PT OORJA INDO KGS
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	March 31, 2015	March 31, 2014
	US$	US$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	861,059	2,853,275
Other accounts receivable from third parties	1,640,992	-
Inventories	427,622	3,546,176
Prepaid taxes	148,328	-
Advances and prepaid expenses	4,059,631	10,708,607
Total Current Assets	7,137,632	17,108,058
NONCURRENT ASSETS		
Deferred tax assets - net	113,402	71,348
Property and equipment - net of accumulated depreciation of US$ 923,872 in 2015 and US$ 686,902 in 2014	1,536,864	516,909
Refundable deposits	45,405	42,856
Advances for purchase of property and equipment	5,375,672	3,746,938
Total Noncurrent Assets	7,071,343	4,378,051
TOTAL ASSETS	14,208,975	21,486,109

PT OORJA INDO KGS
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015 (Continued)

	March 31, 2015 US$	March 31, 2014 US$
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Bank loans	2,500,000	5,000,000
Trade accounts payable		
Related party	382,003	279,566
Third parties	10,745	431,737
Other accounts payable	290	19,189
Accrued expenses	267,368	580,865
Advance from customer	8,662,655	11,535,849
Taxes payable	32,360	226,118
Current maturities of payable on purchase of vehicles	31,809	28,933
Total Current Liabilities	11,887,230	18,102,257
NONCURRENT LIABILITIES		
Payable on purchase of vehicles - net of current maturity	13,952	6,335
Post-employment benefits obligation	57,521	47,786
Total Noncurrent Liabilities	71,473	54,121
EQUITY		
Capital stock - US$ 250 per share		
Authorized - 4,000 shares		
Subscribed and fully paid - 1,000 shares	250,000	250,000
Retained earnings	2,000,272	3,079,731
Total Equity	2,250,272	3,329,731
TOTAL LIABILITIES AND EQUITY	14,208,975	21,486,109

PT OORJA INDO KGS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
	US$	US$
SALES	121,861,247	202,005,820
COST OF GOODS SOLD	102,277,284	167,456,053
GROSS PROFIT	19,583,963	34,549,767
Selling expenses	(17,721,253)	(30,354,311)
General and administrative expenses	(2,462,108)	(3,077,263)
Interest expenses	(181,160)	(105,919)
Interest income	16,085	22,954
(Loss) gain on foreign exchange - net	(356,562)	45,911
Gain on assets disposal	-	2,956
Others - net	(478)	(192)
(LOSS) INCOME BEFORE TAX	(1,121,513)	1,083,903
TAX BENEFIT (EXPENSE) - NET	42,054	(423,947)
NET (LOSS) INCOME AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(1,079,459)	659,956

PT OORJA INDO KGS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2015

	Capital Stock US$	Retained Earnings US$	Total Equity US$
Balance as of April 1, 2013	250,000	2,419,775	2,669,775
Total comprehensive income for the year	-	659,956	659,956
Balance as of March 31, 2014	250,000	3,079,731	3,329,731
Total comprehensive loss for the year	-	(1,079,459)	(1,079,459)
Balance as of March 31, 2015	250,000	2,000,272	2,250,272

PT OORJA INDO KGS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before tax	(1,121,513)	1,083,903
Adjustments for:		
Depreciation	237,895	175,018
Interest expense	181,160	99,030
Unrealized foreign exchange	142,192	821
Post-employment benefits	15,871	11,378
Gain on sale of property and equipment sold	-	(2,955)
Interest income	(16,085)	(22,954)
Operating cash flows before changes in working capital	(560,480)	1,344,241
Changes in working capital:		
Other accounts receivable	(1,640,992)	27,123
Inventories	3,118,554	(2,866,726)
Prepaid taxes	(148,328)	-
Advances and prepaid expenses	6,648,976	(1,139,963)
Trade accounts payable	(318,555)	(3,406,801)
Other accounts payable	(18,899)	2,391
Accrued expenses	(313,497)	(641,688)
Advance from customer	(2,873,194)	864,771
Taxes payable	(34,334)	(170)
Net cash generated by operating activities	3,859,251	(5,816,822)
Payment of income tax	(307,752)	(338,875)
Net Cash Provided (Used in) by Operating Activities	3,551,499	(6,155,697)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	16,085	22,954
Refundable deposits	(2,549)	3,614
Proceed from property and equipment sold	544	8,595
Acquisitions of property and equipment	(1,258,394)	(64,985)
Advances for purchase fixed asset	(1,628,734)	(3,214,404)
Net Cash Used in by Investing Activities	(2,873,048)	(3,244,226)
CASH FLOW FROM FINANCING ACTIVITY		
Proceed of bank loan	30,450,000	24,903,000
Payment of bank loan	(32,950,000)	(19,903,000)
Payment of interest	(181,160)	(99,030)
Addition (payment) of payable on purchase of vehicles	10,493	(8,394)
Net Cash (Used in) Provided by Investing Activities	(2,670,667)	4,892,576
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,992,216)	(4,507,347)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,853,275	7,360,622
CASH AND CASH EQUIVALENTS AT END OF YEAR	861,059	2,853,275

