PT OORJA INDO PETANGIS FOUR (PARENT ONLY)
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2015

	March 31, 2015 US$	March 31, 2014 US$
ASSETS		
CURRENT ASSET		
Cash in banks	58,365	48,119
Trade accounts receivable from related party	-	40,883
Value added tax	-	78
Advances and prepaid expenses	5,937	5,599
Total Current Assets	64,302	94,679
NON CURRENT ASSETS		
Investment in shares of stock	578,555	578,555
Deferred tax assets - net	102,763	102,763
Property and equipment - net of accumulated depreciation and impairment of US$ 825,593 in 2015 and US$ 815,607 in 2014	11,746	21,732
Refundable deposits	371	371
Total Noncurrent Assets	693,435	703,421
TOTAL ASSETS	757,737	798,100
LIABILITIES AND CAPITAL DEFICIENCY		
CURRENT LIABILITIES		
Other accounts payable		
Related Parties	2,611,750	2,600,000
Third Party	165	2,970
Taxes payable	7,790	2,890
Accrued expenses	4,377	5,858
Total Current Liabilities	2,624,082	2,611,718
NON CURRENT LIABILITIES		
Post-employment benefits obligation	19,603	30,648
TOTAL LIABILITIES	2,643,685	2,642,366
CAPITAL DEFICIENCY		
Capital stock - US$ 250 par value per share Authorized - 4,000 shares Subscribed and fully paid - 2,200 shares	550,000	550,000
Deficit	(2,435,948)	(2,394,266)
TOTAL CAPITAL DEFICIENCY	(1,885,948)	(1,844,266)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY	757,737	798,100

PT OORJA INDO PETANGIS FOUR (PARENT ONLY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
	US$	US$
REVENUES	304,424	309,004
COST OF REVENUES	269,537	290,805
GROSS PROFIT	34,887	18,199
General and administrative expenses	(26,021)	(150,251)
Loss on foreign exchange - net	1,133	4,350
Interest expenses	(40,394)	(2,621)
Others	(8,243)	(1,442)
LOSS BEFORE TAX	(38,638)	(131,765)
TAX EXPENSE (BENEFIT)	3,044	(19,985)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(41,682)	(111,780)

PT OORJA INDO PETANGIS FOUR (PARENT ONLY)
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
FOR THE YEAR ENDED MARCH 31, 2015

	Capital stock	Deficit	Total capital deficiency
	US$	US$	US$
Balance as of April 1, 2013	550,000	(2,282,486)	(1,732,486)
Total comprehensive income for the year	-	(111,780)	(111,780)
Balance as of March 31, 2014	550,000	(2,394,266)	(1,844,266)
Total comprehensive income for the year	-	(41,682)	(41,682)
Balance as of March 31, 2015	550,000	(2,435,948)	(1,885,948)

PT OORJA INDO PETANGIS FOUR (PARENT ONLY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(38,638)	(131,765)
Adjustments for:		
Depreciation	9,986	124,464
Post-employment benefits	5,358	6,188
Provision for Impairment of fixed asset	-	6,100
Interest expenses	40,394	909
Unrealized gain on foreign exchange	(3,936)	(4,955)
Interest income	(20)	(29)
Operating cash flows before changes in working capital	13,144	912
Changes in working capital:		
Trade accounts receivable from related party	40,883	112,323
Other accounts receivable from related parties	-	1,642,024
Prepaid taxes	78	(78)
Advances and prepaid expenses	(338)	(1,309)
Other accounts payable	8,945	(1,703,793)
Taxes payable	4,901	(1,291)
Accrued expenses	(1,482)	1,161
Cash generated from operations	66,131	49,949
Payment of interest	(40,394)	(909)
Income tax paid	(3,044)	-
Benefits paid	(12,467)	(4,180)
Net Cash Provided by Operating Activities	10,226	44,860
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20	29
Net Cash Provided by Investing Activities	20	29
CASH FLOW FROM FINANCING ACTIVITY		
Payment of finance lease obligation	-	(18,936)
NET INCREASE IN CASH IN BANKS	10,246	25,953
CASH IN BANKS AT BEGINNING OF YEAR	48,119	22,166
CASH IN BANKS AT END OF YEAR	58,365	48,119

1. GENERAL

a. Establishment and General Information

PT Oorja Indo Petangis Four (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. 2 dated September 14, 2007 of Public Notary Sri Irmiati, SH. The Company's Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. C-04214 HT.01.01 Year 2007 dated November 23, 2007 and was published in State Gazette No. 99 dated December 11, 2007, Supplement No. 12174. The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 51 dated February 16, 2011 of Public Notary Mellyani Noor Shandra, S.H., concerning the increase in paid-in capital and changes in the Company's Commissioners, Directors and 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.01.10-07140 dated March 8, 2011.

