

**PT LAMINDO INTER MULTIKON
AND ITS SUBSIDIARY
Financial Statements
For the year ended March 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

Ref.: R-036/LIM-KPS/SYM05/IV/2017

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, 2017, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting and other explanatory information.

Management's Responsibility for the consolidated 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 consolidated 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 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 auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers 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 audit evidence we obtained is sufficient and appropriate to provide a basis for our 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** as of March 31, 2017, and their consolidated financial performance and cash flows for the year then ended, in accordance with the Indonesian Financial Accounting Standards.

Other matter

Our audit of the accompanying consolidated financial statements of the Group as of March 31, 2017 and for the year then ended was performed for the purpose of forming an opinion on such consolidated financial statements taken a whole. The accompanying financial information of the Company (parent entity), which comprises the statement of financial position as of March 31, 2017, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year 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 relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Financial 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

25 April 2017

Ref. : R-036/LIM-KPS/SYM05/IV/2017



PT. LAMINDO INTER MULTIKON

BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2017 AND 2016
PT LAMINDO INTER MULTIKON

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's financial statements;
2. PT Lamindo Inter Multikon's 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's Financial Statements have been disclosed in a complete and truthful manner;
b. PT Lamindo Inter Multikon'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 Lamindo Inter Multikon's internal control systems.

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 25 April 2017

Mr. Dani Daksinaputra
Director

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

As of March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	Notes	2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	3a, 3b, 4	16,047,019,812	35,613,808,651
Sundry debtors	3c, 5	-	459,880,507
Inventories	3d, 6	55,146,813,952	104,520,614,586
Loans and advances	7	31,264,977,940	30,848,424,598
Total Current Assets		102,458,811,704	171,442,728,342
Non Current Assets			
Deposits	10	27,226,599,174	26,750,921,934
Exploration and evaluation assets	9	135,322,850,145	152,559,578,842
Investment	11	200,000,000	200,000,000
Deferred tax assets	16d	71,970,806,595	99,405,858,291
Fixed assets - net	3g, 8	193,142,271,204	236,315,264,360
Other assets	12	15,821,690,336	7,920,779,737
Total Non Current Assets		443,684,217,454	523,152,403,164
TOTAL ASSETS		546,143,029,158	694,595,131,506
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Sundry creditors	3b, 13	87,522,561,262	109,492,332,902
Provisions	14	-	28,270,914,912
Taxes payables	16b	10,599,440,695	2,026,386,429
Other payables	15	612,431,986,700	856,389,907,519
Total Current Liabilities		710,553,988,657	996,179,541,762
Non Current Liabilities			
Provision for retirement			
Benefits	18	22,092,110,706	18,649,691,552
Loans	17	-	3,095,832,691
Total Non Current Liabilities		22,092,110,706	21,745,524,243
TOTAL LIABILITIES		732,646,099,363	1,017,925,066,005
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>	19	10,500,000,000	10,500,000,000
Additional paid in capital		(120,056,934,582)	(110,662,558,290)
Retained earning		21,528,085,623	(171,617,510,665)
Other comprehensive income		(18,630,197,413)	(11,913,238,543)
Total Equity Attributable to Owners of the Company		(106,659,046,372)	(283,693,307,498)
Non Controlling Interest		(79,844,023,833)	(39,636,627,001)
TOTAL LIABILITIES AND EQUITY		546,143,029,158	694,595,131,506

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	Notes	2017	2016
SALES	3h, 21	995,784,649,370	1,029,103,491,124
COST OF SALES	3h, 22	(706,292,338,010)	(954,474,270,875)
GROSS PROFIT		289,492,311,360	74,629,220,249
INDIRECT EXPENSES	23	(103,158,215,468)	(117,509,864,370)
OPERATING PROFIT (LOSS)		186,334,095,892	(42,880,644,121)
OTHER INCOME (EXPENSES)			
OTHERS INCOME	24	2,260,824,699	5,059,519,491
OTHERS EXPENSES	24	(6,483,321,911)	(17,139,439,160)
		(4,222,497,212)	(12,079,919,669)
PROFIT (LOSS) BEFORE INCOME TAX		182,111,598,680	(54,960,563,790)
TAX INCOME/(EXPENSES)			
Current tax	3g, 16c	(8,893,737,531)	-
Deferred tax	3g, 16d	(29,674,037,986)	8,390,438,080
		(38,567,775,517)	8,390,438,080
PROFIT/(LOSS) FOR THE YEAR		143,543,823,163	(46,570,125,710)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Actuarial Losses		(6,935,204,904)	(5,723,896,129)
Related Income tax		218,246,035	1,233,455,653
		(6,716,958,869)	(4,490,440,475)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		136,826,864,294	(51,060,566,186)
Net income (loss) attributable to:			
Owners of the Company		103,500,110,857	(43,602,351,473)
Non-controlling interests		40,043,712,306	(2,967,774,238)
		143,543,823,163	(46,570,125,710)
Total comprehensive income (loss) attributable to:			
Owners of the Company		96,783,151,988	(48,092,791,948)
Non-controlling interests		40,043,712,306	(2,967,774,238)
		136,826,864,294	(51,060,566,186)

PT LAMINDO INTER MULTIKON AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	Share capital	Other Comprehensive Income	Retained earning	Additional paid in capital	Non controlling interest	Total
Balance as of April 1, 2015	10,500,000,000	(6,632,724,552)	(130,452,960,812)	-	-	(126,585,685,764)
Additional share capital non controlling interest	-	-	-	(110,662,558,290)	(36,668,852,763)	(147,331,411,053)
Adjustment related effect of combination of bisnis		(790,073,516)	2,437,801,635	-	-	1,647,728,119
Comprehensive income (loss) for the year	-	(4,490,440,090)	(43,602,351,473)	-	(2,967,774,238)	(51,060,565,801)
Balance as of March 31, 2016	10,500,000,000	(11,913,238,158)	(171,617,510,650)	(110,662,558,290)	(39,636,627,001)	(323,329,934,499)
Additional share capital non controlling interest	-	-	-	(9,394,376,292)	(80,251,109,138)	(89,645,485,430)
Adjustment related effect of combination of bisnis		-	89,645,485,430	-	-	89,645,485,430
Comprehensive income (loss) for the year		(6,716,958,869)	103,500,110,857		40,043,712,306	136,826,864,294
Balance as of March 31, 2017	10,500,000,000	(18,630,197,028)	21,528,085,637	(120,056,934,582)	(79,844,023,833)	(186,503,070,205)

