTHER INCOME		
Net interest income	1,164,963	798,592
Sale of scrap	-	104,115
Others	3,893,075	171,884
	5,058,038	1,074,591
OTHER EXPENSES		
Foreign exchange loss	14,534,053	64,559,325
Net interest expense	-	41,390,636
Bank charges	1,171,994	424,328
Loss on sale/ disposal of asset	-	1,608,666
Others	1,431,909	-
	17,137,957	107,982,955
	(12,079,919)	(106,908,364)

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2016:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	35,613,809	35,613,809	-	-
Sundry debtor	459,881	459,881	-	-
Loans and advances	30,848,425	30,848,425	-	-
Investment	200,000	-	200,000	-
Total financial assets	67,122,114	66,922,114	200,000	-
Financial liabilities				
Sundry creditors	109,492,333	-	-	109,492,333
Others payable	856,389,908	-	-	856,389,908
Loans	3,095,833	-	-	3,095,833
Total financial liabilities	968,978,073	-	-	968,978,073

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2015:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	30,869,363	30,869,363	-	-
Sundry debtor	-	-	-	-
Loans and advances	21,553,372	21,553,372	-	-
Investment	100,000	-	100,000	-
Total financial assets	52,522,735	52,422,735	100,000	-
Financial liabilities				
Sundry creditors	71,909,069	-	-	71,909,069
Others payable	27,602,055	-	-	27,602,055
Loans	504,117,584	-	-	504,117,584
Total financial liabilities	603,628,708	-	-	603,628,708

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

26. GOING CONCERN

Company management to evaluate the entity's ability to continue as a going concern and require disclosures when either financial statements are prepared on a going concern basis or there is substantial doubt about the entity's ability to continue as a going concern. The Company management confirm that :

1. It has no intention to cease the operation of the Company within the next year or within foreseeable future. No Liquidation within the next 12 months.
2. It will continue to provide financial and / or other support as necessary for the Company to enable it to continue its operation and to meet its obligations when they are due.
3. In the case of financial difficulties the company's shareholders will support.

The financial statements have been prepared on basis of the Company continuing as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

27. SUPPLEMENTARY INFORMATION

The supplementary information on pages 29 to 47 represents financial information of PT Lamindo Inter Multikon (parent company only) as at and for the years ended 31 March, 2016 and 2015, which presents the Company's investment in subsidiary under the cost method, as opposed to the consolidation method and investments in associates and jointly controlled entities under the cost method, as opposed to equity method.

28. ACCOUNT RECLASSIFICATION

Account depreciation indirect expenses in the year 2015 was reclassified to cost of sales, to adjust with the presentation of financial statement in year 2016.

Supplementary Information
PT LAMINDO INTER MULTIKON - PARENT ONLY
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2016

(in Thousand Rupiah)

	Notes	2016	2015
ASSETS			
Current Assets			
Cash and cash equivalents	i	33,714,797	30,869,363
Inventories	ii	70,126,489	130,540,194
Loans and advances	iii	22,652,514	21,553,372
Total Current Assets		126,493,800	182,962,928
Non Current Assets			
Deposits	vi	16,720,968	15,677,505
Deferred charges	v	10,633,265	11,996,751
Investment	vii	756,000	100,000
Deferred tax assets	xiid	67,951,850	46,572,610
Fixed assets - net	iv	226,555,144	266,427,274
Other asset	viii	4,842,377	3,488,872
Total Non Current Assets		327,459,604	344,263,013
TOTAL ASSETS		453,953,404	527,225,941
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Sundry creditors	ix	92,147,312	71,909,069
Provisions	x	4,149,094	24,691,585
Taxes payables	xii a	1,787,478	5,599,557
Other payables	xi	503,321,290	27,602,055
Total Current Liabilities		601,405,174	129,802,266
Non Current Liabilities			
Provision for retirement			
Benefits	xiv	16,675,657	19,891,777
Loans	xiii	-	504,117,584
Total Non Current Liabilities		16,675,657	524,009,361
TOTAL LIABILITIES		618,080,831	653,811,627
EQUITY			
Authorized capital - 10.500 shares			
<i>Rp 1,000,000 par value per share</i>			
Issued share capital - 10,500 shares (2014)			
<i>subscribed and fully paid up</i>	xv	10,500,000	10,500,000
Retained earning		(164,937,576)	(130,452,961)
Other comprehensive income		(9,689,851)	(6,632,725)
TOTAL EQUITY		(164,127,427)	(126,585,686)
TOTAL LIABILITIES AND EQUITY		453,953,404	527,225,941