1. GENERAL

PT Oorja Indo KGS (the Company) was established within the framework of Foreign Capital Investment Law No. 1 of 1967, as amended by Laws No. 11 of 1970 and No. 25 of 2007 based on Notarial Deed No. 8 dated February 20, 2008 of Public Notary Sri Irmiati, 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-17598.AH.01.01 Year 2008 dated April 9, 2008 and was published in State Gazette No. 40 dated May 16, 2008, Supplement No. 6493. The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 154 dated August 26, 2011 of Public Notary Mellyani Noor Shandra, SH, to change the Company's stockholders. Such amendment has been reported to the Minister of Law and Human Rights of the Republic of Indonesia in Letter of Acceptance No. AHU-AH.01.10-31399 dated October 3, 2011.

The Company is domiciled at Gd. Menara Prima, 15th Floor Unit A and B, Jl. Lingkar Mega Kuningan No. 62, Kuningan Timur, Setiabudi, Jakarta Selatan.

In accordance with Article 3 of the Articles of Association, the Company is mainly engaged in mining contractors, export and selling of mining products and other general mining services. The Company commenced commercial operations in May 2009. The Company is presently engaged in coal trading. As of March 31, 2015 and 2014, the Company had 19 and 19 permanent employees, respectively.

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

Commissioner	:	Atul Agarwal
Director	:	Kirtipal Singh Raheja

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 reporting currency used in the preparation of the financial statements is the U.S. Dollar (US$), while the measurement basis used 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 period 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

c. Transactions with Related Party

A related party is a 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 a 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 a 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 party, whether or not made at similar terms and conditions as those transacted with third parties, are disclosed in the reporting package.

d. Financial Assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset 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 into loans and receivables.

<u>Loans and receivables</u>

Cash and cash equivalents, except cash on hand 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 amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (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

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, 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 becomes probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as receivables, assets 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 Group'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.

For financial assets carried at amortised cost, the amount of the impairment 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.

For financial asset carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced 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 recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset when, and 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 recognises 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 recognise the financial asset and also recognises 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 issuance costs.

Financial Liabilities

Trade accounts payable, other accounts payable, accrued expenses, and deposit from customer 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 borrowing is recognized over the term of the borrowings.

Derecognition of financial liabilities

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

f. Netting of Financial Assets and Financial Liabilities

The Company only offsets financial assets and liabilities and presents the net amount in the statements 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 settles the liability simultaneously.

g. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

h. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

i. Prepaid Expenses

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

j. 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 recognized so as to write-off the cost of assets less residual values, based on the estimated useful lives of the assets as follows:

	Method	Years
Building	Straight line	10
Office equipment	Double decline	4
Furniture and fittings	Double decline	4
Vehicles	Double decline	5

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 recognized 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 costs and the related accumulated depreciation and any accumulated impairment losses are removed from the accounts and any resulting gain or loss is reflected in profit or loss.

k. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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 expenses in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

l. Impairment of Non-Financial Assets

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 fair value less cost to sell and value in use. If the recoverable amount of a non-financial asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately against earnings.