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	2017	2016
Cash flows from operating activities		
Profit/(loss) before income tax	182,111,598,680	(54,960,563,790)
<i>Add items not affecting operating cash flows</i>		
Comprehensive income	(6,716,958,869)	(4,490,440,475)
Depreciation	46,253,820,819	225,367,854,493
Retained earning adjusted	-	(145,683,682,935)
Amortization of Exploration and evaluation assets	17,436,728,496	14,656,647,000
Provision for retirement benefits	3,442,419,154	(1,242,085,377)
Profit (Loss) fixed asset sale	(1,013,688,951)	(3,862,554,420)
Operating cash flows before changes in working capital	241,513,919,329	29,785,174,496
Changes in working capital		
Sundry debtors	459,879,995	(459,880,446)
Inventories	49,373,800,634	26,019,579,031
Deposits	(475,677,240)	(11,073,416,645)
Loans and advances	(416,553,342)	(9,295,052,608)
Other assets	(7,900,910,599)	(4,431,907,260)
Sundry creditors	(21,969,771,640)	37,583,263,852
Provision	(28,270,914,912)	(2,435,546,152)
Taxes payables	(2,559,669,555)	(48,015,980,151.56)
Other payables	(62,125,281,248)	383,221,177,179
Net changes in working capital	(73,885,097,907)	371,112,236,800
Net cash flows provided from (used in) operating activities	167,628,821,422	400,897,411,296
Cash flows from investing activities		
Acquisition of fixed assets	(3,338,865,801)	(196,240,192,941)
Disposal of fixed assets	1,271,727,802	4,846,902,180
Deferred charges	(200,000,000)	(140,562,828,344)
Investments	-	(100,000,000)
Net cash flows used in investing activities	(2,267,137,999)	(332,056,119,105)
Cash flows from financing activities		
Advance Adani Global Pte	(181,832,639,571)	436,924,904,236
Loans	(3,095,832,691)	(501,021,750,937)
Net cash flows provided from financing activities	(184,928,472,262)	(64,096,846,701)
Net increase/(decrease) in cash and cash equivalents	(19,566,788,839)	4,744,445,490
Cash and cash equivalents at the beginning of the year	35,613,808,651	30,869,363,161
Cash and cash equivalents at the end of the year	16,047,019,812	35,613,808,651

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

For the year ended March 31, 2017

(Expressed in 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 changed 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:

	2017	2016
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, 2017 and 2016, the Company has a total of 625 and 775 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 2017	Total Aset 2016
Subsidiaries with direct ownership				
PT Mitra Niaga Mulia	Jakarta	75%	190,171,458	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, 2017 on April 25, 2017.

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

For the year ended March 31, 2017

(Expressed in 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, 2017

(Expressed in 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>2017</u>	<u>2016</u>
US Dollar (USD) 1	Rp13,322	Rp13,276

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

For the year ended March 31, 2017

(Expressed in 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. Exploration and evaluation assets

The Company adopted SFAS No. 64 (Revised 2011) , " Exploration for and Evaluation of Mineral Resources " . SFAS No. 64 (Revised 2011) provides that an entity is required to determine the accounting policies that specify on expenditures are recognized as exploration and evaluation assets and apply the policy consistently .

The Company determined that all costs associated with exploration activities , acquisitions , and asset evaluation coal sources , including overhead costs that are directly related and interest expenses directly related to exploration and evaluation of coal are capitalized as exploration assets and evaluation of intangibles. Exploration and evaluation assets are amortized for 10 years .

Cash flows related to capitalized exploration and evaluation costs are classified as cash flows from investing activities in the statement of cash flows , while the cash flows associated with the exploration and evaluation costs are expensed are classified as cash flows from operating activities.

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

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2017 and 2016 amounting to Rp 3,948,886 and Rp 3,537,426.

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.

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

	2017	2016
Bank Accounts:		
In Rupiah		
- Bank Pembangunan Daerah Kaltim	2,273,247,411	1,291,422,137
- Bank Mandiri IDR Jakarta	1,167,718,617	1,439,957,872
- Bank BNI	313,615,270	146,863,580
- Bank Mandiri IDR - Bunyu	159,406,807	542,503,813
- State Bank of India (SBI) - IDR	823,657	5,341,232
	3,914,811,762	3,426,088,634

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4. CASH AND CASH EQUIVALENTS (Continued)

	2017	2016
In USD		
- Bank Mandiri (USD 660,284.33 in 2017 and USD 144,226.35 in 2016)	8,795,647,606	1,914,749,023
- SCB BANK-306-086-8902-2- (USD 122,810.53 in 2017 and USD 30,910.27 in 2016)	1,635,959,052	410,364,745
- SCB BANK-306-086-8902-2- (USD 73,799.89 in 2017 and USD 27,495.11 in 2016)	983,088,331	365,025,080
- State Bank of India (SBI) - (USD 40,296.16 in 2017 and USD 2,207,379.35 in 2016)	536,785,211	29,305,168,251
- State Bank of India (SBI) - (USD 13,567.14 in 2017 USD 13,543.24 in 2016)	180,727,850	179,800,054
- SCB BANK 206-08689014 (USD Nil in 2017 and USD 950.05 in 2016) - DSR Account	-	12,612,864
	<u>12,132,208,050</u>	<u>32,187,720,017</u>
Subtotal	<u>16,047,019,812</u>	<u>35,613,808,651</u>
Total	<u>16,047,019,812</u>	<u>35,613,808,651</u>

5. SUNDRY DEBTORS

	2017	2016
Export debtors	-	459,880,507
	<u>-</u>	<u>459,880,507</u>
The aging analysis of sundry debtor is as follows :		
Current	-	-
Due date :		
< 90 days	-	459,880,507
	<u>-</u>	<u>459,880,507</u>

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.

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6. INVENTORIES

	2017	2016
Coal stock		
(in 2017, 129,122 MT and 2016, 606,918 MT)	33,861,617,772	78,827,445,434
Store/spare	15,035,237,507	19,633,788,845
Solar	6,249,958,673	6,059,380,307
	55,146,813,952	104,520,614,586

As of March 31, 2017, inventory crushed coal and Run of Mine in the open storage are covered by insurance with a total sum insured amounting to USD 5,000,000. Based on Management's opinion, the insurance is adequate to cover possible losses.

As of March 2017 and 2016, Inventory stock quantity as follows :

	Closing Stock Working	
	2017	2016
	(in MT)	(in MT)
Opening Stock	606,918	724,183
ROM Production	3,903,007	5,009,127
Less : Coal Sales	(4,380,803)	(5,126,392)
Closing Stock (ROM + Crushed Coal)	129,122	606,918
	(in BCM)	(in BCM)
Over burden removed	9,881,630	12,941,726

7. LOANS AND ADVANCES

	2017	2016
Advances to supplier and service provider	28,090,740,143	25,159,630,569
Prepaid expenses	2,178,332,824	4,263,365,693
Advances to staff	779,025,753	1,425,428,336
Insurance claim	216,879,220	-
	31,264,977,940	30,848,424,598

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8. FIXED ASSETS

	2017					
	Beginning Balance		Additions	Deductions	Reclassification	Ending Balance
	Company	Subsidiary				
Acquisition Cost:						
Building and structures	60,879,251,856	-	-	-	-	60,879,251,856
Marine structure (Jetty)	43,893,467,898	-	-	-	-	43,893,467,898
Mining equipment	86,940,352,492	170,061,765,000	-	11,970,468,323	-	245,031,649,169
Plant & machinery	264,693,454,548	8,176,676,000	11,192,500	-	7,778,358,731	280,659,681,779
Vehicle	8,761,930,594	1,666,133,000	-	1,073,581,503	-	9,354,482,091
Computer & Fuel Management System	9,133,868,446	12,990,000	26,990,000	5,779,889	(6,696,202,095)	2,471,866,462
Office equipment-furniture	5,770,247,316	-	257,199,000	-	6,696,202,095	12,723,648,411
	480,072,573,150	179,917,564,000	295,381,500	13,049,829,715	7,778,358,731	655,014,047,666
Construction - in progress	14,316,921,411	-	4,701,103,206	1,657,618,905	(7,778,358,731)	9,582,046,981
	494,389,494,561	179,917,564,000	4,996,484,706	14,707,448,620	-	664,596,094,647
Accumulated Depreciation:						
Building and structures	30,811,550,731	-	2,312,856,708	-	-	33,124,407,439
Marine structure (Jetty)	15,829,981,960	-	2,194,673,395	-	-	18,024,655,355
Mining equipment	77,732,846,830	163,384,094,000	11,048,360,286	11,970,468,323	-	240,194,832,793
Plant & machinery	126,150,857,403	5,094,227,000	27,558,140,277	-	-	158,803,224,680
Vehicle	7,858,794,615	1,666,133,000	480,415,751	815,542,652	-	9,189,800,714
Computer & Fuel Management System	2,213,367,785	12,990,000	131,107,519	5,779,889.0	-	2,351,685,415
Office equipment-furniture	7,236,950,842	-	2,528,266,883	-	-	9,765,217,725
	267,834,350,166	170,157,444,000	46,253,820,819	12,791,790,864	-	471,453,824,121
Net Book Value	226,555,144,395	9,760,120,000				193,142,270,526

