

PT SUMBER BARA AND ITS SUBSIDIARIES

Consolidated Financial Statements

For the year ended March 31, 2018

INDEPENDENT AUDITORS' REPORT

Ref. : R-418/SB-KPS/SYM06/IV/2018

The Shareholders, Boards of Commissioners and Directors PT Sumber Bara

We have audited the accompanying consolidated financial statements of **PT Sumber Bara** (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of March 31, 2018, and the consolidated statements of 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 these 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 Sumber Bara (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

25 April 2018

Ref. : R-418/SB-KPS/SYM06/IV/2018

Table of Contents

	<u>Pages</u>
Director's Statements	
Consolidated Statements of Financial Position	1
Consolidated Statements of Profit or Loss and Other Comprehensive Income	2
Consolidated Statements of Changes in Equity	3
Consolidated Statements of Cash Flow	4
Notes to the Consolidated Financial Statements	5 - 25
Supplementary Information	26- 33



PT. SUMBER BARA

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 SUMBER BARA AND SUBSIDIARIES
FOR THE YEAR ENDED
March 31, 2018**

We, the undersigned :

Name : Mr. Jayaraman Udaykumar
Office address : Graha Mustika Ratu, Lantai 3, Jl. Jend.Gatot Subroto Kav. 74-75 Jakarta Selatan
Domicile address : Taman Kemayoran Kondominium, Menara Eboni Lt 11/03
based on ID Card : Jl. Haji Benyamin Sueb, Kelurahan Keban Kosong,
Kecamatan Kemayoran, Jakarta Pusat
Phone number : 021 - 8307406 / Fax 8307407
Function : President 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 25, 2018



**Mr. Jayaraman Udaykumar
President Director**

PT SUMBER BARA AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	24,929,825,229	16,230,903,196
Sundry debtors	2d, 4	18,575,139,480	-
Inventory	5	105,085,111,288	55,146,813,952
Prepaid and Advances	6	40,860,065,916	31,285,459,940
Total current assets		189,450,141,913	102,663,177,088
NON CURRENT ASSETS			
Capital advance	7	16,734,200,000	16,647,400,000
Fixed assets - net	2f, 8	143,647,323,750	194,956,948,917
Investments	2i	200,000,000	200,000,000
Deferred charges	2e, 9	141,126,839,672	161,757,316,243
Deposits	10	30,420,456,185	28,089,636,764
Deferred tax assets	2j, 13c	30,896,714,860	72,230,956,420
Other assets	11	33,512,244,529	15,821,690,336
Total non current assets		396,537,778,996	489,703,948,680
TOTAL ASSETS		585,987,920,909	592,367,125,768
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Sundry creditors	2h, 12	149,754,554,375	88,003,692,274
Taxes payables	2j, 13a	8,652,975,467	10,878,206,471
Other payables	14	465,106,229,570	632,574,082,720
Total current liabilities		623,513,759,412	731,455,981,465
NON CURRENT LIABILITIES			
Provision for retirement benefits	15	27,005,475,728	22,092,110,706
Loans	16	31,824,334,211	36,325,733,317
Total non current liabilities		58,829,809,939	58,417,844,023
TOTAL LIABILITIES		682,343,569,351	789,873,825,488
EQUITY			
Authorized capital - 4,000 shares Rp500,000 par value per share			
Share capital - 1020 shares subscribed and fully paid up	18	1,500,000,000	1,500,000,000
Accumulated profit (Loss)		(50,860,472,923)	(130,984,678,383)
Additional paid in capital		(876,180,376)	(876,180,376)
Other comprehensive income		(22,122,884,631)	(17,840,123,897)
Total Equity Attributable to Owners of the Company		(72,359,537,930)	(148,200,982,655)
Non controlling interest	17	(23,996,110,512)	(49,305,717,064)
TOTAL EQUITY - DEFICIT		(96,355,648,442)	(197,506,699,720)
TOTAL LIABILITIES AND EQUITY		585,987,920,909	592,367,125,768

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

PT SUMBER BARA 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)

