

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**

**Consolidated Financial Statements**  
**For the year ended March 31, 2017**

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**INDEPENDENT AUDITORS' REPORT**

Ref : R-038/NAB-KPS/SYM05/IV/2017

**The Shareholders, Boards of Commissioners and Directors  
PT Niaga Antar Bangsa**

We have audited the accompanying consolidated financial statements of PT Niaga Antar Bangsa (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of 31 March 2017, 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 Niaga Antar Bangsa (the "Company") and its subsidiaries as of 31 March 2017, 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 31 March 2017 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 31 March 2017, 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

25 April 2017

Ref. : R-038/NAB-KPS/SYM05/IV/2017



**PT. NIAGA ANTAR BANGSA**

Graha Mustika Ratu Lt.3, Jl. Gatot Subroto Kav. 74-75 Jakarta Selatan, 12870

Telp: 021- 8307406 - 8307420

Fax : 021- 8307407

**BOARD OF DIRECTORS' STATEMENT**  
**REGARDING**  
**THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED 31 MARCH 2017 AND 2016**  
**PT NIAGA ANTAR BANGSA AND SUBSIDIARIES**

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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 Niaga Antar Bangsa's financial statements;
2. PT Niaga Antar Bangsa's financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT Niaga Antar Bangsa's Financial Statements have been disclosed in a complete and truthful manner;  
b. PT Niaga Antar Bangsa'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 Niaga Antar Bangsa'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 NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
As at March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

	Notes	2017	2016
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	16,168,128,070	35,765,350,631
Sundry debtors	2d,4	-	459,880,507
Inventory	5	55,146,813,952	104,520,614,586
Advances	6	29,100,145,116	26,588,058,905
Prepaid expenses	7	2,184,563,624	4,272,709,693
Prepaid tax	2j,15a	-	84,885,750
Total current assets		<u>102,599,650,762</u>	<u>171,691,500,073</u>
<b>NON CURRENT ASSETS</b>			
Capital advance	8	16,647,400,000	16,638,200,000
Fixed assets - net	2f,9	194,847,397,958	238,103,991,114
Investments	2i	200,000,000	200,000,000
Deferred charges	2e,10	162,342,768,743	179,186,200,610
Deposits	11	28,089,636,764	27,612,759,154
Deferred tax assets	2j,15d	72,121,744,332	99,967,865,875
Others assets	12	15,821,690,336	8,045,680,857
Total non current assets		<u>490,070,638,133</u>	<u>569,754,697,610</u>
<b>TOTAL ASSETS</b>		<u><u>592,670,288,895</u></u>	<u><u>741,446,197,682</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>SHORT TERM LIABILITIES</b>			
Sundry creditors	2h,13	87,943,942,274	111,577,651,843
Provisions	14	-	28,369,675,521
Taxes payables	2j,15b	10,843,208,428	2,519,094,885
Other payables	16	632,571,641,435	875,358,557,106
Total short term liabilities		<u>731,358,792,137</u>	<u>1,017,824,979,355</u>
<b>LONG TERM LIABILITIES</b>			
Provision for retirement benefits	17	22,092,110,706	18,649,691,552
Loans	18	36,540,733,317	39,971,115,222
Total long term liabilities		<u>58,632,844,023</u>	<u>58,620,806,774</u>
<b>TOTAL LIABILITIES</b>		<u><u>789,991,636,160</u></u>	<u><u>1,076,445,786,129</u></u>
<b>EQUITY</b>			
Authorized capital - 4,000 shares Rp500,000 par value per share			
Share capital - 1020 shares subscribed and fully paid up	20	510,000,000	510,000,000
Accumulated profit (Loss)		(132,991,191,651)	(243,153,374,407)
Capital reserves		50,000,000	-
Additional paid in capital		(876,180,377)	(876,180,377)
Other comprehensive income		(17,840,123,897)	(11,123,165,028)
Total Equity Attributable to Owners of the Company		<u>(151,147,495,925)</u>	<u>(254,642,719,811)</u>
Non controlling interest		<u>(46,173,851,340)</u>	<u>(80,356,868,636)</u>
<b>TOTAL EQUITY</b>		<u><u>(197,321,347,265)</u></u>	<u><u>(334,999,588,447)</u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>592,670,288,895</u></u>	<u><u>741,446,197,682</u></u>

See the accompanying notes form an integral part of these consolidated financial statement

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
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	2k, 21	995,770,331,249	1,029,103,491,124
COST OF SALES	22	(702,836,536,250)	(952,533,064,234)
GROSS PROFIT		292,933,794,999	76,570,426,890
GENERAL AND ADMINISTRATIVE EXPENSES	2k, 23	(103,689,445,586)	(117,642,686,291)
OPERATING PROFIT (LOSS)		189,244,349,413	(41,072,259,401)
OTHER INCOME/ (EXPENSES)	2k,24		
Other income		2,260,896,286	5,059,685,490
Other expenses		(8,135,112,765)	(18,598,912,934)
		(5,874,216,479)	(13,539,227,444)
PROFIT (LOSS) BEFORE INCOME TAX		183,370,132,934	(54,611,486,845)
Current tax	15b	(8,938,348,050)	-
Deferred tax	15c	(30,085,107,834)	8,351,396,422
		(39,023,455,884)	8,351,396,422
NET PROFIT / (LOSS) FOR THE YEAR		144,346,677,050	(46,260,090,423)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Actuarial losses		(8,955,945,159)	(4,933,822,613)
Related income tax		2,238,986,290	1,233,455,653
		(6,716,958,869)	(3,700,366,960)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		137,629,718,181	(49,960,457,383)
LOSS ATTRIBUTE TO:			
Owners of the parent		110,163,659,754	(33,672,271,731)
Non controlling interest		34,183,017,296	(12,587,818,693)
		144,346,677,050	(46,260,090,423)
Total Comprehensive Income Attributable to:			
Owners of the parent		103,446,700,885	(37,372,638,690)
Non controlling interest		34,183,017,296	(12,587,818,693)
		137,629,718,181	(49,960,457,383)

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
For the year ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

	Notes	Share capital	Other Comprehensive Income	Accumulated profit/(loss)	Capital Reserves	Additional paid in capital	Non controlling interest (NCI)	Total
Balance as of March 31, 2015	20	510,000,000	(7,422,798,068)	(209,481,102,676)	-	(451,490,241)	(67,889,986,564)	(284,735,377,549)
Additional share capital non controlling interest		-	-	-	-	(424,690,136)	120,936,621	(303,753,515)
Net profit (loss) for the year		-	(3,700,366,960)	(33,672,271,731)	-	-	(12,587,818,693)	(49,960,457,383)
Balance as of March 31, 2016	20	<u>510,000,000</u>	<u>(11,123,165,028)</u>	<u>(243,153,374,407)</u>	<u>-</u>	<u>(876,180,377)</u>	<u>(80,356,868,636)</u>	<u>(334,999,588,447)</u>
Asset of tax amnesty		-	-	-	50,000,000	-	-	50,000,000
Retained earning correction		-	-	(1,477,000)	-	-	-	(1,477,000)
Net profit (loss) for the year		-	(6,716,958,869)	110,163,659,754	-	-	34,183,017,296	137,629,718,181
Balance as of March 31, 2017	20	<u>510,000,000</u>	<u>(17,840,123,897)</u>	<u>(132,991,191,652)</u>	<u>50,000,000</u>	<u>(876,180,377)</u>	<u>(46,173,851,340)</u>	<u>(197,321,347,265)</u>



