

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**

**Consolidated Financial Statements**

For the year ended March 31, 2018



**INDEPENDENT AUDITORS' REPORT**

Ref : R-409/NAB-KPS/SYM06/IV/2018

**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 March 31, 2018, 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 March 31, 2018, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

### **Other matter**

Our audit of the accompanying consolidated financial statements of the Group as of March 31, 2018 and for the year then ended was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of the Company (parent entity), which comprises the statement of financial position as of March 31, 2018, 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

23 April 2018

Ref. : R-409/NAB-KPS/SYM06/IV/2018



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**PT. NIAGA ANTAR BANGSA**

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

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**DIRECTORS' STATEMENT  
REGARDING THE RESPONSIBILITY ON  
THE FINANCIAL STATEMENTS  
PT NIAGA ANTAR BANGSA AND SUBSIDIARIES  
FOR THE YEAR ENDED  
March 31, 2018**

We, the undersigned :

Name : Mr. Dani Daksinaputra  
Office address : Graha Mustika Ratu, Lantai 3, Jl. Jend.Gatot Subroto Kav. 74-75 Jakarta Selatan  
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 the company's financial statement;
2. The company's financial statements have been prepared and presented in conformity with Indonesian Finance Accounting Standard;
3. a. All information in the company's financial statements have been disclosed in a complete and truthful manner;  
b. The company's financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts; and
4. We are responsible for the company's internal control system.

*This statements is made truthfully.*

**Jakarta , April 23, 2018**



Mr. Dani Daksinaputra  
*Director*

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	24,879,213,153	16,168,128,070
Sundry debtors	2d, 4	18,575,139,480	-
Inventory	5	105,085,111,288	55,146,813,952
Prepaid and Advances	6	36,460,065,916	31,284,708,740
<b>Total current assets</b>		<b>184,999,529,837</b>	<b>102,599,650,762</b>
<b>NON CURRENT ASSETS</b>			
Capital advance	7	16,734,200,000	16,647,400,000
Fixed assets - net	2f, 8	143,578,023,750	194,847,397,958
Investments	2i	200,000,000	200,000,000
Deferred charges	2e,9	141,712,292,172	162,342,768,743
Deposits	10	30,420,456,185	28,089,636,764
Deferred tax assets	2j,13c	30,851,490,703	72,121,744,332
Others assets	11	33,512,244,529	15,821,690,336
<b>Total non current assets</b>		<b>397,008,707,339</b>	<b>490,070,638,133</b>
<b>TOTAL ASSETS</b>		<b>582,008,237,176</b>	<b>592,670,288,895</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>SHORT TERM LIABILITIES</b>			
Sundry creditors	2h,12	149,708,104,375	87,943,942,274
Taxes payables	2j,13a	8,601,597,869	10,843,208,428
Other payables	14	465,088,336,250	632,571,641,435
<b>Total short term liabilities</b>		<b>623,398,038,494</b>	<b>731,358,792,137</b>
<b>LONG TERM LIABILITIES</b>			
Provision for retirement benefits	15	27,005,475,728	22,092,110,706
Loans	16	32,014,334,211	36,540,733,317
<b>Total long term liabilities</b>		<b>59,019,809,939</b>	<b>58,632,844,023</b>
<b>TOTAL LIABILITIES</b>		<b>682,417,848,433</b>	<b>789,991,636,160</b>
<b>EQUITY</b>			
Authorized capital - 4,000 shares <i>Rp500,000 par value per share</i>			
Share capital - 1020 shares <i>subscribed and fully paid up</i>	18	510,000,000	510,000,000
Accumulated profit (Loss)		(55,593,509,169)	(132,991,191,651)
Capital reserves		50,000,000	50,000,000
Additional paid in capital		(876,180,377)	(876,180,377)
Other comprehensive income		(22,122,884,631)	(17,840,123,897)
<b>Total Equity Attributable to Owners of the Company</b>		<b>(78,032,574,177)</b>	<b>(151,147,495,925)</b>
<b>Non controlling interest</b>	17	<b>(22,377,037,080)</b>	<b>(46,173,851,340)</b>
<b>TOTAL EQUITY</b>		<b>(100,409,611,257)</b>	<b>(197,321,347,265)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>582,008,237,176</b>	<b>592,670,288,895</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended March 31, 2018

*( Expressed in Rupiah, unless otherwise stated)*

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
<b>SALES</b>	2k, 19	<b>1,050,291,245,506</b>	<b>995,770,331,249</b>
<b>COST OF SALES</b>	20	<b>(738,056,627,512)</b>	<b>(706,692,628,366)</b>
<b>GROSS PROFIT</b>		<b>312,234,617,994</b>	<b>289,077,702,883</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	2k, 21	<b>(136,014,969,151)</b>	<b>(99,833,353,470)</b>
<b>OPERATING PROFIT (LOSS)</b>		<b>176,219,648,843</b>	<b>189,244,349,413</b>
<b>OTHER INCOME/ (EXPENSES)</b>	2k, 22		
Other income		2,226,647,000	2,260,896,286
Other expenses		(28,170,434,016)	(8,135,112,765)
		<b>(25,943,787,016)</b>	<b>(5,874,216,479)</b>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>150,275,861,827</b>	<b>183,370,132,934</b>
Current tax	13b	(6,383,524,544)	(8,938,348,050)
Deferred tax	13b	(42,697,840,541)	(30,085,107,834)
		<b>(49,081,365,085)</b>	<b>(39,023,455,884)</b>
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>101,194,496,743</b>	<b>144,346,677,050</b>
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>			
Actuarial losses		(5,710,347,646)	(8,955,945,159)
Related income tax		1,427,586,912	2,238,986,290
		<b>(4,282,760,735)</b>	<b>(6,716,958,869)</b>
<b>TOTAL COMPREHENSIVE INCOME (EXPENSE)</b>		<b>96,911,736,008</b>	<b>137,629,718,181</b>
<b>Net Profit Attributable to:</b>			
Owners of the parent		77,431,479,886	110,163,659,754
Non controlling interest	17	23,763,016,857	34,183,017,296
		<b>101,194,496,743</b>	<b>144,346,677,050</b>
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the parent		73,148,719,152	103,446,700,885
Non controlling interest	17	23,763,016,857	34,183,017,296
		<b>96,911,736,008</b>	<b>137,629,718,181</b>