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8. FIXED ASSETS (Continued)

2016					
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Acquisition Cost:					
Building and structures	59,187,040,451	1,692,211,405	-	-	60,879,251,856
Marine structure (Jetty)	43,893,467,898	-	-	-	43,893,467,898
Mining equipment	263,353,216,106	-	6,351,098,614	-	257,002,117,492
Plant & machinery	271,046,491,098	1,823,639,450	-	-	272,870,130,548
Vehicle	10,428,063,594	-	-	-	10,428,063,594
Computer & Fuel Management System	9,088,446,446	58,412,000	-	-	9,146,858,446
Office equipment- furniture	5,564,927,316	208,320,000	3,000,000	-	5,770,247,316
	662,561,652,909	3,782,582,855	6,354,098,614	-	659,990,137,150
Construction - in progress	6,957,253,425	7,652,936,731	293,268,745	-	14,316,921,411
	669,518,906,334	11,435,519,586	6,647,367,359	-	674,307,058,561
Accumulated Depreciation:					
Building and structures	28,168,153,882	2,643,396,849	-	-	30,811,550,731
Marine structure (Jetty)	13,635,308,565	2,194,673,395	-	-	15,829,981,960
Mining equipment	218,320,789,939	28,459,170,490	5,663,019,599	-	241,116,940,830
Heavy earth moving	-	-	-	-	-
Plant & machinery	103,571,968,722	27,673,115,681	-	-	131,245,084,403
Vehicle	8,132,095,506	1,392,832,109	-	-	9,524,927,615
Computer & Fuel Management System	1,953,039,666	273,318,119	-	-	2,226,357,785
Office equipment- furniture	4,465,863,072	2,771,087,770	-	-	7,236,950,842
	378,247,219,352	65,407,594,413	5,663,019,599	-	437,991,794,166
Net Book Value	291,271,686,982				236,315,264,395

As of March 31, 2017, all assets are covered by insurance under the blanket policies with a total sum insured amounting to USD 47,888,750. 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.

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9. EXPLORATION AND EVALUATION ASSETS

2017					
	Beginning Balance		Additions	Deductions	Ending Balance
	Company	Subsidiary			
Acquisition cost:					
Land compensation	14,576,819,599	66,754,533,106	200,000,000	-	81,531,352,705
Miscellaneous expense	6,303,396,401	99,082,753,506	-	-	105,386,149,907
	20,880,216,000	165,837,286,612	200,000,000	-	186,917,502,612
Accumulated amortization:					
Land compensation	7,402,251,444	4,094,422,666	6,524,563,671	-	18,021,237,781
Miscellaneous expense	2,844,698,849	19,816,550,702	10,912,164,825	-	33,573,414,376
	10,246,950,293	23,910,973,368	17,436,728,496	-	51,594,652,157
Net book value	152,559,578,951				135,322,850,455
2016					
	Beginning Balance		Additions	Deductions	Ending Balance
Acquisition cost:					
Land compensation	79,995,352,705		1,336,000,000	-	81,331,352,705
Miscellaneous expense	105,386,149,907		-	-	105,386,149,907
	185,381,502,612		1,336,000,000	-	186,717,502,612
Accumulated amortization:					
Land compensation	7,752,191,610		3,744,482,500	-	11,496,674,110
Miscellaneous expense	11,749,085,551		10,912,164,000	-	22,661,249,551
	19,501,277,161		14,656,646,500	-	34,157,923,661
Net book value	165,880,225,451				152,559,578,951

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10. DEPOSITS

	2017	2016
Statutory Deposits	27,226,599,174	26,750,921,934
Statutory Deposits include year-wise reclamation deposit as follow:		
in 2011	6,392,406,375	6,392,406,375
in 2012	3,897,590,256	3,897,590,256
in 2013	4,865,582,161	4,865,582,161
in 2014	3,187,471,914	3,187,471,914
in 2015	2,044,408,647	2,044,408,647
in 2016	1,274,676,000	1,274,676,000
in 2017	2,839,979,000	-
	24,502,114,353	21,662,135,353

11. INVESTMENT

	2017	2016
- PT Coalindo Indonesia	200,000,000	200,000,000
	200,000,000	200,000,000

12. OTHER ASSETS

	2017	2016
- Others assets	15,821,690,336	7,920,779,737
	15,821,690,336	7,920,779,737

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

13. SUNDRY CREDITORS

	2017	2016
Related Party		
- Sundry creditor-group company	2,937,824,700	2,975,265,000
Third Party		
- Sundry creditor for goods/spares	47,375,470,634	37,200,999,175
- Sundry creditor for expense	34,668,255,255	67,952,185,854
- Sundry creditor for capital goods	2,541,010,673	1,363,882,873
	87,522,561,262	109,492,332,902

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14. PROVISIONS

	2017	2016
Provision for expenses payable	-	28,270,914,912
	-	28,270,914,912

Provision for expenses payables is expenses for the solar and consultant.

15. OTHER PAYABLES

	2017	2016
Salary payables	1,907,902,523	651,822,091
Interest payables	-	71,604,252,391.00
Other	610,524,084,177	784,133,833,037
	612,431,986,700	856,389,907,519

Other payable include receipt from Adani Global Pte. Ltd for coal purchase as advance amounting in 2017 USD 45,337,265.10 and 2016 USD 58,986,314.76

16. TAXATION

	2017	2016
a. Taxes payable		
Company		
Income tax - article 21	925,380,654	793,989,507
Income tax - article 23	398,381,505	551,931,711
Income tax - article 15	72,910,410	36,827,664
Income tax - article 26	-	397,163,267
Value Added Tax	-	7,564,980
	1,396,672,569	1,787,477,129
Subsidiary		
Income tax - Article 29	8,893,737,531	-
Income tax - article 23	208,034,065	145,852,077
Income tax - article 21	100,996,530	75,360,409
Income tax - article 15	-	17,696,414
	9,202,768,126	238,908,900
	10,599,440,695	2,026,386,029

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16. TAXATION (Continued)

b. Tax income/(expenses)