**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**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	183,370,132,934	(54,611,486,845)
Add items not affecting operating cash flows		
Comprehensive income	(6,716,958,869)	(3,700,366,960)
Depreciation of fixed assets	46,337,421,541	65,491,194,413
Retained earning adjusted	(1,477,000)	(303,753,515)
Amortization of deferred charges	17,436,729,049	14,656,648,504
Provision for retirement benefits	3,442,419,154	(3,639,625,680)
Profit (Loss) fixed asset	(1,013,688,951)	(3,862,554,420)
Operating cash flows before changes in working capital	242,854,577,858	14,030,055,497
Changes in working capital		
Sundry debtors	459,880,507	(459,880,507)
Inventory	49,373,800,634	69,823,040,515
Advances	(2,512,086,211)	(11,749,388,103)
Prepaid expenses	2,088,146,069	612,041,114
Prepaid taxes	84,885,750	-
Deposits	(476,877,610)	(1,700,779,985)
Sundry creditors	(23,633,709,569)	(11,702,989,501)
Provision	(28,369,675,521)	12,563,135,915
Taxes payables	(2,853,220,798)	(5,711,793,999)
Other payables	(60,954,276,100)	30,844,316,757
Net changes in working capital	(66,793,132,849)	82,517,702,206
Net cash flows provided from (used in) operating activities	176,061,445,009	96,547,757,702
Cash flows from investing activities		
Advance capital	(9,200,000)	700,710,915
Acquisition of fixed assets	(2,733,493,874)	(12,067,225,708)
Disposal of fixed assets	1,271,727,044	4,846,902,551
Deferred charges	(1,198,669,786)	(19,103,270,549)
Other non-current assets	(7,776,009,479)	(4,446,018,460)
Net cash flows used in investing activities	(10,445,646,095)	(30,068,901,251)
Cash flows from financing activities		
Capital reserves	50,000,000	-
Advance Adani Global Pte.	(181,832,639,571)	436,924,904,236
Unsecured loans	(3,430,381,905)	(498,996,126,697)
Net cash flows used from financing activities	(185,213,021,476)	(62,071,222,461)
Net increase/(decrease) in cash and cash equivalents	(19,597,222,562)	4,407,633,990
Cash and cash equivalents at the beginning of the year	35,765,350,631	31,357,716,641
Cash and cash equivalents at the end of the year	16,168,128,070	35,765,350,631

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

1. GENERAL

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a. Establishment and general information

PT NIAGA ANTAR BANGSA ( the "Company" ) was established on November 20, 2009 based on notarial deed No. 12 of Rohana Frieta, SH. The deed of establishment was approved by the Ministry of Justice in its decision letter No. AHU-57783, AH.01.01 year 2009 dated November 25, 2009. The Articles of Association has been amended several times, most recently by Notarial Deed No. 13 dated May 08, 2013, of Rohana Frieta, SH. concerning changes in the Company's management composition. The latest amendment was recorded by the Ministry of Justice and Human Rights in Company List No. AHU-AH.01.10-22216 dated June 07, 2013.

According to Article 3 of its Articles of Association, the Company's scope of activities comprises services, trading, construction, printing, freight, workshop and trading.

The Company is domiciled in Jakarta.

b. Board of Commissioners and Directors, and employees

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

	<u>2017 &amp; 2016</u>
Commissioner	: Ms. Prosidawaty Malemta
Director	
President Director	: Drs.Abdi Khalik Ginting
Director	: Mr. Dani Daksinaputra

As of March 31, 2017 and 2016 the Company has a total of 9 and 12 employees. The Subsidiary PT Lamindo Inter Multikon total employees as of March 31, 2017 and 2016 has a total 568 and 775 employees. The Subsidiary PT Mitra Niaga Mulia total employees as of March 31, 2017 and 2016 had total of 57 and 67 employees.

c. Company's composition and subsidiaries

On September 28, 2015, based on Notarial Deed transfer of ownership of shares, the Company agreed transferred ownership of share in PT Mitra Niaga Mulia 656 shares (75%) to PT Lamindo Inter Multikon the transfer price of Rp656.000.000. On the transfer of ownership of shares, was notarized by 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.

Based on Notarial Deed dated September 23, 2015, the Company took over 375 shares of PT Tambang Sejahtera Bersama (75%) of PT Sumber Dana Usaha with purchase price of Rp375.000.000. On the transfer of ownership of the number of shares, notarized in Deed No. 9 dated September 23, 2015 which was notarized in Notarial Rohana Frieta, AH. The amendment was recorded by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.03-0968720, dated September 28, 2015.

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

1. GENERAL (Continued)

c. Company's composition and subsidiaries (Continued)

Based on Notarial Deed dated September 23, 2015, the Company took over 375 shares of PT Suar Harapan Bersama (75%) of PT Sumber Dana Usaha with purchase price of Rp412.500.000. On the transfer of ownership of the number of shares, notarized in Deed No. 8 dated September 23, 2015 which was notarized in Notarial Rohana Frieta, AH. The amendment was recorded by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.03-0968719, dated September 28, 2015.

As of March 31, 2017 and 2016, the composition of the Company and its subsidiaries (collectively referred to as the "Company") is as follows:

As of March 31, 2017				
Company Name	Domicile	Percentage ownership	Total Aset 2017	Total Aset 2016
Subsidiaries with direct ownership				
PT Lamindo Inter Multikon	Jakarta	75%	356,627,571,106	453,953,404,478
PT Mitra Niaga Mulia	Jakarta	75%	190,171,458,052	242,171,240,233
PT Hasta Mudra	Jakarta	75%	2,376,760,178	2,990,079,215
PT Gemilang Pusaka Pertiwi	Jakarta	75%	1,887,828,883	1,935,489,549
PT Tambang Sejahtera Bersama	Jakarta	75%	8,046,159,939	7,709,024,931
PT Suar Harapan Bangsa	Jakarta	75%	11,966,146,232	11,306,012,382
As of March 31, 2016				
Company Name	Domicile	Percentage ownership	Total Aset 2016	Total Aset 2015
Subsidiaries with direct ownership				
PT Lamindo Inter Multikon	Jakarta	75%	453,953,404,478	527,225,918,909
PT Mitra Niaga Mulia	Jakarta	75%	242,171,240,233	279,509,064,586
PT Hasta Mudra	Jakarta	75%	2,990,079,215	2,873,631,288
PT Gemilang Pusaka Pertiwi	Jakarta	75%	1,935,489,549	1,989,991,885
PT Tambang Sejahtera Bersama	Jakarta	75%	7,709,024,931	-
PT Suar Harapan Bangsa	Jakarta	75%	11,306,012,382	-

d. Completion of the Company consolidated financial statements

The Company's management is responsible for the preparation of the Consolidated financial statements of the Company which were completed and agreed to issue on April 25, 2017.