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

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the year ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

Notes	Share capital	Other Comprehensive Income	Accumulated profit/(loss)	Capital Reserves	Additional paid in capital	Non controlling interest	Total
<b>Balance as of March 31, 2016</b>	<b>510,000,000</b>	<b>(11,123,165,028)</b>	<b>(243,187,171,810)</b>	<b>-</b>	<b>(876,180,377)</b>	<b>(80,323,071,233)</b>	<b>(334,999,588,447)</b>
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
<b>Balance as of March 31, 2017</b>	<b>510,000,000</b>	<b>(17,840,123,897)</b>	<b>(133,024,989,056)</b>	<b>50,000,000</b>	<b>(876,180,377)</b>	<b>(46,140,053,937)</b>	<b>(197,321,347,265)</b>
Net profit (loss) for the year	-	(4,282,760,735)	77,431,479,886	-	-	23,763,016,857	96,911,736,008
<b>Balance as of March 31, 2018</b>	<b>510,000,000</b>	<b>(22,122,884,631)</b>	<b>(55,593,509,170)</b>	<b>50,000,000</b>	<b>(876,180,377)</b>	<b>(22,377,037,080)</b>	<b>(100,409,611,257)</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
For the year ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

	2018	2017
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before income tax</b>	<b>150,275,861,827</b>	<b>183,370,132,934</b>
<i>Add items not affecting operating cash flows</i>		
Comprehensive income	(4,282,760,735)	(6,716,958,869)
Depreciation of fixed assets	37,095,083,957	46,337,421,541
Retained earning adjusted	-	(1,477,000)
Amortization of deferred charges	21,749,199,458	17,436,729,049
Provision for retirement benefits	4,913,365,022	3,442,419,154
Profit (Loss) fixed asset	4,390,505,430	(1,013,688,951)
<b>Operating cash flows before changes in working capital</b>	<b>214,141,254,959</b>	<b>242,854,577,858</b>
Changes in working capital		
Sundry debtors	(18,575,139,480)	459,880,507
Inventory	(49,938,297,336)	49,373,800,634
Advances	(5,175,357,176)	(2,512,086,211)
Prepaid expenses	-	2,088,146,069
Prepaid taxes	-	84,885,750
Other assets	7,979,838,559	(2,853,220,798)
Deposits	(2,330,819,421)	(476,877,610)
Sundry creditors	61,764,162,101	(23,633,709,569)
Provision	-	(28,369,675,521)
Taxes paid	(26,315,689,296)	(7,776,009,479)
Other payables	67,424,941,709	(60,954,276,100)
Net changes in working capital	34,833,639,660	(74,569,142,328)
<b>Net cash flows provided from (used in) operating activities</b>	<b>248,974,894,619</b>	<b>168,285,435,530</b>
<b>Cash flows from investing activities</b>		
Advance capital	(86,800,000)	(9,200,000)
Acquisition of fixed assets	(1,480,295,228)	(2,733,493,874)
Disposal of fixed assets	1,856,654,579	1,271,727,044
Deferred charges	(1,118,722,887)	(1,198,669,786)
<b>Net cash flows used in investing activities</b>	<b>(829,163,536)</b>	<b>(2,669,636,616)</b>
<b>Cash flows from financing activities</b>		
Capital reserves	-	50,000,000
Advance Adani Global Pte.	(234,908,246,894)	(181,832,639,571)
Unsecured loans	(4,526,399,106)	(3,430,381,905)
<b>Net cash flows used from financing activities</b>	<b>(239,434,646,000)</b>	<b>(185,213,021,476)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,711,085,083</b>	<b>(19,597,222,561)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>16,168,128,070</b>	<b>35,765,350,631</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>24,879,213,153</b>	<b>16,168,128,070</b>

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

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

*( 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:

**2018 & 2017**

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Commissioner : Ms. Prosidawaty Malemta

Director

President Director : Drs.Abdi Khalik Ginting

Director : Mr. Dani Daksinaputra

As of March 31, 2018 and 2017 the Company has a total of 8 and 9 employees. The Subsidiary PT Lamindo Inter Multikon total employees as of March 31, 2018 and 2017 has a total 544 and 625 employees. The Subsidiary PT Mitra Niaga Mulia total employees as of March 31, 2018 and 2017 had total of 52 and 57 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, 2018

*( 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, 2018 and 2017, the composition of the Company and its subsidiaries (collectively referred to as the "Company") is as follows:

<b>Company Name</b>	<b>Domicile</b>	<b>Percentage ownership</b>	<b>Total Aset 2018</b>	<b>Total Aset 2017</b>
<b>Subsidiaries with direct ownership</b>				
PT Lamindo Inter Multikon	Jakarta	75%	380,695,085,226	356,627,571,106
PT Mitra Niaga Mulia	Jakarta	75%	217,414,956,590	190,171,458,052
PT Hasta Mudra	Jakarta	75%	2,506,398,678	2,376,760,178
PT Gemilang Pusaka Pertiwi	Jakarta	75%	1,884,253,784	1,887,828,883
PT Tambang Sejahtera Bersama	Jakarta	75%	8,369,364,048	8,046,159,939
PT Suar Harapan Bangsa	Jakarta	75%	12,606,614,807	11,966,146,232

**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 23, 2018.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

*( Expressed in Rupiah, unless otherwise stated)*

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

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**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>2018</u>		<u>2017</u>	
US Dollar (USD) 1	Rp	13,756	Rp	13,322

**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.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

*( Expressed in Rupiah, unless otherwise stated)*

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

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**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:

	<u>Years</u>
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, 2018

*( 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".

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.