	2017	2016
Company		
Current tax	-	-
Deferred tax income/(expenses)	(8,986,650,236)	20,360,197,708
	(8,986,650,236)	20,360,197,708
Subsidiary		
Current tax	(8,893,737,531)	-
Deferred tax income/(expenses)	(20,687,387,750)	(11,969,759,628)
	(29,581,125,281)	(11,969,759,628)

c. Current tax

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

	2017	2016
Consolidated income before income tax	182,111,598,680	(54,960,563,482)
Less: Income (loss) before taxes subsidiary and elimination	197,762,774,069	115,750,974
Income before income tax - Company	(15,651,175,389)	(54,844,812,508)
Temporary differences:		
Amortization of legal and professional expenses	(226,517,739)	(226,517,739)
Depreciation	15,055,519,171	14,044,044,218
Pension retirement benefit	2,992,574,880	(7,292,288,205)
Permanent differences:		
Non deductible expenses	6,207,068,263	(30,576,558,635)
Deductible expenses (Interest Income)	(833,917,295)	(758,833,046)
Taxable income before tax loss carry forward	7,543,551,891	(79,654,965,915)
Less: Tax loss carry forward	(7,543,551,891)	-
Estimated taxable Income (loss)	-	(79,654,965,915)
Income tax article 29 - Company		
Add: Corporate income tax - subsidiaries	8,893,737,531	-
Corporate income tax - consolidated	8,893,737,531	-

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16. TAXATION (Continued)

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

	2017	2016
Current tax expenses	8,893,737,531	-
Deduct: Prepaid taxes		
Income tax art 22	(13,232,661,942)	(5,331,751,343)
Income tax art 25	(2,589,028,394)	(2,589,028,394)
Net advance tax	(6,927,952,805)	(7,920,779,737)

d. Deferred tax

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

	2017	2016
Deferred tax assets/ (liabilities)		
Company		
Pre-operative expenses	20,786,431	(29,345,550)
Amortization of legal and professional expenses	(487,149,762)	(380,388,346)
Depreciation	13,072,813,886	9,308,934,093
Pension retirement benefit	4,865,709,768	4,117,566,048
Taxable (profit) / Loss	43,513,779,731	54,935,083,788
	60,985,940,053	67,951,850,033
Subsidiary		
Amortization of pre-operative expenses	-	(4,663,203,789)
Depreciation	10,423,231,566	4,365,303,039
Pension retirement benefit	561,634,976.00	493,508,705
Taxable (profit) / Loss	-	31,258,400,302
	10,984,866,542	31,454,008,257

f. 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.

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17. LOANS

a. UNSECURED LOANS

As of March 31, 2017 and 2016 the balance of this account is follows:

	2017	2016
PT Adani Global	-	3,095,832,691
	-	3,095,832,691

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.

In 2017, the company has fully repaid unsecured loan.

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, 2017 and 2016 amounted to Rp22,092,111, and Rp18,649,692, respectively. As of March 31, 2017, 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:

	2017	2016
Salary increase rate	7%	7%
Discount rate	7,68%	8.18%
Mortality rate	TMI-III in 2011	TMI-III in 2011
Recognition of (Liabilities) / Assets in Balance Sheet		
	2017	2016
<u>Company</u>		
Assets and Liabilities		
Present Value of Defined Benefit Obligation	19,668,231,614	16,675,656,734
Fair Value of Plan Assets	-	-
Funding Status	19,668,231,614	16,675,656,734
Recognition of (Liabilities) / Assets in Balance Sheet	19,668,231,614	16,675,656,734
<u>Subsidiary</u>		
Assets and Liabilities		
Present Value of Defined Benefit Obligation	2,423,879,092	1,974,034,818
Fair Value of Plan Assets	-	-
Funding Status	2,423,879,092	1,974,034,818
Recognition of (Liabilities) / Assets in Balance Sheet	2,423,879,092	1,974,034,818

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18. PROVISION FOR RETIREMENT BENEFIT (Continued)

	2017	2016
Reconcile of Amount that Recognized in Balance Sheet		
<u>Company</u>		
(Liabilities)/Assets at Beginning Period	16,675,656,805	19,891,777,000
(Expenses)/Revenue	4,565,958,631	3,684,457,009
Other Comprehensive Income / (Expenses)	8,082,961,019	4,076,168,010
Realization of Benefits Payment	(9,656,344,770)	(10,976,745,214)
(Liabilities)/Assets at Ending Period	<u>19,668,231,685</u>	<u>16,675,656,805</u>
<u>Company</u>		
Expenses		
Current Services Cost	3,201,889,910	3,175,534
Interest Cost	1,364,068,721	1,627,147
Increase/ (Decrease) in Liabilities Transition	-	(1,118,225)
Expenses / (Revenue) in Income Statement	<u>4,565,958,631</u>	<u>3,684,457</u>
Reconcile of Amount that Recognized in Balance Sheet		
<u>Subsidiary</u>		
(Liabilities)/Assets at Beginning Period	1,974,034,818	2,397,540,303
(Expenses)/Revenue	515,356,334	378,462,299
Other Comprehensive Income / (Expenses)	872,984,140	857,654,603
Realization of Benefits Payment	(938,496,200)	(1,659,622,387)
(Liabilities)/Assets at Ending Period	<u>2,423,879,092</u>	<u>1,974,034,818</u>
Expenses		
Current Services Cost	354,867,303	331,913
Interest Cost	160,489,031	194,920
Increase/ (Decrease) in Liabilities Transition	-	(148,371)
Expenses / (Revenue) in Income Statement	<u>515,356,334</u>	<u>378,462</u>

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, 2017 and 2016 is as follows:

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

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

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:

	<u>2017</u>	<u>2016</u>
PT Niaga Lintas Samudra	79,844,023,833	(39,636,627,001)
Total	<u>79,844,023,833</u>	<u>(39,636,627,001)</u>

21. SALES

	<u>2017</u>	<u>2016</u>
Coal (in 2017 Quantity 4,380,803 MT and in 2016 Quantity 5,126,392 MT)	995,784,649,370	1,029,103,491,124
Total	<u>995,784,649,370</u>	<u>1,029,103,491,124</u>

22. COST OF SALES

	<u>2017</u>	<u>2016</u>
Opening Stocks	46,642,549,317	103,556,116,000
Subsidiary closing stock from previous year	32,184,896,117	43,546,684,841
Direct Cost :		
OB Removal Charges	199,343,940,614	251,010,877,844
Solar expenses	104,021,524,616	151,833,109,200
Salaries	87,603,730,073	118,061,455,194
Crane hiring rent	57,116,089,547	65,520,203,210
Depreciation	46,253,820,819	65,407,594,413
Barge expenses	42,707,058,293	59,975,740,972
Dump truck expenses	19,152,214,438	47,610,158,935
Rental equipment charges	18,235,014,690	27,708,771,931
Drilling and exploration expenses	13,965,848,348	4,515,120,500
Stevedoring expenses	12,892,504,616	14,826,599,097
Excavator expenses	12,671,744,764	21,438,882,944
Coal handling plant expense	12,472,222,676	16,235,717,488
Generator expense	9,186,209,632	6,348,289,199
Demurage charge	5,624,802,833	12,565,376,607
Dozer expenses	5,541,347,225	6,880,874,034
Freight others	4,256,538,115	4,775,775,769
Testing & analysis expenses	3,902,427,877	3,666,315,506
General spares expenses	3,111,792,711	2,938,019,262
	<u>658,058,831,887</u>	<u>881,318,882,105</u>

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

22. COST OF SALES (continued)

	2017	2016
Carry forward	658,058,831,887	881,318,882,105
Pickup expenses	1,562,174,965	1,705,449,966
Loading & unloading	528,463,120	1,003,360,379
Marine insurance	426,579,281	531,550,458
Agency fees for barges	262,644,900	768,668,940
Wages (Site)	233,687,455	482,188,922
Others	254,128,740	388,814,854
	661,326,510,348	886,198,915,624
Closing Stocks	(33,861,617,772)	(78,827,445,434)
	706,292,338,010	954,474,271,031