Supplementary Information

PT LAMINDO INTER MULTIKON - PARENT ONLY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2016

(in Thousand Rupiah)

	Notes	2016	2015
SALES	xvi	638,033,833	769,969,180
COST OF SALES	xvii	(590,288,609)	(641,769,513)
GROSS PROFIT		47,745,224	128,199,667
INDIRECT EXPENSES	xviii	(89,488,461)	(85,931,508)
OPERATING PROFIT		(41,743,237)	42,268,159
OTHER INCOME (EXPENSES)			
OTHERS INCOME	xix	971,076	1,074,591
OTHERS EXPENSES	xix	(14,072,652)	(107,982,955)
		(13,101,576)	(106,908,364)
PROFIT (LOSS) BEFORE INCOME TAX		(54,844,813)	(64,640,206)
TAX INCOME/(EXPENSES)			
Current tax	xiic	-	(1,126,932)
Deferred tax	xiid	20,360,198	15,648,159
		20,360,198	14,521,227
LOSS FOR THE YEAR		(34,484,615)	(50,118,979)
OTHER COMPREHENSIVE INCOME			
Actuarial Losses		(4,076,168)	(8,843,633)
Related Income tax		1,019,042	2,210,908
		(3,057,126)	(6,632,725)
TOTAL COMPREHENSIVE INCOME		(37,541,741)	(56,751,703)

Supplementary Information**PT LAMINDO INTER MULTIKON - PARENT ONLY****STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the years ended March 31, 2016

(in Thousand Rupiah)

	Share capital	Other Comprehensive Income	Retained Earning	Total
Balance as of April 1, 2014	10,500,000	-	(80,333,982)	(69,833,982)
Comprehensive income (loss) for the year	-	(6,632,725)	(50,118,979)	(56,751,703)
Balance as of March 31, 2015	10,500,000	(6,632,725)	(130,452,961)	(126,585,686)
Comprehensive income (loss) for the year	-	(3,057,126)	(34,484,615)	(37,541,741)
Balance as of March 31, 2016	10,500,000	(9,689,851)	(164,937,576)	(164,127,427)

Supplementary Information

PT LAMINDO INTER MULTIKON - PARENT ONLY

STATEMENTS OF CASH FLOW

For the year ended March 31, 2016

(in Thousand Rupiah)