	Notes	2018	2017
SALES	2k, 19	1,050,291,245,506	995,770,331,249
COST OF SALES	20	(733,555,452,300)	(702,299,330,077)
GROSS PROFIT		316,735,793,206	293,471,001,172
GENERAL AND ADMINISTRATIVE EXPENSES	2k, 21	(136,163,873,396)	(99,864,437,599)
OPERATING PROFIT		180,571,919,810	193,606,563,573
OTHER INCOME/ (EXPENSES)	2k, 22		
Other income		2,226,702,814	2,260,938,094
Other expenses		(28,171,954,996)	(8,085,996,764)
		(25,945,252,182)	(5,825,058,670)
PROFIT (LOSS) BEFORE INCOME TAX		154,626,667,628	187,781,504,903
Current tax	13b	(6,431,027,144)	(8,985,556,420)
Deferred tax	13b	(42,761,828,472)	(30,974,596,892)
		(49,192,855,616)	(39,960,153,312)
NET PROFIT / (LOSS) FOR THE YEAR		105,433,812,013	147,821,351,591
OTHER COMPREHENSIVE INCOME			
Actuarial Losses		(5,710,347,646)	(8,955,945,159)
Related Income Tax		1,427,586,912	2,238,986,290
		(4,282,760,735)	(6,716,958,869)
TOTAL COMPREHENSIVE INCOME		101,151,051,278	141,104,392,722
Net Profit Attributable to:			
Owners of the parent		80,124,205,460	112,539,107,911
Non controlling interest	17	25,309,606,552	35,282,243,681
		105,433,812,013	147,821,351,591
Total Comprehensive Income Attributable to:			
Owners of the parent		75,841,444,726	105,822,149,042
Non controlling interest	17	25,309,606,552	35,282,243,681
		101,151,051,278	141,104,392,722

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

PT SUMBER BARA 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)	Additional paid in capital	Non controlling interest (NCI)	Total
Balance as of March 31, 2016	20	1,500,000,000	(11,123,165,027)	(243,523,786,294)	(876,180,376)	(84,587,960,745)	(338,611,092,443)
Net profit (loss) for the year		-	(6,716,958,869)	112,539,107,911	-	35,282,243,681	141,104,392,723
Balance as of March 31, 2017	20	1,500,000,000	(17,840,123,897)	(130,984,678,383)	(876,180,376)	(49,305,717,065)	(197,506,699,720)
Net profit (loss) for the year		-	(4,282,760,735)	80,124,205,460	-	25,309,606,552	101,151,051,278
Balance as of March 31, 2018	20	1,500,000,000	(22,122,884,631)	(50,860,472,923)	(876,180,376)	(23,996,110,512)	(96,355,648,442)

PT SUMBER BARA AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	2018	2017
Cash flows from operating activities		
Profit/(loss) before income tax	154,626,667,628	187,781,504,903
<i>Add items not affecting operating cash flows</i>		
Comprehensive income	(4,282,760,735)	(6,716,958,869)
Depreciation	37,135,334,916	46,366,469,859
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 sale	4,390,505,430	(1,013,688,951)
Operating cash flows before changes in working capital	218,532,311,719	247,296,475,145
Changes in working capital		
Sundry debtors	(18,575,139,480)	459,880,507
Inventory	(49,938,297,336)	49,373,800,634
Advances	(9,574,605,976)	(2,915,650,011)
Prepaid expenses	-	2,088,226,869
Prepaid taxes	-	86,385,750
Other assets	7,979,838,559	(2,867,138,227)
Deposits	(2,330,819,421)	(476,877,610)
Sundry creditors	61,750,862,101	(23,586,786,569)
Provision	-	(28,432,454,023)
Taxes paid	(26,346,812,341)	(7,739,474,594)
Other payables	67,440,393,744	(61,267,660,746)
Net changes in working capital	30,405,419,850	(75,277,748,021)
Net cash flows provided from (used in) operating activities	248,937,731,569	172,018,727,124
Cash flows from investing activities		
Advance capital	(86,800,000)	(9,200,000)
Acquisition of fixed assets	(1,480,295,228)	(2,733,493,388)
Disposal of fixed assets	1,856,654,579	1,271,727,281
Deferred charges	(1,118,722,887)	(1,198,669,786)
Net cash flows used in investing activities	(829,163,536)	(2,669,635,893)
Cash flows from financing activities		
Advance Adani Global Pte.	(234,908,246,894)	(181,832,639,571)
Unsecured loans	(4,501,399,106)	(7,102,381,905)
Net cash flows provided from financing activities	(239,409,646,000)	(188,935,021,476)
Net increase/(decrease) in cash and cash equivalents	8,698,922,034	(19,585,930,244)
Cash and cash equivalents at the beginning of the year	16,230,903,196	35,816,833,440
Cash and cash equivalents at the end of the year	24,929,825,229	16,230,903,196