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**a. Basis of presentation of consolidated financial statements**

The consolidated financial statements are prepared in accordance with the Indonesian Financial Accounting Standards. The consolidated financial statements have been prepared based on going concern assumption and the basis of historical costs, unless for some certain accounts are prepared on other measurements as mentioned by related accounts accounting policies. The consolidated financial statements are prepared under accrual concept, except for the consolidated statements of cash flows. The consolidated statements of cash flows have been prepared using the indirect method. For the purpose of the statements of cash flows, cash and cash equivalents include cash on hand, cash in banks and term deposits with a maturity period of three months or less and not pledged.

**b. Principles of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (note 1c).

The proportionate share of the non controlling shareholders in the equity of the subsidiaries is reflected in "Non Controlling Interest" in the consolidated statement of financial position. Unless mentioned different in an agreement, the Company absorbs the excess of the non controlling interests on accumulated net losses of a subsidiary.

All significant inter-company statement of financial position and transactions have been eliminated to present the financial position and results of operations of the Company and Subsidiary as a single entity.

Excess between purchase price over underlying net book value of acquired Subsidiary is recorded as goodwill; except for excess resulting from restructuring transactions of entities under common control which is recorded as "Difference in value of restructuring transactions of entities under common control" under the equity section.

The equity transactions of the Subsidiary which affect the share of net assets of such Subsidiary are presented as "Non Controlling Interest" under the equity section.

**c. Foreign currency translation**

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 statement of financial position, 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 report 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	Rp	13,322	Rp	13,276

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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**d. Sundry debtors**

Sundry debtors are included as loans and receivables' financial assets. Sundry debtors are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

**e. Exploration & 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.

**f. 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:

	Years
Building and structures	20
Jetty	20
Light System	10
Site Equipment	10
Plant & machinery	10
Drilling machine	10
Vehicle	5
Computer	4
Office equipment furniture	4
Mining equipment	5
Road at site	4
Misc. site equipment	4

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**g. 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". There is no compensation paid to key person during 2016-2017.

All transactions with related parties are properly disclosed in the notes to the financial statements.

**h. Sundry creditors**

Sundry creditors are measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

**i. Financial assets and liabilities**

In accordance with Statement of Financial Accounting Standards ("SFAS") No.50 (Revised 2013) "Financial Instruments: Presentation and Disclosure" and SFAS No. 55 (Revised 2013) "Financial Instruments: Recognition and Measurement" applicable for financial statements covering periods beginning on or after January 1, 2015, 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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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i. Financial assets and liabilities (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.

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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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

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**j. 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.

The Company has utilized tax amnesty program in accordance with the Constitution about tax amnesty No. 11 in 2016. The Company admitted and noted additional asset and liability which are related to the tax amnesty program as regulated in PSAK 70.

**k. Revenue and expenses recognition**

Revenue is recognized when goods are delivered. Expenses are recognized as accruals.

**l. 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.

**m. 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



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**3. CASH AND CASH EQUIVALENTS**

	2017	2016
Cash on hand	37,301,600	37,172,800
Bank IDR		
- PT Bank Mandiri (Persero) Tbk	1,394,210,247	2,066,299,846
- BPD Kaltim	2,273,247,411	1,291,422,137
- PT Bank Negara Indonesia (Persero) Tbk	313,615,270	146,863,580
- PT Bank CIMB Niaga Tbk	16,721,835	30,531,019
- State Bank Of India	823,657	5,341,232
Subtotal	3,998,618,420	3,540,457,814
Bank USD		
- PT Bank Mandiri (Persero) Tbk (USD 660,234.77 in 2017 and USD 144,226.35 in 2016)	8,795,647,606	1,914,749,023
- State Bank Of India (USD 53,859.26 in 2017 and USD 2,220,922.59 in 2016)	717,513,061	29,484,968,305
- Standard Chartered Bank (USD 196,595.66 in 2017 and USD 59,355.43 in 2016 )	2,619,047,383	788,002,689
Subtotal	12,132,208,050	32,187,720,017
Total bank	16,130,826,470	35,728,177,831
Total cash and cash equivalents	16,168,128,070	35,765,350,631

**4. SUNDRY DEBTORS**

	2017	2016
Sundry debtors	-	459,880,507
Total	-	459,880,507
The aging analysis of sundry debtor is as follows :		
Due date :		
< 90 days	-	459,880,507
Total	-	459,880,507

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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**5. INVENTORY**

	2017	2016
Coal		
(in 2017, 128,122 MT and in 2016, 606,918 MT)	33,861,617,772	78,827,445,434
Sparepart	15,035,237,507	19,633,788,845
Fuel	6,249,958,673	6,059,380,307
<b>Total</b>	<b>55,146,813,952</b>	<b>104,520,614,586</b>

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 31, 2017 and 2016, Inventory stock quantity as follows :

	Closing Stock Working	
	2017 (in MT)	2016 (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)	<b>129,122</b>	<b>606,918</b>
	(in BCM)	(in BCM)
Over burden removed	9,881,630	12,941,726

**6. ADVANCES**

	2017	2016
Advances to supplier and service provider	28,090,740,143	25,165,520,870
Insurance claim	216,879,220	-
Advance to staff	792,525,753	1,422,538,035
<b>Total</b>	<b>29,100,145,116</b>	<b>26,588,058,905</b>

**7. PREPAID EXPENSES**

	2017	2016
Prepaid expenses	2,184,563,624	4,272,709,693
<b>Total</b>	<b>2,184,563,624</b>	<b>4,272,709,693</b>

**8. CAPITAL ADVANCE**

	2017	2016
Capital advance	16,647,400,000	16,638,200,000
<b>Total</b>	<b>16,647,400,000</b>	<b>16,638,200,000</b>

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9. FIXED ASSETS

Balance and movement of fixed assets for the year ended March 31, 2017:

	2017				
	Beginning balance	Additions	Deductions	Reclasifications	Ending balance
<b>Acquisition cost:</b>					
Land	1,454,326,754	-	-	-	1,454,326,754
Building and structures	60,879,251,872	-	-	-	60,879,251,872
Jetty	43,893,467,898	-	-	-	43,893,467,898
Plant & machinery	264,059,742,260	11,192,500	-	7,778,358,731	271,849,293,491
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	10,428,063,594	-	1,073,581,503	-	9,354,482,091
Computer	2,450,655,830	26,990,000	5,779,582	(6,696,202,095)	(4,224,335,847)
Office equipment - furniture	12,466,449,916	257,199,000	-	6,696,202,095	19,419,851,011
Mining equipment	257,002,117,492	-	11,970,468,000	-	245,031,649,492
Misc. site equipment	8,810,388,288	-	-	-	8,810,388,288
Total acquisition cost	662,280,463,904	295,381,500	13,049,829,085	7,778,358,731	657,304,375,050
<b>Accumulated depreciation:</b>					
Building and structures	30,811,550,731	2,312,855,963	-	-	33,124,406,694
Jetty	15,829,981,960	2,194,673,791	-	-	18,024,655,751
Plant & machinery	130,246,588,341	27,558,140,350	-	-	157,804,728,691
Drilling machine	501,600,000	83,600,000	-	-	585,200,000
Vehicle	9,524,927,615	480,415,751	815,542,652	-	9,189,800,714
Computer	2,226,357,785	131,107,360	5,779,889	-	2,351,685,256
Office equipment furniture	7,236,950,842	2,528,267,640	-	-	9,765,218,482
Mining equipment	241,116,941,166	11,048,360,686	11,970,468,451	-	240,194,833,401
Misc. site equipment	998,496,062	-	-	-	998,496,062
Total accumulated depreciation	438,493,394,502	46,337,421,541	12,791,790,992	-	472,039,025,051
Net book value	223,787,069,402				185,265,349,999
Works in progress					
Work in progress	14,316,921,712	4,701,103,206	1,657,618,228	(7,778,358,731)	9,582,047,959
Total works in progress	14,316,921,712	4,701,103,206	1,657,618,228	(7,778,358,731)	9,582,047,959
Carrying value of fixed assets	238,103,991,114				194,847,397,958

As of March 31, 2017, all fixed assets are covered by insurance with a total sum insured amounting to USD 47,888,750. Based on Management's opinion, the insurance is adequate to cover possible losses.

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9. **FIXED ASSETS** - (Continued)

Balance and movement of fixed assets for the year ended March 31, 2016:

	2016				
	Beginning balance	Additions	Deductions	Reclasifications	Ending balance
<b>Acquisition cost:</b>					
Land	822,620,632	631,706,122	-	-	1,454,326,754
Building and structures	59,187,040,972	1,692,210,900	-	-	60,879,251,872
Jetty	43,893,467,898	-	-	-	43,893,467,898
plant & machinery	263,806,353,802	1,823,639,955	-	(1,570,251,497)	264,059,742,260
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	10,428,063,594	-	-	-	10,428,063,594
Computer	9,088,445,943	58,412,000	-	(6,696,202,113)	2,450,655,830
Office equipment - furniture	5,564,927,803	208,320,000	3,000,000	6,696,202,113	12,466,449,916
Mining equipment	261,782,966,108	-	6,351,100,113	1,570,251,497	257,002,117,492
Misc. site equipment	8,810,388,288	-	-	-	8,810,388,288
<b>Total acquisition cost</b>	<b>664,220,275,040</b>	<b>4,414,288,977</b>	<b>6,354,100,113</b>	<b>-</b>	<b>662,280,463,904</b>
<b>Accumulated depreciation:</b>					
Building and structures	28,168,154,627	2,643,396,104	-	-	30,811,550,731
Jetty	13,635,308,169	2,194,673,791	-	-	15,829,981,960
Plant & machinery	101,631,323,157	27,673,115,432	-	942,149,752	130,246,588,341
Drilling machine	418,000,000	83,600,000	-	-	501,600,000
Vehicle	8,132,095,506	1,392,832,109	-	-	9,524,927,615
Computer	1,953,039,825	273,317,960	-	-	2,226,357,785
Office equipment furniture	4,465,862,315	2,771,088,527	-	-	7,236,950,842
Mining equipment	219,262,940,478	28,459,170,490	5,663,020,050	(942,149,752)	241,116,941,166
Misc. site equipment	998,496,062	-	-	-	998,496,062
<b>Total accumulated depreciation</b>	<b>378,665,220,139</b>	<b>65,491,194,413</b>	<b>5,663,020,050</b>	<b>-</b>	<b>438,493,394,502</b>
<b>Net book value</b>	<b>285,555,054,901</b>				<b>223,787,069,402</b>
<b>Works in progress</b>					
Work in progress	6,957,253,049	7,652,936,731	293,268,068	-	14,316,921,712
<b>Total works in progress</b>	<b>6,957,253,049</b>	<b>7,652,936,731</b>	<b>293,268,068</b>	<b>-</b>	<b>14,316,921,712</b>
<b>Carrying value of fixed assets</b>	<b>292,512,307,950</b>				<b>238,103,991,114</b>

As of March 31, 2016, all fixed assets are covered by insurance from PT Fairfax Insurance Indonesia and PT Asuransi Astra with a total sum insured amounting to USD 40.002.500 and Rp 18.000.000. Based on Management's opinion, the insurance is adequate to cover possible losses.

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10. DEFERRED CHARGES

Balance and movement of deferred charges for the year ended March 31, 2017:

	2017			
	Beginning balance	Additions	Deductions	Ending balance
<u>Acquisition cost:</u>				
Land compensation	81,461,353,248	200,000,000	-	81,661,353,248
Miscellaneous expense	132,154,268,175	-	-	132,154,268,175
Pre-operative expense	3,464,002,336	998,669,786	605,372,604	3,857,299,518
Total acquisition cost	217,079,623,759	1,198,669,786	605,372,604	217,672,920,941
<u>Accumulated amortization:</u>				
Land compensation	11,496,675,746	6,524,563,872	-	18,021,239,618
Miscellaneous expense	26,396,747,403	10,912,165,177	-	37,308,912,580
Total accumulated amortization	37,893,423,149	17,436,729,049	-	55,330,152,198
Net book value	179,186,200,610			162,342,768,743

Balance and movement of deferred charges for the year ended March 31, 2016:

	2016			
	Beginning balance	Additions	Deductions	Ending balance
<u>Acquisition cost:</u>				
Land compensation	80,125,353,248	1,336,000,000	-	81,461,353,248
Miscellaneous expense	114,386,997,626	17,767,270,549	-	132,154,268,175
Pre-operative expense	3,464,002,337	-	-	3,464,002,337
Total acquisition cost	197,976,353,210	19,103,270,549	-	217,079,623,759
<u>Accumulated amortization:</u>				
Land compensation	7,752,192,224	3,744,483,522	-	11,496,675,746
Miscellaneous expense	15,484,582,421	10,912,164,982	-	26,396,747,403
Total accumulated amortization	23,236,774,645	14,656,648,504	-	37,893,423,149
Net book value	174,739,578,565			179,186,200,610

Deferred charges is intangible asset that reclassified from Exploration and evaluation assets.

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**11. DEPOSITS**

	2017	2016
Statutory Deposits	28,089,636,764	27,612,759,154
Statutory Deposits include reclamation deposit as follow:		
in 2011	6,392,406,712	6,392,406,712
in 2012	3,897,590,267	3,897,590,267
in 2013	4,865,582,382	4,865,582,382
in 2014	3,187,471,630	3,187,471,630
in 2015	2,044,408,201	2,044,408,201
in 2016	1,274,675,577	1,274,675,577
in 2017	2,839,978,863	-
<b>Total</b>	<b>24,502,113,632</b>	<b>21,662,134,769</b>

**12. OTHER ASSETS**

	2017	2016
Others assets	15,821,690,336	8,045,680,857
<b>Total</b>	<b>15,821,690,336</b>	<b>8,045,680,857</b>

Others assets represent income tax - article 28a.