	2016	2015
Cash flows from operating activities		
Profit/(loss) before income tax	(37,541,741)	(56,751,703)
<i>Add items not affecting operating cash flows</i>		
Depreciation	50,028,432	57,811,812
Amortization of deferred charges	2,563,486	2,535,091
Unrealized (gain)/loss on foreign exchange	(7,857,562)	(49,607,699)
Operating cash flows before changes in working capital	7,192,616	(46,012,499)
Changes in working capital		
Sundry debtors	-	36,668
Inventories	60,413,705	(42,110,626)
Deposits	(1,146,205)	(3,178,376)
Loans and advances	(1,256,782)	270,051,737
Other assets	(1,353,504)	3,965,674
Sundry creditors	28,411,673	44,034,893
Provision	(20,597,976)	20,653,064
Taxes payables	(25,191,319)	(18,740,711)
Other payables	475,719,235	(25,043,013)
Provision for retirement benefits	(3,216,120)	7,265,571
Net changes in working capital	511,782,707	256,934,881
Net cash flows provided from (used in) operating activities	518,975,322	210,922,382
Cash flows from investing activities		
Acquisition of fixed assets	(10,506,022)	(2,181,103)
Disposal of fixed assets	349,718	3,406,315
Land Compensation	(1,200,000)	(600,000)
Advance capital	-	696,400
Investments	(656,000)	-
Net cash flows used in investing activities	(12,012,304)	1,321,612
Cash flows from financing activities		
Loans	(504,117,584)	(188,020,257)
Net cash flows provided from financing activities	(504,117,584)	(188,020,257)
Net increase/(decrease) in cash and cash equivalents	2,845,434	24,223,738
Cash and cash equivalents at the beginning of the year	30,869,363	6,645,625
Cash and cash equivalents at the end of the year	33,714,797	30,869,363

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

i. CASH AND CASH EQUIVALENTS

	2016	2015
Cash on hand	-	41,869
Bank Accounts:		
In Rupiah		
- Bank Mandiri IDR Jakarta	1,222,867	8,176
- Bank Pembangunan Daerah	746,014	135,684
- Bank Mandiri IDR - Bunyu	511,209	1,046,366
- Bank BNI	146,864	62,264
- State Bank of India (SBI) - IDR	5,341	7,156
	2,632,295	1,259,646
In USD		
- State Bank of India (SBI) - (USD 2,207,379.35 in 2016 and USD 6,092.29 in 2015)	29,305,168	79,712
- Bank Mandiri (USD 105,430.55 in 2016 and USD 3,024.54 in 2015)	1,399,696	39,573
- SCB BANK-306-086-8902-2- (USD 27,495.11 in 2016 and USD 45,090.06 in 2015)	365,025	589,958
- SCB BANK 206-08689014 (USD 950.05 in 2016 and USD 2,204,977.35 in 2015) - DSR Account	12,613	28,849,924
- DBS Bank (USD 0 in 2016 and USD 663.54 in 2015)	-	8,682
	31,082,502	29,567,848
Subtotal	33,714,797	30,827,494
Total	33,714,797	30,869,363

ii. INVENTORIES

	2016	2015
Coal stock		
(in 2016, 303,833 MT and 2015 509,804 MT)	46,642,549	103,556,116
Store/spare	19,559,416	21,281,450
Solar	3,924,524	5,702,628
	70,126,489	130,540,194

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

*(Expressed in Thousand Rupiah, unless otherwise stated)***ii. INVENTORIES (Continued)**

As of March 31, 2016, inventory crushed coal and Run of Mine in the open storage are covered by insurance with a total sum insured amounting to USD 8,000,000. Based on Management's opinion, the insurance is adequate to cover possible losses.

As of March 2016 and 2015, Inventory stock quantity as follows :

	Closing Stock Working	
	2016	2015
	(in MT)	(in MT)
Opening Stock	509,804	291,748
ROM Production	2,983,653	3,835,056
Less : Coal Sales	(3,189,624)	(3,616,999)
Closing Stock (ROM + Crushed Coal)	303,833	509,804

iii. LOANS AND ADVANCES

	2016	2015
Advances to supplier and service provider	17,098,148	16,644,353
Prepaid expenses	4,201,178	3,060,958
Advances to staff	1,353,189	1,613,358
Insurance claim	-	234,703
	22,652,514	21,553,372

