

PT BIMA GEMA PERMATA

FINANCIAL STATEMENTS
AS OF MARCH 31, 2019
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORT

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AS OF MARCH 31, 2019
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

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Pt. Bima Gema Permata

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PT BIMA GEMA PERMATA

SURAT PERNYATAAN DIREKSI TENTANG TANGGUNG
JAWAB LAPORAN KEUANGAN
Tanggal 31 Maret 2019 dan
untuk tahun yang berakhir pada tanggal tersebut

PT BIMA GEMA PERMATA

**DIRECTOR'S STATEMENT ON THE RESPONSIBILITY FOR
THE FINANCIAL STATEMENTS
As of March 31, 2019 and
for the year then ended**

Saya yang bertandatangan di bawah ini :

I, the undersigned below :

Nama :	Kennedy Perkash Nanik	:	Name
Alamat kantor :	Menara Prima, 15th Floor, Unit A&B, Jl. Ide Anak Agung Gde Agung, Kuningan Timur, Setiabudi, Jakarta Selatan, DKI Jakarta 12950	:	Office address
Nomor telepon :	021-57948028 / 57948381	:	Telephone number
Jabatan :	Direktur / Director	:	Title

Menyatakan bahwa :

Declare that :

- Bertanggung jawab atas penyusunan dan penyajian laporan keuangan Perusahaan.
- Laporan keuangan Perusahaan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia.
- Semua informasi dalam laporan keuangan Perusahaan telah dimuat secara lengkap dan benar dan laporan keuangan Perusahaan tidak mengandung informasi atau fakta material yang tidak benar dan tidak menghilangkan informasi atau fakta material.
- Bertanggung jawab atas sistem pengendalian internal dalam Perusahaan.

- Responsible for the preparation and presentation of the Company's financial statement.*
- The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.*
- All information has been completely and properly disclosed in the Company's financial statements and the Company's financial statements do not contain materially misleading information or facts and do not omit any material information or facts.*
- Responsible for the Company's internal control system.*

Demikian pernyataan ini dibuat dengan sebenarnya.

The statement has been made truthfully.

Jakarta, 30 Mei 2019/ Jakarta, May 30 2019



**Kennedy Perkash Nanik
Direktur/ Director**

INDEPENDENT AUDITOR'S REPORT

NO. 269/2.0872/AU.1/02/0944/1/V/2019

The shareholders and the boards of commissioner and directors

PT BIMA GEMA PERMATA

We have audited the accompanying financial statements of **PT Bima Gema Permata**, which comprise the statement of financial position as of **March 31, 2019**, and the statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OFFICE:
KOMPLEKS MUTIARA TAMAN PALEM BLOK A19 No.30, OUTER RINGROAD
KAMAL RAYA, CENGKARENG JAKARTA BARAT 11730, INDONESIA
6221 5435 0431 | 6221 2931 9921 | 6220 2931 9923

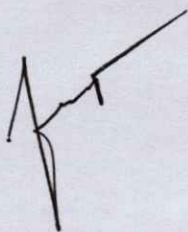
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JAS

JUSTINUS A SIDHARTA
REGISTERED PUBLIC ACCOUNTANT

Opinion

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



Justinus A. Sidharta, CPA
Public Accountant Licence no. AP.0944

May 30, 2019

OFFICE:
KOMPLEKS MUTIARA TAMAN PALEM BLOK A19 No.30, OUTER RINGROAD
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PT BIMA GEMA PERMATA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2019
(Expressed in United States dollar)

