

Financial Statements of
PT. Adani Global Coal Trading

For the years ended 31 March 2019 and 2018

With Independent Auditors' report thereon

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BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2019 AND 2018
PT ADANI GLOBAL COAL TRADING

We, the undersigned :

- | | | |
|--------------------------------------|---|---|
| 1. Name | : | Prantik Dasgupta |
| Office address | : | Graha Mustika Ratu Lantai 3, Jl. Jend. Gatot Subroto Kav. 74-75
Jakarta Selatan |
| Domicile address
based on ID Card | : | Apartement Casablanca Tower 1 unit 12-02
Jl. Casablanca Kav. 12 Jakarta 12870 Tebet, RT. 14/RW.5
Kecamatan Tebet, Jakarta Selatan |
| Phone number | : | 021-8307406 / Fax: 8307407 Kode: 12870 |
| Function | : | President director |

declare that :

1. We are responsible for the preparation and presentation of PT Adani Global Coal Trading's financial statements;
2. PT Adani Global Coal Trading's financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT Adani Global Coal Trading's Financial Statements have been disclosed in a complete and truthful manner;
b. PT Adani Global Coal Trading'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 Adani Global Coal Trading's internal control systems.

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 26 April 2019




Prantik Dasgupta
President Director



Armen, Budiman & Rekan

Registered Public Accountants

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

Mail : PO Box 4071/JKTJ 13040
Tel. : (021) 21282441 - 42
Fax. : (021) 21282443
E-mail : auditaa@cbn.net.id

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

No.: 00015/2.0735/AU.1/05/0448-3/1/IV/2019

Independent Auditors' Report

**The Shareholders and The Board of Directors,
PT. Adani Global Coal Trading**

We have audited the accompanying financial statements of **PT. Adani Global Coal Trading** ("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.

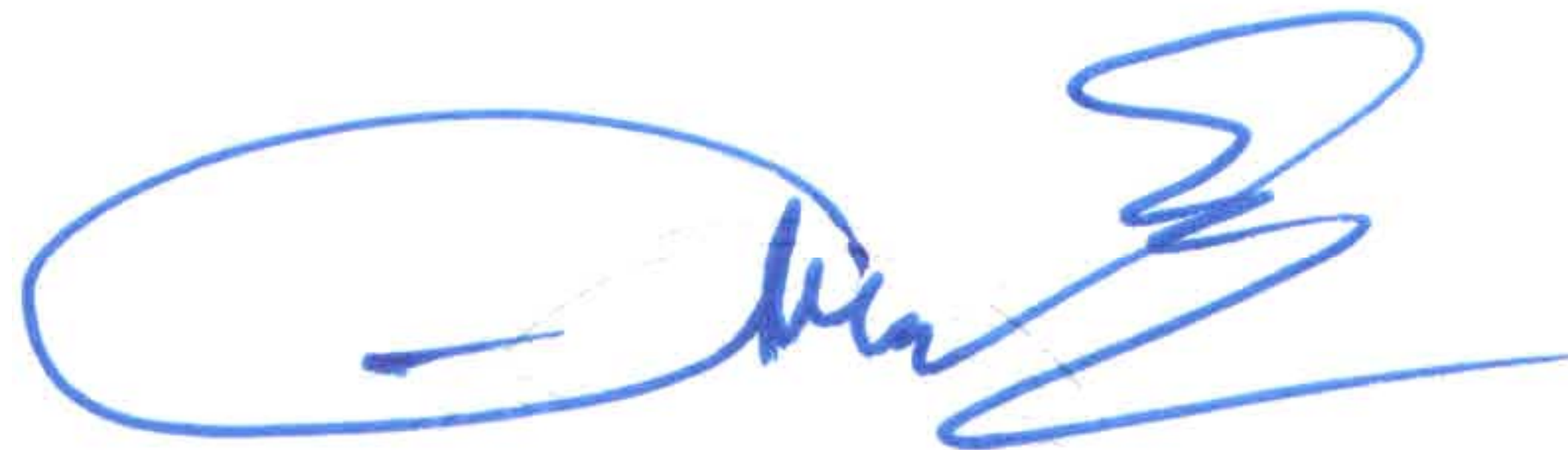
Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT. Adani Global Coal Trading** 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 15 to the financial statements. The company has suffered recurring losses from operations and as of 31 March 2019 has a net working capital deficiency of Rp. 4.595.718.044 and a capital deficiency of Rp. 4.548.210.394. These conditions raise a substantial doubt about the Company's ability to continue as a going concern. 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. Adani Global Coal Trading
Statements of Financial Position

