PT INDO PERKASA

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FINANCIAL STATEMENTS
AS OF MARCH 31, 2020
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORT

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PT. INDO PERKASA

Kantor Pusat : Komplek Pesona Mahakam RK 10-11, Jl. Syahrani Dahlan - Samarinda 75136, Indonesia
Phone : +62 541 726 8358 / +62 541 726 8399, Fax : +62 541 726 8398

Kantor Perwakilan : Menara Prima, 15th Floor Unit A-B, Jl. Dr. Ide Anak Agung Gde Agung Kav.6.2, Kawasan Mega Kuningan
Jakarta Selatan 12950, Indonesia. Phone : +62 21 5794 8028, Fax : +62 21 5794 8029

DIRECTORS' STATEMENT
ON THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020
PT INDO PERKASA

I, the undersigned below, :

Name	:	Bharat Kumar Jain
Office Address	:	Komplek Pesona Mahakam RK 10-11, Jl. Syahrani Dahlan – Samarinda, Harapan Baru, Loa Janan Ilir, Samarinda, Kalimantan Timur
Residential Address (in accordance with identity card)	:	The Pakubuwono Residence Eaglewood 16E, Jl. Pakubuwono VI No. 86, Kebayoran Baru, Jakarta Selatan 12120
Telephone No.	:	0541 - 7268358
Title	:	President Director

declare that :

1. I am responsible for the preparation and presentation of the Company's financial statements for the year ended March 31, 2020.

2. The Company's financial statements have been prepared and presented in accordance with generally accepted accounting principles applied in Indonesia.

3. All information has been fully and correctly disclosed in the Company's financial statements, and the Company's financial statements do not contain materially misleading information or facts, and do not conceal any information or facts

4. I am responsible for the Company's internal control system.

This statement has been made truthfully,

Jakarta, 12 June 2020

METERAI TEMPEL
6000
ENAM RIBU RUPIAH

PT. INDO PERKASA

Bharat Kumar Jain
President Director

INDEPENDENT AUDITOR'S REPORT
NO. 304/2.0872/AU.1/05/0944/1/VI/2020

The shareholders and the boards of commissioners and directors

PT INDO PERKASA

We have audited the accompanying financial statements of **PT Indo Perkasa**, which comprise the statement of financial position as of **March 31, 2020**, 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.

JAS
JUSTINUS A SIDHARTA
REGISTERED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT
NO. 304/2.0872/AU.1/05/0944/1/VI/2020

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT Indo Perkasa** as at **March 31, 2020**, 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

June 12, 2020

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)
LICENSE NO. 1227 / KM. 1 / 2011

(Expressed in US$)

	Notes	March 31, 2020	March 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and bank	2,4	439,378	38,817
Trade receivables			
Related party	2.5	5,205,854	3,668,493
Third parties	5	3,066,571	2,355,837
Other receivables			
Related parties	2,6	1,334,211	1,519,185
Third party	6	-	108,536
Inventories	2,7	423,318	310,845
Prepayments	2,8	150,852	232,634
Prepaid taxes	2,9	11	-
TOTAL CURRENT ASSETS		10,620,195	8,234,347
NON-CURRENT ASSETS			
Deferred tax assets	2,9	61,791	63,945
Fixed assets - net	2,10	19,728,684	19,936,578
Other non-current assets			
Security deposits		31,204	38,318
Restricted cash	2,11	1,778	7,994
Legal permission		54,835	78,336
TOTAL NON-CURRENT ASSETS		19,878,291	20,125,171
TOTAL ASSETS		30,498,486	28,359,518

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

(Expressed in US$)

	Notes	March 31, 2020	March 31, 2019
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables			
Third parties	12	1,482,816	1,665,198
Other payables			
Related party	2,13	9,866,025	9,732,299
Third party		-	14,887
Taxes payables	2,9	638,968	1,869,625
Accrued expenses	2.14	4,520	267,917
Current maturities of long-term debts			
Consumer financing liabilities	2,15	1,046,337	124,635
TOTAL CURRENT LIABILITIES		13,038,666	13,674,561
NON-CURRENT LIABILITIES			
Long-term debts - net of current maturities			
Consumer financing liabilities	2,15	1,539,207	328,276
Employee benefits liability	2.16	253,453	295,050
TOTAL NON-CURRENT LIABILITIES		1,792,660	623,326
TOTAL LIABILITIES		14,831,326	14,297,887
EQUITY			
Capital stock - Rp 1,000,000 par value per share			
Authorized - 20,000 shares			
Issued and fully paid - 5,000 shares	17	551,390	551,390
Contributed capital		5,000,000	5,000,000
Additional paid-in capital		6,130	6,130
Retained earnings		10,109,641	8,504,111
TOTAL EQUITY		15,667,161	14,061,631
TOTAL LIABILITIES AND EQUITY		30,498,486	28,359,518