	<u>Notes</u>	<u>March 31,</u>	
		<u>2019</u>	<u>2018</u>
ASSETS			
CURRENT ASSETS			
Cash and bank	2,4	29.816	132.635
Other receivables			
Related party	2,5	9.083	-
TOTAL ASSETS		<u>38.899</u>	<u>132.635</u>
LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)			
CURRENT LIABILITIES			
Other payables			
Related parties	2,6	-	93.008
Accrued expenses	7	-	16.877
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>109.885</u>
NON CURRENT LIABILITY			
Security deposit from related party	2,8	-	1.000.000
TOTAL LIABILITIES		<u>-</u>	<u>1.109.885</u>
EQUITY (CAPITAL DEFICIENCY)			
Capital stock			
Authorized, subscribed and fully paid -			
5,100 shares at par value of			
Rp 1,000,000 per share	9	572.776	572.776
Deficit		(533.877)	(1.550.027)
TOTAL EQUITY (CAPITAL DEFICIENCY)		<u>38.899</u>	<u>(977.251)</u>
TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)		<u>38.899</u>	<u>132.635</u>

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BIMA GEMA PERMATA
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2019
(Expressed in United States dollar)

	Notes	Year ended March 31,	
		2019	2018
SALES		-	-
COST OF GOOD SOLD		-	-
GROSS PROFIT		-	-
Gain on write off security deposit from related party		1.016.877	-
Interest income		2.913	5.074
Liquidation of reclamation deposits		-	94.348
Loss on foreign exchange - net		(3.338)	(4.388)
General and administrative expenses	2	(301)	(450)
INCOME FROM OPERATIONS		1.016.151	94.583
Finance cost		-	-
INCOME BEFORE INCOME TAX EXPENSE		1.016.151	94.583
INCOME TAX EXPENSE			
Current	2,10	-	-
Deferred	2	-	-
PROFIT FOR THE YEAR		1.016.151	94.583
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1.016.151	94.583

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BIMA GEMA PERMATA
STATEMENT OF CHANGES IN EQUITY
For the year ended March 31, 2019
(Expressed in United States dollar)

	Capital stock - subscribed and fully paid	Deficit	Total equity (Capital deficiency)
Balance as of April 1, 2017	572.776	(1.644.610)	(1.071.834)
Profit for the year	-	94.583	94.583
Other comprehensive income	-	-	-
Balance as of March 31, 2018	572.776	(1.550.027)	(977.251)
Profit for the year	-	1.016.151	1.016.151
Other comprehensive income	-	-	-
Balance as of March 31, 2019	572.776	(533.877)	38.899

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT BIMA GEMA PERMATA
STATEMENT OF CASH FLOWS
For the year ended March 31, 2019
(Expressed in United States dollar)

	Year ended March 31,	
	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax expense	1.016.151	94.583
Adjustment to reconcile income before income tax expense to net cash provided by (used in) operating activities		
Gain on write off security deposit from related party	(1.016.877)	-
Increase (decrease) in Accrued expenses	-	(109.991)
	(726)	(15.408)
Net cash provided by (used in) operating activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in due from related party	(9.083)	-
Increase (decrease) in due to related parties	(93.008)	93.008
	(102.091)	93.008
Net cash provided by (used in) financing activities		
INCREASE (DECREASE) IN NET CASH AND BANK	(102.817)	77.600
CASH AND BANK AT BEGINNING OF YEAR	132.635	55.035
CASH AND BANK AT END OF YEAR	29.816	132.635

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

1. GENERAL**a. The Company's establishment**

PT Bima Gema Permata ("the Company") was established based on notarial deed no. 11 of public notary Hasbullah Abdul Rasyid, SH, M.Kn dated May 30, 2005. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in decision letter no. C-17032 HT.01.01.Tahun 2005 dated June 21, 2005, and was published in State Gazette No. 27 dated April 5, 2011, Supplement No. 9160 Year 2011.

The Company's articles of association have been amended several times, most recently by notarial deed no. 17 of public notary Aditya Putra Patria, SH, MKn, dated April 20, 2018 concerning the changes of Company's boards of commissioner and directors. The changes have been accepted by the Minister of Law and Human Rights of the Republic of Indonesia in acceptance letter no. AHU-0057033.AH.01.11 TAHUN 2018 dated April 23, 2018.