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

iv. FIXED ASSETS

	2016				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Acquisition Cost:					
Building and structures	59,187,040	1,692,211	-	-	60,879,251
Marine structure (Jetty)	43,893,468	-	-	-	43,893,468
Mining equipment	87,474,842	-	534,490	-	86,940,352
Plant & machinery	263,799,315	894,140	-	-	264,693,455
Vehicle	8,761,930	-	-	-	8,761,930
Computer & Fuel Management System	9,075,456	58,412	-	-	9,133,868
Office equipment-furniture	5,564,927	208,320	3,000	-	5,770,247
	<u>477,756,980</u>	<u>2,853,084</u>	<u>537,490</u>	<u>-</u>	<u>480,072,572</u>
Construction - in progress	6,957,253	7,652,938	293,269	-	14,316,922
	<u>484,714,233</u>	<u>10,506,022</u>	<u>830,759</u>	<u>-</u>	<u>494,389,494</u>
Accumulated Depreciation:					
Building and structures	28,168,154	2,643,397	-	-	30,811,551
Marine structure (Jetty)	13,635,309	2,194,673	-	-	15,829,982
Mining equipment	64,064,386	14,149,502	481,041	-	77,732,847
Plant & machinery	99,366,834	26,784,023	-	-	126,150,857
Vehicle	6,646,310	1,212,484	-	-	7,858,794
Computer & Fuel Management System	1,940,103	273,265	-	-	2,213,368
Office equipment-furniture	4,465,863	2,771,088	-	-	7,236,951
	<u>218,286,959</u>	<u>50,028,432</u>	<u>481,041</u>	<u>-</u>	<u>267,834,350</u>
Net Book Value	<u>266,427,274</u>				<u>226,555,144</u>

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

iv. FIXED ASSETS (Continued)

	2015				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Acquisition Cost:					
Building and structures	59,187,040	-	-	-	59,187,040
Marine structure (Jetty)	43,893,468	-	-	-	43,893,468
Mining equipment	93,325,687	660,000	6,510,845	-	87,474,842
Plant & machinery	263,438,920	360,395	-	-	263,799,315
Vehicle	9,088,740	-	326,810	-	8,761,930
Computer & Fuel Management System	2,255,028	1,150,502	-	5,669,927	9,075,456
Office equipment-furniture	5,564,927	-	-	-	5,564,927
	476,753,811	2,170,897	6,837,655	5,669,927	477,756,980
Construction - in progress	14,200,539	10,206	1,583,565	(5,669,927)	6,957,253
	490,954,350	2,181,103	8,421,220	-	484,714,233
Accumulated Depreciation:					
Building and structures	22,342,787	5,825,367	-	-	28,168,154
Marine structure (Jetty)	11,440,635	2,194,673	-	-	13,635,309
Mining equipment	51,214,889	17,624,712	4,775,214	-	64,064,386
Plant & machinery	71,700,445	27,666,389	-	-	99,366,834
Vehicle	5,122,691	1,763,310	239,691	-	6,646,310
Computer & Fuel Management System	1,479,419	460,684	-	-	1,940,103
Office equipment-furniture	2,189,186	2,276,677	-	-	4,465,863
	165,490,052	57,811,812	5,014,905	-	218,286,959
Net Book Value	325,464,298				266,427,274

As of March 31, 2016, all assets are covered by insurance under the blanket policies of PT Asuransi Indrapura with a total sum insured amounting to USD 28,000,000. Based on Management's opinion, there are no impairment of assets and the insurance adequate to cover possible losses. There are no asset as guarantee.

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

v. DEFERRED CHARGES

2016				
	Beginning Balance	Additions	Deductions	Ending Balance
Acquisition cost:				
Land compensation	13,376,820	1,200,000	-	14,576,820
Miscellaneous expense	8,478,145	-	-	8,478,145
	21,854,965	1,200,000	-	23,054,965
Accumulated amortization:				
Land compensation	5,842,657	1,559,595	-	7,402,252
Miscellaneous expense	4,015,556	1,003,891	-	5,019,448
	9,858,213	2,563,486	-	12,421,700
Net book value	11,996,751			10,633,265