23. INDIRECT EXPENSES

	2017	2016
Royalty	26,407,314,162	26,077,697,449
Amortization of deferred expenses	17,436,742,197	14,656,647,000
Traveling expenses	10,439,256,606	12,393,616,688
Fooding expenses	6,677,917,978	9,497,984,214
Repair and maintenance	5,739,095,159	10,454,324,026
Employee benefit expenses	5,081,314,965	4,062,919,308
Insurance expenses	5,055,851,460	2,769,190,263
Medical	4,629,494,172	4,869,127,492
Office expenses	4,208,702,215	3,690,503,421
Miscellaneous shipping	3,510,846,800	1,339,765,800
Honorarium	2,642,252,187	2,592,569,167
Tax expenses	2,345,162,239	4,080,944,042
Legal & professional fees	1,945,227,028	3,382,416,359
Misscelenous	1,590,536,309	8,697,687,253
CSR expenses	1,109,733,000	2,974,423,410
Fresh water charge	680,958,844	922,714,132
Rent	545,114,041	480,614,764
Heavy earth moving expenses	378,731,600	583,941,300
Reclamation expenses	351,317,348	506,183,972
Speed boat charges	291,832,454	538,300,000
Coal handle service	118,121,496	-
IPK expenses	64,284,364	756,666,823
Others	1,908,408,844	2,181,627,487
	103,158,215,468	117,509,864,370

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

24. OTHERS INCOME (EXPENSES)

	2017	2016
OTHER INCOME		
Net interest income	1,218,145,648	1,164,962,571
Profit/(Loss) Asset sale	1,013,688,951	3,862,554,420
Dividend income	28,990,100	32,002,500
	2,260,824,699	5,059,519,491
OTHER EXPENSES		
Foreign exchange loss	4,761,804,703	14,534,053,439
Bank charges	966,435,133	1,171,994,353
Others	755,082,075	1,433,391,368
	6,483,321,911	17,139,439,160
	(4,222,497,212)	(12,079,919,669)

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, 2017:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	16,047,019,812	16,047,019,812	-	-
Sundry debtor	-	-	-	-
Loans and advances	31,264,977,940	31,264,977,940	-	-
Investment	200,000,000	-	200,000,000	-
Total financial assets	47,511,997,752	47,311,997,752	200,000,000	-
Financial liabilities				
Sundry creditors	87,522,561,262	-	-	87,522,561,262
Others payable	612,431,986,700	-	-	612,431,986,700
Loans	-	-	-	-
Total financial liabilities	699,954,547,962	-	-	699,954,547,962

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

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

25. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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	35,613,808,651	35,613,808,651	-	-
Sundry debtor	459,880,507	459,880,507	-	-
Loans and advances	30,848,424,598	30,848,424,598	-	-
Investment	200,000,000	-	200,000,000	-
Total financial assets	67,122,113,756	66,922,113,756	200,000,000	-
	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial liabilities				
Sundry creditors	109,492,332,902	-	-	109,492,332,902
Others payable	856,389,907,519	-	-	856,389,907,519
Loans	3,095,832,691	-	-	3,095,832,691
Total financial liabilities	968,978,073,112	-	-	968,978,073,112

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. SUBSEQUENT EVENTS

There are no significant events after the reporting date that require adjustment or disclosure in the financial statements as of March 31, 2017.

28. SUPPLEMENTARY INFORMATION

The supplementary information on pages 27 to 44 represents financial information of PT Lamindo Inter Multikon (parent company only) as at and for the years ended 31 March, 2017 and 2016, 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.

Supplementary Information
PT LAMINDO INTER MULTIKON - PARENT ONLY
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	Notes	2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	i	10,272,595,012	33,714,796,700
Inventories	ii	43,915,150,704	70,126,488,930
Loans and advances	iii	15,611,335,418	22,652,514,097
Total Current Assets		69,799,081,134	126,493,799,727
Non Current Assets			
Deposits	vi	19,922,060,821	16,720,967,556
Exploration and evaluation assets	v	8,782,410,474	10,633,265,598
Investment	vii	756,000,000	756,000,000
Fixed assets - net	iv	186,758,959,699	226,555,144,277
Deferred tax assets	xiiid	60,985,940,053	67,951,850,034
Other asset	viii	9,623,118,925	4,842,376,986
Total Non Current Assets		286,828,489,972	327,459,604,451
TOTAL ASSETS		356,627,571,106	453,953,404,178
LIABILITIES AND EQUITY			
LIABILITIES			
SHORT TERM LIABILITIES			
Sundry creditors	ix	67,927,700,311	92,147,312,276
Provisions	x	-	3,714,975,797
Taxes payables	xiiia	1,396,672,569	1,787,477,529
Other payables	xi	454,455,639,932	503,755,408,637
Total short term liabilities		523,780,012,812	601,405,174,239
LONG TERM LIABILITIES			
Provision for retirement benefits	xiii	19,668,231,614	16,675,656,734
Total long term liabilities		19,668,231,614	16,675,656,734
TOTAL LIABILITIES		543,448,244,426	618,080,830,973
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	xiv	10,500,000,000	10,500,000,000
Retained earning (loss)		(181,568,601,996)	(164,937,575,936)
Other comprehensive income		(15,752,071,324)	(9,689,850,860)
TOTAL EQUITY		(186,820,673,320)	(164,127,426,795)
TOTAL LIABILITIES AND EQUITY		356,627,571,106	453,953,404,178

Supplementary Information

PT LAMINDO INTER MULTIKON - PARENT ONLY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	Notes	2017	2016
SALES	xv	630,454,126,483	638,033,832,817
COST OF SALES	xvi	(562,707,121,497)	(590,288,608,757)
GROSS PROFIT		67,747,004,986	47,745,224,060
INDIRECT EXPENSES	xvii	(71,597,457,981)	(89,488,460,802)
OPERATING PROFIT (LOSS)		(3,850,452,995)	(41,743,236,742)
OTHER INCOME (EXPENSES)			
OTHERS INCOME	xviii	1,398,467,010	971,048,906
OTHERS EXPENSES	xviii	(5,192,389,840)	(14,072,624,672)
		(3,793,922,830)	(13,101,575,766)
PROFIT (LOSS) BEFORE INCOME TAX		(7,644,375,825)	(54,844,812,508)
TAX INCOME/(EXPENSES)			
Current tax	xiic	-	-
Deferred tax	xiid	(8,986,650,236)	20,360,197,708
		(8,986,650,236)	20,360,197,708
PROFIT (LOSS) FOR THE YEAR		(16,631,026,061)	(34,484,614,801)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Actuarial Losses		(8,082,961,019)	(4,076,168,010)
Related Income tax		2,020,740,255	1,019,042,003
		(6,062,220,764)	(3,057,126,008)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		(22,693,246,825)	(37,541,740,808)

