

Financial Statements of

**PT Coal Indonesia**

For the years ended 31 March 2019 and 2018

With Independent Auditors' report thereon

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PT. Coal Indonesia  
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## BOARD OF DIRECTORS' STATEMENT

REGARDING

THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 31 MARCH 2019 and 2018

**PT Coal Indonesia**

We, the undersigned :

Name	:	DHRUBAJYOTIDAS
Office address	:	Graha Mustika Ratu lantai 3 Jl. Jend Gatot Subroto Kav 74-75
Domicile address	:	Apartment Taman Rasuna Tower 10, Unit 12 B Jl. Rasuna Said , Kuningan Jakarta - 12870
Function	:	President Director

declare that :

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

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 26 April 2019



DHRUBAJYOTIDAS  
President Director





# Armen, Budiman & Rekan

Registered Public Accountants

Gedung Sandipura, Lt. dasar  
Jl. KH. Abdullah Syafe'i No. 19  
Bukit Duri - Tebet  
Jakarta 12840

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Operating license :  
KEP-3/KM.1/2008

## Independent Auditors' Report

No.: R. 00014/2.0735/AU.1/05/0448-2/1/IV/2019

The Shareholders and The Board of Directors,  
PT. Coal Indonesia

We have audited the accompanying financial statements of **PT. Coal Indonesia** ("The Company"), which comprise the statement of financial position as of 31 March 2019, and the statements of comprehensive income, changes in equity, and 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 financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on such 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 such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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





## Armen, Budiman & Rekan

### *Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT. Coal Indonesia** as of 31 March 2019 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

### *Emphasis of matter*

Without qualifying our opinion, we draw attention to the note 13 to the financial statements. The company has suffered recurring losses from operations and as of 31 March 2019 has a capital deficiency of Rp. 34.810.119.507. This conditions raise a substantial doubt about the Company's ability to continue as a going concern. However, the board of Directors is in the opinion that the "Going concern basis" in the preparation of this financial statements can still be applied as the main share holders committed to provide financial support to meet the company's obligations as and when they fall due. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Jakarta, 26 April 2019

Drs. Budiman A. Rozik, CPA  
License No. AP.0448



**PT. Coal Indonesia**  
**Statements of Financial Position**

As of 31 March 2019 and 2018

*The Financial Statements are prepared in Rupiah*

	Notes	2019	2018
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	629.317.975	1.743.805.271
Trade receivables		8.886.769.918	4.582.744.183
Loans and advances	4	261.128.561	88.768.916
		9.777.216.454	6.415.318.370
<b>Other non current assets</b>			
Prepaid taxes	5a	181.362.652	153.192.342
Fixed assets - net	6	41.466.162	29.901.617
Deferred tax assets	5d	4.273.838.993	4.273.838.993
		4.496.667.807	4.456.932.952
Total assets		14.273.884.261	10.872.251.322
<b>Liabilities and Shareholders' equity</b>			
<b>Current liabilities</b>			
Trade payable		561.554.571	422.658.268
Tax payable	5b	140.688.499	156.775.696
Others creditor and accruals	7	30.283.625	31.566.676
Total current liabilities		732.526.695	611.000.640
<b>Long term liabilities</b>			
Unsecured loans	8	48.351.477.073	38.922.813.567
Total Liabilities		49.084.003.768	39.533.814.207
<b>Equity / (Deficit)</b>			
Share capital :	9		
Authorized capital : 4.000 shares with par value of Rp. 500.000 per share.			
Issued and paid up capital : 3.000 shares at Rp. 500.000 per share.		1.500.000.000	1.500.000.000
Accumulated loss		(36.310.119.507)	(30.161.562.885)
Total equity / (deficit)		(34.810.119.507)	(28.661.562.885)
Total liabilities and shareholders' equity		14.273.884.261	10.872.251.322

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

**PT. Coal Indonesia**  
**Statements of Comprehensive Income**

For the years ended 31 March 2019 and 2018

*The Financial Statements are prepared in Rupiah*

	Notes	2019	2018
Revenues		4.391.862.995	-
Less :			
Coal purchased		-	-
Direct expenses		-	-
Gross profit / (loss)		4.391.862.995	-
Operating expenses			
General and administrative expenses	10	(9.159.255.897)	(11.113.557.047)
Operating profit		(4.767.392.902)	(11.113.557.047)
Other income / (expenses) - net	11	(1.359.204.405)	(1.076.064.259)
Profit / (Loss) before income tax		(6.126.597.307)	(12.189.621.306)
Corporate income tax	5c		
Current		(21.959.315)	-
Deferred		-	-
		(21.959.315)	-
Net profit / (loss)		(6.148.556.622)	(12.189.621.306)
Other comprehensive income / (loss)		-	-
Total comprehensive income / (loss)		(6.148.556.622)	(12.189.621.306)
		-	-