The Company's scope of activities is coal mining and sales.

Since February 1, 2016 up to March 31, 2019, the Company is in inactive condition.

The Company is domiciled in Menara Prima, 15th floor, units A and B, Jalan Lingkar Mega Kuningan Blok B6.2, Kawasan Mega Kuningan, East Kuningan, Setiabudi, Jakarta. The Company's site is located in Desa Petanggis, Kecamatan Batu Engau, Kabupaten Paser, East Kalimantan.

The Company belongs to a group of companies owned by Mercator Limited (the Group), a group listed in the National Stock Exchange and Bombay Stock Exchange, India.

b. The board of commissioner and directors and employees

The composition of the Company's board of commissioner and directors is as follows :

	March 31,	
	2019	2018
Board of commissioner		
Commissioner	: Adip Mittal	Atul Agarwal
Board of directors		
President Director	: Kennedy Perkasih Nanik	-
Director	: Archana Mittal	Raheja Kirtipal Singh
Director	: Shalabh Mittal	

As of March 31, 2019, the above Company's boards of commissioner and director is inactive.

The Company's management is responsible for the preparation of the accompanying financial statements that were completed and authorized to be issued on May 30, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a. Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Statements of Financial Accounting Standards ("PSAK") in Indonesia, which issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK").

The financial statements have been prepared on the accrual basis using the historical cost concept, except for certain accounts which are measured on the bases as described in the following notes to the financial statements.

The statement of cash flows presents cash flows classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The reporting currency used in the financial statements is the United States dollar ("US\$"), which is also the Company's functional currency.

b. Foreign currency transactions and balances

The Company considers the primary indicators and other indicators in determining its functional currency. If indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At statement of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the last prevailing rates as of such date and the resulting gains or losses are credited or charged to current operations.

The rate of exchange used was as follows :

	March 31,	
	2019	2018
1 Indonesian Rupiah (Rp)	1/14,244	1/13,756

c. Transactions with related parties

A related party is a person or entity that is related to the Company.

- a. A person or a close member of that person's family is related to the Company, if that person :
- (i) has control or joint control over the Company,
 - (ii) has significant influence over the Company, or
 - (iii) is a member of the key management personnel of the Company or of a parent entity of the Company.
- b. An entity is related to the Company if any of the following conditions applies :
- (i) The entity and the Company are members of the same group.
 - (ii) One entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member).
 - (iii) Both entity and the Company are joint ventures of the same third party.
 - (iv) The Company 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 Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in point a.
 - (vii) A person identified in point a (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

d. Expense recognition

Expenses are recognized when they are incurred.

e. Corporate income tax

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as tax losses carry-forward, are also recognized to the extent that realization of such benefits is probable. The tax effects for the year are allocated to current operations, except for the tax effects from transactions which are directly charged or credited to equity.

Deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the statement of financial position date.

Amendment to tax obligation is recorded when an assessment letter is received or if appealed against, when the results of the appeal are determined. The additional taxes and penalty imposed through an assessment letter are recognized as income or expense in the current year profit or loss, unless objection/appeal is taken. The additional taxes and penalty imposed through an assessment letter are deferred as long as they meet the asset recognition criteria.

However, based on the government regulation no. 23 year 2018, for companies with revenues amounting to Rp 4.8 billion per year or below, the corporate income tax is calculated based on final basis of 0.5% from the revenues.

f. Financial instruments**i. Financial assets**

Initial recognition

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification of financial assets is determined at initial recognition and, where allowed and appropriate, re-evaluates this designation at the end of each reporting period.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

ii. Financial liabilities

Initial recognition

Financial liabilities are classified as financial liabilities at fair value through profit or loss, liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The classification of financial liabilities is determined at initial recognition.

Financial liabilities are recognized initially at fair value which, in the case of liabilities at amortized cost, is net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, liabilities at amortized cost are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in profit or loss when liabilities are derecognized as well as through the amortization process.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting period. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Credit risk adjustment

The Company adjusts the price in the more observable market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risks associated with the instruments are taken into account.