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

**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

**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**

	<b>2018</b>	<b>2017</b>
<b>Cash on hand</b>	38,516,800	37,301,600
<b>Bank IDR</b>		
- PT Bank Mandiri (Persero) Tbk	1,309,149,671	1,394,210,247
- BPD Kaltim	177,323,500	2,273,247,411
- PT Bank Negara Indonesia (Persero) Tbk	544,646,517	313,615,270
- PT Bank CIMB Niaga Tbk	14,793,835	16,721,835
- State Bank Of India	199,768,601	823,657
<b>Subtotal</b>	<b>2,245,682,124</b>	<b>3,998,618,420</b>
<b>Bank USD</b>		
- PT Bank Mandiri (Persero) Tbk (USD 1,526,334.19 in 2018 and USD 660,234.77 in 2017)	20,996,253,117	8,795,647,606
- State Bank Of India (USD 53,759.28 in 2018 and USD 53,859.26 in 2017)	739,512,656	717,513,061
- Standard Chartered Bank (USD 62,463.54 in 2018 and 196,595.66 in 2017)	859,248,456	2,619,047,383
<b>Subtotal</b>	<b>22,595,014,229</b>	<b>12,132,208,050</b>
<b>Total bank</b>	<b>24,840,696,353</b>	<b>16,130,826,470</b>
<b>Total cash and cash equivalents</b>	<b>24,879,213,153</b>	<b>16,168,128,070</b>

**4. SUNDRY DEBTORS**

	<b>2018</b>	<b>2017</b>
Sundry debtors	18,575,139,480	-
<b>Total</b>	<b>18,575,139,480</b>	<b>-</b>
The aging analysis of sundry debtor is as follows :		
Due date :		
Less than 90 days	18,575,139,480	-
<b>Total</b>	<b>18,575,139,480</b>	<b>-</b>

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

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

**5. INVENTORY**

	<u>2018</u>	<u>2017</u>
Coal	89,213,144,074	33,861,617,772
Sparepart	11,028,510,848	15,035,237,507
Fuel	4,843,456,366	6,249,958,673
<b>Total</b>	<b><u>105,085,111,288</u></b>	<b><u>55,146,813,952</u></b>

As of March 31, 2018, inventory crushed coal and Run of Mine in the open storage are covered by insurance. Based on Management's opinion, the insurance is adequate to cover possible losses.

**6. PREPAID AND ADVANCES**

	<u>2018</u>	<u>2017</u>
Advances to supplier and service provider	35,165,878,369	28,090,740,143
Insurance claim	305,937,107	216,879,220
Advance to staff	988,250,440	792,525,753
Prepaid expenses	-	2,184,563,624
<b>Total</b>	<b><u>36,460,065,916</u></b>	<b><u>31,284,708,740</u></b>

**7. CAPITAL ADVANCE**

	<u>2018</u>	<u>2017</u>
Capital advance	16,734,200,000	16,647,400,000
<b>Total</b>	<b><u>16,734,200,000</u></b>	<b><u>16,647,400,000</u></b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
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For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**8. FIXED ASSETS**

Balance and movement of fixed assets for the year ended March 31, 2018:

	<b>2018</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Reclasifications</b>	
<b>Acquisition cost:</b>					
Land	1,454,326,754	-	-	-	1,454,326,754
Building and structures	60,879,251,872	-	6,297,940,000	-	54,581,311,872
Jetty	43,893,467,898	-	3,842,815,900	-	40,050,651,998
plant & machinery	271,849,293,491	1,194,455,228	-	-	273,043,748,719
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	9,354,482,091	-	1,396,193,334	-	7,958,288,757
Computer	2,471,866,248	68,590,000	-	-	2,540,456,248
Office equipment - furniture	12,723,648,916	217,250,000	102,339,997	-	12,838,558,919
Mining equipment	245,031,649,492	-	17,042,723,240	-	227,988,926,252
Misc. site equipment	8,810,388,288	-	-	-	8,810,388,288
<b>Total acquisition cost</b>	<b>657,304,375,050</b>	<b>1,480,295,228</b>	<b>28,682,012,471</b>	<b>-</b>	<b>630,102,657,807</b>
<b>Accumulated depreciation:</b>					
Building and structures	33,124,406,694	2,286,112,031	2,308,741,406	-	33,101,777,319
Jetty	18,024,655,751	2,178,354,588	1,584,854,485	-	18,618,155,854
Plant & machinery	157,804,728,691	27,077,392,571	-	-	184,882,121,262
Drilling machine	585,200,000	83,600,000	-	-	668,800,000
Vehicle	9,189,800,714	164,681,377	1,396,193,334	-	7,958,288,757
Computer	2,351,685,256	72,508,533	-	-	2,424,193,789
Office equipment furniture	9,765,218,482	2,033,528,151	102,339,997	-	11,696,406,636
Mining equipment	240,194,833,401	3,198,906,706	17,042,723,240	-	226,351,016,867
Misc. site equipment	998,496,062	-	-	-	998,496,062
<b>Total accumulated depreciation</b>	<b>472,039,025,051</b>	<b>37,095,083,957</b>	<b>22,434,852,462</b>	<b>-</b>	<b>486,699,256,546</b>
<b>Net book value</b>	<b>185,265,349,999</b>				<b>143,403,401,261</b>
Works in progress					
Work in progress	9,582,047,959	157,192,524	9,564,617,994	-	174,622,489
<b>Total works in progress</b>	<b>9,582,047,959</b>	<b>157,192,524</b>	<b>9,564,617,994</b>	<b>-</b>	<b>174,622,489</b>
<b>Carrying value of fixed assets</b>	<b>194,847,397,958</b>				<b>143,578,023,750</b>

As of March 31, 2018, all fixed assets are covered by insurance with a total sum insured amounting to USD 42,516,500. Based on Management's opinion, the insurance is adequate to cover possible losses.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**8. FIXED ASSETS (Continued)**