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

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information

PT Sumber Bara (the "Company") was established on November 6, 2009 based on Notarial Deed No. 7 of Rohana Frieta, SH. The deed of establishment was approved by the Ministry of Justice in its decision letter No. AHU-55490.AH.01.01.Tahun 2009 dated November 16, 2009 and was published in the State Gazette No. 21570 dated November 24, 2010, supplement No.77. The Articles of Association has been amended several times, most recently by Notarial Deed No. 9 dated June 6, 2010, of Rohana Frieta, SH concerning changes in the Company's capital structure. The latest amendment was recorded by the Ministry of Justice and Human Rights in Company List No. AHU-AH.01.10-18315 year 2010 dated July 20, 2010. 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.01.10.39947 dated September 26, 2013.

According to Article 3 of its Articles of Association, the Company's scope of activities comprises services, trading, export and import.

The Company is domiciled in Jakarta.

b. Board of Commissioners and Directors, and employees

In accordance with notarial deed No. 16 dated February 24, 2016, which was notarized in Notarial Rohana Frieta, SH., the Company changed the composition of the board of commissioners and directors of the Company.

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

	2018	2017
Commissioner		
President Commissioner	-	-
Commissioner	Mr. Harsh Vardhan Mishra	Mr. Harsh Vardhan Mishra
Director		
President Director	-	-
Director	Mr. Jayaraman Uday Kumar	Mr. Jayaraman Uday Kumar

As of March 31, 2018 and 2017 the Company has a total of nil and nil employees (unaudited). The Subsidiary PT Niaga Antar Bangsa total employees as of March 31, 2018 and 2017 has a total 604 and 641 employees (unaudited). The Subsidiary PT Niaga Lintas Samudera total employees as of March 31, 2018 and 2017 had total of 2 employees (unaudited).

c. Company's composition and its subsidiaries

On March 31, 2018 and 2017, the composition of the Company and its subsidiaries (collectively referred to as "Company") is as follows :

Company Name	Domicile	Percentage ownership	Total Aset 2018	Total Aset 2017
Subsidiaries with direct ownership				
PT Niaga Antar Bangsa	Jakarta	75%	657,687,899,642	606,473,848,595
PT Niaga Lintas Samudera	Jakarta	75%	3,599,890,127	3,652,968,336

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL (Continued)

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, 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.

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 its subsidiaries 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:

	2018		2017	
	Rp		Rp	
US Dollar (USD) 1		13,756		13,322

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 SFAS 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
Mining equipment	5
Vehicle	5
Computer	4
Office equipment furniture	4
Road at site	4
Misc. site equipment	4

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Related party transactions

The Company has entered into transactions with certain related parties as defined in Statement of Financial Accounting Standards (SFAS) 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 2006) "Financial Instruments: Presentation and Disclosure" and SFAS No. 55 (Revised 2006) "Financial Instruments: Recognition and Measurement" applicable for financial statements covering periods beginning on or after January 1, 2010, the accounting policy on financial assets and liabilities are as follows:

1) Financial asset

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

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

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

(ii) Loans and receivables

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

(iii) Financial assets held to maturity

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

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

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

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3) Fair value estimation

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

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

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Taxation

The Company has adopted Statements of Financial Accounting Standards (SFAS) 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.

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

The effects of those implementation, the comparative financial statements as of December 31, 2014 and January 1, 2014 have been restated as disclosed in Note 25 to financial statements.