Accounting policy for the impairment of financial assets is discussed in Note 2d.

m. Provisions

Provisions are recognized 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 recognized 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

n. Revenue and Expense Recognition

Sale of Goods

Revenue from sale of goods is recognized when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

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.

o. Post-Employment Benefits

The Company provides 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 greater of the present value of the Company's defined benefit obligations is recognized on straight-line basis over the expected average remaining working lives of the participating employees (corridor approach). 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 benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

p. Income Tax

Current tax expense is determined based on the taxable income for the period 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 recognised for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences 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 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 its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all of part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and current tax liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company accounting policies, which are described in Note 2, the director are 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 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 amount recognized in the financial statement, 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 uncertainty 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:

- <u>Allowance for Decline in Value of Inventories</u>

  The Company provides allowance for inventory obsolescence based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for inventory obsolescence 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.

- <u>Estimated Useful Lives of Property and Equipment</u>

  The useful lives 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 the carrying values of property and equipment.

  The carrying amounts of property and equipment are disclosed in Note 9.

- Asset Impairment

  Tangible assets are reviewed for impairment whenever impairment indicators are present. The determination of the value in use of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets (cash generating unit) and a suitable discount rate in order to calculate the present value.

  While it is believed that the assumptions used in the estimation of the value in use of assets reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse impact on the results of operations.

4. CASH AND CASH EQUIVALENTS

	March 31, 2015	March 31, 2014
	US$	US$
Cash on hand	9,402	5,862
Cash in banks		
U.S. Dollar		
PT Bank Danamon Indonesia Tbk	179,907	1,021,001
PT Bank Mandiri (Persero) Tbk	141,202	70,266
PT Bank of India Indonesia Tbk	24,563	519,232
Rupiah		
PT Bank Danamon Indonesia Tbk	114,129	48,233
PT Bank Mandiri (Persero) Tbk	66,655	868,851
PT Bank of India Indonesia Tbk	1,683	2,071
Time deposit in U.S. Dollar		
PT Bank of India Indonesia Tbk	323,518	317,759
Total	861,059	2,853,275
Interest rate per annum on time deposit	2.25%	2.25%

5. OTHER ACCOUNTS RECEIVABLE FROM THIRD PARTIES

	March 31, 2015	March 31, 2014
	US$	US$
PT Garuda Chindo Makmur	820,496	-
PT Kaltim Chindo Prima Indonesia	820,496	-
Total	1,640,992	-

6. INVENTORIES

This account represents the coal inventories amounting to US$ 427,622 and US$ 3,546,176 as of March 31, 2015 and 2014, respectively.

Inventories was insured against robbery, terrorism and other risk with a total insurance coverage of US$ 1,000,000 per barge in 2015 and 2014. The management believes that the insurance coverage is adequate to cover possible losses on the inventories.

Management believes that there is no decline in the inventories value, and accordingly no allowances need to be provided.

7. PREPAID TAXES

This account represents corporate income tax for fiscal year 2014 amounting to US$ 148,328 as of March 31, 2015 (note 22).

8. ADVANCES AND PREPAID EXPENSES

	March 31, 2015	March 31, 2014
	US$	US$
Advances		
Purchase advances	3,676,054	10,454,933
Staff advance	18,908	32,656
Others	187,184	6,975
Total	3,882,146	10,494,564
Prepaid expenses		
Rentals	124,779	189,562
Insurance	16,395	22,350
Others	36,311	2,131
Total	177,485	214,043
Total	4,059,631	10,708,607

9. PROPERTY AND EQUIPMENT

	April 1, 2014	Additions	Deductions	Reclasification	March 31, 2015
	US$	US$	US$	US$	US$
At cost :					
Direct Acquisition					
Building	489,555	1,099,110	-	-	1,588,665
Office equipment	94,634	8,088	1,469	-	101,253
Furniture and fittings	104,824	65,912	-	-	170,736
Vehicles	394,490	85,284	-	120,308	600,082
Leased assets					
Vehicle	120,308	-	-	(120,308)	-
	1,203,811	1,258,394	1,469	-	2,460,736
Accumulated depreciation :					
Building	179,502	113,072	-	-	292,574
Office equipment	56,962	22,206	924	-	78,244
Furniture and fittings	83,905	23,852	-	-	107,757
Vehicles	265,279	78,764	-	101,254	445,297
Leased assets					
Vehicle	101,254	-	-	(101,254)	-
Total	686,902	237,894	924	-	923,872
Net Carrying Value	516,909				1,536,864