(Expressed in US$)

	Notes	Year ended March 31, 2020	2019
REVENUES	2,18	21,839,150	17,435,746
COST OF REVENUES	2,19	(16,986,899)	(12,132,867)
GROSS PROFIT		4,852,251	5,302,879
Loss on sale of fixed assets		(87,273)	(1,416)
Interest income - net		4,553	4,224
Gain on foreign exchange - net		(207,077)	21,865
General and administrative expenses	2,20	(1,492,160)	(469,584)
Taxes		(111,353)	(2,906)
Other income (expense)		3,098	(143,308)
GAIN FROM OPERATIONS		2,962,040	4,711,754
Finance cost		(801,313)	(1,022,505)
INCOME BEFORE INCOME TAX BENEFIT (EXPENSE)		2,160,727	3,689,249
INCOME TAX BENEFIT (EXPENSE)			
Current	2,9	(574,868)	(1,031,206)
Deferred	2,9	3,303	22,463
PROFIT FOR THE YEAR		1,589,161	2,680,506
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that will not be reclassified to profit or loss			
Actuarial loss on long-term employee benefits liability	2,16	21,826	(18,939)
Related income tax	2,9	(5,456)	4,735
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,605,531	2,666,302

(Expressed in US$)

	Capital stock - issued and fully paid	Contributed capital	Additional paid-in capital	Retained earnings	Total equity
Balance as of March 31, 2018	551,390	5,000,000	6,130	5,837,808	11,395,328
Profit for the year	-		-	2,680,505	2,680,505
Other comprehensive income for the year - net	-		-	(14,203)	(14,203)
Balance as of March 31, 2019	551,390	5,000,000	6,130	8,504,110	14,061,630
Profit for the year	-		-	1,589,161	1,589,161
Other comprehensive income for the year - net	-		-	16,370	16,370
Balance as of March 31, 2020	551,390	5,000,000	6,130	10,109,641	15,667,161

PT INDO PERKASA
STATEMENT OF CASH FLOWS
As of March 31, 2020
(Expressed in us$)

	March 31, 2020	March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Income before income tax expense	2,160,726	3,689,248
Adjustment to reconcile income before income tax expense to net cash provided by operating activities		
Depreciation and amortization	3,621,321	2,155,162
Provision for employee benefits	76,964	112,783
Financial cost	582,422	688,691
Loss on sale of fixed assets	87,273	1,416
Increase (decrease) in :		
Accounts receivable	(1,954,585)	(5,382,455)
Inventories	(112,473)	17,823
Prepayments	81,782	(91,633)
Other non-current assets	13,330	826,662
Accounts payable	(197,269)	335,650
Taxes payable	(84,611)	(3,163)
Accrued expenses	(263,397)	(233,446)
Cash provided by operating activities	4,011,484	2,116,738
Payment of employee benefits	(96,736)	(7,324)
Payment of income tax - current years	(562,146)	(334,159)
Payment of income tax - earlier years	(1,158,780)	-
Net cash provided by operating activities	2,193,822	1,775,255
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of fixed assets	21,812	10,003
Acquisition of fixed assets	(3,499,009)	(1,973,201)
Net cash used in investing activities	(3,477,197)	(1,963,198)
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in due to related parties	(448,696)	(1,900,000)
Finance lease obligation	2,738,408	456,263
Decrease in leasing payables	(605,777)	(3,353)
Net cash used in financing activities	1,683,935	(1,447,090)
DECREASE IN NET CASH AND BANK	400,561	(1,635,033)
CASH AND BANK AT BEGINNING OF PERIOD	38,817	1,673,850
CASH AND BANK AT END OF PERIOD	439,378	38,817

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 Indo Perkasa ("the Company") was established in Samarinda based on notarial deed No. 03 dated November 01, 2002 of public notary Hernawan Hadi, SH, notary in Samarinda. The deed of establishment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its decision letter No. C-00836.HT.01.01.TH.2003 dated January 16, 2003. The Company changed its status into a foreign investment company based on Notarial Deed No. 20 dated January 11, 2012 of Aji Suryana Jamaluddin Jadayat, S.H., notary in Samarinda, which has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-03390.AH.01.02.Tahun 2012 dated January 19, 2012, Letter No. AHU-AH.01.10-01669 dated January 17, 2012 and Letter No. AHU-AH.01.10-04868 dated February 13, 2012.