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

	2018	2017
Cash on hand	38,516,800	37,301,600
Bank IDR		
- PT Bank Mandiri (Persero) Tbk	1,359,761,747	1,456,985,373
- BPD Kaltim	177,323,500	2,273,247,411
- PT Bank Negara Indonesia (Persero) Tbk	544,646,517	313,615,270
- CIMB Niaga	14,793,835	16,721,835
- State Bank Of India	199,768,601	823,657
Subtotal	2,296,294,200	4,061,393,546
Bank USD		
- 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
Subtotal	22,595,014,229	12,132,208,050
Total bank	24,891,308,429	16,193,601,596
Total	24,929,825,229	16,230,903,196

4. SUNDRY DEBTORS

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

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 SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

5. INVENTORY

	2018	2017
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
Total	105,085,111,288	55,146,813,952

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

	2018	2017
Advances to supplier and service provider	39,565,878,369	28,090,740,143
Insurance claim	305,937,107	216,879,220
Advance to staff	988,250,440	792,525,753
Prepaid expenses	-	2,185,314,824
Total	40,860,065,916	31,285,459,940

7. CAPITAL ADVANCE

	2018	2017
Capital advance	16,734,200,000	16,647,400,000
Total	16,734,200,000	16,647,400,000

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year 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:

	2018				
	Beginning Balance balance	Additions	Deductions	Reclasifications	Ending balance
Acquisition cost:					
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	1,182,500,000	-	-	-	1,182,500,000
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
Total acquisition cost	657,650,875,050	1,480,295,228	28,682,012,471	-	630,449,157,807
Accumulated depreciation:					
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	822,149,041	123,850,959	-	-	946,000,000
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
Total accumulated depreciation	472,275,974,092	37,135,334,916	22,434,852,462	-	486,976,456,546
Net book value	185,374,900,958				143,472,701,261
Works in progress					
Work in progress	9,582,047,959	157,192,524	9,564,617,994	-	174,622,489
Total works in progress	9,582,047,959	157,192,524	9,564,617,994	-	174,622,489
Carrying value of fixed assets	194,956,948,917				143,647,323,750

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 SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

8. FIXED ASSETS (Continued)

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

	2017				
	Beginning Balance balance	Additions	Deductions	Reclasifications	Ending balance
Acquisition cost:					
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	1,182,500,000	-	-	-	1,182,500,000
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
Total acquisition cost	662,626,963,904	295,381,500	13,049,829,085	7,778,358,731	657,650,875,050
Accumulated depreciation:					
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	709,500,000	112,649,041	-	-	822,149,041
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	241,116,940,715	11,048,360,686	11,970,468,000	-	240,194,833,401
Misc. Site equipment	998,496,062	-	-	-	998,496,062
Total accumulated depreciation	438,701,294,051	46,366,470,582	12,791,790,541	-	472,275,974,092
Net book value	223,925,669,853				185,374,900,958
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	238,242,591,565				194,956,948,917

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 SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

9. DEFERRED CHARGES

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

	2018			
	Beginning balance	Additions	Deductions	Ending balance
Acquisition cost:				
Land compensation	81,531,353,248	-	-	81,531,353,248
Miscellaneous expense	113,931,545,126	-	-	113,931,545,126
Pre-operative expense	21,624,571,325	1,118,722,887	-	22,743,294,211
Total acquisition cost	217,087,469,698	1,118,722,887	-	218,206,192,585
Accumulated amortization:				
Land compensation	18,021,239,618	10,881,192,595	-	28,902,432,213
Miscellaneous expense	37,308,913,837	10,868,006,863	-	48,176,920,700
Total accumulated amortization	55,330,153,455	21,749,199,458	-	77,079,352,913
Net book value	161,757,316,243			141,126,839,672