2015				
	Beginning Balance	Additions	Deductions	Ending Balance
Acquisition cost:				
Land compensation	12,776,820	600,000	-	13,376,820
Miscellaneous expense	8,478,145	-	-	8,478,145
	21,254,965	600,000	-	21,854,964
Accumulated amortization:				
Land compensation	4,311,454	1,531,203	-	5,842,657
Miscellaneous expense	3,011,668	1,003,888	-	4,015,556
	7,323,122	2,535,091	-	9,858,213
Net book value	13,931,843			11,996,751

vi. DEPOSITS

	2016	2015
Deposit with Government	16,720,968	15,677,505
	16,720,968	15,677,505

vii. INVESTMENT

	2016	2015
- PT Mitra Niaga Mulia	656,000	-
- PT Coalindo Indonesia	100,000	100,000
	756,000	100,000

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

*(Expressed in Thousand Rupiah, unless otherwise stated)***viii. OTHER ASSETS**

	2016	2015
- Others assets	4,842,377	3,488,872
	4,842,377	3,488,872

Others assets represent income tax - article 28a.

ix. SUNDRY CREDITORS

	2016	2015
Related Party		
- Sundry Creditor-Group Company	2,975,265	2,619,101
Third Party		
- Sundry Creditor for goods/spares	62,249,738	28,852,546
- Sundry Creditor for expense	24,375,142	36,909,135
- Sundry creditor for capital goods	2,547,167	3,528,287
	92,147,312	71,909,069

x. PROVISIONS

	2016	2015
Provision for expenses payable	3,812,835	24,361,504
Provision for jamsostek payable	336,259	330,081
	4,149,094	24,691,585

xi. OTHER PAYABLES

	2016	2015
Salary payables	643,039	8,174
Other	502,678,251	27,593,882
	503,321,290	27,602,055

Other represent receipts from Adani Global Pte. Ltd for coal purchase.

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

xii. TAXATION

	2016	2015
a. Taxes payable		
Income tax - article 21	793,990	1,169,128
Income tax - article 23	551,932	186,743
Income tax - article 26	397,163	4,139,064
Income tax - article 15	36,828	104,004
Value Added Tax	7,565	-
Income tax - article 4 (2)	-	618
	1,787,478	5,599,557
b. Tax income/(expenses)		
Current tax	-	1,126,932
Deferred tax income/(expenses)	20,360,198	(15,648,159)
	20,360,198	(14,521,227)
c. Current tax		
The reconciliation between income before tax as shown in the statements of income and the estimated taxable income are as follows:		
	2016	2015
Profit/(loss) before income tax	(54,844,813)	(73,483,860)
Temporary differences:		
Amortization of legal and professional expenses	(226,518)	(226,518)
Depreciation	14,044,044	12,452,734
Pension retirement benefit	(7,292,288)	7,060,178
Permanent differences:		
Non deductible expenses	13,875,096	7,041,417
Deductible expenses (Interest Income)	(758,833)	(798,592)
Taxable income before tax loss carry forward	(35,203,311)	(47,954,640)
Less : Tax loss carry forward	-	-
Estimated taxable income (loss)	(35,203,311)	(47,954,640)
Calculation of current tax expenses and tax refundable/ (taxes payable) are as follows:		
	2016	2015
Current tax expenses and (tax refundable)	-	-
Deduct: Prepaid taxes	-	-
Income tax art 22	-	-
Income tax art 25	-	-
Corporate tax (rate 25%)	-	-

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

*(Expressed in Thousand Rupiah, unless otherwise stated)***xii. TAXATION (Continued)****d. Deferred tax**

The tax effect of the temporary differences between commercial and fiscal calculation with a tax rate (25%) is as follows:

	2016	2015
Deferred tax assets		
Amortization of pre-operative expenses	(29,346)	(13,450)
Amortization of legal and professional expenses	(380,388)	(339,654)
Depreciation	9,308,934	5,797,923
Pension retirement benefit	4,117,566	4,921,596
Taxable (profit) / Loss	54,935,084	36,206,196
	67,951,850	46,572,610

e. Administration

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. The tax authorities can assess or amend the taxes within a period of five (5) years from the date the taxes became due.

xiii. LOANS

The Company received loans from PT Standard Chartered Bank (SCB), to support construction of fixed assets and working capital.