The change in the status of the Company into a foreign investment company had been approved by the Chairman of the Investment Coordinating Board (BKPM) based on the Principle License of Capital Investment No. 874/1/IP/I/PMA/2011 dated December 29, 2011.

The Company's articles of association have been amended several times. The latest amendment was made based on Notarial Deed No. 02 dated April 10, 2015 of Saint Anderonikus, S.H., M.Kn., notary in Subang pertaining to the change of the Company's business activities into a coal mining services. The deed was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-0761765.AH.01.02.TAHUN 2015 dated April 13, 2015.

The Company was incorporated within the framework of Foreign Capital Investment Law no. 1 of 1967 and no. 25 of 2007, approved by the Chief of Capital Investment Coordinating Board (BKPM) in decision letter no. 874/1/IP/I/PMA/2011 dated December 29, 2011 which have been amended several times, most recently in decision letter no. 20 dated January 11, 2012

In accordance with Article 3 of the Company's articles of association, the Company is engaged in the coal mining services activities. The Company commenced its commercial operations in 2012.

The Company's domicile and mining services facilities are located in Samarinda, East Kalimantan and Bakungan, Loa Janan District, Kutai Kartanegara Regency, East Kalimantan, respectively. The Company also has its representative office in Jakarta.

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

(Expressed in US$, unless otherwise stated)

b. Mining services and other rights

1. Based on letter No. 503/194/IUJP/BPPMD-PTSP/II/2015 dated February 12, 2015 issued by Local Investment and Licensing Agency of the Government of East Kalimantan Province, the Company was granted a Mining Services Business Permit (*Izin Usaha Jasa Pertambangan* or the "IUJP").

   On October 22, 2015, the Chairman of the Investment Coordinating Board issued a Decree No. 2/1/IUJP/PMA/2015 of Granting the IUJP to the Company. This permit is valid for five (5) years and can be extended.

2. On July 1, 2011, the Company was granted a Local Special Jetty Operational License (*Izin Operasi Dermaga Khusus Lokal*) issued by Transportation Services of the Government of Kutai Kartanegara Regent based on Letter No. 552.3/952/DISHUB/VII/2011. The Company used this license to operate its special jetty located in Mahakam River channel, Loa Janan District, Kutai Kartanegara Regent, East Kalimantan Province. This license was expired on 4 April 2013.

   On April 24, 2012, the Company was granted an Approval of Terminal for Private Interest (*Terminal Untuk Kepentingan Sendiri* or the "TUKS") Management in the Area of Work and Interest of Port of Samarinda to Support the Coal Mining Activities of PT Indo Perkasa by the Minister of Transport based on the Decree No. KP 472 TAHUN 2012.

   On December 14, 2018, the Company has obtained the renewal of its TUKS license based on the Decree of Director General of Sea Transport No. BX-457/PP 008 regarding the Approval of Terminal for Private Interest Management in the Area of Work and Interest of Port of Samarinda to Support the Coal Mining Activities of PT Indo Perkasa. This approval is valid for five (5) years and can be extended subject to compliance.

3. The Company was granted an Approval of Temporary Use of TUKS to Serve Public Interest in the Area of Work and Interest of Port of Samarinda by Director General of Sea Transport based on Decree No. BX-462/PP008, effective as of November 29, 2016. A renewal of such approval had been granted to the Company based on Decree of Director General of Sea Transport No. A.401/AL 308/DJPL dated May 7, 2019. On April 6, 2020, the Company obtained a renewal of TUKS to serve public interest which is valid for a period of twelve (12) months based on Decree of Director General of Sea Transport No. A 387/AL.308/DJPL.

c. The boards of commissioners and directors and employees

Based on notarial deed No. 08 dated January 17, 2018 of Aditya Putra Patria, S.H., M.Kn., the composition of the Company's board of commissioners and directors is as follows :

		March 31,	
		2020	**2019**
Board of commissioners			
President commissioner	:	Drs. Sutanto	Drs. Sutanto
Commissioner	:	Kennedy Perkash Nanik	Kennedy Perkash Nanik
	:	Adip Mittal	Adip Mittal
Board of directors			
President director	:	Bharat Kumar Jain	Bharat Kumar Jain
Director	:	Radhey Shyam Bansal	Radhey Shyam Bansal
	:	Vinay Kumar Malik	Vinay Kumar Malik
	:	Sagar Vats	Sagar Vats

The Company had 176 actual and 82 average permanent employees (unaudited) as of March 31, 2020 and 2019, respectively.