**13. SUNDRY CREDITORS**

	2017	2016
Related parties		
- Sundry creditors - group company	3,258,050,200	5,013,050,200
Third parties		
- Sundry creditors for expenses	34,694,955,255	67,977,408,854
- Sundry creditors for goods/spares	47,430,926,146	37,204,309,916
- Sundry creditors for capital goods	2,560,010,673	1,382,882,873
<b>Total</b>	<b>87,943,942,274</b>	<b>111,577,651,843</b>

**14. PROVISIONS**

	2017	2016
Provision for expenses payable	-	28,369,675,521
<b>Total</b>	<b>-</b>	<b>28,369,675,521</b>

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

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15. TAXATION

a. Prepaid taxes

	2017	2016
Company		
VAT-in	-	84,885,750
Subtotal	-	84,885,750

b. Taxes payable

Company		
VAT-out	215,232,700	449,290,750
Income tax - article 23	21,523,270	36,440,500
Income tax - article 21	7,011,763	6,977,206
Subtotal	243,767,733	492,708,456
Subsidiaries		
Income tax - article 21	1,026,377,184	869,350,316
Income tax - article 23	606,415,570	697,783,788
Income tax - article 26	-	397,163,267
Income tax - article 15	72,910,410	54,524,078
VAT-out	-	7,564,980
Income tax - article 29	8,893,737,531	-
Subtotal	10,599,440,695	2,026,386,429
Total	10,843,208,428	2,519,094,885

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15. TAXATION (Continued)

c. Expense corporate income tax	2017	2016
<b>Company</b>		
Current tax expenses	(44,610,519)	-
Deferred tax income/(expenses)	(366,542,186)	7,500,254
Subtotal	(411,152,705)	7,500,254
<b>Subsidiaries</b>		
Current tax expenses	(8,893,737,531)	-
Deferred tax income/(expenses)	(29,718,565,648)	8,343,896,168
Subtotal	(38,612,303,179)	8,343,896,168
<b>Total</b>	<b>(39,023,455,884)</b>	<b>8,351,396,422</b>

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	183,370,132,934	(54,611,486,845)
Less: Income (loss) before taxes subsidiary and elimination	(182,084,418,481)	55,031,244,479
Income before income tax - Company	1,285,714,453	419,757,634
<i>Temporary differences:</i>		
Depreciation of fixed assets	-	30,001,016
<i>Permanent differences:</i>		
Telephone expenses	-	87,639,250
Income subject to final income tax	-	(165,999)
Taxable income before tax loss carry forward	1,285,714,453	537,231,901
Adjustment	-	-
Addition: Tax loss carry forward	(1,285,714,453)	(6,228,832,308)
Estimated taxable profit/(loss)	-	(5,691,600,407)
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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15. TAXATION (Continued)

d. Deferred tax

	2017	2016
<b>Company</b>		
Deferred tax assets		
Tax loss	-	1,478,084,326
Pension retirement benefit	-	10,198,222
Deferred tax liabilities		
Depreciation of fixed assets	-	-
Pre-operative expenses	-	(1,121,740,362)
Sub total	-	366,542,186
<b>Subsidiaries</b>		
Deferred tax assets		
Tax loss	45,085,484,610	88,746,006,022
Depreciation of fixed assets	23,496,045,451	13,674,237,132
Pension retirement benefit	5,427,344,744	4,611,074,752
Deferred tax liabilities		
Pre-operative expenses	(1,887,130,473)	(7,429,994,216)
Sub total	72,121,744,332	99,601,323,689
<b>Total</b>	<b>72,121,744,332</b>	<b>99,967,865,875</b>

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.

On January 16, 2017, the company have taken advantage of the tax amnesty program in accordance with constitution No. 11 Year 2016. Based on the Certificate of Tax Amnesty (SKPP) of the Directorate General of Taxation No. KET-1948/PP/WPJ.04/2017 dated January 23, 2017, an additional amount of tax amnesty assets is current asset amount Rp 50,000,000 with the amount of ransom which are recognized in the income statement upon receipt Certificate of Tax Amnesty is Rp 1,000,000.

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**16. OTHER PAYABLES**

	2017	2016
Interest payable	19,939,422,535	89,540,901,822
Salaries payable	1,918,978,716	1,114,519,242
Wages payable	438,510	438,510
Others	610,712,801,674	784,702,697,532
<b>Total</b>	<b>632,571,641,435</b>	<b>875,358,557,106</b>

Other payables includes receipts 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.

**17 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 Rp22,092,110,706, and Rp18,649,691,552, 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
<b>Subsidiaries</b>		
Assets and liabilities	-	-
Present value of defined benefit obligation	22,092,110,706	18,649,691,552
Fair value of plan assets	-	-
Funding status	22,092,110,706	18,649,691,552
Recognition of (liabilities) / assets in balance sheet	<b>22,092,110,706</b>	<b>18,649,691,552</b>
<b>Subsidiaries</b>		
(Liabilities)/assets at beginning period	18,649,691,552	22,289,317,303
(Expenses)/revenue	5,081,314,965	4,062,919,308
Other comprehensive income / (expenses)	8,955,945,159	4,933,822,613
Realization of benefits payment	(10,594,840,970)	(12,636,367,601)
(Liabilities)/assets at ending period	<b>22,092,110,706</b>	<b>18,649,691,623</b>
<b>Expenses</b>		
Current services cost	3,556,757,213	3,507,447,316
Interest cost	1,524,557,752	1,822,067,380
Increase/ (decrease) in liabilities transition	-	(1,266,595,388)
Expenses / (revenue) in income statement	<b>5,081,314,965</b>	<b>4,062,919,308</b>

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
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For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

**18 LOANS**

The Company received loans from PT Adani Global, to support construction of fixed assets and working capital.

**Unsecured loan**

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

	2017	2016
PT Adani Global	36,325,733,317	38,431,115,222
PT Sumber Bara	215,000,000	240,000,000
PT Mundra Coal	-	1,300,000,000
	<u>36,540,733,317</u>	<u>39,971,115,222</u>

**PT Adani Global**

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.

**19. NON CONTROLLING INTEREST**

a. The balance of non controlling in net loss of subsidiaries on March 31, 2017 and 2016 are as follows:

	2017	2016
PT Niaga Lintas Samudra	34,183,017,296	(12,587,818,693)
<b>Total</b>	<u>34,183,017,296</u>	<u>(12,587,818,693)</u>

b. The balance of non controlling in subsidiaries' net assets at March 31, 2017 and 2016 are as follows:

	2017	2016
PT Niaga Lintas Samudra	(46,173,851,340)	(80,356,868,636)
<b>Total</b>	<u>(46,173,851,340)</u>	<u>(80,356,868,636)</u>

**20. SHARE CAPITAL**

The Company's authorized capital consist of 4,000 shares with par value per share of Rp 500,000, 1,020 shares issued and paid up capital as of March 31, 2017 and 2016.