Supplementary Information

PT LAMINDO INTER MULTIKON - PARENT ONLY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	Share capital	Other Comprehensive Income	Retained Earning	Total
Balance as of March 31, 2015	10,500,000,000	(6,632,724,852)	(130,452,961,135)	(126,585,685,987)
Comprehensive income (loss) for the year	-	(3,057,126,008)	(34,484,614,801)	(37,541,740,808)
Balance as of March 31, 2016	10,500,000,000	(9,689,850,860)	(164,937,575,936)	(164,127,426,795)
Comprehensive income (loss) for the year	-	(6,062,220,464)	(16,631,026,061)	(22,693,246,525)
Balance as of March 31, 2017	10,500,000,000	(15,752,071,324)	(181,568,601,996)	(186,820,673,320)

Supplementary Information
PT LAMINDO INTER MULTIKON - PARENT ONLY
STATEMENTS OF CASH FLOW
For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

	2017	2016
Cash flows from operating activities		
Profit/(loss) before income tax	(7,644,375,825)	(54,844,812,508)
<i>Add items not affecting operating cash flows</i>		
Comprehensive income	(6,062,220,764)	(3,057,126,008)
Depreciation	42,877,012,541	50,028,432,000
Amortization of exploration and evaluation assets	2,050,855,124	2,563,486,157
Provision for retirement benefits	2,992,574,880	(3,216,120,195)
Profit (Loss) fixed asset sale	(550,054,665)	(196,214,610)
Operating cash flows before changes in working capital	33,663,791,290	(8,722,355,164)
Changes in working capital		
Inventories	26,211,338,226	60,413,704,687
Deposits	(3,201,093,265)	(1,043,462,267)
Loans and advances	7,041,178,980	(1,099,142,107)
Other assets	(4,780,741,939)	(1,353,504,295)
Sundry creditors	(24,219,611,965)	20,238,243,226
Provision	(3,714,975,797)	(20,542,490,675)
Taxes payables	(2,411,545,215)	(4,831,121,167)
Other payables	50,906,281,692	730,270,076
Net changes in working capital	45,830,830,717	52,512,497,478
Net cash flows (used in) provided from operating activities	79,494,622,007	43,790,142,315
Cash flows from investing activities		
Acquisition of fixed assets	(3,338,866,814)	(10,506,021,586)
Disposal of fixed assets	808,093,516	545,931,862
Land Compensation	(200,000,000)	(1,200,000,000)
Investments	-	(656,000,000)
Net cash flows provided from (used in) investing activities	(2,730,773,298)	(11,816,089,724)
Cash flows from financing activities		
Advance Adani Global Pte.	(100,206,050,397)	474,988,964,737
Loans	-	(504,117,583,628)
Net cash flows (used in) financing activities	(100,206,050,397)	(29,128,618,891)
Net increase/(decrease) in cash and cash equivalents	(23,442,201,688)	2,845,433,700
Cash and cash equivalents at the beginning of the year	33,714,796,700	30,869,363,000
Cash and cash equivalents at the end of the year	10,272,595,012	33,714,796,700

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

For the year ended March 31, 2017

*(Expressed in Rupiah, unless otherwise stated)***i. CASH AND CASH EQUIVALENTS**

	2017	2016
Bank Accounts:		
In Rupiah		
- Bank Mandiri IDR Jakarta	1,162,000,596	1,222,866,951
- Bank Pembangunan Daerah	1,350,932,703	746,013,942
- Bank Mandiri IDR - Bunyu	135,667,327	511,208,818
- Bank BNI	313,615,270	146,863,580
- State Bank of India (SBI) - IDR	823,657	5,341,232
	<u>2,963,039,553</u>	<u>2,632,294,523</u>
In USD		
- State Bank of India (SBI) - (USD 40,293.14 in 2017 and USD 2,207,379.35 in 2016)	536,785,211	29,305,168,251
- Bank Mandiri (USD 434,595.55 in 2017 and USD 105,430.55 in 2016)	5,789,681,917	1,399,695,982
- SCB BANK-306-086-8902-2- (USD 73,794.35 in 2017 and USD 27,495.11 in 2016)	983,088,331	365,025,080
- SCB BANK 206-08689014 (USD nil in 2017 and USD 950.05 in 2016) - DSR Account	-	12,612,864
	<u>7,309,555,459</u>	<u>31,082,502,177</u>
Subtotal	<u>10,272,595,012</u>	<u>33,714,796,700</u>
Total	<u>10,272,595,012</u>	<u>33,714,796,700</u>

ii. INVENTORIES

	2017	2016
Coal stock		
(in 2017, 87,871 MT and in 2016, 303,833 MT)	23,043,920,984	46,642,549,317
Store/spare	14,916,864,548	19,559,415,886
Solar	5,954,365,172	3,924,523,727
	<u>43,915,150,704</u>	<u>70,126,488,930</u>

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

For the year ended March 31, 2017

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

As of March 31, 2017, inventory crushed coal and Run of Mine in the open storage are covered by insurance with a total sum insured amounting to USD 2,500,000,000. Based on Management's opinion, the insurance is adequate to cover possible losses.

As of March 2017 and 2016, Inventory stock quantity as follows :

	Closing Stock Working	
	2017	2016
	(in MT)	(in MT)
Opening Stock	303,833	509,804
ROM Production	2,687,111	2,983,653
Less : Coal Sales	(2,903,073)	(3,189,624)
Closing Stock (ROM + Crushed Coal)	87,871	303,833
	(In BCM)	(In BCM)
Over burden removed	7,055,163	8,716,201

iii. LOANS AND ADVANCES

	2017	2016
Advances to supplier and service provider	13,330,601,337	17,098,147,660
Prepaid expenses	1,338,189,670	4,201,177,908
Advances to staff	725,665,191	1,353,188,529
	15,611,335,418	22,652,514,097

Supplementary Information
PT. LAMINDO INTER MULTIKON - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

iv. FIXED ASSETS

	2017				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Acquisition Cost:					
Building and structures	60,879,251,856	-	-	-	60,879,251,856
Marine structure (Jetty)	43,893,467,898	-	-	-	43,893,467,898
Mining equipment	86,940,352,217	-	3,834,050,000	-	83,106,302,217
Plant & machinery	264,693,454,416	11,192,500	-	7,778,358,731	272,483,005,647
Vehicle	8,761,930,260	-	1,028,481,503	-	7,733,448,757
Computer & Fuel					
Management System	9,133,868,446	26,990,000	5,779,889	(6,696,202)	9,148,382,355
Office equipment-					
furniture	5,770,247,316	257,199,000	-	6,696,202	6,034,142,518
	480,072,572,409	295,381,500	4,868,311,392	7,778,358,731	483,278,001,248
Construction -					
in progress	14,316,921,412	4,701,104,219	1,657,618,905	(7,778,358,731)	9,582,047,995
	494,389,493,821	4,996,485,719	6,525,930,297	-	492,860,049,242
Accumulated Depreciation:					
Building and structures	30,811,550,731	2,312,856,708	-	-	33,124,407,439
Marine structure (Jetty)	15,829,981,960	2,194,673,395	-	-	18,024,655,355
Mining equipment	77,732,846,973	8,418,539,686	3,834,050,000	-	82,317,336,659
Plant & machinery	126,150,856,972	26,811,152,599	-	-	152,962,009,571
Vehicle	7,858,794,281	480,415,751	770,442,652	-	7,568,767,380
Computer & Fuel					
Management System	2,213,367,555	131,107,519.00	5,779,889	-	2,338,695,185
Office equipment-					
furniture	7,236,951,072	2,528,266,883	-	-	9,765,217,955
	267,834,349,544	42,877,012,541	4,610,272,541	-	306,101,089,544
Net Book Value	226,555,144,277				186,758,959,698