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

	2017			
	Beginning balance	Additions	Deductions	Ending balance
Acquisition cost:				
Land compensation	81,331,353,248	200,000,000	-	81,531,353,248
Miscellaneous expense	113,931,545,126	-	-	113,931,545,126
Pre-operative expense	21,231,274,143	998,669,786	605,372,604	21,624,571,325
Total acquisition cost	216,494,172,516	1,198,669,786	605,372,604	217,087,469,698
Accumulated amortization:				
Land compensation	11,496,675,746	6,524,563,872	-	18,021,239,618
Miscellaneous expense	26,396,748,660	10,912,165,177	-	37,308,913,837
Total accumulated amortization	37,893,424,406	17,436,729,049	-	55,330,153,455
Net book value	178,600,748,110			161,757,316,243

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

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

10. DEPOSITS

	2018	2017
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	-
Total	29,546,093,365	24,502,113,632

11. OTHER ASSETS

	2018	2017
Others assets	33,512,244,529	15,821,690,336
Total	33,512,244,529	15,821,690,336

Others assets represent income tax - article 28a.

12. SUNDRY CREDITORS

	2018	2017
Related parties		
- Sundry creditors - group company	7,772,349,200	3,353,300,200
Third parties		
- Sundry creditors for expenses	123,879,023,485	34,709,255,255
- Sundry creditors for goods/spares	10,872,633,888	47,375,926,146
- Sundry creditors for capital goods	7,230,547,802	2,565,210,673
Total	149,754,554,375	88,003,692,274

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

13. TAXATION

a. Taxes payable

	2018	2017
Subsidiaries		
Income tax - article 29	6,336,143,734	8,893,737,531
Income tax - article 21	1,079,751,557	1,036,358,590
Income tax - article 23	1,023,452,475	659,967,240
Income tax - article 15	78,650,701	72,910,410
VAT-out	52,309,308	215,232,700
Income tax - article 26	51,556,581	-
Income tax - article 4 (2)	31,111,111	-
Subtotal	8,652,975,467	10,878,206,471
Total	8,652,975,467	10,878,206,471

b. Expense corporate income tax

	2018	2017
Company		
Deferred tax income/(expenses)	-	(1,303,288,710)
Subtotal	-	(1,303,288,710)
Subsidiaries		
Current tax	(6,431,027,144)	(8,985,556,420)
Deferred tax income/(expenses)	(42,761,828,472)	(29,671,308,182)
Subtotal	(49,192,855,616)	(38,656,864,602)
Total	(49,192,855,616)	(39,960,153,312)

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

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:

	2018	2017
Consolidated income before income tax	154,626,667,628	187,781,504,903
Less: Income (loss) before taxes subsidiary and elimination	154,650,054,628	188,006,115,606
Income before income tax - Company	<u>(23,387,000)</u>	<u>(224,610,703)</u>
<i>Temporary differences:</i>		
Depreciation of fixed assets	-	-
<i>Permanent differences:</i>		
Bank Interest	-	-
Telephone expenses	-	-
Income subject to final income tax	-	-
Taxable income before tax loss carry forward	<u>(23,387,000)</u>	<u>(224,610,703)</u>
Adjustment	-	-
Addition: Tax loss carry forward	<u>(661,437,054)</u>	<u>(436,826,351)</u>
Estimated taxable loss	<u>(684,824,054)</u>	<u>(661,437,054)</u>
Income tax article 29 - Company	<u>-</u>	<u>-</u>
Add:		
Corporate income tax - subsidiaries	<u>(6,431,027,144)</u>	<u>(8,985,556,420)</u>
Corporate income tax - consolidated	<u>(6,431,027,144)</u>	<u>(8,985,556,420)</u>

c. Deferred tax

	2018	2017
Company		
Deferred tax assets		
Tax loss	45,224,157	109,212,088
Sub total	<u>45,224,157</u>	<u>109,212,088</u>
Subsidiaries		
Deferred tax assets		
Tax loss	1,383,178,991	45,085,484,610
Pension retirement benefit	6,655,686,000	5,427,344,744
Depreciation of fixed assets	24,126,783,360	23,496,045,451
Deferred tax liabilities		
Pre-operative expenses	<u>(1,314,157,647)</u>	<u>(1,887,130,473)</u>
Sub total	<u>30,851,490,703</u>	<u>72,121,744,332</u>
Total	<u>30,896,714,860</u>	<u>72,230,956,420</u>