The Company's management is responsible for the preparation of the accompanying financial statements that were completed and authorized to be issued on June 12, 2020.

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 State Dollar ("US$"), which is also the Company's functional currency.

b. Restricted cash

Restricted cash is presented as part of other current assets in the statement of financial position.

c. 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.

d. 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).

e. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the wighted average method. Allowance for inventory losses is provided to reduce the carrying value of inventories to their net realizable value.

f. Prepaid expenses

Prepaid expenses are amortized over their benefical periods.

g. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the fixed assets, if the recognition criteria are met. Likewise, when performing regular major inspections for faults is a condition for continuing to operate an item of fixed assets, the cost of each major inspection is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are charged to current operations.

Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets as follows :

	Depreciation method	Unit of measure
Coal crusher plant 1	Unit of production	30,000,000 MT
Coal crusher plant 2	Unit of production	18,425,000 MT
Land improv ements	Straight line	10 - 20
Building and infrastructures	Straight line	20
Vehicles	Straight line	4
Furniture. Fixture and office equipment	Double decline	4
Heav y equipment	Straight line	4

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to operations in the year the asset is derecognized.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed and adjusted prospectively, if appropriate, at the end of the reporting period.

h. Impairment of non-financial assets

The Company assesses at each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

i. Employee benefits

The Company recognizes its unfunded employee benefits liability is recognized in accordance with Labor Law no. 13/2003 and PSAK 24, "Employee Benefits".

Pension costs are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate and annual rate of increase in compensation.

All past service costs are recognized at the earlier of when the amendment/ curtailment occurs and when the related restructuring or termination costs are recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

j. Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding value added taxes.

Revenue from jetty operations are recognized as and when the services are rendered.

Expenses are recognized when they are incurred.

k. 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.

l. 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-though" 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 :

a. 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 :

a. 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.

b. Estimating useful lives of fixed assets

The Company estimates the useful lives of its fixed assets based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least each financial year end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any year will be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Company's fixed assets will increase the recorded operating expenses and decrease non-current assets.

(Expressed in US$, unless otherwise stated)

c. Realizability of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of the deferred tax assets to be utilized.

d. Estimation of pension cost and other employee benefits

The cost defined benefit plan and present value of the pension obligation are determined using the projected-unit-credit method. Actual valuation includes making various assumptions which consist of, among other things, discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. Actual results that differ from the Company's assumptions are directly recognized as other comprehensive income. Due to the complexity of the valuation, and its underlying assumptions and long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in its assumptions may materially affect the costs of and obligations for pension and other long-term employee benefits. All assumptions are reviewed at each reporting date.

4. CASH AND BANK

Cash and bank consists of :

	March 31,	
	2020	**2019**
Cash on hand		
Indonesian Rupiah	39,658	31,361
United States dollar	2,600	-
Total cash on hand	42,258	31,361
Cash in bank		
Indonesian Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	372,696	1,391
PT Bank CIMB Niaga Tbk	13,723	-
PT Bank Pan Indonesia Tbk	63	-
United States dollar		
PT Bank CIMB Niaga Tbk	5,303	-
PT Bank Rakyat Indonesia (Persero) Tbk	5,335	6,065
Total cash in bank	397,120	7,456
Total	439,378	38,817

All cash in bank are placed in third-party bank and not restricted.

(Expressed in US$, unless otherwise stated)

5. TRADE RECEIVABLES

Trade receivables consists of :

	March 31, 2020	March 31, 2019
Related parties		
Rupiah		
PT Karya Putra Borneo	5,205,854	3,668,493
Third parties		
Rupiah		
PT Baramulti Sukses Sarana	1,667,067	1,138,358
PT Multi Harapan Utama	1,399,057	1,217,479
CV Alam Jaya Indah	446	-
Total third parties	3,066,571	2,355,837
Total	8,272,425	6,024,330

	March 31, 2020	March 31, 2019
Aging		
Not yet due	2,673,098	2,090,333
Past due :		
Under 30 days	393,027	993,795
31-60 days	-	909,263
61-90 days	-	386,076
More than 91 days	5,206,300	1,644,863
Total	8,272,425	6,024,330
By currency		
US Dollar	5,205,854	3,668,494
Rupiah	3,066,571	2,355,836
Total	8,272,425	6,024,330

Based on the review of each of the trade receivables at the end of the year, the Company's management believes that the trade receivables are realizable at the above amounts and no provision for impairment is necessary.