As of March 31, 2016 and March 31, 2015 the balance of this account is follows:

a. SECURED LOANS

	2016	2015
PT Standard Chartered Bank (SCB) (USD 0 in 2016 and USD 38,529,317) in 2015)	-	504,117,584

PT Standard Chartered Bank (SCB)

In the month of July 2012, PT. Lamindo Intermultikon executed into capped pre-paid swap structured transaction with SCB. Under the structure of transaction, SCB paid up front amount of USD 80,000,000 & PT. Lamindo Intermultikon has to make monthly floating amount linked to API4 coal price (subject to capped price of \$ 50) of specified notional coal quantity for 49 months.

The facility & Amount of PT SCB Bank as details are follows :

Facility A	: SCB will pay to Counterparty a Fixed Amount I Equal to: USD 80,000,000.
Facility B	: Counterparty will pay to SCB a Fixed Amount II equal to: USD 1,000,000.

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

xiii. LOANS (Continued)

a. SECURED LOANS (Continued)

Transaction Details:

Party A : Standard Chartered Bank Singapore
Party B : PT Lamindo Inter Multikon
Trade Date : July 9, 2012
Effective Date : July 9, 2012
Termination Date : July 31, 2016
Commodity : API4 Coal
Total National Qty : 1,809,800 Metric Tonnes
Calculation Period : 49 monthly Calculation Periods, starting from and including the effective Date.

Fixed Amount I:

Fixed Amount I : On the Initial Payment date, Party A shall pay Party B an amount equal to: USD 80,000,000.

Floating Amount

Cap Price : 50 USD/MT
Floating Price Payer : Party B
Initial Payment Date : With respect to each Calculation Period, Party B pays Party A, on the relevant Settlement Date, an amount in USD as determined by the Calculation Agent equal to:

Floating Price X National quantity per Calculation Period.
Floating Price : With respect to a calculation Period, the relevant Unweighted Average Price, subject to a maximum of the Cap Price.

Where, "Unweighted Average Price" means, with respect to a Calculation Period, the Unweighted arithmetic mean of the Commodity Reference Price on each Pricing Date during such Calculation Period.

Commodity Reference

Price : "COAL - API 4-ARGUS/MCCLOSKEY'S" means that the price for a Pricing Date will be that day's Specified Price per tonne of steam coal 6,000 kcal/kg, up to 1% sulphur Nar basis, fob Richards Bay, stated in U.S. Dollars, published under the heading "International Coal Indexes incorporating the APITM Indices: Monthly Coal Price Indexes: API 4 (fob Richards Bay)" in the issue of Argus/McCloskey's Coal Price Index Report that report that reports prices effective on that Pricing Date.

Specified Price : The official price as published monthly of API 4 steam coal stated in U.S Dollars published under the heading "International Coal Indexes: Monthly Coal Price Indexes: API 4 (fob Richards Bay)(formerly known as TFS API 4)" in the issue of Argus/McCloskey's Coal Price Index Report that reports such monthly average price on the last Friday of any calendar month.

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

*(Expressed in Thousand Rupiah, unless otherwise stated)***xiii. LOANS (Continued)****a. SECURED LOANS (Continued)**

Pricing Date : Each Commodity Business Day during the relevant Calculation Period.
 Settlement Date(s) : Five (5) Business Days following the Period End Date in Respect of Each Calculation Period.
 Business Days
 (for settlement
 purposes) : New York, London, Singapore and Jakarta.