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

13. TAXATION (Continued)

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

14. OTHER PAYABLES

	2018	2017
Interest payable	22,848,512,044	20,097,494,410
Salaries payable	7,282,472,154	1,920,876,625
Wages payable	438,510	438,510
Other	434,974,806,862	610,555,273,175
Total	465,106,229,570	632,574,082,720

Other payables includes receipts from customers

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 22,092,11,706, 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:

	2018	2017
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		
Subsidiaries	2018	2017
Assets and Liabilities		
Present Value of Defined Benefit Obligation	27,005,475,728	22,092,110,706
Fair Value of Plan Assets	-	-
Funding Status	27,005,475,728	22,092,110,706
Recognition of (Liabilities) / Assets in Balance Sheet	27,005,475,728	22,092,110,706

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

16. PROVISION FOR RETIREMENT BENEFIT (Continued)

Reconcile of Amount that Recognized in Balance Sheet

	2018	2017
Subsidiaries		
(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)
(Liabilities)/Assets at Ending Period	27,005,475,728	22,092,110,706
Expenses		
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	-	-
Expenses / (Revenue) in Income Statement	5,422,241,844	5,081,314,965

16. LOANS

Unsecured loan

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

	2018	2017
PT Adani Global	31,824,334,211	36,325,733,317
Total	31,824,334,211	36,325,733,317

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.

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

17. NON CONTROLLING INTEREST

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

	2018	2017
PT Energy resources	25,309,606,552	(35,282,243,681)
Total	25,309,606,552	(35,282,243,681)

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

	2018	2017
PT Energy resources	(23,996,110,512)	(49,305,717,064)
Total	(23,996,110,512)	(49,305,717,064)

18. SHARE CAPITAL

The Company's authorized capital consist of 4,000 shares with par value per share of Rp 500,000, 3000 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:

Shareholders	Number of Shares Issued	Percentage of Ownership	Amount
PT Adani Global	2,980	99,30%	1,490,000,000
PT Adani Global Coal Trading	20	0,67%	10,000,000
Total	3,000	100%	1,500,000,000

19. SALES

	2018	2017
Coal	1,050,291,245,506	995,770,331,249
Total	1,050,291,245,506	995,770,331,249

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

20. COST OF SALES

	2018	2017
Opening stocks	33,861,617,772	78,827,445,434
Direct cost		
OB Removal Service	260,850,716,246	199,343,940,614
Solar expenses	128,951,926,945	104,021,524,616
Salaries	86,808,042,269	89,139,416,347
Crane hiring rent	73,198,991,311	57,138,089,547
Barges rent	40,501,680,432	42,707,058,293
Depreciation	37,135,334,916	46,366,469,860
Demurage charge	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	12,590,344,172
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
Stevedoring expenses	10,160,497,746	12,892,504,616
Drilling and exploration expenses	5,734,564,000	4,783,959,458
Dozer expenses	5,095,782,309	5,541,347,225
Freight other	4,515,805,259	4,256,538,115
General spares expenses	4,252,089,080	2,903,174,741
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
Subtotal direct cost	788,906,978,602	657,333,502,415
Closing stocks	(89,213,144,074)	(33,861,617,772)
Total	733,555,452,300	702,299,330,077

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2018	2017
Royalty / PNB	40,620,544,787	26,573,028,787
Amortization of deferred expenses	21,749,199,458	17,271,027,572
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	5,939,336,489	2,647,389,482
Employee benefit	5,422,241,844	5,081,314,965
Insurance expenses	5,036,883,873	5,055,851,460
Legal & professional fees	4,850,327,941	2,275,527,028
Security charges	4,163,800,000	33,075,000
Medical	3,954,583,394	4,671,928,672
Office expenses	3,809,417,995	4,208,702,215
Miscellaneous	3,662,345,120	1,338,120,673
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 charge	883,830,700	680,958,844
KP expenses	685,782,385	316,700,000
Rent expenses	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	1,880,807,844
Total	136,163,873,396	99,864,437,599