(Expressed in US$, unless otherwise stated)

6. OTHER RECEIVABLES – NET

Other receivables consists of :

	March 31, 2020	March 31, 2019
Related parties		
Rupiah		
PT Oorja Indo KGS	1,334,211	1,519,185
Total related parties	1,334,211	1,519,185
Third parties		
Rupiah		
PT Malacca Insurance Trust Wuwungan Insurance Tbk	-	108,536
Total	1,334,211	1,627,721

The loan bears no interest and without terms of payment.

Based on the review of each of the other receivables at the end of the year, the Company's management believes that the other receivables are realizable at the above amounts and no provision for impairment is necessary.

7. INVENTORIES

Inventories consists of :

	March 31, 2020	March 31, 2019
Spare parts	406,013	301,479
Fuel	16,735	9,366
Others	570	-
Total	423,318	310,845

Based on the review of each of the inventories at the end of the year, the Company's management believes that the inventories are realizable at the above amounts and no provision for impairment is necessary.

The Company's inventories are insured.

(Expressed in US$, unless otherwise stated)

8. PREPAYMENTS

Prepayments consist of :

	March 31, 2020	March 31, 2019
Advances		
Supplier	125,118	183,727
Employees	7,256	3,603
Total advances	132,374	187,330
Prepaid expenses		
Rent	14,483	9,610
Insurance	3,995	35,694
Total prepaid expenses	18,478	45,304
Total	150,852	232,634

9. TAXATION

a. Prepaid tax consist of :

	March 31, 2020	March 31, 2019
Income tax		
Article 21	11	-
Total	11	-

b. Taxes payable consist of :

	March 31, 2020	March 31, 2019
Income tax		
Article 4 (2)	211	1,278
Article 21	17,915	28,218
Article 23	18,502	7,252
Article 25	-	576,624
Corporate 2019	138,470	720,415
Corporate 2020	12,722	-
Value added tax	102,247	186,858
Tax penalties	348,614	348,980
Final income tax PP23 - 0.5%	286	-
Total	638,968	1,869,625

(Expressed in US$, unless otherwise stated)

c. The reconciliation between income before income tax benefit (expense) as shown in the statements of profit or loss and other comprehensive income and income tax benefit (expense) is as follows :

	Year ended March 31,	
	2020	**2019**
Income (loss) before income tax benefit (expense) per statement of profit or loss and other comprehensive income	2,160,726	3,689,248
Permanent differences		
Non-deductible expenses		
Telecomunication	4,088	-
Meal	24,021	-
Vehicle repair and maintenances	3,029	-
Taxes	98,952	328,327
Other	-	13,021
Income already subjected to final tax		
Interest	(4,553)	(4,224)
Temporary differences		
Provision for employee benefits	(19,771)	105,458
Depreciation of fixed assets	32,982	(3,600)
Finance lease	-	(3,405)
Estimated taxable income	2,299,475	4,124,825
Current income tax expense	574,869	1,031,206
Prepayments of income tax		
Article 22	(2,049)	(1,107)
Article 23	(411,008)	(309,435)
Article 25	(149,090)	(27,108)
Corporate income tax payable	12,722	693,556

d. The details of deferred tax assets - net are as follows :

	Year ended March 31, 2020			
		Current year credited (charged) to		
	April 1, 2019	**Profit or loss**	**Other Comprehensive income**	**March 31, 2020**
Fixed assets	(8,968)	8,246	-	(722)
Finance lease	(851)	-	-	(851)
Employee benefits	73,764	(4,943)	(5,457)	63,364
Net	63,945	3,303	(5,457)	61,791

(Expressed in US$, unless otherwise stated)

	Year ended March 31, 2019			
		Current year credited (charged) to		
	April 1, 2018	Profit or loss	Other Comprehensive income	March 31, 2019
Fixed assets	(8,068)	(900)	-	(8,968)
Finance lease	-	(851)	-	(851)
Employee benefits	44,815	24,214	4,735	73,764
Net	36,747	22,463	4,735	63,945

The management of the Company believes that the above deferred tax assets are fully recoverable through future taxable income.

