PT MINCON INDO RESOURCES
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	March 31, 2015 US$	March 31, 2014 US$
ASSETS		
CURRENT ASSETS		
Cash on hand and in bank	82,626	102,218
Trade accounts receivable from related parties	35,710	365,527
Inventories	106,528	162,204
Advances and prepaid expenses	21,963	21,213
Total Current Assets	246,827	651,162
NON CURRENT ASSETS		
Prepaid taxes	61,253	65,992
Deferred tax assets	178,982	189,769
Property and equipment - net of accumulated depreciation of US$ 2,367,257 in 2015 and US$ 2,209,382 in 2014	475,746	632,884
Total Non-current Assets	715,981	888,645
TOTAL ASSETS	962,808	1,539,807
LIABILITIES AND CAPITAL DEFICIENCY		
CURRENT LIABILITIES		
Other accounts payable to related parties	1,000,000	1,000,000
Advance from related parties	1,396,100	1,600,000
Taxes payable	10,463	5,966
Accrued expenses	100,434	80,252
Total Current Liabilities	2,506,997	2,686,218
NON CURRENT LIABILITIES		
Post-employment benefits obligation	51,119	77,734
CAPITAL DEFICIENCY		
Capital stock - US$ 1 par value per share Authorized - 550,000 shares Subscribed and fully paid - 250,000 shares	250,000	250,000
Deficit	(1,845,308)	(1,474,145)
Total Capital Deficiency	(1,595,308)	(1,224,145)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	962,808	1,539,807

PT MINCON INDO RESOURCES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
	US$	US$
REVENUES	1,386,373	1,860,829
COST OF REVENUES	1,628,679	1,742,136
GROSS PROFIT	(242,306)	118,693
General and administrative expenses	(118,268)	(158,361)
Interest expense	(15,536)	(1,260)
Gain on foreign exchange - net	9,550	16,314
Others - net	6,184	(19,895)
LOSS BEFORE TAX	(360,376)	(44,509)
TAX EXPENSE - NET	(10,787)	(2,675)
NET LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(371,163)	(47,184)

PT MINCON INDO RESOURCES
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
FOR THE YEAR ENDED MARCH 31, 2015

	Paid-up capital stock US$	Deficit US$	Total capital deficiency US$
Balance as of April 1, 2013	250,000	(1,426,961)	(1,176,961)
Total comprehensive income for the year	-	(47,184)	(47,184)
Balance as of March 31, 2014	250,000	(1,474,145)	(1,224,145)
Total comprehensive income for the year	-	(371,163)	(371,163)
Balance as of March 31, 2015	250,000	(1,845,308)	(1,595,308)

PT MINCON INDO RESOURCES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(360,376)	(44,509)
Adjustments:		
Depreciation expenses	157,875	209,895
Unrealized gain on foreign exchange	(7,344)	(12,667)
Interest expense	15,536	-
Post-employment benefits	16,291	20,151
Gain on sale of property and equipment	-	(164)
Recoverable in value of inventories	-	(3,510)
Operating cash flows before changes in working capital	(178,018)	169,196
Changes in working capital:		
Trade accounts receivable	329,817	194,790
Inventories	55,676	78,616
Prepaid taxes	(27,728)	18,827
Advances and prepaid expenses	(752)	3,655
Trade accounts payable	-	(41,674)
Other accounts payable	-	(1,605,032)
Taxes payable	4,497	(4,116)
Advance from related parties	(203,900)	1,214,115
Accrued expenses	20,182	(64,372)
Net Cash Used in Operating Activities	(226)	(35,994)
Payments of income tax	-	(37,059)
Payment of post-employment benefits	(35,560)	(15,477)
Payments of interest expenses	(15,536)	(1,260)
Receipt of tax refund	32,467	50,632
Net Cash Used in Operating Activities	(18,855)	(39,158)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of equipment	-	309
Acquisitions of property and equipment	(737)	(2,360)
Net Cash Used in Investing Activities	(737)	(2,051)
NET DECREASE IN CASH ON HAND AND IN BANK	(19,592)	(41,209)
CASH ON HAND AND IN BANK AT BEGINNING OF YEAR	102,218	143,427
CASH ON HAND AND IN BANK AT END OF YEAR	82,626	102,218

1. GENERAL

PT Mincon Indo Resources (the Company) was established within the framework of Foreign Capital Investment Law No. 1 year 1967, as amended by Laws No. 11 of 1970 and No. 25 of 2007 based on Notarial Deed No. 47 dated April 17, 2008 of Public Notary Mrs. Rose Takarina, SH. The Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-20473.AH.01.01.Year 2008 dated April 23, 2008, however, it has not been published in the State Gazette. The Company's Articles of Association have been amended several times, the latest by Notarial Deed No. 10 dated October 20, 2008 of Public Notary Artisa Khamelia Ramadiyanti, SH, M. Kn. concerning the changes in the Company's stockholders, Commissioner and Director.