As of 31 March 2019 and 2018

The Financial Statements are prepared in Rupiah

	Note	2019	2018
Assets			
Current assets			
Cash and cash equivalents	3	388.693.998	395.378.098
Loans and advances	4	1.369.100	4.607.411
Prepaid tax	8a	7.848.740	7.848.740
		397.911.838	407.834.249
Non current assets			
Fixed assets - net	5	1.007.650	8.730.627
Deposits	6	4.500.000	4.500.000
Investments	7	42.000.000	42.000.000
		47.507.650	55.230.627
Total assets		445.419.488	463.064.876
Liabilities and Shareholders' equity			
Current liabilities			
Tax payable	8b	1.961.699	1.811.699
Other creditors and accruals	9	4.991.668.183	4.991.668.183
Total current liabilities		4.993.629.882	4.993.479.882
Long term liabilities			
		-	-
Total liabilities		4.993.629.882	4.993.479.882
Shareholders' equity			
Share capital :	10		
Authorized capital : 4.000 shares with par value of Rp 500.000 per share.			
Issued and paid up capital : 3.000 shares.		1.500.000.000	1.500.000.000
Other additional paid in capital	11	50.000.000	50.000.000
Accumulated loss		(6.098.210.394)	(6.080.415.006)
Total shareholders' equity / (deficit)		(4.548.210.394)	(4.530.415.006)
Total liabilities and shareholders' equity		445.419.488	463.064.876

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

PT. Adani Global Coal Trading
Statements of comprehensive income

For the years ended 31 March 2019 and 2018

The Financial Statements are prepared in Rupiah

		2019	2018
Revenues		-	-
Cost of sales		-	-
Gross profit / (loss)		-	-
Operating expenses			
General and administrative expenses	12	(35.047.988)	(15.287.280)
Operating profit / (loss)		(35.047.988)	(15.287.280)
Other income / (expenses) - net	13	17.252.600	4.716.320
Profit / (loss) before income tax		(17.795.388)	(10.570.960)
Corporate income tax - income / (expense) :	8c		
Current		-	-
Deferred		-	-
Net income / (loss)		(17.795.388)	(10.570.960)
Other comprehensive income		-	-
Total comprehensive income / (loss)		(17.795.388)	(10.570.960)

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

PT. Adani Global Coal Trading
Statements of Changes in shareholders' equity

For the years ended 31 March 2019 and 2018

The Financial Statements are prepared in Rupiah

	Note	2019	2018
Share Capital	10		
Beginning balance		1.500.000.000	1.500.000.000
Movement		-	-
Ending balance		1.500.000.000	1.500.000.000
Other additional paid in capital	11		
Begining Balance		50.000.000	50.000.000
Movement		-	-
Ending balance		50.000.000	50.000.000
Accumulated loss			
Beginning balance		(6.080.415.006)	(6.069.844.046)
Net comprehensive income / (loss) for the year		(17.795.388)	(10.570.960)
Ending balance		(6.098.210.394)	(6.080.415.006)
Total Shareholders' equity / (deficit)		(4.548.210.394)	(4.530.415.006)

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

PT. Adani Global Coal Trading
Statements of Cash flows

For the years ended 31 March 2019 and 2018

The Financial Statements are prepared in Rupiah

	Note	2019	2018
Cash flows from operating activities			
Loss before income tax		(17.795.388)	(10.570.960)
Adjustments to reconcile profit before income tax to			
Net cash provided by operating activities :			
Depreciation of fixed assets		7.722.977	12.756.658
Changes in working capital			
Loans and advances		3.238.311	1.530.622
Prepaid tax		-	(7.848.740)
Tax payable		150.000	(94.297.058)
Accrued others		-	(24.750.000)
Net cash used for operating activities		(6.684.100)	(123.179.478)
Cash used for investing activities			
Proceed from Investments - PT. Mundra Coal		-	-
Net cash used for investing activities		-	-
Cash flows from financing activities			
Proceeds from loan / (loan repayment)		-	-
Other additional paid in capital		-	-
Net cash from financing activities		-	-
Increase / (decrease) in cash and cash equivalents		(6.684.100)	(123.179.478)
Cash and cash equivalents - at the beginning of year		395.378.098	518.557.576
Cash and cash equivalents - at the end of year		388.693.998	395.378.098