22. OTHERS INCOME (EXPENSES)

	2018	2017
OTHERS INCOME		
Interest from Bank	1,395,366,914	1,218,259,043
Dividend income	31,465,300	28,990,100
Profit on disposal asset	-	1,013,688,951
Others	799,870,600	-
Sub total	2,226,702,814	2,260,938,094
OTHER (EXPENSES)		
Foreign exchange 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	(562,026,680)	(970,525,233)
Others	(268,963,300)	(740,763,954)
Sub total	(28,171,954,996)	(8,085,996,764)
Total	(25,945,252,182)	(5,825,058,670)

PT SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year 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, 2017:

	Total	Loan and receivables	FVTPL	Other financial assets
Financial assets :				
Cash and cash equivalents	24,929,825,229	24,929,825,229	-	-
Sundry debtors	18,575,139,480	18,575,139,480	-	-
Advance	40,860,065,916	40,860,065,916	-	-
Investments	200,000,000	-	200,000,000	-
Total financial assets	84,565,030,625	84,365,030,625	200,000,000	-
Financial liabilities :				
Sundry creditors	149,754,554,375	-	-	149,754,554,375
Others payable	465,106,229,570	-	-	465,106,229,570
Loans	31,824,334,211	-	-	31,824,334,211
Total financial liabilities	646,685,118,156	-	-	646,685,118,156

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

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets :				
Cash and cash equivalents	16,185,890,552	16,185,890,552	-	-
Advance	29,100,145,116	29,100,145,116	-	-
Investments	200,000,000	-	200,000,000	-
Total financial assets	45,486,035,668	45,286,035,668	200,000,000	-
Financial liabilities :				
Sundry creditors	88,003,692,274	-	-	88,003,692,274
Others payable	632,574,082,720	-	-	632,574,082,720
Loans	36,325,733,317	-	-	36,325,733,317
Total financial liabilities	756,903,508,311	-	-	756,903,508,311

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 SUMBER BARA AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

25. 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.

26. SUPPLEMENTARY INFORMATION

The supplementary information on pages 26 to 33 represents financial information of PT Sumber Bara (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 SUMBER BARA - PARENT ONLY
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	i	4,021,949	4,108,949
Advance	ii	190,000,000	215,000,000
Total current assets		194,021,949	219,108,949
NON CURRENT ASSETS			
Long-term investments	iii	765,000,000	765,000,000
Deferred tax assets	v.c	45,224,157	109,212,088
Total non current assets		810,224,157	874,212,088
TOTAL ASSETS		1,004,246,106	1,093,321,037
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Sundry creditor	iv	25,000,000	26,700,000
Total current liabilities		25,000,000	26,700,000
NON CURRENT LIABILITIES			
Unsecured loans		-	-
Total non current liabilities		-	-
TOTAL LIABILITIES		25,000,000	26,700,000
EQUITY			
Authorized capital - 4,000 shares Rp 500,000 par value per share			
Share capital - 3,000 shares subscribed and fully paid up	vi	1,500,000,000	1,500,000,000
Accumulated loss		(520,753,894)	(433,378,963)
TOTAL EQUITY - DEFICIT		979,246,106	1,066,621,037
TOTAL LIABILITIES AND EQUITY		1,004,246,106	1,093,321,037

Supplementary Information
PT SUMBER BARA - PARENT ONLY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
SALES		-	-
COST OF SALES		-	-
GROSS PROFIT		-	-
GENERAL AND ADMINISTRATIVE EXPENSES	vii	(22,500,000)	(24,200,000)
OPERATING LOSS		(22,500,000)	(24,200,000)
OTHER INCOME (EXPENSES)	viii		
Other income		-	-
Other expense		(887,000)	(382,000)
OTHER INCOME (EXPENSES)		(887,000)	(382,000)
PROFIT/ (LOSS) SUBSIDIARIES COMPANY		-	-
LOSS BEFORE INCOME TAX		(23,387,000)	(24,582,000)
TAX INCOME (EXPENSES)			
Deferred tax income (expenses)	v.a	(63,987,931)	-
		(63,987,931)	-
NET PROFIT /(LOSS) FOR THE YEAR		(87,374,931)	(24,582,000)
OTHER COMPREHENSIVE INCOME			-
TOTAL COMPREHENSIVE INCOME (LOSS)		(87,374,931)	(24,582,000)