The composition of issued and paid-up shares as of March 31, 2017 and 2016 were as follows:

Shareholders	Number of Shares Issued	Percentage of Ownership	Amount
PT Sumber Bara	765	75%	382,500,000
PT Energy Resource	255	25%	127,500,000
<b>Total</b>	<u>1020</u>	<u>100%</u>	<u>510,000,000</u>

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
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( Expressed in Rupiah, unless otherwise stated)

**21. SALES**

	2017	2016
Coal (in 2017 Quantity 4,380,803 MT and in 2016 Quantity 5,126,392 MT)	995,770,331,249	1,029,103,491,124
<b>Total</b>	<b>995,770,331,249</b>	<b>1,029,103,491,124</b>

**22. COST OF SALES**

	2017	2016
Opening stocks	78,827,445,434	147,102,800,685
Direct cost		
OB removal service	199,343,940,614	251,010,877,844
Solar & FOG expenses	104,021,524,616	151,833,109,200
Salaries	88,772,430,203	119,633,998,553
Crane hiring rent	57,116,089,547	65,520,203,210
Depreciation	46,337,420,819	65,491,194,413
Barges rent	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
Stevedoring expenses	12,892,504,616	14,826,599,097
Excavator expenses	12,671,744,764	21,438,882,944
Coal handling plant	12,472,222,676	16,235,717,488
Drilling and exploration expenses	9,504,796,458	871,070,500
Generator expenses	9,186,209,632	6,348,289,199
Demurage expenses	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
Pickup expenses	1,562,174,965	1,705,449,966
Loading & unloading	528,463,120	1,003,360,379
Agency fees for barges	262,644,900	768,668,940
Marine insurance	426,579,281	531,550,458
Wages (site)	233,687,455	482,188,922
Others	7,078,740	435,514,854
Subtotal direct cost	657,870,708,588	884,257,708,983
Closing stocks	(33,861,617,772)	(78,827,445,434)
<b>Total</b>	<b>702,836,536,250</b>	<b>952,533,064,234</b>

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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( Expressed in Rupiah, unless otherwise stated)

**23. GENERAL AND ADMINISTRATIVE EXPENSES**

	2017	2016
Royalty	26,407,314,162	26,077,697,449
Amortization of deferred expenses	17,436,742,197	14,656,978,860
Traveling expenses	10,439,256,606	12,393,616,688
Repair and maintenance	5,739,095,159	10,454,324,026
Fooding expenses	6,677,917,978	9,497,984,214
Misscelenous	1,590,536,309	8,697,355,393
Medical	4,673,048,672	4,931,408,913
Tax expenses	2,516,437,857	4,081,944,042
Employee benefit	5,081,314,965	4,062,919,308
Office expenses	4,208,702,215	3,690,503,421
Legal & professional fees	2,264,127,028	3,415,516,359
CSR expenses	1,109,733,000	2,974,423,410
Insurance expenses	5,055,851,460	2,769,190,263
Honorarium	2,642,252,187	2,592,569,167
Miscellaneous shipping	3,510,846,800	1,339,765,800
Fresh water charges	680,958,844	922,714,132
IPK expense	64,284,364	756,666,823
Heavy earth moving vehicle taxes	378,731,600	583,941,300
Speed boat charges	291,832,454	538,300,000
Reclamation expenses	351,317,348	506,183,972
Coal handling service	118,121,496	117,631,056
Rent	545,114,041	480,614,764
Others	1,905,908,844	2,100,436,931
<b>Total</b>	<b>103,689,445,586</b>	<b>117,642,686,291</b>

**24. OTHERS INCOME (EXPENSES)**

	2017	2016
<b>OTHERS INCOME</b>		
Net interes income	1,218,217,235	1,165,128,570
Profit/(Loss) sale of asset	1,013,688,951	3,862,554,420
Dividend income	28,990,100	32,002,500
	<b>2,260,896,286</b>	<b>5,059,685,490</b>
<b>OTHER (EXPENSES)</b>		
Foreign exchange gain/loss	(6,374,707,577)	(15,990,912,661)
Bank charges	(969,641,234)	(1,176,090,905)
Others	(790,763,954)	(1,431,909,368)
	<b>(8,135,112,765)</b>	<b>(18,598,912,934)</b>
<b>Total</b>	<b>(5,874,216,479)</b>	<b>(13,539,227,444)</b>

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

( Expressed in Rupiah, unless otherwise stated)

**25. FINANCIAL ASSET 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
<b>Financial assets :</b>				
Cash and cash equivalents	16,168,128,070	16,168,128,070	-	-
Sundry debtors	-	-	-	-
Advance	29,100,145,116	29,100,145,116	-	-
Investments	200,000,000	-	200,000,000	-
<b>Total financial assets</b>	<b>45,468,273,186</b>	<b>45,268,273,186</b>	<b>200,000,000</b>	<b>-</b>
<b>Financial liabilities :</b>				
Sundry creditors	87,943,942,274	87,943,942,274	-	-
Others payable	632,571,641,435	632,571,641,435	-	-
Loans	36,540,733,317	36,540,733,317	-	-
<b>Total financial liabilities</b>	<b>757,056,317,026</b>	<b>757,056,317,026</b>	<b>-</b>	<b>-</b>

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
<b>Financial assets :</b>				
Cash and cash equivalents	35,765,350,631	35,765,350,631	-	-
Sundry debtors	-	-	-	-
Advance	26,588,058,905	26,588,058,905	-	-
Investments	200,000,000	-	200,000,000	-
<b>Total financial assets</b>	<b>62,553,409,536</b>	<b>62,353,409,536</b>	<b>200,000,000</b>	<b>-</b>
<b>Financial liabilities :</b>				
Sundry creditors	111,577,651,843	111,577,651,843	-	-
Others payable	875,358,557,106	875,358,557,106	-	-
Loans	39,971,115,222	39,971,115,222	-	-
<b>Total financial liabilities</b>	<b>1,026,907,324,171</b>	<b>1,026,907,324,171</b>	<b>-</b>	<b>-</b>

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended March 31, 2017

*( Expressed in Rupiah, unless otherwise stated)*

**26. GOING CONCERN**

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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**

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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**