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

PT. Adani Global Coal Trading

Notes to the Financial Statements

The Financial Statements are prepared in Rupiah

1. General

PT. Adani Global Coal Trading, formerly PT. Aneka Sumber Bumi ("the Company") was established under the notary deed No. 13 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 the letter No. AHU-82330.AH.01.01.Tahun 2008, dated 5 November 2008.

The Company's Article of Association has been changed under the notarial deed No. 24 of Rohana Frieta S.H., public notary in Jakarta, dated 20 January 2010, which changed the status of the Company from Domestic Capital Investment Company to Foreign Capital Investment Company. The changed has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia the letter No. AHU-13062.AH.01.02.Tahun2010, dated 12 March 2010. Approval for the foreign investments has been obtained from the Board of Capital Investment Coordination under the letter No. : 281/V/PMA/2009, dated 31 December 2009.

Under the notarial deed No.3 of Rohana Frieta S.H., public notary in Jakarta, dated 7 March 2011, the name of the company was changed from PT. Aneka Sumber Bumi to PT. Adani Global Coal Trading. The changed has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia the letter No. AHU-13043.AH.01.02.Tahun 2011, dated 15 March 2011.

The Company's Articles of Association have been amended from time to time. The latest amendment was issued by Notarial Deed No. 2 dated 4 November 2016 of Rohana Frieta, regarding the change in the composition of the Board Directors and Commissioners. 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.01.03-0096942, dated 8 November 2016.

According to the Articles of Association, Company's scope of activities is trading, export and import.

The Board of Commissioners and Directors are as follows:

	2019	2018
Board of Commissioners:		
Commissioner	: Mr. Vijay Singh	: Mr. Vijay Singh
Board of Directors:		
Director	: Mr. Prantik Dasgupta	: Mr. Prantik Dasgupta

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.

PT. Adani Global Coal Trading

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of significant accounting policies - continued

a. Basis of financial statements preparation - continued

The statements of cash flows are prepared based on the indirect method by classifying cash flows arising 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.

b. Foreign currency transactions and balances

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.

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.

PT. Adani Global Coal Trading

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of significant accounting policies - continued

d. 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.

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. Trade receivables

Trade receivables are stated at original invoice amount less an allowance for doubtful debt. An allowance for doubtful debt is provided based on review of the status of the individual account receivable at year end.

g. 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.

PT. Adani Global Coal Trading

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of Significant Accounting Policies - continued

h. Investment in shares

Long-term investment in shares of associated companies with less than 20 % ownership are stated at the lower of cost or net realisable value.

Long-term investments in shares of associated companies, where the Company holds an interest of 20 % to 50 % of the total issued and paid up share of the associated companies, and does not exercise management control, are recorded at the acquisition cost, adjusted every year with the Company's share of the net income or loss of the associated companies. Cash dividends are recorded as a deduction to the value of the investments.

i. 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:

Computer	4 years
Office furniture	4 years
Motor vehicles	5 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.

j. Revenue and expenses recognition

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.

k. 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.

PT. Adani Global Coal Trading
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of Significant Accounting Policies - continued

k. Corporate income tax - continued

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

	2019	2018
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3. Cash and cash equivalents

Cash	50.000.000	50.000.000
Bank - IDR	63.108.208	14.121.070
Bank - USD	275.585.790	331.257.028
	388.693.998	395.378.098

4. Loans and advances

Advances - staff	369.100	3.607.411
Prepaid expenses	1.000.000	1.000.000
	1.369.100	4.607.411

PT. Adani Global Coal Trading
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

5. Fixed assets - net

Balances and movement of fixed assets are as follows :

	Balance 2018	Addition	Disposal	Balance 2019
<u>At Cost</u>				
Computer	141.725.000	-	-	141.725.000
Office furniture	316.125.433	-	-	316.125.433
Motor vehicles	222.800.000	-	-	222.800.000
	680.650.433	-	-	680.650.433
<u>Accumulated Depreciation</u>				
Computer	133.107.058	7.610.292	-	140.717.350
Office furniture	316.012.748	112.685	-	316.125.433
Motor vehicles	222.800.000	-	-	222.800.000
	671.919.806	7.722.977	-	679.642.783
Net book value	8.730.627			1.007.650