Supplementary Information

PT SUMBER BARA - PARENT ONLY

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>Share capital</u>	<u>Accumulated loss</u>	<u>Total</u>
Balance as of March 31, 2016		1,500,000,000	(408,796,963)	1,091,203,037
Comprehensive income (loss) for the year		-	(24,582,000)	(24,582,000)
Balance as of March 31, 2017		1,500,000,000	(433,378,963)	1,066,621,037
Comprehensive income (loss) for the year		-	(87,374,931)	(87,374,931)
Balance as of March 31, 2018		1,500,000,000	(520,753,894)	979,246,106

Supplementary Information
PT SUMBER BARA - PARENT ONLY
STATEMENTS OF CASH FLOW
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	2018	2017
Cash flows from operating activities		
Loss before income tax	(23,387,000)	(24,582,000)
Operating cash flows before changes in working capital	(23,387,000)	(24,582,000)
Changes in working capital		
Sundry creditor	(1,700,000)	24,200,000
Provision	-	(22,000,000)
Advances	25,000,000	25,000,000
Net changes in working capital	23,300,000	27,200,000
Net cash flows provided from (used in) operating activities	(87,000)	2,618,000
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(87,000)	2,618,000
Cash and cash equivalents at the begining of the year	4,108,949	1,490,949
Cash and cash equivalents at the end of the year	4,021,949	4,108,949

Supplementary Information
PT SUMBER BARA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

i. CASH AND CASH EQUIVALENTS

	2018	2017
PT Bank Mandiri (Persero) Tbk.	4,021,949	4,108,949
Total	4,021,949	4,108,949

ii. ADVANCE

	2018	2017
Advance	190,000,000	215,000,000
Total	190,000,000	215,000,000

iii. LONG-TERM INVESTMENTS

INVESTEE	Percentage ownership	2018	2017
Assosiated Company:			
PT Niaga Antar Bangsa	75%	382,500,000	382,500,000
PT Niaga Lintas Samudra	75%	382,500,000	382,500,000
Total		765,000,000	765,000,000

iv. SUNDRY CREDITOR

	2018	2017
Sundry Creditors	2,500,000	26,700,000
Total	2,500,000	26,700,000

v. TAXATION

	2018	2017
a. Tax income (expenses)		
Deferred tax income (expenses)	(63,987,931)	-
Total	(63,987,931)	-

Supplementary Information
PT SUMBER BARA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

v. TAXATION (Continued)

b. Current tax

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

	2018	2017
Loss before income tax	(23,387,000)	(24,582,000)
<i>Permanent differences:</i>		
Bank interest	-	-
Medical insurance expenses	-	-
Taxable income before tax loss carry forward	(23,387,000)	(24,582,000)
Less : Tax loss carry forward	(157,509,624)	(436,848,352)
less : Carryforward Loss 2009-2010	(157,509,624)	(436,848,352)
Estimated taxable loss	(180,896,624)	(461,430,352)

c. Deferred tax

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

	2018	2017
Deferred tax assets		
Tax loss carry forward	45,224,156	109,212,088
	45,224,156	109,212,088

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.

Supplementary Information
PT SUMBER BARA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

vi. SHARE CAPITAL

The Company's authorized capital consist of 4,000 shares with par value per share of Rp500,000, 3,000 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 Adani Global	2,980	99%	1,490,000,000
PT Adani Global Coal Trading	20	1%	10,000,000
Total	3,000	100%	1,500,000,000

vii. GENERAL AND ADMINISTRATIVE EXPENSES

	2018	2017
Legal & professional fees	22,500,000	24,200,000
Total	22,500,000	24,200,000

viii. OTHERS INCOME (EXPENSES)

	2018	2017
Other expenses		
Bank charges	(887,000)	(382,000)
Total	(887,000)	(382,000)

Supplementary Information
PT SUMBER BARA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

ix. GOING CONCERN

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x. 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.