As of March 31, 2017, all assets are covered by insurance under the blanket policies with a total sum insured amounting to USD 34,447,000. 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, 2017

(Expressed in Rupiah, unless otherwise stated)

iv. FIXED ASSETS (Continued)

2016					
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Acquisition Cost:					
Building and structures	59,187,040,451	1,692,211,405	-	-	60,879,251,856
Marine structure (Jetty)	43,893,467,898	-	-	-	43,893,467,898
Mining equipment	87,474,842,217	-	534,490,000	-	86,940,352,217
Plant & machinery	263,799,314,966	894,139,450	-	-	264,693,454,416
Vehicle	8,761,930,260	-	-	-	8,761,930,260
Computer & Fuel					
Management System	9,075,456,446	58,412,000	-	-	9,133,868,446
Office equipment-					
furniture	5,564,927,316	208,320,000	3,000,000	-	5,770,247,316
	477,756,979,554	2,853,082,855	537,490,000	-	480,072,572,409
Construction -					
in progress	6,957,253,425	7,652,937,018	293,269,031	-	14,316,921,412
	484,714,232,979	10,506,019,873	830,759,031	-	494,389,493,821
Accumulated Depreciation:					
Building and structures	28,168,153,882	2,643,396,849	-	-	30,811,550,731
Marine structure (Jetty)	13,635,308,565	2,194,673,395	-	-	15,829,981,960
Mining equipment	64,064,386,470	14,149,501,503	481,041,000	-	77,732,846,973
Plant & machinery	99,366,834,150	26,784,022,822	-	-	126,150,856,972
Vehicle	6,646,310,229	1,212,484,052	-	-	7,858,794,281
Computer & Fuel					
Management System	1,940,102,904	273,264,651	-	-	2,213,367,555
Office equipment-					
furniture	4,465,863,072	2,771,088,000	-	-	7,236,951,072
	218,286,959,272	50,028,431,272	481,041,000	-	267,834,349,544
Net Book Value	266,427,273,707				226,555,144,277

As of March 31, 2016, all assets are covered by insurance under the blanket policies 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.

Depreciation expense is presented in the statements of profit or loss and other comprehensive income as follows:

	2017	2016
Cost of sales	42,877,012,541	50,028,431,272
Total	42,877,012,541	50,028,431,272

Supplementary Information

PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

v. EXPLORATION AND EVALUATION ASSETS

2017				
	Beginning Balance	Additions	Deductions	Ending Balance
Acquisition cost:				
Land compensation	14,576,820,115	200,000,000	-	14,776,820,115
Miscellaneous expense	8,478,144,837	-	-	8,478,144,837
	23,054,964,952	200,000,000	-	23,254,964,952
Accumulated amortization:				
Land compensation	7,402,252,066	1,046,965,671	-	8,449,217,737
Miscellaneous expense	5,019,447,288	1,003,889,453	-	6,023,336,741
	12,421,699,354	2,050,855,124	-	14,472,554,478
Net book value	10,633,265,598			8,782,410,474
2016				
	Beginning Balance	Additions	Deductions	Ending Balance
Acquisition cost:				
Land compensation	13,376,820,115	1,200,000,000	-	14,576,820,115
Miscellaneous expense	8,478,144,837	-	-	8,478,144,837
	21,854,964,952	1,200,000,000	-	23,054,964,952
Accumulated amortization:				
Land compensation	5,842,656,766	1,559,595,300	-	7,402,252,066
Miscellaneous expense	4,015,556,400	1,003,890,888	-	5,019,447,288
	9,858,213,166	2,563,486,188	-	12,421,699,354
Net book value	11,996,751,786			10,633,265,598

vi. DEPOSITS

	2017	2016
Statutory Deposits	19,922,060,821	16,720,968
Statutory Deposits include reclamation deposit as follow:		
in 2011	5,854,636,337	5,854,636,337
in 2012	2,869,937,011	2,869,937,011
in 2013	3,000,236,221	3,000,236,221
in 2014	836,983,716	836,983,716
in 2015	521,127,554	521,127,554
in 2016	1,274,675,577	1,274,675,577
in 2017	2,839,978,863	-
	17,197,575,279	14,357,596,416

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PT. LAMINDO INTER MULTIKON - PARENT ONLY
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vii. INVESTMENT

	2017	2016
- PT Mitra Niaga Mulia	656,000,000	656,000,000
- PT Coalindo Indonesia	100,000,000	100,000,000
	756,000,000	756,000,000

viii. OTHER ASSETS

	2017	2016
- Others assets	9,623,118,925	4,842,376,986
	9,623,118,925	4,842,376,986

Others assets represent income tax - article 28a.

ix. SUNDRY CREDITORS

	2017	2016
Related Party		
- Sundry creditor-Group Company	1,220,265,000	2,975,265,000
Third Party		
- Sundry creditor for goods/spares	25,730,066,249	62,249,737,629
- Sundry creditor for expense	38,780,356,224	24,375,142,464
- Sundry creditor for capital goods	2,197,012,838	2,547,167,183
	67,927,700,311	92,147,312,276

x. PROVISIONS

	2017	2016
Provision for expenses payable	-	3,714,975,797
	-	3,714,975,797

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

For the year ended March 31, 2017

*(Expressed in Rupiah, unless otherwise stated)***xi. OTHER PAYABLES**

	2017	2016
Salary payables	1,810,722,526	643,039,462
Other	452,644,917,406	503,112,369,175
	454,455,639,932	503,755,408,637

Other payables includes receipts from Adani Global Pte. Ltd for coal purchase as advance amounting in 2017 USD 33,750,985.19 and 2016 USD 41,272,832.54.

xii. TAXATION

	2017	2016
a. Taxes payable		
Income tax - article 21	925,380,654	793,989,907
Income tax - article 23	398,381,505	551,931,711
Income tax - article 26	-	397,163,267
Income tax - article 15	72,910,410	36,827,664
Value Added Tax	-	7,564,980
	1,396,672,569	1,787,477,529
b. Tax income/(expenses)		
Current tax	-	-
Deferred tax income/(expenses)	(8,986,650,236)	20,360,197,708
	(8,986,650,236)	20,360,197,708

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xii. 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:

	2017	2016
Profit/(loss) before income tax	(15,727,336,844)	(54,844,812,508)
Temporary differences:		
Amortization of legal and professional expenses	(226,517,739)	(226,517,739)
Depreciation	15,055,519,171	14,044,044,218
Pension retirement benefit	2,992,574,880	(7,292,288,205)
Permanent differences:		
Non deductible expenses	6,283,229,718	13,875,096,011
Deductible expenses (Interest Income)	(833,917,295)	(758,833,046)
Taxable income before tax loss carry forward	7,543,551,891	(35,203,311,269)
Less : Tax loss carry forward	(7,543,551,891)	-
Estimated taxable income (loss)	-	(35,203,311,269)

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

	2017	2016
Current tax (expenses) and tax refundable	-	-
Deduct: Prepaid taxes		
Income tax art 22	7,034,090,531	2,253,348,592
Income tax art 25	2,589,028,394	2,589,028,394
Net advance tax	9,623,118,925	4,842,376,986

d. Deferred tax

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

	2017	2016
Deferred tax assets		
Amortization of pre-operative expenses	20,786,431	(29,345,550)
Amortization of legal and professional expenses	(487,149,762)	(380,388,346)
Depreciation	13,072,813,886	9,308,934,093
Pension retirement benefit	4,865,709,768	4,117,566,048
Taxable (profit) / Loss	43,513,779,731	54,935,083,788
	60,985,940,053	67,951,850,033