	Balance 2017	Addition	Disposal	Balance 2018
<u>At Cost</u>				
Computer	141.725.000		-	141.725.000
Office furniture	316.125.433	-	-	316.125.433
Motor vehicles	222.800.000	-	-	222.800.000
	680.650.433	-	-	680.650.433
<u>Accumulated Depreciation</u>				
Computer	121.492.900	11.614.158	-	133.107.058
Office furniture	314.870.248	1.142.500	-	316.012.748
Motor vehicles	222.800.000	-	-	222.800.000
	659.163.148	12.756.658	-	671.919.806
Net book value	21.487.285			8.730.627

6. Deposit

PT. Mustika Ratu Center	4.500.000	4.500.000
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Represent rental deposit for office space at Mustika Ratu center building.

PT. Adani Global Coal Trading
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2019	2018
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7. Investments

Represents investment in the shares capital of the following companies :

	Owner ship		2019	2018
	No. of shares	Percentage		
PT. Coal Indonesia	20	0,67%	10.000.000	10.000.000
PT. Energy Resources	20	0,67%	13.000.000	13.000.000
PT. Sumber Bara	20	0,67%	19.000.000	19.000.000
			42.000.000	42.000.000

8. Taxes

a. Prepaid taxes

VAT receivables	7.848.740	7.848.740
	7.848.740	7.848.740

b. Taxes payable

Withholding tax - others	1.961.699	1.811.699
Corporate income tax	-	-
	1.961.699	1.811.699

c. Corporate income tax

Taxable income for the the year - Subject to final income tax	-	-
Corporate Income tax there on - at 0,5% (2018, at 1%)	-	-
Deferred Income Tax	-	-
Corporate income tax	-	-

Under the taxation laws in Indonesia, the Company submits tax returns on the basis of self-assessment. The tax authorities may assess or amend taxes within 5 years of the taxes becoming payable.

PT. Adani Global Coal Trading
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2019	2018
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9. Other Creditors and accruals

Other creditors	4.991.668.183	4.991.668.183
	4.991.668.183	4.991.668.183

10. Share capital

Authorized shares capital

4.000 shares with par value of Rp. 500.000 each	2.000.000.000	2.000.000.000
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Issued and paid up capital

3.000 shares has been issued and fully paid, as follows :

Name of Shareholders	Ownership		2019	2018
	No.of shares	Percentage		
Adani Global Pte. Ltd., Singapore	2.850	95%	1.425.000.000	1.425.000.000
Adani Global Ltd., Mauritius	150	5%	75.000.000	75.000.000
	3.000	100%	1.500.000.000	1.500.000.000

11. Other additional paid in Capital 50.000.000 50.000.000

Represents the additional paid in capital as the partisipation from the Company to the Government of Republic Indonesia's taxation programm in accordance with the Tax Amnesty Law year 2016, and has received "Surat Keterangan Pengampunan Pajak" No. KET-2339/PP/WPJ.04/2017 dated 27 February 2017, for the following assets :

Cash	50.000.000	50.000.000
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12. General and administrative expenses

Office expenses	575.011	1.530.622
Legal and professional fees	26.750.000	1.000.000
Depreciation of fixed assets	7.722.977	12.756.658
	35.047.988	15.287.280

PT. Adani Global Coal Trading
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2019	2018
13. Other income / (expenses)		
Gain / (loss) on foreign exchange	18.518.848	5.967.310
Bank charges	(1.362.086)	(1.311.509)
Interest income - on current account	95.838	60.519
	17.252.600	4.716.320

14. Related party transactions and balances

Balances :

Other Creditors	PT. Coal Indonesia	4.582.744.183	4.582.744.183
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15. Going concern

The financial statements have been prepared on the going concern basis. As of 31 March 2019, the company had a net capital deficiency of Rp. 4.548.210.394 (2018, Rp. 4.530.415.006) , and a net working capital deficiency of Rp. 4.595.718.044 (2018, Rp. 4.585.645.633 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.