The Company commenced commercial operations in August 2008. Currently, the Company is engaged in outsourcing. The Company is domiciled in Gd. Menara Prima, 15th Floor Units A & B, Jl. Lingkar Mega Kuningan No. 62, Kuningan Timur - Setiabudi, Jakarta Selatan. As of March 31, 2015 and 2014, the Company had 8 and 14 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 member of the Company's Commissioner and Directors for the years ended March 31, 2015 and 2014 are as follows:

Commissioner	: Atul Agarwal
President Director	: Raheja Kirtipal Singh
Director	: Anand Singh

b. Subsidiary

As of March 31, 2015 and 2014, the Company has ownership interest of more than 50% directly in the following subsidiary:

Subsidiary	Domiciled	Scope Activities	Percentage of Ownership	Commencement of Commercial Operations	Total Assets March 31, 2015	Total Assets March 31, 2014
			%		US$	US$
PT Nuansa Sakti Kencana	Jakarta	Coal mining	50	April 2011	2,527,184	1,879,753

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 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. Transactions with Related Parties

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 grup (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 grup 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 recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract while 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 as loans and receivables.

<u>Loans and receivables</u>

Trade and other accounts receivable that have fixed or determinable payments that are not quoted in 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 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 amortised 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.

Income is recognised on an effective interest basis.

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 becomes probable that the borrower will enter bankruptcy or financial re-organization.

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 experience 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 loan and receivable 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 impairment of loans and 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 recognised 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 recognised, the previously recognised 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 amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset when 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 recognised in other comprehensive income and accumulated in equity is recognised 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 recognise under continuing involvement, and the part it no longer recognises 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 recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised 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

Other accounts payable and accrued expenses are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowing is recognised 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 recognised amount; and
- intends either to settle on a net basis, or to realise the asset and settles the liability simultaneously.

g. Prepaid Expenses

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

h. Property and Equipment

Property and equipment held for use in the production or supply of goods 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
Office equipment	Double declining	4 – 5
Vehicles	Double declining	4 – 5
Crushing and handling facilities	Double declining	5
Jetty	Double declining	4

	Depreciation method	MT
Road and bridges infrastructure	Unit production	2,445,000 MT

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 profit or loss.

i. 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.

j. Leases

As lessor

Rental income from operating leases is recognised 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 recognised on a straight-line basis over the lease term.

As lessee

Operating lease payments are recognised 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 recognised as an expense in the period in which they are incurred.

k. 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.

l. Revenue and Expense Recognition

Service Revenue

Service revenue includes fees from mining services, mining construction services wherein billing is based on cost plus certain profit margin, revenue from rental of equipment and other facilities, and other services provided to clients. Service revenue is recognised when the 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 recognised when incurred.

m. Post-Employment Benefits

The Company established defined benefit pension plan covering all the local permanent employees. In addition, the Company also provides post-employment benefits as required under Labor Law No. 13/2003 (the "Labor Law"). For normal pension scheme, the Company calculates and recognises the higher of the benefits under the Labor Law and those under such pension plan.

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

The post-employment benefit obligation recognised in the statements of financial position represents the present value of the defined benefit obligation, as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of scheme assets.

n. 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 recognised for the future tax consequences attributable to differences between the reporting package carrying amounts of assets and liabilities and their respective tax bases. Deferred tax liabilities are recognised 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 utilised.

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 its assets and liabilities.

The carrying amount of deferred tax asset 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 or part of the asset to be utilised. Unrecognised deferred tax assets are reassedat at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax 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 of profit or loss.