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The supplementary information on pages 27 to 38 represents financial information of PT Niaga Antar Bangsa (parent company only) as at and for the years ended March 31, 2017 and 2016, which presents the Company's investment in subsidiaries 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 NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF FINANCIAL POSITION  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	i	67,084,823	83,838,161
Sundry debtors	ii	3,352,559,700	2,508,513,205
Advances	iii	19,730,800	12,344,000
Prepaid Tax	iv	-	209,786,870
<b>Total Current Assets</b>		<b>3,439,375,323</b>	<b>2,814,482,236</b>
<b>Non Current Assets</b>			
Capital advance	v	16,647,400,000	16,638,200,000
Fixed assets - net	vi	250,800,000	334,400,000
Long-term investments	vii	9,795,000,000	9,795,000,000
Deferred charges	viii	5,265,348,882	5,265,348,882
Deferred tax assets	xi.c	-	366,542,186
<b>Total Non Current Assets</b>		<b>31,958,548,882</b>	<b>32,399,491,068</b>
<b>TOTAL ASSETS</b>		<b>35,397,924,205</b>	<b>35,213,973,304</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Sundry creditors	ix	27,455,512	881,823,946
Provisions	x	-	41,560,609
Taxes payables	xi.a	243,767,733	492,708,456
Other payables	xii	12,277,594,467	11,530,622,797
<b>Total Current Liabilities</b>		<b>12,548,817,712</b>	<b>12,946,715,808</b>
<b>Non Current Liabilities</b>			
Unsecured loans	xiii	25,122,900,000	25,488,700,000
<b>Total Non Current Liabilities</b>		<b>25,122,900,000</b>	<b>25,488,700,000</b>
<b>TOTAL LIABILITIES</b>		<b>37,671,717,712</b>	<b>38,435,415,808</b>
<b>EQUITY</b>			
Authorized capital - 4,000 shares Rp500,000 par value per share			
Share capital - 1,020 shares subscribed and fully paid up	xiv	510,000,000	510,000,000
Capital reserves		50,000,000	-
Accumulated profit (loss)		(2,833,793,507)	(3,731,442,504)
<b>TOTAL EQUITY</b>		<b>(2,273,793,507)</b>	<b>(3,221,442,504)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>35,397,924,205</b>	<b>35,213,973,304</b>



Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

	Notes	2017	2016
SALES	xv	4,461,051,890	3,644,050,000
COST OF SALES	xvi	(1,273,800,130)	(1,702,843,359)
GROSS PROFIT		3,187,251,760	1,941,206,641
GENERAL AND ADMINISTRATIVE EXPENSE	xvii	(214,830,118)	(63,281,421)
OPERATING PROFIT		2,972,421,642	1,877,925,220
OTHER INCOME (EXPENSE)	xviii		
Other income		9,267,770	38,565,999
Other expenses		(1,672,887,710)	(1,496,733,585)
OTHER INCOME (EXPENSE)		(1,663,619,940)	(1,458,167,586)
PROFIT BEFORE INCOME TAX		1,308,801,702	419,757,634
TAX INCOME (EXPENSES)			
Current tax	xi.b	(44,610,519)	(36,440,500)
Deferred Tax (expense) income		(366,542,186)	7,500,254
		(411,152,705)	(28,940,246)
NET PROFIT FOR THE YEAR		897,648,997	390,817,388
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		897,648,997	390,817,388

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

	Notes	Share capital	Capital Reserves	Accumulated profit	Total
Balance as of March 31, 2015		510,000,000	-	(4,122,259,892)	(3,612,259,892)
Comprehensive income (loss) for the year		-	-	390,817,388	390,817,388
Balance as of March 31, 2016		<u>510,000,000</u>	<u>-</u>	<u>(3,731,442,504)</u>	<u>(3,221,442,504)</u>
Asset of tax amnesty		-	50,000,000	-	50,000,000
Comprehensive income (loss) for the year		-	-	897,648,997	897,648,997
Balance as of March 31, 2017		<u>510,000,000</u>	<u>50,000,000</u>	<u>(2,833,793,507)</u>	<u>(2,273,793,507)</u>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF CASH FLOW  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

	2017	2016
Cash flows from operating activities		
Profit/(loss) before income tax	1,308,801,702	419,757,634
Add items not affecting operating cash flows		
Depreciation	83,600,000	83,600,000
Operating cash flows before changes in working capital	1,392,401,702	503,357,634
Changes in working capital		
Other payables	746,971,670	2,300,909,699
Taxes payables	(248,940,723)	262,298,052
Provision	(41,560,609)	25,060,609
Advances	(7,386,800)	1,500,000
Sundry creditors	(854,368,434)	(4,224,621,259)
Sundry debtors	(844,046,495)	(984,503,605)
Prepaid tax	209,786,870	(14,111,200)
Net changes in working capital	(1,039,544,521)	(2,633,467,704)
Income tax	(44,610,519)	(36,440,500)
Net cash flows provided from (used in) operating activities	308,246,662	(2,166,550,570)
Cash flows from investing activities		
Capital advance	(9,200,000)	(47,744,000)
Investments	-	(131,500,000)
Net cash flows used in investing activities	(9,200,000)	(179,244,000)
Cash flows from financing activities		
Unsecured loans	(365,800,000)	2,395,900,000
Capital reserves	50,000,000	-
Net cash flows provided from financing activities	(315,800,000)	2,395,900,000
Net increase/(decrease) in cash and cash equivalents	(16,753,338)	50,105,430
Cash and cash equivalents at the beginning of the year	83,838,161	33,732,731
Cash and cash equivalents at the end of the year	67,084,823	83,838,161

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

**i. CASH AND CASH EQUIVALENTS**

	2017	2016
Bank Accounts:		
Bank Mandiri IDR Jakarta	67,084,823	83,838,161
	<u>67,084,823</u>	<u>83,838,161</u>

**ii. SUNDRY DEBTORS**

	2017	2016
Related Party		
PT Mitra Niaga Mulia	1,717,559,700	-
PT Gemilang Putra Pertiwi	1,635,000,000	1,635,000,000
PT Lamindo Inter Multikon	-	873,513,205
	<u>3,352,559,700</u>	<u>2,508,513,205</u>

The aging analysis of sundry debtor is as follows :

Current	1,635,000,000	1,635,000,000
Total	<u>1,635,000,000</u>	<u>1,635,000,000</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.

**iii. ADVANCES**

	2017	2016
Advance staff	19,730,800	12,344,000
	<u>19,730,800</u>	<u>12,344,000</u>

**iv. PREPAID TAXES**

	2017	2016
VAT On Purchase	-	209,786,870
	<u>-</u>	<u>209,786,870</u>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

v. **ADVANCE**

	2017	2016
Capital advance	16,647,400,000	16,638,200,000
	<u>16,647,400,000</u>	<u>16,638,200,000</u>

vi. **FIXED ASSETS**

March 31, 2017				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Acquisition cost:</b>				
Drilling machine	836,000,000	-	-	836,000,000
	<u>836,000,000</u>	<u>-</u>	<u>-</u>	<u>836,000,000</u>
<b>Accumulated depreciation:</b>				
Drilling machine	501,600,000	83,600,000	-	585,200,000
	<u>501,600,000</u>	<u>83,600,000</u>	<u>-</u>	<u>585,200,000</u>
Net book value	<u>334,400,000</u>			<u>250,800,000</u>

March 31, 2016				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Acquisition cost:</b>				
Drilling machine	836,000,000	-	-	836,000,000
	<u>836,000,000</u>	<u>-</u>	<u>-</u>	<u>836,000,000</u>
<b>Accumulated depreciation:</b>				
Drilling machine	418,000,000	83,600,000	-	501,600,000
	<u>418,000,000</u>	<u>83,600,000</u>	<u>-</u>	<u>501,600,000</u>
Net book value	<u>418,000,000</u>			<u>334,400,000</u>