The Company is domiciled in Menara Prima, 15th Floor, Units A and B, Jalan Lingkar Mega Kuningan Blok 6.2, Kawasan Mega Kuningan, Kuningan Timur, Setiabudi, Jakarta.

In accordance with Article 3 of the Articles of Association, the Company is engaged in supporting service for general mining. The Company commenced commercial operations in June 2008. The Company is presently engaged in heavy equipment rentals. As of March 31, 2015 and 2014, the Company had 37 and 49 permanent employees, respectively.

The Company belongs to a group of companies owned by Mercator Limited (the Group), a group listed on the National Stock Exchange and Bombay Stock Exchange, India. The Company's Commissioner and Director for the years ended March 31, 2015 and 2014 are as follows:

Commissioner	:	Kirtipal Singh Raheja
Director	:	Anand Singh

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The reporting package, except for the statements of cash flows, are prepared under the accrual basis of accounting. The presentation currency used in the preparation of the reporting package is the U.S. Dollar (US$), while the measurement basis is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

The statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing and financing activities.

b. Foreign Currency Transactions and Translation

The books of accounts of the Company are maintained in U.S. Dollar. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit or loss.

c. Transaction with Related Parties

A related party is person or entity that is related to the Company (the reporting entity):

a. A person or a close member of that person's family is related to the reporting entity if that person:

   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:

   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. Both entities are joint ventures of the same third party;
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. The entity is controlled or jointly controlled by a person identified in (a).
   vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the reporting package.

d. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract which terms require delivery of the financial assets within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs.

The Company’s financial assets are classified as loans and receivables.

Loans and receivables

Receivables from customers and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables 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.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at each reporting date. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Loans and receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment on loans and receivables is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the receivables is reduced by the impairment loss through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of financial asset other than its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

e. Financial Liabilities and Equity Instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized 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.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

f. Netting of Financial Asset and Financial Liabilities

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

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

g. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method.

h. Prepaid Expenses

Prepaid expenses are amortised over their beneficial periods using the straight-line method.

i. Property and Equipment

Property and equipment held for use in the production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write-off the cost of assets less residual values using the following method:

	Depreciation method	Years
Building	Straight-line	5
Mining equipment	Double declining	8
Vehicles	Double declining	8
Heavy equipment	Double declining	8

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property and equipment, are recognised as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in the profit or loss.

j. Impairment of Non-Financial Asset

At reporting dates, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of net selling price or value in use. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

k. Leases

<u>As lessor</u>

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

<u>As lessee</u>

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

l. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

m. Revenue and Expense Recognition

Service revenue

Service revenue include revenue from rental equipment; warehouse and other facilities. Service revenue is recognized when service is rendered.

Interest income

Interest income is accrued on time basis, by reference to the principal outstanding and at the applicable interest rate.

Expenses

Expenses are recognized when incurred.

n. Post-Employment Benefits

The Company provided post-employment benefits to its employees in accordance with Labor Law No. 13/2003 (the "Labor Law"). No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the present value of the Company's defined benefit obligations is recognized on a straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The benefits obligation recognized in the statements of financial position represent the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

o. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and fiscal loss carryforwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss carryforwards can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in Note 2, the directors is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 2, management has not made any critical judgment that has significant impact on the amounts recognized in the reporting package, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Impairment Loss on Loans and Receivables

  The Company assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Note 5.

- Allowance for Decline in Value of Inventories

  The Company provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for inventory obsolescence, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 6.

- Estimated Useful Lives of Property and Equipment

  The useful life of each item of the Company's property and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

  A change in the estimated useful life of any item of property and equipment would affect the recorded depreciation expense and decrease in the carrying values of property and equipment.

  The carrying amounts of property and equipment are disclosed in Note 8.