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in Note 2, the directors 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 recognised 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 recognised 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 and 8.

- Estimated Useful Lives of Property and Equipment

  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 7.

4. CASH IN BANKS

	March 31, 2015	March 31, 2014
	US$	US$
U.S. Dollar		
PT Bank Danamon Indonesia Tbk	49,691	35,117
PT Bank of India Indonesia Tbk	766	819
Rupiah		
PT Bank Danamon Indonesia Tbk	7,591	11,787
PT Bank of India Indonesia Tbk	317	396
Total	58,365	48,119

5. TRADE ACCOUNTS RECEIVABLE FROM RELATED PARTY

	March 31, 2015	March 31, 2014
	US$	US$
PT Nuansa Sakti Kencana	-	40,883
Total	-	40,883

Trade accounts receivable from related parties are less than 60 days. No interest is charged on trade accounts receivable

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

6. INVESTMENT IN SHARES OF STOCK

The details of investments in shares of stock as of March 31, 2015 and 2014, are as follows:

	Percentage of Ownership	Number of Shares	Amount
	%		US$
PT Bima Gema Permata	50	2,550	288,578
PT Nuansa Sakti Kencana	50	2,550	288,577
PT Mincon Indo Resources	1	2,500	1,400
Total			578,555

7. PROPERTY AND EQUIPMENT

	April 1 2014	Additions	Deductions	March 31, 2015
	US$	US$	US$	US$
At cost:				
Office equipment	30,940	-	-	30,940
Vehicles	108,917	-	-	108,917
Crushing and handling facilities	362,250	-	-	362,250
Jetty	23,840	-	-	23,840
Road and bridges infrastructure	311,392	-	-	311,392
Total	837,339	-	-	837,339
Accumulated depreciation:				
Office equipment	30,646	294	-	30,940
Vehicles	89,342	7,830	-	97,172
Crushing and handling facilities	362,250	-	-	362,250
Jetty	21,978	1,862	-	23,840
Road and bridges infrastructure	305,291	-	-	305,291
Total	809,507	9,986	-	819,493
Accumulated impairment loss	6,100			6,100
Net Carrying Value	21,732			11,746

	April 1 2013	Additions	Deductions	March 31, 2014
	US$	US$	US$	US$
At cost:				
Office equipment	30,940	-	-	30,940
Vehicles	108,917	-	-	108,917
Crushing and handling facilities	362,250	-	-	362,250
Jetty	23,840	-	-	23,840
Road and bridges infrastructure	311,392	-	-	311,392
Total	837,339	-	-	837,339
Accumulated depreciation:				
Office equipment	30,014	632	-	30,646
Vehicles	76,294	13,048	-	89,342
Crushing and handling facilities	320,192	42,058	-	362,250
Jetty	20,115	1,863	-	21,978
Road and bridges infrastructure	238,428	66,863	-	305,291
Total	685,043	124,464	-	809,507
Accumulated impairment loss	-	6,100	-	6,100
Net Carrying Value	152,296			21,732

Depreciation was charged to general and administrative expenses amounted US$ 9,986 and US$ 124,464 in 2015 and 2014, respectively (Note 12).

As of March 31, 2014, road and bridges infrastructure was impaired amounting to US$ 6,100 since the company can not longer obtain future benefits for this assets in generating future revenue.

At March 31, 2015 and 2014, property and equipment were insured with PT Asuransi Rama Satria Wibawa and PT Talisman Insurance Brokers with total sum insured of US$ 392,629 and US$ 409,807, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

The Company's management believes that the allowances for impairment of asset as of March 31, 2015 and 2014 is adequate to coverage possible losses an impairment of property and equipment.

8. OTHER ACCOUNTS PAYABLE

	March 31, 2015	March 31, 2014
	US$	US$
Related Parties		
Oorja 1 Pte. Ltd.	2,600,000	2,600,000
PT Nuansa Sakti Kencana	11,750	-
Total	2,611,750	2,600,000
Third Party	165	2,970

9. CAPITAL STOCK

	March 31, 2015 and 2014		
Name of Stockholder	Number of Shares	Percentage of Ownership	Total Paid-up Capital
		%	US$
Oorja 1 Pte. Ltd.	2,178	99	544,500
Oorja 2 Pte. Ltd.	22	1	5,500
Total	2,200	100	550,000

10. REVENUES

This account represents outsourcing services amounted US$ 304,424 and US$ 309,004 in 2015 and 2014, respectively, are sales to related party (Note 15).