(Expressed in US$, unless otherwise stated)

10. FIXED ASSETS – NET

The movements of fixed assets are as follows :

	Year ended March 31, 2020				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land	7,424,337	-	-	-	7,424,337
Land improvements	9,849,991	3,202	-	-	9,853,193
Coal crusher plant	8,387,811	45,108	-	-	8,432,919
Building and infrastructures	582,770	31,105	-	175,569	789,444
Vehicles	269,521	-	-		269,521
Furniture. Fixture and office equipment	275,407	38,447	-	-	313,854
Heavy equipment	850,117	-	247,168	-	602,949
Asset under capital lease					
Heavy equipment	483,455	3,247,787			3,731,242
Vehicles	67,978	133,365			201,343
Construction in progress	225,344	-	-	(175,569)	49,775
Total cost	28,416,731	3,499,014	247,168	-	31,668,577
Accumulated depreciation					
Land improvements	2,845,264	488,071	-	-	3,333,335
Coal crusher plant	4,534,277	2,141,628		-	6,675,905
Building and infrastructures	246,668	57,877	-	-	304,545
Vehicles	183,458	43,032	-	-	226,490
Furniture. Fixture and office equipment	213,056	39,800	-	-	252,856
Heavy equipment	439,021	108,342	138,082	-	409,281
Asset under capital lease					
Heavy equipment	12,744	632,345	-	-	645,089
Vehicles	5,665	86,725	-	-	92,390
Total accumulated depreciation	8,480,153	3,597,820	138,082	-	11,939,891
Net Book Value	19,936,578				19,728,686

(Expressed in US$, unless otherwise stated)

	Year ended March 31, 2019				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land	7,516,106		-	(91,769)	7,424,337
Land improvements	9,165,687	493,761	-	190,543	9,849,991
Coal crusher plant	7,744,817	642,994	-	-	8,387,811
Building and infrastructures	461,719	903	-	120,148	582,770
Vehicles	269,521	-	-		269,521
Furniture. Fixture and office equipment	208,739	66,668	-		275,407
Heavy equipment	824,404	51,641	25,928		850,117
Asset under capital lease					
Heavy equipment		483,455			483,455
Vehicles		67,978			67,978
Construction in progress	218,923	225,343	-	(218,922)	225,344
Total cost	26,409,916	2,032,743	25,928	-	28,416,731
Accumulated depreciation					
Land improvements	2,379,573	465,691	-	-	2,845,264
Coal crusher plant	3,196,456	1,337,821		-	4,534,277
Building and infrastructures	161,407	85,261	-	-	246,668
Vehicles	97,396	86,062	-	-	183,458
Furniture. Fixture and office equipment	181,530	31,526	-	-	213,056
Heavy equipment	323,138	130,392	14,509	-	439,021
Asset under capital lease					
Heavy equipment		12,744	-	-	12,744
Vehicles	-	5,665	-	-	5,665
Total accumulated depreciation	6,339,500	2,155,162	14,509	-	8,480,153
Net Book Value	20,070,416				19,936,578

Depreciation was charged to operations as follows :

	Year ended March 31,	
	2020	**2019**
Cost of good sold - production cost	3,597,820	2,155,162
Total	3,597,820	2,155,162

(Expressed in US$, unless otherwise stated)

Sales of fixed assets is as of follows :

	Year ended March 31,	
	2020	**2019**
Net carrying amount	109,085	11,419
Proceeds from sales of fixed asset	(21,812)	(10,003)
Loss on sales of fixed assets	87,273	1,416

The Company's fixed assets are covered by insurance against losses from several risks with several insurance companies, with total coverage of 6,293,779 for the year 2020. The management believes that the insurance is adequate to cover possible losses arising from such risks.

Based on management's assessment, there are no events or changes in circumstances which may indicate an impairment in the value of fixed assets as of March 31, 2020.