4. CASH ON HAND AND IN BANK

	March 31, 2015	March 31, 2014
	US$	US$
Cash on hand	442	534
Cash in bank		
U.S. Dollar		
PT Bank Danamon Indonesia Tbk	13,427	40,305
Rupiah		
PT Bank Danamon Indonesia Tbk	68,757	61,379
Total	82,626	102,218

5. TRADE ACCOUNTS RECEIVABLE FROM RELATED PARTIES

	March 31, 2015	March 31, 2014
	US$	US$
PT Bima Gema Permata	35,710	292,865
PT Nuansa Sakti Kencana	-	72,662
Total	35,710	365,527

Trade accounts receivable from related parties are less than 60 days.

No allowance for impairment loss was provided on receivable from related parties as management believe that such receivable are collectible.

6. INVENTORIES

The company inventories represent sparepart with amounted of US$ 106,528 and US$ 162,204 at March 31, 2015 and March 31, 2014, respectively. Management believes that there is no decline in the value of inventories and accordingly, no allowance need to be provided.

7. PREPAID TAXES

	March 31, 2015	March 31, 2014
	US$	US$
Corporate income tax (Note 17)		
2015	27,728	-
2014	33,525	33,525
2013	-	32,467
Total	61,253	65,992

On July 21, 2014, the Company received Tax Assessment Letter confirming the overpayment (SKPLB) of income taxes article 23 for fiscal year 2013. The Company has received the tax refund in August 21, 2014.

8. PROPERTY AND EQUIPMENT

	April 1, 2014	Additions	Deductions	March 31, 2015
	US$	US$	US$	US$
At cost :				
Buildings	18,915	-	-	18,915
Mining equipment	110,757	737	-	111,494
Vehicles	57,974	-	-	57,974
Heavy equipment	2,654,620	-	-	2,654,620
Total	2,842,266	737	-	2,843,003
Accumulated depreciation:				
Buildings	8,338	2,123	-	10,461
Mining equipment	78,332	8,282	-	86,614
Vehicles	44,828	3,287	-	48,115
Heavy equipment	2,077,884	144,183	-	2,222,067
Total	2,209,382	157,875	-	2,367,257
Net Carrying Value	632,884			475,746

	April 1, 2013	Additions	Deductions	March 31, 2014
	US$	US$	US$	US$
At cost :				
Buildings	18,915	-	-	18,915
Mining equipment	108,397	2,360	-	110,757
Vehicles	58,709	-	735	57,974
Heavy equipment	2,654,620	-	-	2,654,620
Total	2,840,641	2,360	735	2,842,266
Accumulated depreciation:				
Buildings	5,684	2,654	-	8,338
Mining equipment	67,740	10,592	-	78,332
Vehicles	41,011	4,407	590	44,828
Heavy equipment	1,885,642	192,242	-	2,077,884
Total	2,000,077	209,895	590	2,209,382
Net Carrying Value	840,564			632,884

Depreciation was charged to cost of revenues in 2015 and 2014 amounting to US$ 157,875 and US$ 209,895, respectively (Note 15).

Heavy equipment were insured against fire and other risks with a total insurance coverage amount of Rp 12,475,600,000 (US$ 953,500) and Rp 12,475,600,000 (US$ 1,093,967), as of March 31, 2015 and 2014, respectively. The Company's management believes that the insurance coverage is adequate to cover possible losses on the insured assets.

Based on the management's review, there is no indication of events or changes in situation that may cause any decline in value of assets. Therefore, the Company did not make any allowance for decline in value of assets in 2015 and 2014.

9. OTHER ACCOUNTS PAYABLE TO RELATED PARTIES

The Company obtained loan from Oorja 2 Pte. Ltd to finance the Company's operating expense. These loans bear interest without a fixed repayment schedule and payable on demand. The outstanding loan balance as of March 31, 2015 and 2014 amounting to US$ 1,000,000.

10. ADVANCE FROM RELATED PARTIES

This account represents advance payment from PT Bima Gema Permata and PT Nuansa Sakti Kencana related to rental heavy equipment amounting to US$ 1,396,100 and US$ 1,600,000 in 2015 and 2014, respectively.