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

**PT. Coal Indonesia**  
**Statements of Changes in Shareholders' Equity**

For the years ended 31 March 2019 and 2018

*The Financial Statements are prepared in Rupiah*

	Notes	2019	2018
<b>Share Capital</b>	<b>9</b>		
Beginning balance		1.500.000.000	1.500.000.000
Movement		-	-
Ending balance		1.500.000.000	1.500.000.000
		-	-

**Retained earnings / (deficit)**

Beginning balance	(30.161.562.885)	(17.971.941.579)
Net comprehensive income / (loss) for the year	(6.148.556.622)	(12.189.621.306)
Ending balance	(36.310.119.507)	(30.161.562.885)
	-	-

See the accompanying notes to the financial statements, which form an integral part of these financial statements.



**PT. Coal Indonesia**  
**Statements of Cash flows**

For the years ended 31 March 2019 and 2018

*The Financial Statements are prepared in Rupiah*

	Notes	2019	2018
<b>Cash flows from operating activities</b>			
Profit/(Loss) before income tax		(6.126.597.307)	(12.189.621.306)
Adjustments to reconcile profit before corporate income tax to net cash provided by operating activities:			
Depreciation of fixed assets		25.842.654	12.068.100
Unrealised foreign exchange (gain) / loss		1.295.773.506	1.147.924.710
Changes in working capital			
Trade receivable		(4.304.025.735)	-
Prepaid tax		(28.170.310)	-
Loans and advances		(172.359.645)	(839.838)
Trade payable		138.896.303	40.685.717
Tax payable		(38.046.512)	(67.218.896)
Others creditor and accruals		(1.283.051)	(28.269.259)
Net cash used for operating activities		(9.209.970.097)	(11.085.270.772)
<b>Cash flows from investing activities</b>			
Additions of fixed assets		(37.407.199)	(24.269.000)
Sales of investments		-	-
Net cash used for investing activities		(37.407.199)	(24.269.000)
<b>Cash flows from financing activities</b>			
Proceeds from loans		8.132.890.000	11.004.124.965
Net cash from financing activities		8.132.890.000	11.004.124.965
Increase / (decrease) in cash and cash equivalents		(1.114.487.296)	(105.414.807)
Cash and cash equivalents - at the beginning of year		1.743.805.271	1.849.220.078
Cash and cash equivalents - at the end of year		629.317.975	1.743.805.271
		-	-

See the accompanying notes to the financial statements, which form an integral part of these financial statements.



# PT. Coal Indonesia

## Notes to the Financial Statements

*The Financial Statements are prepared in Rupiah*

### 1. General

PT. Coal Indonesia ("the Company") was established under the notary deed No. 10 of Rohana Frieta, S.H., public notary in Jakarta, dated 21 October 2008, and has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia in the letter No. : AHU-88602.AH.01.01.Tahun 2008.

The Company's Articles of Association has been amended several times and the latest changes was under the notarial deed no. 22 of Rohana Frieta S.H., public Notary in Jakarta, dated 26 March 2019, regarding the change of the composition of Board of Commissioner and Directors. The change in the Articles have been acknowledged by the Ministry of Justice and Human Rights of the Republic of Indonesia vide letter no. AHU-AH.01.03-0174907, dated 28 March 2019.

According to the Articles of Association, the Company's scope of activities, among others, are coal Trading - export/import, general contractor and others.

The Board of Commissioners and Directors are as follows:

	2019	2018
<b>Board of Commissioners:</b>		
President Commissioner	: Mr. Palakkumar Kiritkumar Trivedi	: Mr. Biswabhusan Parida
Commissioners	: Mr. Satishkumar Narayanbhai	: Mr. Sarabjeet Singh
<b>Board of Directors:</b>		
President Director	: Mr. Dhruvajyotidas	: Mr. Badri Prasad Rath
Director	: Mr. Vijay Singh	-
Marketing Director	-	: Mr. Dhruvajyotidas

### 2. Summary of significant accounting policies

Set out below is a summary of the significant accounting policies adopted by the Company in the preparation of the financial statements.

#### a. Basis of financial statements preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia, except otherwise stated.

The statement of cash flows is prepared using the indirect method, and presents the changes in cash and cash equivalents from operating, investing and financing activities.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates.

The company maintains its accounting records in Rupiah currency. Transactions in currencies other than Rupiah are recorded at the prevailing rate of exchange in effect on the date of the transactions.

At balance sheet date, all monetary assets and liabilities denominated in foreign currency have been translated at the prevailing exchange rate at that date.