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

	<b>2017</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Reclasifications</b>	
<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	-	2,471,866,248
Office equipment - furniture	12,466,449,916	257,199,000	-	-	12,723,648,916
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
<b>Total acquisition cost</b>	<b>662,280,463,904</b>	<b>295,381,500</b>	<b>13,049,829,085</b>	<b>7,778,358,731</b>	<b>657,304,375,050</b>
<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
<b>Total accumulated depreciation</b>	<b>438,493,394,502</b>	<b>46,337,421,541</b>	<b>12,791,790,992</b>	<b>-</b>	<b>472,039,025,051</b>
<b>Net book value</b>	<b>223,787,069,402</b>				<b>185,265,349,999</b>
<b>Works in progress</b>					
Work in progress	14,316,921,712	4,701,103,206	1,657,618,228	(7,778,358,731)	9,582,047,959
<b>Total works in progress</b>	<b>14,316,921,712</b>	<b>4,701,103,206</b>	<b>1,657,618,228</b>	<b>(7,778,358,731)</b>	<b>9,582,047,959</b>
<b>Carrying value of fixed assets</b>	<b>238,103,991,114</b>				<b>194,847,397,958</b>

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.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
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**9. DEFFERED CHARGES**

Balance and movement of deferred charges for the year ended March 31, 2018:

	2018			Ending balance
	Beginning balance	Additions	Deductions	
<b>Acquisition cost:</b>				
Land compensation	81,661,353,248	-	-	81,661,353,248
Miscellaneous expense	132,154,268,175	-	-	132,154,268,175
Pre-operative expense	3,857,299,518	1,118,722,887	-	4,976,022,405
<b>Total acquisition cost</b>	<b>217,672,920,940</b>	<b>1,118,722,887</b>	<b>-</b>	<b>218,791,643,827</b>
<b>Accumulated amortization:</b>				
Land compensation	18,021,239,618	10,881,192,595	-	28,902,432,213
Miscellaneous expense	37,308,912,580	10,868,006,863	-	48,176,919,442
<b>Total accumulated amortization</b>	<b>55,330,152,198</b>	<b>21,749,199,458</b>	<b>-</b>	<b>77,079,351,655</b>
<b>Net book value</b>	<b>162,342,768,743</b>			<b>141,712,292,172</b>

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

	2017			Ending balance
	Beginning balance	Additions	Deductions	
<b>Acquisition cost:</b>				
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
<b>Total acquisition cost</b>	<b>217,079,623,759</b>	<b>1,198,669,786</b>	<b>605,372,604</b>	<b>217,672,920,941</b>
<b>Accumulated amortization:</b>				
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
<b>Total accumulated amortization</b>	<b>37,893,423,149</b>	<b>17,436,729,049</b>	<b>-</b>	<b>55,330,152,198</b>
<b>Net book value</b>	<b>179,186,200,610</b>			<b>162,342,768,743</b>

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

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**10. DEPOSITS**

	<b>2018</b>	<b>2017</b>
Statutory Deposits	30,420,456,185	28,089,636,764
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	2,839,978,863
in 2018	5,043,979,733	-
<b>Total</b>	<b>29,546,093,365</b>	<b>24,502,113,632</b>

**11. OTHER ASSETS**

	<b>2018</b>	<b>2017</b>
Others assets	33,512,244,529	15,821,690,336
<b>Total</b>	<b>33,512,244,529</b>	<b>15,821,690,336</b>

Others assets represent income tax - article 28a.

**12. SUNDRY CREDITORS**

	<b>2018</b>	<b>2017</b>
Related parties		
- Sundry creditors - group company	7,772,349,200	3,258,050,200
Third parties		
- Sundry creditors for expenses	123,855,073,485	34,694,955,255
- Sundry creditors for goods/spares	10,850,133,888	47,430,926,146
- Sundry creditors for capital goods	7,230,547,802	2,560,010,673
<b>Total</b>	<b>149,708,104,375</b>	<b>87,943,942,274</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**13. TAXATION**

**a. Taxes payable**

	<u>2018</u>	<u>2017</u>
<b>Company</b>		
VAT-out	-	215,232,700
Income tax - article 23	47,560,810	21,523,270
Income tax - article 21	14,822,747	7,011,763
<b>Subtotal</b>	<b><u>62,383,557</u></b>	<b><u>243,767,733</u></b>
<b>Subsidiaries</b>		
Income tax - article 21	1,061,233,812	1,026,377,184
Income tax - article 23	928,209,065	606,415,570
Income tax - article 15	78,650,701	72,910,410
VAT-out	52,309,308	-
Income tax - article 26	51,556,581	-
Income tax - article 4 (2)	31,111,111	-
Income tax - article 29	6,336,143,734	8,893,737,531
<b>Subtotal</b>	<b><u>8,539,214,312</u></b>	<b><u>10,599,440,695</u></b>
<b>Total</b>	<b><u>8,601,597,869</u></b>	<b><u>10,843,208,428</u></b>

**b. Expense corporate income tax**

	<u>2018</u>	<u>2017</u>
<b>Company</b>		
Current tax expenses	(47,380,810)	(44,610,519)
Deferred tax income/(expenses)	-	(366,542,186)
<b>Subtotal</b>	<b><u>(47,380,810)</u></b>	<b><u>(411,152,705)</u></b>
<b>Subsidiaries</b>		
Current tax expenses	(6,336,143,734)	(8,893,737,531)
Deferred tax income/(expenses)	(42,697,840,541)	(29,718,565,648)
<b>Subtotal</b>	<b><u>(49,033,984,275)</u></b>	<b><u>(38,612,303,179)</u></b>
<b>Total</b>	<b><u>(49,081,365,085)</u></b>	<b><u>(39,023,455,884)</u></b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
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**13. TAXATION (Continued)**

**b. Expense corporate income tax (Continued)**

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

	<u>2018</u>	<u>2017</u>
<b>Consolidated income before income tax</b>	<b>150,275,861,827</b>	<b>183,370,132,934</b>
Less: Income (loss) before taxes subsidiary and elimination	-	(182,084,418,481)
Income before income tax - Company	<b>150,275,861,827</b>	<b>1,285,714,453</b>
<i>Temporary differences:</i>		
Depreciation of fixed assets	-	-
<i>Permanent differences:</i>		
Telephone expenses	-	-
Income subject to final income tax	-	-
Taxable income before tax loss carry forward	<b>150,275,861,827</b>	<b>1,285,714,453</b>
Adjustment	-	-
Addition: Tax loss carry forward	(150,275,861,827)	(1,285,714,453)
<b>Estimated taxable profit/(loss)</b>	<b>-</b>	<b>-</b>
Income tax article 29 - Company	-	-
Add: Corporate income tax - subsidiaries	(6,336,143,734)	(8,893,737,531)
<b>Corporate income tax - consolidated</b>	<b>(6,336,143,734)</b>	<b>(8,893,737,531)</b>