11. COST OF REVENUES

	2015	2014
	US$	US$
Salaries and allowances	233,102	256,588
Income tax article 21	36,435	34,217
Total	269,537	290,805

12. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	2014
	US$	US$
Depreciation expense (Note 7)	9,986	124,464
Professional fee	6,653	7,845
Post-employment benefits (Note 14)	5,358	6,188
Insurance	2,233	3,374
Others	1,791	8,380
Total	26,021	150,251

13. INCOME TAX

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

	2015	2014
	US$	US$
Current tax	3,044	-
Deferred tax	-	(19,985)
Total tax expense (benefit)	3,044	(19,985)

Current Tax

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

	2015	2014
	US$	US$
Loss before tax as per statements of comprehensive income	(38,638)	(131,765)
Temporary differences :		
Provision for post-employment benefits	-	(2,947)
Difference between commercial and fiscal depreciation	-	70,689
Provision for impairment of fixed assets	-	6,100
Total	-	73,842
Non deductible expense (nontaxable income):		
Benefit in kind	-	34,217
Interest income already subjected to final tax	-	(29)
Others	38,638	2,323
Total	38,638	36,511
Fiscal loss before fiscal losses carried forward	(21,412)	(21,412)
Total current tax - final	3,044	-

Based on Article 3 of such Tax Law No. 46/2013, a tax registered corporation with gross revenue of less than or equal to Rp 4.8 billion is entitled for final tax with tax rate of 1% from gross revenue.

Under the taxation laws in Indonesia, the Company submits tax return on a self-assessment basis with effective for fiscal year 2008, the tax authorities may assess taxes within 5 years after the date when the tax becomes due.

Deferred Tax

The details of the Company's deferred tax assets and liabilities are as follows:

	March 31, 2013	Credited (charged) to income during the year	March 31, 2014	Credited (charged) to income during the year	March 31, 2015
	US$	US$	US$	US$	US$
Deferred tax assets (liability)					
Difference between commercial and fiscal loss depreciation	74,379	19,197	93,576	-	93,576
Provision for post-employment benefits	8,399	(737)	7,662	-	7,662
Provision for impairment of fixed assets	-	1,525	1,525	-	1,525
Portion of associated company-net	-	-	-	-	-
Deferred tax assets - net	82,778	19,985	102,763	-	102,763

A reconciliation between tax expense (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 comprehensive income	(38,638)	(131,765)
Loss tax at effective tax rates	(9,660)	(32,942)
Tax effect of nontaxable income (nondeductible expenses):		
Benefit in kind	-	8,554
Interest income already subjected to final tax	-	(7)
Others	9,660	581
Total	9,660	9,128
Adjustment	-	3,829
Final tax	3,044	-
Total tax expenses (benefit)	3,044	(19,985)

14. 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 8 and 14 in 2015 and 2014, respectively.

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

	2015	2014
	US$	US$
Current service cost	4,294	4,505
Interest costs	1,506	1,599
Amortised past service cost	108	124
Net actuarial gain	(550)	(40)
Total	5,358	6,188

The amounts included in the statements 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	22,814	20,330
Unrealised actuarial (loss) gain	(2,130)	11,682
Unrecognised past service cost	(1,081)	(1,364)
Net liabilities	19,603	30,648

Movements in the present value of the defined benefits obligation were as follows:

	2015	2014
	US$	US$
Balance at beginning of the year	20,330	31,273
Current service cost	4,294	4,505
Interest cost	1,506	1,599
Benefit paid	(12,467)	(4,180)
Recognised of gain/(loss) of actuarial	11,762	(8,247)
Gain on foreign exchange	(2,611)	(4,620)
End of the year	22,814	20,330

The cost of providing post-employment benefits is calculated by 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

15. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

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

b. Oorja 1 Pte. Ltd. and Oorja 2 Pte. Ltd. are the stockholders of the Company.