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(Expressed in Rupiah, unless otherwise stated)

xii. TAXATION (Continued)

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. 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, 2017 and 2016 amounted to Rp19,668,232,614 and Rp16,674,657,734, 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:

	2017	2016
Salary increase rate	7%	7%
Discount rate	7,68%	8,18%
Mortality rate	TMI-III in 2011	TMI-III in 2011
Recognition of (Liabilities) / Assets in Balance Sheet		
	2017	2016
Assets and Liabilities		
Present Value of Defined Benefit Obligation	19,668,231,614	16,675,656,734
Fair Value of Plan Assets	-	-
Funding Status	19,668,231,614	16,675,656,734
Recognition of (Liabilities) / Assets in Balance Sheet	19,668,231,614	16,675,656,734
	2017	2016
Reconcile of Amount that Recognized in Balance Sheet		
(Liabilities)/Assets at Beginning Period	16,675,656,734	19,891,776,929
(Expenses)/Revenue	4,565,958,631	3,684,457,009
Other Comprehensive Income / (Expenses)	8,082,961,019	4,076,168,010
Realization of Benefits Payment	(9,656,344,770)	(10,976,745,214)
Withdrawals from the plan asset	-	-
Company Contributions	-	-
(Liabilities)/Assets at Ending Period	19,668,231,614	16,675,656,734

Supplementary Information
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xiii. PROVISION FOR RETIREMENT BENEFIT (Continued)

	2017	2016
Expenses		
Current Services Cost	3,201,889,910	3,175,534,237
Interest Cost	1,364,068,721	1,627,147,353
Increase/ (Decrease) in Liabilities Transition	-	(1,118,224,581)
Expenses / (Revenue) in Income Statement	4,565,958,631	3,684,457,009

xiv. 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, 2017 and 2016 is as follows:

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

xv. SALES

	2017	2016
Coal (Quantity in 2017 2,903,073 MT and in 2016 Quantity 3,189,624 MT)	630,454,126,483	638,033,832,817
Total	630,454,126,483	638,033,832,817

Supplementary Information
PT. LAMINDO INTER MULTIKON - PARENT ONLY
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For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

xvi. COST OF SALES

	2017	2016
Opening Stocks	46,642,549,317	103,556,116,000
Direct Cost :		
OB removal service	169,456,886,683	67,616,387,315
Salaries	80,958,221,385	108,818,569,654
Solar expenses	79,383,004,526	86,755,878,839
Depreciation	42,877,012,541	50,028,431,272
Dump truck expenses	16,542,771,044	44,641,916,665
Floating crane charges	38,943,026,043	42,537,976,277
Barges rent	28,516,282,031	38,915,466,934
Rental equipment charges	15,604,447,155	18,518,226,741
Coal handling plant expense	12,472,222,676	8,358,107,325
Excavator expenses	9,706,400,182	11,971,105,568
Generator expenses	9,186,209,632	6,348,289,199
Stevedoring expenses	8,813,825,723	9,066,776,874
Dozer expenses	5,541,347,225	6,880,874,034
Demurrage expenses	4,262,769,468	13,300,779,589
Transport spares consumable	4,127,791,750	4,568,258,180
General spares expenses	3,111,792,711	2,868,019,262
Testing & analysis expenses	2,958,074,257	2,623,791,413
Drilling and exploration expenses	2,828,549,648	4,468,920,500
Pickup expenses	1,562,174,965	1,705,449,966
Loading & unloading	528,463,120	1,003,360,379
Marine insurance	319,565,396	342,589,631
Agency fees for barges	261,120,000	768,668,940
Wages (Site)	233,687,455	482,188,922
Others	912,847,548	785,008,751
	<u>539,108,493,164</u>	<u>533,375,042,230</u>
Closing Stocks	<u>(23,043,920,984)</u>	<u>(46,642,549,317)</u>
	<u>562,707,121,497</u>	<u>590,288,608,913</u>

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

For the year ended March 31, 2017

*(Expressed in Rupiah, unless otherwise stated)***xvii INDIRECT EXPENSES**

	2017	2016
Royalty	16,664,753,415	16,169,422,098
Traveling expenses	10,317,410,214	12,425,694,096
Fooding expenses	6,677,917,978	9,491,787,214
Repair and maintenance	5,977,876,780	10,799,914,984
Employee benefit expenses	4,565,958,631	3,684,457,009
Office expenses	4,102,831,884	3,568,598,053
Medical insurance expense	3,598,757,703	3,878,694,497
Insurance expenses	2,950,952,987	1,076,462,279
Site expenses	2,785,715,024	11,579,543,238
Honorarium	2,435,190,412	2,326,915,049
Amortization of deferred expenses	2,050,868,624	1,003,889,453
Rates and taxes	1,722,915,731	1,883,840,099
Legal & professional fees	1,536,524,068	2,758,890,245
CSR expenses	1,109,733,000	2,974,423,410
Conveyance expense	299,064,994	320,447,946
Reclamation expenses	298,317,348	315,318,972
Speed boat charges	291,832,454	534,800,000
Coal handling services	118,121,496	117,631,056
Tax expenses	81,756,730	1,940,451,770
Others	4,010,958,508	2,637,279,334
	71,597,457,981	89,488,460,802

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PT. LAMINDO INTER MULTIKON - PARENT ONLY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2017

(Expressed in Rupiah, unless otherwise stated)

xviii. OTHERS INCOME (EXPENSES)

	2017	2016
OTHER INCOME		
Net interest income	833,917,295	758,833,046
Profit (Loss) asset sale	550,054,665	196,214,610
Dividend income	14,495,050	16,001,250
	1,398,467,010	971,048,906
OTHER EXPENSES		
Foreign exchange loss	3,495,960,758	8,354,694,770
Net interest expense	-	4,368,795,939
Bank charges	710,400,382	830,856,155
Others	986,028,700	518,277,808
	5,192,389,840	14,072,624,672
	(3,793,922,830)	(13,101,575,766)

xix. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2017:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	10,272,595,012	10,272,595,012	-	-
Loans and advances	15,611,335,418	15,611,335,418	-	-
Investment	756,000,000	-	756,000,000	-
Total financial assets	26,639,930,430	25,883,930,430	756,000,000	-
Financial liabilities				
Sundry creditors	67,927,700,311	-	-	67,927,700,311
Others payable	454,455,639,932	-	-	454,455,639,932
Loans	-	-	-	-
Total financial liabilities	522,383,340,243	-	-	522,383,340,243

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

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*(Expressed in Rupiah, unless otherwise stated)***xix. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)**

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	33,714,796,700	33,714,796,700	-	-
Sundry creditors	22,652,514,097	22,652,514,097	-	-
	756,000,000	-	756,000,000	-
Total financial assets	57,123,310,797	56,367,310,797	756,000,000	-
Financial liabilities				
Sundry creditors	92,147,312,276	-	-	92,147,312,276
Others payable	503,755,408,637	-	-	503,755,408,637
Total financial liabilities	595,902,720,913	-	-	595,902,720,913

xx. 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.

xxi. SUBSEQUENT EVENTS

There are no significant events after the reporting date that require adjustment or disclosure in the financial statements as of March 31, 2017.