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

	2017	2016
Cost of sales	83,600,000	83,600,000
Total	<u>83,600,000</u>	<u>83,600,000</u>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2017

( Expressed In Rupiah, unless otherwise stated)

**vii. LONG-TERM INVESTMENTS**

Investee	Domicile	Percentage ownership	2017	2016
<u>Subsidiaries:</u>				
PT Lamindo Inter Multikon	Jakarta	75%	7,875,000,000	7,875,000,000
PT Hasta Mudra	Jakarta	75%	750,000,000	750,000,000
PT Suar Harapan Bangsa	Jakarta	75%	412,500,000	412,500,000
PT Gemilang Putra Pertiwi	Jakarta	75%	382,500,000	382,500,000
PT Tambang Sejahtera Bersama	Jakarta	75%	375,000,000	375,000,000
			<u>9,795,000,000</u>	<u>9,795,000,000</u>

On September 28, 2015, based on Notarial Deed transfer of ownership of shares, the Company agreed transferred ownership of share in PT Mitra Niaga Mulia 656 shares (75%) to PT Lamindo Inter Multikon the transfer price of Rp656.000.000. On the transfer of ownership of shares, was notarized by Deed No. 10 dated September 28, 2015 which was notarized in Notarial Rohana Frieta, AH. This transaction effectively occurs at the closing date March 31, 2016.

**viii DEFERRED CHARGES**

Balance and movement of deferred charges for the year ended March 31, 2017 and 2016:

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Acquisition cost:</u>				
Pre-operative expense-				
Kutai Timur	5,265,348,882	-	-	5,265,348,882
Total Acquisition Cost	5,265,348,882	-	-	5,265,348,882
Net book value	<u>5,265,348,882</u>			<u>5,265,348,882</u>

**ix. SUNDRY CREDITORS**

	2017	2016
Employee	455,512	3,310,741
Other	27,000,000	878,513,205
	<u>27,455,512</u>	<u>881,823,946</u>

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x. PROVISIONS

	2017	2016
Provision for expenses payable	-	41,560,609
	-	41,560,609

xi. TAXATION

	2017	2016
a. Taxes payable		
VAT on sales	215,232,700	449,290,750
With Holding Tax 25	21,523,270	36,440,500
Income tax - article 21	7,011,763	6,977,206
	243,767,733	492,708,456

b. Tax income/(expense)

	2017	2016
Deferred tax income/(expenses)	(366,542,186)	7,500,254
Total	(366,542,186)	7,500,254

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	1,308,801,702	419,757,634
<u>Temporary differences:</u>		
Depreciation of fixed assets	30,001,016	22,344,019
<u>Permanent differences:</u>		
Insurance	87,639,250	87,639,250
Interest from Bank	(165,999)	165,999
Taxable income before tax loss carry forward	1,426,275,969	529,906,902
Addition: Tax loss carry forward	-	(7,248,663,528)
Estimated taxable loss	1,426,275,969	(6,718,756,625)

Based on Government Regulation No. 46 year 2013, in 2017 the Company fall under 1% final tax. The calculation as follow:

	2017	2016
Revenue	4,461,051,890	3,644,050,000
Corporate tax payable - article 29 (rate 1%)	44,610,519	36,440,500

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***xi. TAXATION***

**c. Deferred tax**

	2017	2016
<u>Deferred tax assets</u>		
Tax loss	-	1,478,084,326
Depreciation fixed assets	-	10,198,222
Sub total	-	1,488,282,547
<u>Deferred tax liabilities</u>		
Pre-operative expenses	-	(1,121,740,362)
Sub total	-	(1,121,740,362)
Deferred tax Asset/( Liabilities)	-	366,542,186

**d. 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.

On January 16, 2017, the company have taken advantage of the tax amnesty program in accordance with constitution No. 11 Year 2016. Based on the Certificate of Tax Amnesty (SKPP) of the Directorate General of Taxation No. KET-1948/PP/WPJ.04/2017 dated January 23, 2017, an additional amount of tax amnesty assets is current asset amount Rp 50,000,000 with the amount are recognized in the income statement upon receipt Certificate of Tax Amnesty is Rp 1,000,000.

***xii. OTHER PAYABLES***

	2017	2016
Interest payable	12,265,684,142	10,653,189,532
Outstanding expense	11,076,193	873,576,528
Jamsostek payable	834,132	3,856,737
	12,277,594,467	11,530,622,797



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**xiii. UNSECURED LOANS**

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

	2017	2016
PT Adani Global	24,907,900,000	25,248,700,000
PT Sumber Bara	215,000,000	240,000,000
	<u>25,122,900,000</u>	<u>25,488,700,000</u>

The Company received unsecured loan from related party, PT Adani Global, to support mine acquisition and working capital.

**xiv. SHARE CAPITAL**

The Company's authorized capital consist of 4,000 shares with par value per share of Rp 500,000,- 1,020 shares issued and paid up capital.

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 Sumber Bara	765	75%	382,500,000
PT Energy Resource	255	25%	127,500,000
	<u>1020</u>	<u>100%</u>	<u>510,000,000</u>

**xv. SALES**

This account represents sales of drilling service for the period ended March 31, 2017 and March 31, 2016 amounting to Rp 4,461,051,890 and Rp 3.644.050.000.

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*xvi. COST OF SALES*

	2017	2016
Salaries & allowance	761,035,326	1,313,670,583
Pension retirement	314,549,217	159,021,450
Depreciation	83,600,000	83,600,000
Field break travel	29,100,000	40,500,000
Electricity & water	18,946,667	28,855,000
Legal fees	1,000,000	26,700,000
Contribution to deat	35,988,231	21,251,801
Audit fees	22,000,000	20,000,000
Others	7,580,689	9,244,525
	<u>1,273,800,130</u>	<u>1,702,843,359</u>

*xvii. GENERAL AND ADMINISTRATIVE EXPENSE*

	2017	2016
Medical expenses	43,554,500	62,281,421
Tax expenses	171,275,618	1,000,000
	<u>214,830,118</u>	<u>63,281,421</u>

*xviii. OTHERS INCOME (EXPENSES)*

	2017	2016
Other Income		
Foreign exchange gain/loss (unrealised)	9,200,000	38,400,000
Interest income	67,770	165,999
	<u>9,267,770</u>	<u>38,565,999</u>
Other Expenses		
Foreign exchange gain/loss (realised)	(1,621,694,610)	(1,494,337,130)
Bank charges	(1,193,100)	(2,396,455)
Other expense	(50,000,000)	-
	<u>(1,672,887,710)</u>	<u>(1,496,733,585)</u>
Other Income (Expense) - net	<u>(1,663,619,940)</u>	<u>(1,458,167,586)</u>

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**xix. GOING CONCERN**

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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.

**xx. SUBSEQUENT EVENTS**

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