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

	<u>2018</u>	<u>2017</u>
Revenue	4,738,081,065	
Corporate tax payable - article 29 (rate 1%)	<b>47,380,810</b>	-

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**13. TAXATION (Continued)**

**c. Deferred tax**

	<u>2018</u>	<u>2017</u>
<b>Subsidiaries</b>		
<b>Deferred tax assets</b>		
Tax loss	1,383,178,991	45,085,484,610
Depreciation of fixed assets	24,126,783,360	23,496,045,451
Pension retirement benefit	6,655,686,000	5,427,344,744
<b>Deferred tax liabilities</b>		
Pre-operative expenses	(1,314,157,647)	(1,887,130,473)
<b>Sub total</b>	<u>30,851,490,703</u>	<u>72,121,744,332</u>
<b>Total</b>	<u><u>30,851,490,703</u></u>	<u><u>72,121,744,332</u></u>

**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 of ransom which are recognized in the income statement upon receipt Certificate of Tax Amnesty is Rp 1,000,000.

In accordance with the Constitution of Tax Amnesty, with the receipt of SKPP, all tax obligations until 2015 pardoned and all rights related taxation can not be utilized by the Company.

**14. OTHER PAYABLES**

	<u>2018</u>	<u>2017</u>
Interest payable	22,848,512,044	19,939,422,535
Salaries payable	7,265,229,643	1,918,978,716
Wages payable	438,510	438,510
Others	434,974,156,053	610,712,801,674
<b>Total</b>	<u><u>465,088,336,250</u></u>	<u><u>632,571,641,435</u></u>

Other payables includes receipts from customers

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**15. 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, 2018 and 2017 amounted to Rp 27,005,475,728, and Rp 22,092,110,706, respectively. As of March 31, 2018, 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:

	<u>2018</u>	<u>2017</u>
Salary increase rate	7%	7%
Discount rate	7,06%	7,68%
Mortality rate	TMI-III in 2011	TMI-III in 2011
Recognition of (liabilities) / assets in balance sheet:		
	<u>2018</u>	<u>2017</u>
<b>Subsidiaries</b>		
Assets and liabilities		
Present value of defined benefit obligation	27,005,475,728	22,092,110,706
Fair value of plan assets	-	-
Funding status	<u>27,005,475,728</u>	<u>22,092,110,706</u>
<b>Recognition of (liabilities) / assets in balance sheet</b>	<u>27,005,475,728</u>	<u>22,092,110,706</u>
<b>Subsidiaries</b>		
(Liabilities)/assets at beginning period	22,092,110,706	18,649,691,552
(Expenses)/revenue	5,422,241,844	5,081,314,965
Other comprehensive income / (expenses)	5,710,347,645	8,955,945,159
Realization of benefits payment	(6,219,224,467)	(10,594,840,970)
<b>(Liabilities)/assets at ending period</b>	<u>27,005,475,728</u>	<u>22,092,110,706</u>
<b>Expenses</b>		
Current services cost	3,727,264,457	3,556,757,213
Interest cost	1,694,977,387	1,524,557,752
Increase/ (decrease) in liabilities transition	-	-
<b>Expenses / (revenue) in income statement</b>	<u>5,422,241,844</u>	<u>5,081,314,965</u>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**16. LOANS**

**Unsecured loan**

As of March 31, 2018 and 2017 the balance of this account is follows:

	<u>2018</u>	<u>2017</u>
PT Adani Global	31,824,334,211	36,325,733,317
PT Sumber Bara	190,000,000	215,000,000
<b>Total</b>	<b><u>32,014,334,211</u></b>	<b><u>36,540,733,317</u></b>

**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.

**17. NON CONTROLLING INTEREST**

a. The balance of non controlling in net loss of subsidiaries on March 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
PT Niaga Lintas Samudra	23,763,016,857	34,183,017,296
<b>Total</b>	<b><u>23,763,016,857</u></b>	<b><u>34,183,017,296</u></b>

b. The balance of non controlling in subsidiaries' net assets at March 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
PT Niaga Lintas Samudra	(22,377,037,080)	(46,140,053,937)
<b>Total</b>	<b><u>(22,377,037,080)</u></b>	<b><u>(46,140,053,937)</u></b>

**18. 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, 2018 and 2017.

The composition of issued and paid-up shares as of March 31, 2018 and 2017 were as follows:

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

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**19. SALES**

	<b>2018</b>	<b>2017</b>
Coal	1,050,291,245,506	995,770,331,249
<b>Total</b>	<b>1,050,291,245,506</b>	<b>995,770,331,249</b>