11. TAXES PAYABLE

	March 31, 2015	March 31, 2014
	US$	US$
Income taxes		
Article 21	1,069	585
Article 23	1,968	355
Value added tax (VAT) - net	7,426	5,026
Total	10,463	5,966

12. ACCRUED EXPENSES

	March 31, 2015	March 31, 2014
	US$	US$
Spareparts	57,570	20,376
Salaries and allowances	28,418	31,426
Catering	9,000	8,000
Others	5,446	20,450
Total	100,434	80,252

13. CAPITAL STOCK

The details of the Company's stockholders are as follows:

	March 31, 2015 and 2014		
Name of Stockholders	Number of shares	Percentage of Ownership	Total Paid-up Capital Stock
		%	US$
PT Oorja Indo Petangis Three	247,500	99	247,500
PT Oorja Indo Petangis Four	2,500	1	2,500
Total	250,000	100	250,000

14. REVENUES

This account represents the revenues from heavy equipment rentals in 2015 and 2014 amounting to US$ 1,386,373 and US$ 1,860,829, respectively. 100% of the sales in 2015 and 2014 were made to related parties (Note 19).

15. COST OF REVENUES

	2015	2014
	US$	US$
Direct expenses		
Salaries and allowances	374,263	465,982
Catering	115,724	107,084
Heavy equipment services	17,283	40,846
Fuel	2,387	2,273
Total	509,657	616,185
Indirect expenses		
Maintenance and spare parts	870,873	803,362
Depreciation (Note 8)	157,875	209,895
Freight and shipping	43,888	49,526
Vehicle rentals	7,860	18,136
Others	38,526	45,032
Total	1,119,022	1,125,951
Total	1,628,679	1,742,136

16. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	US$	US$
Salaries and allowances	39,916	61,547
Estimated post-employment benefits (Note 18)	16,291	20,151
Insurance	14,623	20,066
Professional fees	8,674	21,777
Others	38,764	34,820
Total	118,268	158,361

17. INCOME TAX

Tax expense (benefit) of the Company consists of the following:

	2015	2014
	US$	US$
Current tax	-	3,692
Deferred tax	10,787	(1,017)
Total tax expense	10,787	2,675

Current tax

A reconciliation between loss before tax as per statement of comprehensive income and taxable income is as follows:

	2015	2014
	US$	US$
Loss before tax as per statement of comprehensive income	(360,376)	(44,509)
Temporary differences :		
Provision for (reversal of) post-employment benefits	(19,269)	(7,993)
Difference between commercial and fiscal depreciation	(9,485)	16,596
Recovery in value of inventories	-	(3,510)
Impairment other receivable	-	(1,025)
Total	(28,754)	4,068
Nondeductible expenses (nontaxable income):		
Benefit - in kind	13,081	24,000
Interest income already subjected to final tax	(97)	(103)
Tax expenses	-	29,350
Others	4,195	3,848
Total	17,179	57,095
Taxable (fiscal loss) income	(371,951)	16,654
Current tax expense	-	3,692
Less: prepaid income taxes article 23	27,728	37,217
Prepaid tax (Note 7)	27,728	33,525

Deferred tax

Details of the Company's deferred tax assets are as follows:

	April 1, 2013	Credited (charged) to income for the year	March 31, 2014	Credited (charged) to income for the year	March 31, 2015
	US$	US$	US$	US$	US$
Deferred tax assets					
Difference between commercial and fiscal depreciation	166,186	4,149	170,335	(4,133)	166,202
Post-employment benefits obligation	21,432	(1,998)	19,434	(6,654)	12,780
Allowance for decline in value of inventories	878	(878)	-	-	-
Allowance other receivable	256	(256)	-	-	-
Deferred tax assets - net	188,752	1,017	189,769	(10,787)	178,982

The reconciliation between tax benefit and the amounts computed by applying the effective tax rates to loss before tax is as follows:

	2015	2014
	US$	US$
Loss before tax as per statements of income	(360,376)	(44,509)
Tax benefit at effective tax rates	(90,094)	(11,127)
Tax effect of nontaxable income (nondeductible expense)		
Benefit - in kind	3,270	6,000
Interest income already subjected to final tax	(24)	(26)
Tax expenses	-	7,338
Others	1,049	962
Total	4,295	14,274
Adjustment	96,586	(472)
Total tax expense	10,787	2,675

18. POST-EMPLOYMENT BENEFITS OBLIGATION

The Company provides post-employment benefits for its qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits was 37 and 49 in 2015 and 2014, respectively.