	April 1, 2013	Additions	Deductions	Reclasification	March 31, 2014
	US$	US$	US$	US$	US$
At cost :					
Direct Acquisition					
Building	489,555	-	-	-	489,555
Office equipment	62,435	32,199	-	-	94,634
Furniture and fittings	101,970	2,854	-	-	104,824
Vehicles	398,208	29,932	33,650	-	394,490
Leased assets					
Vehicle	120,308	-	-	-	120,308
	1,172,476	64,985	33,650	-	1,203,811
Accumulated depreciation :					
Building	130,547	48,955	-	-	179,502
Office equipment	42,387	14,575	-	-	56,962
Furniture and fittings	64,097	19,808	-	-	83,905
Vehicles	215,094	78,975	28,790	-	265,279
Leased assets					
Vehicle	88,549	12,705	-	-	101,254
Total	540,674	175,018	28,790	-	686,902
Net Carrying Value	631,802				516,909

The depreciation charged to operating expenses amounted to US$ 237,894 and US$ 175,018 in 2015 and 2014, respectively.

The building was insured against all risks with a total insurance coverage of US$ 695,833 in 2015 and 2014, respectively. Vehicles was insured against all risks with a total insurance coverage of US$ 310,010 and US$ 360,641 in 2015 and 2014, respectively. The management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

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.

10. ADVANCES FOR PURCHASE PROPERTY AND EQUIPMENT

This account represents advances for purchase of office apartment amounting to US$ 5,375,672 and US$ 3,746,938 as of March 31, 2015 and 2014, respectively.

11. BANK LOANS

On January 27, 2010, the Company obtained bank loan from PT Bank of India Indonesia Tbk. Credit facility given by the bank are as follows:

Facility 1 : Pre-shipment fixed loan (FL)/overdraft (OD) with maximum credit facility amounting to Rp 18 billion and/or SKBDN/local letter of credit with maximum credit facility amounting to Rp 18 billion for 90 days.

Facility 2 : Post shipment: Export Bills purchased with maximum credit facility amounting to US$ 2.5 million for 90 days.

This agreement has been amended several times. The last amendment was made on January 27, 2015 and will be due on January 27, 2016 with interest rate 7%-10% per annum.

The loan are collateralized by Corporate Guarantee from Mercator International Pte. Ltd., the stockholder of the Intermediary Holding Company for Export Letter of Credit documents.

The loan agreement relating to the above facilities contain certain covenants, such as insured Export Letter of Credit documents cannot be pledged as collateral to another loan. As of March 31, 2015, the Company is compliance with the term any conditions of the loan.

The outstanding loan as of March 31, 2015 and 2014 amounted to US$ 2,500,000 and US$ 5,000,000.

12. TRADE ACCOUNTS PAYABLE

	March 31, 2015	March 31, 2014
	US$	US$
Related party		
PT Nuansa Sakti Kencana	382,003	279,566
Third parties	10,745	431,737

Trade accounts payable are less than 60 days. No interest charged on trade accounts payable.

13. ACCRUED EXPENSES

	March 31, 2015	March 31, 2014
	US$	US$
Coal cargo superintending	45,012	450,181
Stevedoring	103,839	59,257
Others	118,517	71,427
Total	267,368	580,865

14. ADVANCE FROM CUSTOMER

This account represents the sales advance from MCS Holdings Pte. Ltd., a related party amounting to US$ 8,662,655 and US$ 11,535,849 as of March 31, 2015 and 2014, respectively.

15. TAXES PAYABLE

	March 31, 2015	March 31, 2014
	US$	US$
Income tax article 29 (Note 22)	-	133,562
Income tax		
Article 21	22,782	16,955
Article 15	7,710	31,578
Article 23	1,828	12,262
Article 4 (2)	40	5,118
Article 25	-	25,862
Value added tax	-	781
Total	32,360	226,118

16. PAYABLE ON PURCHASE OF VEHICLES

This account represents the payable on purchase of vehicles to PT Bank Internasional Indonesia (BII) Finance, PT Astra Sedaya Finance and PT Mandiri Tunas Finance. The payables are for two and three year period and bear interest ranging from 5% - 9.5%.