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

- PT Bima Gema Permata
- PT Mincon Indo Resources
- PT Nuansa Sakti Kencana

Transactions with Related Parties

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

a. The Company's outsourcing services are made to PT Nuansa Sakti Kencana (Note 10).

b. Other accounts payable to related party represent short-term loan from Oorja 1 Pte. Ltd. amounting US$ 2,600,000 and advance from PT Nuansa Sakti Kencana for outsourcing. Loan from Oorja 1 Pte. Ltd. bear interest and are without collateral and payable on demand (Note 8).

16. MONETARY ASSETS AND LIABILTIES 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 in banks	Rp	103,468,272	7,908	Rp	138,934,932	12,183
Refundable deposit	Rp	4,854,164	371	Rp	4,230,884	371
Total assets			8,279			12,554
Liabilities						
Accrued expense	Rp	4,932,668	377	Rp	5,568,438	488
Total liabilities			377			488
Net Assets			7,902			12,066

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

17. OTHER MATTER

The Company incurred a net loss of US$ 41,682 in 2015. As of March 31, 2015, the Company's current liabilities exceeded its total assets by US$ 1,866,345 and has capital deficiency by US$ 1,885,948. 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.

18. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	March 31, 2015		March 31, 2014	
	Loans and receivables	Liabilities at amortized cost	Loans and receivables	Liabilities at amortized cost
	US$	US$	US$	US$
Current Financial Assets				
Cash in banks	58,365	-	48,119	-
Trade accounts receivable from related party	-	-	40,883	-
Noncurrent Financial Assets				
Refundable Deposit	371	-	371	-
Current Financial Liabilities				
Other accounts payable to third parties	-	165	-	2,970
Other accounts payable to related parties	-	2,611,750	-	2,600,000
Accrued expenses	-	4,377	-	5,858
Total	58,736	2,616,292	89,373	2,608,828

19. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Capital risk management

The Company manages its capital 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 capital structure of the Company consists of cash in banks (Note 4) and equity shareholder consisting of capital stock (Note 9) and retained earnings.

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.

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

	March 31 2015	March 31 2014
	US$	US$
Debt:		
Other accounts payable to related parties	2,611,750	2,600,000
Cash in banks	58,365	48,119
Net Debt	2,553,385	2,551,881
Equity	(1,885,948)	(1,844,266)
Net Debt to Equity Ratio	-135%	-138%

b. Financial risk management objectives and policies

The financial risks that might be faced by the Company are credit risk, foreign exchange rate risk, interest rate risk, liquidity risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

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 cost of sales and cash in bank.

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 16.

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$ 362 lower/higher and US$ 1,000 lower/higher, or 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.

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 is the risk that the Company will incur a loss arising from its consumers, clients or counterparties that fail to discharge their contractual obligations.

The Company's financial instruments potentially exposed to credit risk were cash on hand and in banks, time deposits, other receivables and refundable deposits. The maximum total credit risk exposures were equal to the amount of the respective accounts.

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.

iv. Liquidity risk management

The liquidity risk of the Company arises mainly from funding requirements to pay their liabilities and support their business activities. The Company adopt prudent liquidity risk management by maintaining sufficient cash balance from revenue collection. The Company manages liquidity risk by maintaining adequate reserves 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.

<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.

	Weighted Average Effective Interest Rate	March 31, 2015		March 31, 2014	
		3 months - 1 year	Total	3 months - 1 year	Total
	%	US$	US$	US$	US$
Non interest bearing					
Other accounts payable		165	165	2,970	2,970
Interest bearing					
Other accounts payable - related parties	1.70	2,644,200	2,644,200	2,647,480	2,647,480
Accrued expenses		4,377	4,377	5,859	5,859
Total		2,648,742	2,648,742	2,656,309	2,656,309

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.

	March 31, 2015		March 31, 2014	
	1-3 months	Total	1-3 months	Total
	US$	US$	US$	US$
Non-interest bearing				
Trade receivables	-	-	40,883	40,883
Refundable deposits	371	371	371	371
Variable interest rate				
Cash in banks	58,365	58,365	48,119	48,119
Total	58,736	58,736	89,373	89,373

c. Fair value of financial instruments

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

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