**20. COST OF SALES**

	<b>2018</b>	<b>2017</b>
Opening stocks	33,861,617,772	78,827,445,434
Direct cost		
OB removal service	260,850,716,246	199,343,940,614
Solar & FOG expenses	128,951,926,945	104,021,524,616
Salaries	86,599,208,375	88,772,430,203
Crane hiring rent	73,198,991,311	57,116,089,547
Barges rent	40,501,680,432	42,707,058,293
Depreciation	37,095,083,957	46,337,420,819
Demurrage expenses	31,918,036,720	5,624,802,833
Dump truck expenses	26,501,770,206	19,152,214,438
Coal handling plant	17,235,902,664	12,472,222,676
Rental equipment charges	16,112,644,512	18,235,014,690
Excavator expenses	12,884,313,348	12,671,744,764
Generator expenses	12,379,312,265	9,186,209,632
Repair and maintenance	10,077,192,474	3,856,092,116
Drilling and exploration expenses	10,484,824,065	9,504,796,458
Stevedoring expenses	10,160,497,746	12,892,504,616
Dozer expenses	5,095,782,309	5,541,347,225
Freight others	4,515,805,259	4,256,538,115
General spares expenses	4,252,089,080	3,111,792,711
Testing & analysis expenses	1,745,309,562	3,902,427,877
Pickup expenses	1,672,201,019	1,562,174,965
Loading & unloading	662,237,003	528,463,120
Marine insurance	266,578,164	426,579,281
Wages (site)	188,982,245	233,687,455
Others	57,067,907	269,723,640
<b>Subtotal direct cost</b>	<b>793,408,153,814</b>	<b>661,726,800,704</b>
Closing stocks	(89,213,144,074)	(33,861,617,772)
<b>Total</b>	<b>738,056,627,512</b>	<b>706,692,628,366</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	<u>2018</u>	<u>2017</u>
Royalty / PNBP	40,620,544,787	26,407,314,162
Amortization of deferred expenses	21,749,199,458	17,436,742,197
Traveling expenses	10,930,138,260	10,439,256,606
Reclamation expenses	7,651,012,010	351,317,348
Fooding expenses	5,818,256,922	6,677,917,978
Tax expenses	5,844,331,288	2,516,437,857
Employee benefit	5,422,241,844	5,081,314,965
Insurance expenses	5,036,883,873	5,055,851,460
Security charges	4,163,800,000	33,075,000
Legal & professional fees	4,801,827,941	2,264,127,028
Medical	3,949,184,350	4,673,048,672
Office expenses	3,809,417,995	4,208,702,215
Miscellaneous	3,662,345,120	1,590,536,309
Miscellaneous shipping	3,246,367,000	3,510,846,800
Honorarium	2,878,070,501	2,642,252,187
CSR expenses	1,169,771,465	1,109,733,000
Repair and maintenance	1,030,585,459	1,883,003,043
Fresh water charges	883,830,700	680,958,844
KP expenses	685,782,385	64,284,364
Rent	645,833,335	545,114,041
Speed boat charges	337,262,315	291,832,454
Heavy earth moving	218,952,300	378,731,600
Others	1,459,329,842	1,990,955,340
<b>Total</b>	<b><u>136,014,969,151</u></b>	<b><u>99,833,353,470</u></b>

**22. OTHERS INCOME (EXPENSES)**

	<u>2018</u>	<u>2017</u>
<b>OTHERS INCOME</b>		
Net interest income	1,395,311,100	1,218,217,235
Dividend income	31,465,300	28,990,100
Profit on disposal asset	-	1,013,688,951
Others	799,870,600	-
<b>Sub total</b>	<b><u>2,226,647,000</u></b>	<b><u>2,260,896,286</u></b>
<b>OTHER (EXPENSES)</b>		
Foreign exchange gain/loss	(21,357,642,682)	(6,374,707,577)
Loss on disposal asset	(4,390,505,430)	-
Interest expense	(1,592,816,904)	-
Bank charges	(560,505,700)	(969,641,234)
Others	(268,963,300)	(790,763,954)
<b>Sub total</b>	<b><u>(28,170,434,016)</u></b>	<b><u>(8,135,112,765)</u></b>
<b>Total</b>	<b><u>(25,943,787,016)</u></b>	<b><u>(5,874,216,479)</u></b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

**23. FINANCIAL ASSET AND FINANCIAL LIABILITIES**

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2018:

	<b>Total</b>	<b>Loan and receivables</b>	<b>FVTPL</b>	<b>Other financial liabilities</b>
<b>Financial assets :</b>				
Cash and cash equivalents	24,879,213,153	24,879,213,153	-	-
Sundry debtors	18,575,139,480	18,575,139,480	-	-
Advance	36,460,065,916	36,460,065,916	-	-
Investments	200,000,000	-	200,000,000	-
<b>Total financial assets</b>	<b>80,114,418,549</b>	<b>79,914,418,549</b>	<b>200,000,000</b>	<b>-</b>
<b>Financial liabilities :</b>				
Sundry creditors	149,708,104,375	149,708,104,375	-	-
Others payable	465,088,336,250	465,088,336,250	-	-
Loans	32,014,334,211	32,014,334,211	-	-
<b>Total financial liabilities</b>	<b>646,810,774,836</b>	<b>646,810,774,836</b>	<b>-</b>	<b>-</b>

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

	<b>Total</b>	<b>Loan and receivables</b>	<b>FVTPL</b>	<b>Other financial liabilities</b>
<b>Financial assets :</b>				
Cash and cash equivalents	16,168,128,070	16,168,128,070	-	-
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>

**24. 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.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2018

*( Expressed in Rupiah, unless otherwise stated)*

**25. 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, 2018.

**26. SUPPLEMENTARY INFORMATION**

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The supplementary information on pages 27 to 37 represents financial information of PT Niaga Antar Bangsa (parent company only) as at and for the years ended March 31, 2018 and 2017, 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, 2018

( Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	i	36,917,927	67,084,823
Sundry debtors	ii	2,202,559,700	3,352,559,700
Advances	iii	10,000,000	19,730,800
<b>Total Current Assets</b>		<b>2,249,477,627</b>	<b>3,439,375,323</b>
<b>Non Current Assets</b>			
Capital advance	iv	16,734,200,000	16,647,400,000
Fixed assets - net	v	167,200,000	250,800,000
Long-term investments	vi	9,795,000,000	9,795,000,000
Deferred charges	vii	5,265,348,882	5,265,348,882
<b>Total Non Current Assets</b>		<b>31,961,748,882</b>	<b>31,958,548,882</b>
<b>TOTAL ASSETS</b>		<b>34,211,226,509</b>	<b>35,397,924,205</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Sundry creditors	viii	17,981,537	27,455,512
Taxes payables	ix.a	62,383,557	243,767,733
Other payables	xx	13,960,286,340	12,277,594,467
<b>Total Current Liabilities</b>		<b>14,040,651,434</b>	<b>12,548,817,712</b>
<b>Non Current Liabilities</b>			
Unsecured loans	xi	20,584,700,000	25,122,900,000
<b>Total Non Current Liabilities</b>		<b>20,584,700,000</b>	<b>25,122,900,000</b>
<b>TOTAL LIABILITIES</b>		<b>34,625,351,434</b>	<b>37,671,717,712</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	xii	510,000,000	510,000,000
Capital reserves		50,000,000	50,000,000
Accumulated profit (loss)		(974,124,925)	(2,833,793,507)
<b>TOTAL EQUITY</b>		<b>(414,124,925)</b>	<b>(2,273,793,507)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>34,211,226,509</b>	<b>35,397,924,205</b>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
For the year ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
<b>SALES</b>	xiii	4,738,081,065	4,461,051,890
<b>COST OF SALES</b>	xiv	<u>(1,001,793,482)</u>	<u>(1,250,800,130)</u>
<b>GROSS PROFIT</b>		3,736,287,583	3,210,251,760
<b>GENERAL AND ADMINISTRATIVE EXPENSE</b>	xv	<u>(201,306,649)</u>	<u>(237,830,118)</u>
<b>OPERATING PROFIT</b>		<u>3,534,980,934</u>	<u>2,972,421,642</u>
<b>OTHER INCOME (EXPENSE)</b>	xvi		
Other income		56,706	9,267,770
Other expenses		<u>(1,627,988,248)</u>	<u>(1,672,887,710)</u>
<b>OTHER INCOME (EXPENSE)</b>		<u>(1,627,931,542)</u>	<u>(1,663,619,940)</u>
<b>PROFIT /(LOSS) SUBSIDIARIES COMPANY</b>		<u>-</u>	<u>-</u>
<b>PROFIT BEFORE INCOME TAX</b>		<u>1,907,049,392</u>	<u>1,308,801,702</u>
<b>TAX INCOME (EXPENSES)</b>			
Current tax	ix.b	(47,380,810)	(44,610,519)
Deferred Tax (expense) income		<u>-</u>	<u>(366,542,186)</u>
		<u>(47,380,810)</u>	<u>(411,152,705)</u>
<b>NET PROFIT FOR THE YEAR</b>		<u>1,859,668,582</u>	<u>897,648,997</u>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>1,859,668,582</u>	<u>897,648,997</u>

**PT NIAGA ANTAR BANGSA - PARENT ONLY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the year ended March 31, 2018

*( Expressed in Rupiah, unless otherwise stated)*

	<u>Share capital</u>	<u>Capital Reserves</u>	<u>Accumulated profit</u>	<u>Total</u>
<b>Balance as of March 31, 2016</b>	<b>510,000,000</b>	-	<b>(3,731,442,504)</b>	<b>(3,221,442,504)</b>
Asset of tax amnesty	-	50,000,000	-	50,000,000
Comprehensive income (loss) for the year	-	-	897,648,997	897,648,997
<b>Balance as of March 31, 2017</b>	<b>510,000,000</b>	<b>50,000,000</b>	<b>(2,833,793,507)</b>	<b>(2,273,793,507)</b>
Comprehensive income (loss) for the year	-	-	1,859,668,582	1,859,668,582
<b>Balance as of March 31, 2018</b>	<b>510,000,000</b>	<b>50,000,000</b>	<b>(974,124,925)</b>	<b>(414,124,925)</b>

**Supplementary Information**  
**PT NIAGA ANTAR BANGSA - PARENT ONLY**  
**STATEMENTS OF CASH FLOW**  
For the year ended March 31, 2018

( Expressed in Rupiah, unless otherwise stated)

	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before income tax</b>	<b>1,907,049,392</b>	<b>1,308,801,702</b>
<i>Add items not affecting operating cash flows</i>		
Depreciation	83,600,000	83,600,000
<b>Operating cash flows before changes in working capital</b>	<b>1,990,649,392</b>	<b>1,392,401,702</b>
Changes in working capital		
Other payables	1,682,691,873	746,971,670
Taxes payables	(181,384,176)	(248,940,723)
Provision	-	(41,560,609)
Advances	9,730,800	(7,386,800)
Sundry creditors	(9,473,975)	(854,368,434)
Sundry debtors	1,150,000,000	(844,046,495)
Prepaid tax	-	209,786,870
<b>Net changes in working capital</b>	<b>2,651,564,522</b>	<b>(1,039,544,521)</b>
Income tax	(47,380,810)	(44,610,519)
<b>Net cash flows provided from (used in) operating activities</b>	<b>4,594,833,104</b>	<b>308,246,662</b>
<b>Cash flows from investing activities</b>		
Capital advance	(86,800,000)	(9,200,000)
<b>Net cash flows used in investing activities</b>	<b>(86,800,000)</b>	<b>(9,200,000)</b>
<b>Cash flows from financing activities</b>		
Unsecured loans	(4,538,200,000)	(365,800,000)
Capital reserves	-	50,000,000
<b>Net cash flows provided from financing activities</b>	<b>(4,538,200,000)</b>	<b>(315,800,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(30,166,896)</b>	<b>(16,753,338)</b>
Cash and cash equivalents at the beginning of the year	67,084,823	83,838,161
<b>Cash and cash equivalents at the end of the year</b>	<b>36,917,927</b>	<b>67,084,823</b>

**Supplementary Information**  
**PT NIAGA ANTAR BANGSA - PARENT ONLY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended March 31, 2018

*(Expressed In Rupiah, unless otherwise stated)*

**i. CASH AND CASH EQUIVALENTS**

	<u>2018</u>	<u>2017</u>
Bank Accounts:		
Bank Mandiri IDR Jakarta	36,917,927	67,084,823
<b>Total</b>	<b><u>36,917,927</u></b>	<b><u>67,084,823</u></b>

**ii. SUNDRY DEBTORS**

	<u>2018</u>	<u>2017</u>
<b>Related Party</b>		
PT Mitra Niaga Mulia	567,559,700	1,717,559,700
PT Gemilang Putra Pertiwi	1,635,000,000	1,635,000,000
<b>Total</b>	<b><u>2,202,559,700</u></b>	<b><u>3,352,559,700</u></b>

The aging analysis of sundry debtor is as follows :

Current	<u>2,202,559,700</u>	<u>1,635,000,000</u>
<b>Total</b>	<b><u>2,202,559,700</u></b>	<b><u>1,635,000,000</u></b>