The outstanding payables as of March 31, 2015 and 2014 amounted to US$ 45,761 and US$ 35,268, respectively.

17. CAPITAL STOCK

The comparison of subscribed and paid up capital stock is as follows:

	March 31, 2015 and 2014		
Name of Stockholders	Number of Shares	Percentage of Ownership	Total Paid-up Capital
			US$
Oorja 3 Pte. Ltd.	950	95%	237,500
Oorja Holdings Pte. Ltd.	50	5%	12,500
Total	1,000	100%	250,000

18. SALES

This account represents the sales of coal in 2015 and 2014 amounting to US$ 121,861,247 and US$ 202,005,820, respectively.

19. COST OF GOODS SOLD

	2015	2014
	US$	US$
Coal analysis	94,508	78,729
Loading conveyor rentals	11,640	84,373
Trucking	-	62,202
Production royalties	-	5,375
Others	-	9,487
Total	106,148	240,166
Inventory beginning	3,546,176	679,450
Purchase	99,052,582	170,082,613
Inventory ending	(427,622)	(3,546,176)
Total	102,277,284	167,456,053

20. SELLING EXPENSES

	2015	2014
	US$	US$
Barges	11,069,102	19,753,777
Floating crane rentals	3,492,006	3,378,704
Stevedoring	1,879,537	4,252,709
Coal cargo superintending	763,055	1,531,392
Others	517,553	1,437,729
Total	17,721,253	30,354,311

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	US$	US$
Salaries and allowances	1,018,103	1,722,167
Travelling and accommodations	259,674	217,976
Rentals	250,068	230,549
Depreciation (Note 9)	237,894	175,018
Others (each below US$ 100,000)	696,369	731,553
Total	2,462,108	3,077,263

22. INCOME TAX

Tax expense in of the Company consists of the following:

	2015	2014
	US$	US$
Current tax	-	436,667
Deferred tax	(42,054)	(12,720)
Tax (benefit) expense	(42,054)	423,947

Current Tax

The reconciliation between income before tax per statements of comprehensive income and taxable income is as follows:

	2015	2014
	US$	US$
(Loss) income before tax as per statements of comprehensive income	(1,121,513)	1,083,903
Temporary differences:		
Post-employment benefits	15,871	11,378
Difference between commercial and fiscal depreciation	18,731	11,244
Depreciation of lease asset	-	6,352
Total	34,602	28,974
Nondeductible expenses (nontaxable income):		
Benefits in kind	407,226	436,194
Depreciation	135,732	74,661
Interest income subjected to final tax	(16,085)	(22,954)
Others	133,384	145,890
Total	660,257	633,791
Total taxable (loss) income	(426,654)	1,746,668

Current tax expense and tax payable are computed as follows:

	2015	2014
	US$	US$
Current tax expense at effective tax rate	-	436,667
Less: prepaid income taxes		
Article 25	148,328	303,105
Tax (prepaid) payable (Note 7 and 15)	(148,328)	133,562

Deferred Tax

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

	April 1, 2013	Credited to income for the year	March 31, 2014	Credited to income for the year	March 31, 2015
	US$	US$	US$	US$	US$
Difference between commercial and fiscal depreciation	51,910	9,873	61,783	37,239	99,022
Post-employment benefits	10,688	1,259	11,947	2,433	14,380
Depreciation of lease asset	(3,970)	1,588	(2,382)	2,382	-
Deferred tax assets (liability) - net	58,628	12,720	71,348	42,054	113,402

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

	2015	2014
	US$	US$
(Loss) income before tax as per statements of comprehensive income	(1,121,513)	1,083,903
Tax (benefit) expense at effective tax rates	(280,378)	270,976
Tax effect of nontaxable income (nondeductible expense)		
Benefits in kind	101,807	109,049
Depreciation	33,933	18,665
Interest income subjected to final tax	(4,021)	(5,739)
Others	33,346	36,472
Deferred tax adjustment	73,259	(5,476)
Total tax (benefit) expense	(42,054)	423,947

23. POST-EMPLOYMENT BENEFITS

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 19 in 2015 and 2014, respectively.