Amounts recognized in the statement of comprehensive income with respect to these post-employment benefits are as follows:

	2015	2014
	US$	US$
Current service cost	11,634	14,153
Interest costs	5,279	5,462
Unamortized past service cost	(153)	254
Net actuarial loss	222	282
Effect deduction of employee	(691)	-
Total	16,291	20,151

The amounts included in the statement of financial position arising from the Company's obligations with respect to post-employment benefits are as follows:

	March 31, 2015	March 31, 2014
	US$	US$
Present value of obligations	69,429	71,254
Unrealized actuarial loss	(15,442)	10,023
Unrecognized past service cost	(2,868)	(3,543)
Net liabilities	51,119	77,734

Movements in the present value of the defined benefits obligation in the current year are as follows:

	2015	2014
	US$	US$
Opening defined benefit obligation	71,254	106,809
Current service cost	11,634	14,153
Interest cost	5,279	5,462
Benefit paid	(35,560)	(15,477)
Actuarial loss (gain)	24,025	(23,910)
Foreign exchange difference	(7,203)	(15,783)
Closing defined benefit obligation	69,429	71,254

The cost of providing post-employment benefits is calculated by PT Jasa Aktuaria Praptasentosa Gunajasa an independent actuary. The actuarial calculation was carried out using the following key assumptions:

	2015	2014
Discount rate	7.5 % per annum	8.5 % per annum
Future salary increment rate	9% per annum	9% per annum
Mortality rate	100% TMI 2011	100% TMI 2011
Disability rate	1% TMI	1% TMI
Resignation rate	5% per annum until age 29 then decrease Linearly into 0% at age 54	5% per annum until age 29 then decrease Linearly into 0% at age 54
Normal pension age	60	60

19. TRANSACTION WITH RELATED PARTIES

Nature of Relationship

a. Mercator Limited is the ultimate controlling party of the Company.

b. PT Oorja Indo Petangis Three and PT Oorja Indo Petangis Four are the stockholders of the Company.

c. Related parties which are entitles controlled by key management personnel of the Company:

- PT Bima Gema Permata
- PT Nuansa Sakti Kencana
- Oorja 2 Pte. Ltd.

Transactions with Related Parties

In the normal course of business, the Company entered into certain transactions with related parties, including the following:

The details of revenues to related parties (Note 14) are as follows:

	2015	2014
	US$	US$
PT Nuansa Sakti Kencana	843,864	299,486
PT Bima Gema Permata	542,509	1,561,343
Total	1,386,373	1,860,829

The details of trade accounts receivable from related parties (Note 5) are as follows:

	March 31, 2015	March 31, 2014
	US$	US$
PT Bima Gema Permata	35,710	292,865
PT Nuansa Sakti Kencana	-	72,662
Total	35,710	365,527

The details of advances from related parties (Note 10) are as follows:

	2015	2014
	US$	US$
PT Bima Gema Permata	1,097,135	1,310,000
PT Nuansa Sakti Kencana	298,965	290,000
Total	1,396,100	1,600,000

The Company obtained loan from Oorja 2 Pte. Ltd to finance the Company’s operating expense. These loans bear interest without a fixed repayment schedule and payable on demand. The outstanding loan balance as of March 31, 2015 is US$ 1,000,000.

20. MONETARY ASSETS AND LIABILITES DENOMINATED IN FOREIGN CURRENCIES

As of March 31, 2015 and 2014, the Company's monetary assets and liabilities in foreign currencies are as follows:

		2015			2014	
		Foreign Currency	Equivalent in US$		Foreign Currency	Equivalent in US$
Assets						
Cash on hand and in bank	Rp	905,399,716	69,199	Rp	706,055,852	61,913
Liabilities						
Taxes payable	Rp	136,897,892	10,463	Rp	68,036,264	5,966
Accrued expenses	Rp	307,840,352	23,528	Rp	255,175,904	22,376
Total Liabilities			33,991			28,342
Net Assets			35,208			33,571

The conversion rates used by the Company as of May 8, 2015, March 31, 2015 and 2014 are Rp 13,177, Rp 13,084 and Rp 11,404 per US$ 1, respectively.

21. OTHER MATTER

The Company incurred a net loss of US$ 371,163 during the year ended March 31, 2015 and, as of that date the Company's current liabilities exceeded its total assets by US$ 1,544,189 and has capital deficiency by US$ 1,595,308. In relation to this matter, the Group agreed to provide financial support to the Company until such time that is the Company able to achieve stability in its operations.

22. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	March 31, 2015	March 31, 2014
	US$	US$
Current Financial Assets		
Loans and receivables		
Cash on hand and in bank	82,626	102,218
Trade accounts receivable from related parties	35,710	365,527
Total	118,336	467,745
Current Financial Liabilities		
Liabilities at amortized cost		
Other accounts payable to related parties	1,000,000	1,000,000
Accrued expenses	100,434	80,252
Total	1,100,434	1,080,252

The Company has no financial asset categorized as fair value through profit or loss (FVTPL), held to maturity and available-for-sale and financial liability categorized as at FVTPL.

23. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital risk management

The Company manages capital risk to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of debt and equity balance.

The Company's capital structure consists of cash on hand and in bank (Note 4), other accounts payable to related parties (Note 9), and equity shareholders, consisting of capital stock (Note 13), and retained earnings.

The directors of the Company periodically reviews the Company's capital structure. As part of this review, the directors consider the cost of capital and related risk.

The gearing ratio as of March 31, 2015 and 2014 are as follows:

	March 31 2015	March 31 2014
	US$	US$
Debt:		
Other accounts payable to related parties	1,000,000	1,000,000
Cash on hand and in bank	(82,626)	(102,218)
Net debt	917,374	897,782
Deficiency	(1,595,308)	(1,224,145)
Net debt to equity ratio	-58%	-73%

b. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign exchange risk, interest rate risk, credit risk and liquidity risk.

i. Foreign currency risk management

The Company is exposed to the effect of foreign currency exchange rate fluctuation mainly because of foreign currency denominated transactions such as purchases of inventories.

The Company manages the currencies other than US$ exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net open foreign currency exposure as of reporting date is disclosed in Note 20.

Foreign currency sensitivity analysis

The Company sensitivity against the relevant foreign currencies is 6.9% and 8.7% in March 31, 2015 and 2014, respectively. Had the US$ weakened/strengthened by 6.9% and 8.7% in March 31, 2015 and 2014, respectively with all other variables held constant, net income after tax for the years then ended would have been US$ 4,729 lower/higher and US$ 39,537 lower/higher, respectively. 6.9% and 8.7% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in currency other than U.S. Dollar.

In management's opinion, the assessment is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. US$ denominated sales are seasonal, with higher sales volumes in the last quarter of the financial year, resulting to an increase in US$ denominated receivables at the end of the reporting period.

ii. Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company’s financial instrument potentially containing interest rate risk is the cash in banks accounts and time deposit.

The interest rate risk exposure relates to the amount of assets or liabilities which is subject to a risk that a movement in interest rates will adversely affect the income after tax. The risk or interest income is limited as the Company only intends to keep sufficient cash balances to meet operational needs.

iii. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in a loss to the Company.

The Company’s credit risk is primarily attributed to its cash in bank and trade accounts receivable. The Company places its bank balances with credit worthy financial institutions. Trade accounts receivable are entered with respected and credit worthy third parties. The Company’s exposure and its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

The carrying amount of financial assets recorded in the reporting package, net of any allowance for losses represents the Company’s exposure to credit risk.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company maintains sufficient funds to finance its ongoing working capital requirements, whereas the funds are placed in cash on hand and in bank.

<u>Liquidity and interest risk tables</u>

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	Weighted average effective interest rate	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Total
	%	US$	US$	US$	US$	US$
March 31, 2015						
Non-interest bearing						
Advance from related parties	-	-	1,396,100	-	-	1,396,100
Accrued expenses	-	100,434	-	-	-	100,434
Variable interest rate instrument						
Other accounts payable to related parties	1.70	-	1,017,000	-	-	1,017,000
Total		100,434	2,413,100	-	-	2,513,534
March 31, 2014						
Non-interest bearing						
Advance from related parties	-	-	1,600,000	-	-	1,600,000
Accrued expenses	-	80,252	-	-	-	80,252
Variable interest rate instrument						
Other accounts payable to related parties	1.84	-	1,018,400	-	-	1,018,400
Total		80,252	2,618,400	-	-	2,698,652

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted average effective interest rate	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Total
	%	US$	US$	US$	US$	US$
March 31, 2015						
Non-interest bearing						
Cash on hand	-	442	-	-	-	442
Trade accounts receivable from related parties	-	35,710	-	-	-	35,710
Variable interest rate instruments						
Cash in bank	2	83,828	-	-	-	83,828
Total		119,980	-	-	-	119,980
March 31, 2014						
Non-interest bearing						
Cash on hand	-	534	-	-	-	534
Trade accounts receivable from related parties	-	365,527	-	-	-	365,527
Variable interest rate instruments						
Cash in bank	2	103,718	-	-	-	103,718
Total		469,779	-	-	-	469,779

c. Fair value of financial instruments

Management believes that the carrying amount of financial assets and liabilities recorded in the reporting package approximate their fair values because of their short-term maturities.

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