## PT. Coal Indonesia

### Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

## 2. Summary of significant accounting policies - *continued.*

### b. Foreign currency transactions and balances - continued.

The principal rate of exchange used as of 31 March were as follows:

	2019	2018
USD. 1	14.244	13.756

Exchange gains or losses arising from foreign currency translations are recognized in the current year statements of profit and loss.

### c. Financial Assets

Classification of financial assets depends on the purpose for which the financial assets were acquired, which is determined at initial recognition. Financial assets of the Group mainly comprised cash and cash equivalents, trade debtors and other debtors which represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accordingly, such financial assets have been classified as loans and receivables.

Loans and receivables are classified as current assets, except if the maturities are greater than 12 months after the end of the reporting period.

Loans and receivables are carried at amortised cost using the effective interest method.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

### Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company and its subsidiaries after deducting all of their liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables, bank and other borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.

The Company derecognise financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.



## **PT. Coal Indonesia**

### **Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

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## **2. Summary of significant accounting policies - continued**

### **d. Financial Liabilities and Equity Instruments - continued**

The Company only offset financial assets and liabilities and present the net amount in the statement of financial position where they :

- currently have a legal enforceable right to set off the recognized amount, and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **e. Cash and cash equivalent**

Cash and cash equivalents consist of cash on hand and at banks, short term deposits with maturity not more than three months at the time of placement and bank overdraft, which are not pledged as collateral nor restricted to be used.

### **f. Related parties**

Related party transaction is a transfer of resources or obligations between related party, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The definition of related parties used is in accordance with SFAS 7, "Related Parties".

All material transactions with related parties are disclosed in the notes to these consolidated financial statements.

### **g. Fixed assets**

Fixed assets are stated at cost less their accumulated depreciation.

Depreciation is computed using the straight-line method at rates considered adequate to cover the estimated useful life of the assets, as follows:

Mining equipment and transportation	5 - 10 years
Plant and machinery	10 years
Computer	4 years
Office equipment and furniture	4 years
Miscellaneous site equipment	4 years

The cost of repairs and maintenance are charged to expense as incurred, and the significant renewals and betterment costs are capitalised. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to the statement of profit and loss for the period.

### **h. Revenue and expenses recognition**

In relation to the revenue from coal mining services and coal handling services, revenue is recognised when the services has been rendered and invoiced, and no significant uncertainties remain regarding the associated costs.

In relation to sale of coals, revenue is recognised when the significant risk and reward of ownership has been transferred to the buyer, and no significant uncertainties remain regarding the associated costs or the possible return of goods.

Expenses are recognised when incurred.



## PT. Coal Indonesia

### Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

## 2. Summary of significant accounting policies - continued

### i. Corporate income tax

The income tax expense comprises current and deferred tax. Tax is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In this case, the tax is also recognised directly in equity or in other comprehensive income, respectively.

The current income tax is calculated using tax rates that have been enacted at the financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes charged by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

	2019	2018
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## 3. Cash and cash equivalents

Cash	-	-
Bank	629.317.975	1.743.805.271
	629.317.975	1.743.805.271

## 4. Loans and advances

Staff advances	226.128.561	82.346.533
Prepaid expenses	35.000.000	2.054.700
Prepaid insurance	-	4.367.683
	261.128.561	88.768.916



**PT. Coal Indonesia****Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

	2019	2018
<b>5. Taxes</b>		
<b>a. Prepaid taxes</b>		
Prepaid Corporate income tax	181.362.652	153.192.342
<b>b. Tax payables</b>		
Withholding tax on salary	118.296.941	156.343.453
Withholding tax - others	22.391.558	432.243
	140.688.499	156.775.696
<b>c. Corporate income tax</b>		
Revenue for the year - subject to final income tax @ 0,5% (2018 , 1%)	4.391.862.995	-
<b>Corporate income tax expense there on :</b>		
Current	(21.959.315)	-
Deferred	-	-
	(21.959.315)	-
<b>d. Deferred tax assets</b>		
	Balance 2018	Addition Adjustment / Disposal Balance 2019
Depreciation of fixed assets	(4.705.865)	- - (4.705.865)
Carried forward tax losses	17.100.061.838	- - 17.100.061.838
	17.095.355.973	- - 17.095.355.973
Deferred tax asset at 25%	4.273.838.993	- - 4.273.838.993
	Balance 2017	Addition Adjustment / Disposal Balance 2018
Depreciation of fixed assets	(4.705.865)	(745.968) 745.968 (4.705.865)
Carried forward tax losses	17.100.061.838	12.082.360.177 (12.082.360.177) 17.100.061.838
	17.095.355.973	12.081.614.209 (12.081.614.209) 17.095.355.973
Deferred tax asset at 25%	4.273.838.993	3.020.403.552 (3.020.403.552) 4.273.838.993