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

	2015	2014
	US$	US$
Current service cost	12,564	9,447
Interest cost	2,421	1,931
Net actuarial gain	(437)	(30)
Past service cost	26	30
Curtailment Effect	1,297	-
Total	15,871	11,378

The amounts included in the statements of financial position arising from the Company's obligation in respect of the post-employment benefits are as follows:

	March 31, 2015	March 31, 2014
	US$	US$
Present value of benefit obligation	52,289	32,683
Unrealized actuarial gain	5,553	15,500
Unrecognized past service cost	(321)	(397)
Net liability	57,521	47,786

Movements in the present value of the post-employment benefits obligation were as follows:

	March 31, 2015	March 31, 2014
	US$	US$
Opening defined benefit obligation	32,684	37,768
Current service cost	12,564	9,447
Interest cost	2,421	1,931
Curtailment Effect	1,297	-
Recognized of gain (loss) of actuarial	7,519	(10,883)
Foreign exchange difference	(4,197)	(5,580)
Closing defined benefit obligation	52,289	32,683

The main assumptions used in calculating the estimated liabilities for post-employment benefits in 2015 and 2014 are as follows:

	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

24. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

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

b. Oorja 3 Pte. Ltd and Oorja Holdings Pte. Ltd, are the stockholders of the Company.

c. Related parties which are entities with the same majority stockholder, controlled by key management personnel of the Company:

- MCS Holdings Pte. Ltd.
- PT Bima Gema Permata
- PT Nuansa Sakti Kencana
- PT Mincon Indo Resources
- PT Karya Putra Borneo

Transactions with Related Parties

The Company entered into certains transactions with related parties, including the following:

a. The Company and MCS Holdings Pte Ltd entered sale and purchase of Indonesian steaming (non-cooking) coal. At reporting date, sales advance recorded as advance from customers (Note 14).

b. The Company and PT Nuansa Sakti Kencana entered coal purchase agreement with calories between 4,800 – 5,100 ADB at FOB Barges (Petangis Jetty).

c. The Company and PT Bima Gema Permata entered coal purchase agreement with calories between 4,800 – 5,100 ADB at FOB Barges (Petangis Jetty).

d. The Company and PT Karya Putra Borneo entered coal purchase agreement.

25. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

As of March 31, 2015 and 2014, the Company had monetary assets and liabilities denominated in foreign currencies, as follows:

		2015		2014	
		Foreign currency	Equivalent in US$	Foreign currency	Equivalent in US$
Assets					
Cash and cash equivalents	Rp	2,480,977,323	189,619	10,537,495,716	922,609
Refundable deposits	Rp	392,706,550	41,001	385,206,550	33,778
Total Assets			230,620		956,387
Liabilities					
Trade payables					
Third Party	Rp	134,315,126	10,266	-	-
Other accounts payable	Rp	-	-	126,105,438	11,058
Taxes payable	Rp	423,398,240	32,360	2,578,654,348	226,118
Accrued expenses	Rp	548,554,077	41,926	909,081,152	79,716
Payable on purchase of vehicles	Rp	592,921,439	45,317	402,196,272	35,268
Total Liabilities			129,868		352,160
Net assets			100,752		604,227

The conversion rates used by the Company as of March 31, 2015 and March 31, 2014 are Rp 13,804, and Rp 11,404 per US$ 1, respectively.

26. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	March 31, 2015	March 31, 2014
	US$	US$
Loans and receivables		
Current Financial Assets		
Cash and cash equivalents	861,055	2,853,275
Other accounts receivable from third parties	1,640,992	-
Noncurrent Financial Assets		
Refundable deposits	45,405	42,856
Total Financial Assets	2,547,452	2,896,131
Liabilities at amortized cost		
Current Financial Liabilities		
Bank loans	2,500,000	5,000,000
Trade accounts payable		
Related party	382,003	279,566
Third parties	10,745	431,737
Other accounts payable	290	19,189
Accrued expenses	267,368	580,865
Current maturity of payable on purchase of vehicles	31,809	28,933
Non-current Financial Liabilities		
Payable on purchase of vehicles - net of current maturity	13,952	6,335
Total Financial Liabilities	3,206,167	6,346,625

27. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital risk management

The Company manages capital risk to ensure that they will be able to continue as going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of cash and cash equivalents (Note 4) and equity shareholders of the holding that consisting of capital stock (Note 17) and retained earnings.