xiv. PROVISION FOR RETIREMENT BENEFIT

The Company provides provision for employee benefits based on Law of Manpower No. 13 of 2003. The estimated liability for employee benefits as of March 31, 2016 and 2015 amounted to Rp16,674,657, and Rp19,891,777, respectively. As of March 31, 2016, the estimated of employee benefits was determined by the independent actuarial calculation of PT Sigma Prima Solusindo, Independent actuarial used the "Projected Unit Credit" method with the following assumptions as following:

	2016	2015
Salary increase rate	7%	9%
Discount rate	8,18%	7.68%
Mortality rate	TMI-III in 2011	-
Recognition of (Liabilities) / Assets in Balance Sheet		
	2016	2015
Assets and Liabilities		
Present Value of Defined Benefit Obligation	16,675,657	19,891,777
Fair Value of Plan Assets	-	-
Funding Status	16,675,657	19,891,777
Recognition of (Liabilities) / Assets in Balance Sheet	16,675,657	19,891,777
Reconcile of Amount that Recognized in Balance Sheet	2016	2015
(Liabilities)/Assets at Beginning Period	19,891,777	12,626,206
(Expenses)/Revenue	3,684,457	5,197,398
Other Comprehensive Income / (Expenses)	4,076,168	8,843,633
Realization of Benefits Payment	(10,976,745)	(6,775,460)
Withdrawals from the plan asset	-	-
Company Contributions	-	-
(Liabilities)/Assets at Ending Period	16,675,657	19,891,777

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

*(Expressed in Thousand Rupiah, unless otherwise stated)***xiv. PROVISION FOR RETIREMENT BENEFIT (Continued)**

	2016	2015
Expenses		
Current Services Cost	3,175,534	4,227,705
Interest Cost	1,627,147	969,693
Increase/ (Decrease) in Liabilities Transition	(1,118,225)	-
Expenses / (Revenue) in Income Statement	3,684,457	5,197,398

xv. SHARE CAPITAL

According to the Notarial Deed number 8 by Rohana Frieta, SH dated May 24, 2011, the Shareholders agreed to increase of the share capital of the Company from Rp500,000,000,- to become Rp10,500,000,000,-.

The composition of issued and paid-up shares as of March 31, 2016 and 2015 is as follows:

Shareholders	Number of Shares Issued	Percentage of Ownership	Amount
PT Niaga Antar Bangsa	7,875	75%	7,875,000
PT Niaga Lintas Samudra	2,625	25%	2,625,000
	10,500	100%	10,500,000

xvi. SALES

	2016	2015
Coal	638,033,833	769,969,180
Total	638,033,833	769,969,180

xvii. COST OF SALES

	2016	2015
Opening Stocks	103,556,116	63,314,628
Direct Cost :		
Salaries	108,818,570	122,135,374
Solar expenses	86,755,879	177,335,234
OB removal service	67,616,387	-
Depreciation	50,028,431	57,811,812
	313,219,267	357,282,420

Supplementary Information**PT. LAMINDO INTER MULTIKON - PARENT ONLY****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2016

*(Expressed in Thousand Rupiah, unless otherwise stated)***xvii. COST OF SALES (Continued)**

	2016	2015
Balance carry forward	313,219,267	357,282,420
Dump truck expenses	44,641,917	52,289,781
Floating crane charges	42,537,976	84,869,632
Barges rent	38,915,467	37,313,661
Rental equipment charges	18,518,227	67,355,211
Demurrage expenses	13,300,780	-
Excavator expenses	11,971,106	13,138,618
Stevedoring expenses	9,066,777	14,855,984
Coal handling plant expense	8,358,107	9,767,630
Dozer expenses	6,880,874	12,997,690
Generator expenses	6,348,289	-
Transport spares consumable	4,568,258	5,488,567
Drilling and exploration expenses	4,468,921	5,139,193
General spares expenses	2,868,019	8,975,640
Testing & analysis expenses	2,623,791	3,407,268
Pickup expenses	1,705,450	2,918,460
Loading & unloading	1,003,360	942,781
Agency fees for barges	768,669	654,531
Wages (Site)	482,189	673,100
Marine insurance	342,590	689,307
Solar (Diesel for Barges)	-	2,262,230
Draught survey	-	165,750
Others	785,009	823,545
	533,375,042	682,011,001
Closing Stocks	(46,642,549)	(103,556,116)
	590,288,609	641,769,513