**PT. Coal Indonesia****Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

**6. Fixed assets - net**

Balances and movement of fixed assets are as follows :

	Balance 2018	Addition	Adjustment / Disposal	Balance 2019
<b><u>At Cost</u></b>				
Plant and machineries	13.598.400	-	-	13.598.400
Computer	87.614.000	37.407.199	-	125.021.199
Office Equipment Furniture	40.507.000	-	-	40.507.000
	141.719.400	37.407.199	-	179.126.599
<b><u>Accumulated depreciation</u></b>				
Plant and machineries	13.598.400	-	-	13.598.400
Computer	57.712.383	25.842.654	-	83.555.037
Office equipment furniture	40.507.000	-	-	40.507.000
	111.817.783	25.842.654	-	137.660.437
	29.901.617			41.466.162

  

	Balance 2017	Addition	Adjustment / Disposal	Balance 2018
<b><u>At Cost</u></b>				
Plant and machineries	13.598.400	-	-	13.598.400
Computer	63.345.000	24.269.000	-	87.614.000
Office equipment Furniture	40.507.000	-	-	40.507.000
	117.450.400	24.269.000	-	141.719.400
<b><u>Accumulated depreciation</u></b>				
Plant and machineries	13.598.400	-	-	13.598.400
Computer	45.644.283	12.068.100	-	57.712.383
Office equipment furniture	40.507.000	-	-	40.507.000
	99.749.683	12.068.100	-	111.817.783
	17.700.717			29.901.617

**PT. Coal Indonesia****Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

	2019	2018
<b>7. Others creditor and accruals</b>		
Jamsostek payable	24.954.385	23.768.820
BPJS payable	5.329.240	3.662.550
Salary Payable	-	4.135.306
	<b>30.283.625</b>	<b>31.566.676</b>

**8. Unsecured loans**

Adani Global Pte. Singapore.	48.351.477.073	38.922.813.567
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Loans from Adani Global Pte. Singapore amounted to USD. 3.394.515,38 ( 2018, USD. 2.829.515,38.) There is no interest charged on this loan.

**9. Share capital**

<b>Authorized shares capital</b>				
4.000 shares with par value of Rp. 500.000 each			2.000.000.000	2.000.000.000
<b>Issued and paid up capital</b>				
3.000 shares has been issued and fully paid, as follows :				
Name of Shareholders	Ownership		2019	2018
	No.-of shares	Percentage		
PT. Adani Global	2.980	99,33%	1.490.000.000	1.490.000.000
PT. Adani Global Coal Trading	20	0,67%	10.000.000	10.000.000
	<b>3.000</b>	<b>100%</b>	<b>1.500.000.000</b>	<b>1.500.000.000</b>

**10. General and administrative expenses**

Salaries an allowances	8.286.162.422	9.925.092.565
Travelling expenses	333.953.112	575.896.666
Legal and other professional fees	303.464.375	295.517.247
Office expenses	112.976.114	154.781.542
Depreciation of fixed assets	25.842.654	12.068.100
Others	96.857.220	150.200.927
	<b>9.159.255.897</b>	<b>11.113.557.047</b>



**PT. Coal Indonesia****Notes to the Financial Statements - continued**

The Financial Statements are prepared in Rupiah

	2019	2018
<b>11. Other income / (expenses)</b>		
Gain / (loss) on foreign exchange	(1.357.416.502)	(1.074.928.610)
Interest income on bank current account	3.076.323	790.495
Bank charges	(4.864.226)	(1.926.144)
	<b>(1.359.204.405)</b>	<b>(1.076.064.259)</b>

**12. Related party transactions and balances**

<b>Transactions</b>			
Service	PT. Lamindo Inter Multikon	4.391.862.995	-
<b>Balances :</b>			
Un - secured loan	Adani Global Pte. Singapore.	48.351.477.073	38.922.813.567
Trade Debtor	PT. Adani Global Coal Trading	4.582.744.183	4.582.744.183
	PT. Lamindo Inter Multikon	4.304.025.735	-

**13. Going concern**

The financial statements have been prepared on the going concern basis. As of 31 March 2019, the company had net capital deficiency of Rp. 34.810.119.507 (2018, Rp. 28.661.562.885), and is therefore dependent upon continuing external financial support in order for it to meet its obligations as and when they fall due. However, the board of Directors is in the opinion that the "Going concern basis" in the preparation of this financial statements can still be applied as the share holders committed to provide financial support to meet the company's obligations as and when they fall due.