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.

The Board of Directors of the Company periodically reviews the Company's capital structure. As part of this review, the Board of Directors considers the cost of capital and related 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 revenues and purchases of materials and spareparts denominated in foreign currency.

The Company manages the foreign currency 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 25. The Company did not enter into any forward foreign exchange contracts.

Foreign currency sensitivity analysis

The Company is mainly exposed to Indonesian Rupiah (Rp).

The Company sensitivity against the relevant foreign currencies is 7% and 8.7% in March 31, 2015 and 2014, respectively. Had the US$ weakened/strengthened by 7% 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$ 16,723 lower or higher and US$ 64,744 lower or higher, respectively. 7% 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.

ii. Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows fund at floating interest rate. Exposures to interest rate risk relate mainly to the Company’s borrowing to related party with variable interest rates, which are monitored on an ongoing basis with the primary objective of limiting the extent to which net interest exposure could be affected by an adverse movement in interest rates.

The Company believes that exposure to interest rate is not significant because the Company's borrowing is to related party. The Company believes that such lending policy which include interest are well managed by corporate treasury. While for interest rate risk exposure in bank deposit is considered manageable.

iii. Credit risk management

Credit risk refers to the risk that a 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 banks. The Company places its bank balances with credit worthy financial institutions. Trade and other accounts receivable are entered with respected and credit worthy third and related 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 Director regulary.

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

The Company manages and controls this credit risk by setting limits on the amount of risk its willing to accept for respective customers and by being more selective in choosing banks and financial institutions, only reputable and creditworthy banks and financial institutions selected.

All loans and receivables are neither past due or nor impaired with good credit quality based on evaluation of past transaction with outstanding counterparties.

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, 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.

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

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has 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 contractual maturity is based on the earliest date on which the Company may be required to pay.

31/03/2015	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$
Non-interest bearing						
Trade accounts payable						
Related party	-	382,003	-	-	-	382,003
Third parties	-	10,745	-	-	-	10,745
Other accounts payable	-	-	-	-	-	-
Accrued expenses	-	267,368	-	-	-	267,368
Variable interest rate instruments						
Payable on purchase of vehicle	5 - 9.5	12,501	24,401	13,532	-	50,434
Bank loans	7 - 10	2,506,806	-	-	-	2,506,806
Total		3,179,423	24,401	13,532	-	3,217,356

31/03/2014	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$
Non-interest bearing						
Trade accounts payable						
Related party	-	279,566	-	-	-	279,566
Third parties	-	431,737	-	-	-	431,737
Other accounts payable	-	19,189	-	-	-	19,189
Accrued expenses	-	580,865	-	-	-	580,865
Variable interest rate instruments						
Payable on purchase of vehicle	6.5-9.5	9,366	19,567	6,335	-	35,268
Bank loans	7 - 10	5,006,486	-	-	-	5,006,486
Total		6,327,209	19,567	6,335	-	6,353,111

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's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/03/15	Weighted average effective interest rate	1-3 months	3 months to 1year	1-5 years	More than 5 years	Total
	%	US$	US$	US$	US$	US$
Non-interest bearing						
Cash on hand	-	9,402	-	-	-	9,402
Variable interest rate instruments						
Cash and cash equivalents	2.25	867,738	-	-	-	867,738
Total		877,140	-	-	-	877,140

31/03/14	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$
Non-interest bearing						
Cash on hand	-	5,862	-	-	-	5,862
Variable interest rate instruments						
Cash and cash equivalents	2 - 2.25	2,899,793	-	-	-	2,899,793
Total		2,905,655	-	-	-	2,905,655

c. Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values because they have either short-term maturities or carry market interest rate on the effect of discounting is not significant.

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