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**

	<u>2018</u>	<u>2017</u>
Advance staff	<u>10,000,000</u>	<u>19,730,800</u>
<b>Total</b>	<b><u>10,000,000</u></b>	<b><u>19,730,800</u></b>

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**iv. ADVANCE**

	<b>2018</b>	<b>2017</b>
Capital advance	16,734,200,000	16,647,400,000
<b>Total</b>	<b>16,734,200,000</b>	<b>16,647,400,000</b>

**v. FIXED ASSETS**

<b>March 31, 2018</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<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	585,200,000	83,600,000	-	668,800,000
	<u>585,200,000</u>	<u>83,600,000</u>	<u>-</u>	<u>668,800,000</u>
<b>Net book value</b>	<b><u>250,800,000</u></b>			<b><u>167,200,000</u></b>
<b>March 31, 2017</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<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>
<b>Net book value</b>	<b><u>334,400,000</u></b>			<b><u>250,800,000</u></b>

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

	<b>2018</b>	<b>2017</b>
Cost of sales	83,600,000	83,600,000
<b>Total</b>	<b><u>83,600,000</u></b>	<b><u>83,600,000</u></b>

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**vi. LONG-TERM INVESTMENTS**

Investee	Domicile	Percentage ownership	2018	2017
<b><u>Subsidiaries:</u></b>				
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
			<b>9,795,000,000</b>	<b>9,795,000,000</b>

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.

**vii. DEFERRED CHARGES**

Balance and movement of deferred charges for the year ended March 31, 2018 and 2017:

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

**viii. SUNDRY CREDITORS**

	2018	2017
Employee	381,537	455,512
Other	17,600,000	27,000,000
<b>Total</b>	<b>17,981,537</b>	<b>27,455,512</b>

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**ix. TAXATION**

	<b>2018</b>	<b>2017</b>
<b>a. Taxes payable</b>		
VAT on sales	-	215,232,700
With Holding Tax 25	-	21,523,270
Income tax - article 23	47,560,810	-
Income tax - article 21	14,822,747	7,011,763
	<b>62,383,557</b>	<b>243,767,733</b>
<b>b. Tax income/(expense)</b>		
	<b>2018</b>	<b>2017</b>
Deferred tax income/(expenses)	-	(366,542,186)
<b>Total</b>	<b>-</b>	<b>(366,542,186)</b>

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

	<b>2018</b>	<b>2017</b>
<b>Profit/(loss) before income tax</b>	<b>-</b>	<b>1,308,801,702</b>
<i>Temporary differences:</i>		
Depreciation of fixed assets	-	30,001,016
<i>Permanent differences:</i>		
Insurance	-	87,639,250
Interest from Bank	-	(165,999)
Taxable income before tax loss carry forward	-	<b>1,426,275,969</b>
Addition: Tax loss carry forward	-	-
<b>Estimated taxable loss</b>	<b>-</b>	<b>1,426,275,970</b>

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

	<b>2018</b>	<b>2017</b>
Revenue	4,738,081,065	-
Corporate tax payable - article 29 (rate 1%)	<b>47,380,810</b>	-

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**ix. TAXATION (Continued)**

**c. 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.

In accordance with the Constitution of Tax Amnesty, with the receipt of SKPP, all tax obligations until 2015 pardoned and all rights related taxation can not be utilized by the Company.

**x. OTHER PAYABLES**

	<u>2018</u>	<u>2017</u>
Interest payable	13,892,620,390	12,265,684,142
Outstanding expense	66,917,812	11,076,193
Jamsostek payable	748,138	834,132
<b>Total</b>	<b><u>13,960,286,340</u></b>	<b><u>12,277,594,467</u></b>

**xi. UNSECURED LOANS**

As of March 31, 2018 and 2017 the balance of this account is follows:

	<u>2018</u>	<u>2017</u>
PT Adani Global	20,394,700,000	24,907,900,000
PT Sumber Bara	190,000,000	215,000,000
<b>Total</b>	<b><u>20,584,700,000</u></b>	<b><u>25,122,900,000</u></b>

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

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**xii. 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, 2018 and 2017 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
<b>Total</b>	<b>1020</b>	<b>100%</b>	<b>510,000,000</b>

**xiii. SALES**

This account represents sales of drilling service for the period ended March 31, 2018 and 2017 amounting to Rp 4,738,081,065 and Rp 4,461,051,890.

**xiv. COST OF SALES**

	2018	2017
Salaries & allowance	766,340,046	761,035,326
Pension retirement	69,501,834	314,549,217
Depreciation	83,600,000	83,600,000
Field break travel	22,800,000	29,100,000
Electricity & water	16,170,000	18,946,667
Contribution to deat	40,062,158	35,988,231
Others	3,319,444	7,580,689
<b>Total</b>	<b>1,001,793,482</b>	<b>1,250,800,130</b>

**xv. GENERAL AND ADMINISTRATIVE EXPENSE**

	2018	2017
Medical expenses	44,247,855	43,554,500
Tax expenses	96,961,621	171,275,618
Legal and Profesional fee	61,000,000	23,000,000
<b>Total</b>	<b>201,306,649</b>	<b>237,830,118</b>

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**xvi. OTHERS INCOME (EXPENSES)**

	2018	2017
<b>Other Income</b>		
Foreign exchange gain/loss (unrealised)	-	9,200,000
Interest income	56,706	67,770
<b>Sub total</b>	<b>56,706</b>	<b>9,267,770</b>
<b>Other Expenses</b>		
Interest expense	(1,592,816,904)	-
Foreign exchange gain/loss (realised)	(34,119,344)	(1,621,694,610)
Bank charges	(1,052,000)	(1,193,100)
Other expense	-	(50,000,000)
<b>Sub total</b>	<b>(1,627,988,248)</b>	<b>(1,672,887,710)</b>
<b>Other Income (Expense) - net</b>	<b>(1,627,931,542)</b>	<b>(1,663,619,940)</b>

**xvii. 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.

**xviii. SUBSEQUENT EVENTS**

There are no significant events after the reporting date that require adjustment or disclosure in the financial statements as of March 31, 2018.