xviii. INDIRECT EXPENSES

	2016	2015
Royalty	16,169,422	18,226,883
Traveling expenses	12,425,694	12,607,549
Repair and maintenance	10,799,915	8,358,923
Site expenses	10,019,948	3,263,062
Fooding expenses	9,491,787	11,700,542
	58,906,766	54,156,959

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

xviii. INDIRECT EXPENSES (Continued)

	2016	2015
Balance carry forward	58.906.766	54.156.959
Medical insurance expense	3.878.694	3.881.992
Employee benefit expenses	3.684.457	5.197.398
Office expenses	3.568.598	5.570.193
CSR expenses	2.974.423	1.860.411
Legal & professional fees	2.758.890	2.699.289
Amortization of deferred expenses	2.563.485	2.535.091
Honorarium	2.326.915	1.905.037
Rates and taxes	1.883.840	-
Tax expenses	1.940.452	-
Insurance expenses	1.076.462	2.993.245
Speed boat charges	534.800	842.050
Reclamation expenses	315.319	393.940
Conveyance expense	320.448	282.563
Others	2.754.910	3.613.340
	89.488.461	85.931.508

xix. OTHERS INCOME (EXPENSES)

	2016	2015
OTHER INCOME		
Net interest income	758.833	798.592
Sale of scrap	-	104.115
Others	212.243	171.884
	971.076	1.074.591
OTHER EXPENSES		
Foreign exchange loss	8.354.695	64.559.325
Net interest expense	4.368.796	41.390.636
Bank charges	830.856	424.328
Loss on sale/ disposal of asset	-	1.608.666
Others	518.305	-
	14.072.652	107.982.955
	(13.101.576)	(106.908.364)

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

xx. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2016:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	33,714,797	33,714,797	-	-
Sundry debtor	-	-	-	-
Loans and advances	22,652,514	22,652,514	-	-
Investment	756,000	-	756,000	-
Total financial assets	57,123,311	56,367,311	756,000	-
Financial liabilities				
Sundry creditors	92,147,312	-	-	92,147,312
Others payable	503,321,290	-	-	503,321,290
Loans	-	-	-	-
Total financial liabilities	595,468,602	-	-	595,468,602

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2015:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	30,869,363	30,869,363	-	-
Sundry debtor	-	-	-	-
Loans and advances	21,553,372	21,553,372	-	-
Investment	100,000	-	100,000	-
Total financial assets	52,522,735	52,422,735	100,000	-
Financial liabilities				
Sundry creditors	71,909,069	-	-	71,909,069
Others payable	27,602,055	-	-	27,602,055
Loans	504,117,584	-	-	504,117,584
Total financial liabilities	603,628,708	-	-	603,628,708

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2016

(Expressed in Thousand Rupiah, unless otherwise stated)

xxi. GOING CONCERN

Company management to evaluate the entity's ability to continue as a going concern and require disclosures when either financial statements are prepared on a going concern basis or there is substantial doubt about the entity's ability to continue as a going concern. The Company management confirm that :

1. It has no intention to cease the operation of the Company within the next year or within foreseeable future. No Liquidation within the next 12 months.
2. It will continue to provide financial and / or other support as necessary for the Company to enable it to continue its operation and to meet its obligations when they are due.
3. In the case of financial difficulties the company's shareholders will support.

The financial statements have been prepared on basis of the Company continuing as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

xxii. ACCOUNT RECLASSIFICATION

Several account in the year 2015 was reclassified to adjust with the presentation of financial statement in year 2016.