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets carried at amortized cost

For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics, and the group is collectively assessed for impairment. Assets that are individually for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a "loans and receivables" financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset.

Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in profit or loss.

vii. Derecognition of financial assets and liabilities**Financial assets**

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when :

- (1) the rights to receive cash flows from the asset have expired, or
- (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit and loss.

3. SOURCE OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those including estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements :

Determination of functional currency

Management has made judgment on the determination of functional currency. The functional currency of the Company is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences the revenue and cost of goods sold.

Estimates and assumptions

The key assumptions concerning the 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 period are discussed below :

Determination of fair values of financial assets and financial liabilities

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value. The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. CASH IN BANK

Cash in bank consist of :

	March 31,	
	2019	2018
Bank		
Indonesian Rupiah		
PT Bank Mandiri (Persero), Tbk.	29.816	101.118
PT Bank Danamon Indonesia, Tbk.	-	31.448
United States dollar		
PT Bank Danamon Indonesia, Tbk.	-	69
Total	29.816	132.635

All cash in banks are placed in third-party bank.

5. OTHER RECEIVABLES

This account mainly represents operational receivables to PT Oorja Indo KGS, related party, bears no interest and without terms of payment, amounting to US\$ 9,083 as of March 31, 2019.

6. OTHER PAYABLES

This account represents operational loans to PT Indo Perkasa and PT Karya Putra Borneo, related parties, bears no interest and without terms of payment, amounting to US\$ 56,723 and US\$ 36,285 as of March 31, 2018, respectively.

7. ACCRUED EXPENSES

This account represents non tax state revenues payables amounting to US\$ 16,877 as of March 31, 2018.

8. SECURITY DEPOSIT FROM RELATED PARTY

This account represents security deposit in relation to the coal off take agreement provided by MCS Holdings Pte. Ltd. amounting to US\$ 1,000,000 as of March 31, 2018. In 2019, the security deposit has been write off. The gain of write of has been recognized in the statement of profit or loss and other comprehensive income.

9. CAPITAL STOCK

The Company's authorized capital amounting to US\$ 572,776 divided into 5,100 shares with par value of Rp 1,000,000 per share. All of the authorized capital has been subscribed and fully paid with the details of the Company's stockholders as of March 2019 and 2018 as follows :

Shareholders	%	Number of shares	Nominal per share	Total
PT Oorja Indo Petangis Three	50	2.550	112	286.388
PT Oorja Indo Petangis Four	50	2.550	112	286.388
Total	100	5.100		572.776

10. TAXATION

The reconciliation between income before income tax expense as shown in the statements of profit or loss and other comprehensive income and estimated fiscal loss is as follows :

	Year ended March 31,	
	2019	2018
Income before income tax expense	1.016.151	94.583
Permanent differences		
Non-deductible expenses	3.639	4.839
Income already subjected to final tax		
Interest	(2.913)	(5.074)
Estimated taxable income	1.016.877	94.348
Compensation of estimated fiscal loss		
Year ended March 31, 2015	-	(92.521)
Year ended March 31, 2016	(1.016.877)	(1.827)
Estimated fiscal loss after compensation		
Year ended March 31, 2016	(59.565)	(1.076.442)

BGP is in a contra review process against the judicial review submitted by Indonesian Directorate General of Tax. The case was already won by BGP at the Tax Court level, however, the Directorate General of Tax submitted a judicial review on such case. Until March 31, 2019, the judicial review is still in process.

11. THE COMPANY'S FINANCIAL CONDITION

As of March 31, 2019, the Company's deficit amounting to US\$ 533,877 or 93.21% of its capital stock.

In response to this financial condition, the management has sought continuous support from its stockholders that have agreed to provide financial support to the Company.

The accompanying financial statements are prepared based on the going concern concept without considering the Company's value if liquidated.