11. RESTRICTED CASH

As of March 31, 2020, the Company's cash balance in bank mandiri was frozen due to legal ownership dispute of the Company. The details of the frozen cash are as follows :

	March 31,	
	2020	**2019**
Indonesian Rupiah		
PT Bank CIMB Niaga Tbk	-	661
PT Bank Mandiri (Persero) Tbk	819	815
United States dollar		
PT Bank CIMB Niaga Tbk	-	5,369
PT Bank Mandiri (Persero) Tbk	959	1,149
Total	1,778	7,994

(Expressed in US$, unless otherwise stated)

12. TRADE PAYABLES

Trade payables consist of :

	March 31,	
	2020	**2019**
Third parties		
PT Mahaguna Karya Indonesia	815,173	640,914
PT Anugerah Perkasa Lestari	92,302	144,615
PT Indotrans Sejahtera	71,561	50,169
PT Sandiana Citra Mandiri	65,383	95,100
CV Berlian Inti Gemilang	52,043	-
CV Anugraha Mandiri 95	51,331	-
PT Mahakam Batu Persada	-	107,515
CV Karmel Mulia	-	107,740
Others (each belows US$ 50,000)	335,022	519,146
Total	1,482,815	1,665,199

The above trade payable is unsecured.

13. OTHER PAYABLES

Other payables consist of :

	March 31,	
	2020	**2019**
Related party		
Oorja Batua Pte. Ltd.	7,955,576	8,482,112
Accrued interest	1,832,609	1,250,187
PT Karya Putra Borneo	77,840	-
Total	9,866,025	9,732,299

This account represent of other payables to related parties for the Company's operating expenses amounting to US$ 7.955.575.95 Loan to Oorja Batua Pte. Ltd. bears annual interest at rate 3 month LIBOR plus 5% pa. The loans are without terms of payment.

(Expressed in US$, unless otherwise stated)

14. ACCRUED EXPENSES

Accured expenses consist of :

	March 31,	
	2020	**2019**
Professional fees	3,565	26,983
Electricity and water	374	-
Medical	127	-
Heavy equipment rental	-	64,521
Fuel	-	50,391
Others	455	126,022
Total	4,521	267,917

15. FINANCE LEASE

Finance lease consist of :

	March 31,	
	2020	**2019**
PT Caterpillar Finance Indonesia	1,681,721	100,739
PT Chandra Sakti Utama Leasing	449,375	303,327
PT Bumiputera - BOT Finance	321,241	-
PT Mandiri Tunas Finance Indonesia	92,848	-
PT Dipo Star Finance	40,358	48,845
Total	2,585,543	452,911
Current maturity	(1,046,337)	(124,635)
Long term finance lease liabilities - net	1,539,207	328,276

This lease is secure against heavy equipment finance by respective leasing company

16. EMPLOYEE BENEFITS LIABILITY

The Company provides benefits to its qualified employees based on the provisions of Labor Law no. 13/ 2003. The benefits are unfunded.

The following tables summarize the components of employee benefits expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the statement of financial position as employee benefits liability as determined by an independent firm of actuaries (PT Jasa Aktuaria Praptasentosa Gunajasa) in its report dated April 01,2020 for the year ended on March 31, 2020.

(Expressed in US$, unless otherwise stated)

a. Employee benefits expense

	Year ended March 31,	
	2020	**2019**
Interest cost	20,587	12,102
Current service cost	72,692	44,762
Total	93,279	56,864

b. Employee benefits liability

The following table represent movements in employee benefits liability :

	Year ended March 31,	
	2020	**2019**
Balance at beginning of year	295,050	170,653
Provision during the year	108,566	112,268
Actuarial gain (loss) on other comprehensive income	(21,826)	18,938
Benefit paid	(96,736)	(7,324)
Effect of foreign exchange	(31,601)	515
Total	253,453	295,050

Management believes that the employee benefits liability is sufficient in accordance with the requirements of Labor Law no. 13/ 2003.

The principal assumptions used in determining employee benefits liability are as follows :

	March 31,	
	2020	**2019**
Discount rate (per annum)	8,73%	8,55%
Mortality rate	TMI - 2011	TMI - 2011
Salary increment rate (per annum)	9,00%	9,00%
Retirement age	55	55

(Expressed in US$, unless otherwise stated)

17. CAPITAL STOCK

The Company's authorized capital amounting to to IDR 20,000,000,000, divided into 20,000 shares with par value of IDR 1,000,000 per share. Part of the authorized capital amounting to 5,000 shares or equivalents to IDR 5,000,000,000 has been issued and fully paid with the details of the Company stockholders as of March 31, 2020 and 2019 are as follows :

Shareholder	%	Number of shares	Total
PT Karya Putra Borneo	51	2,550	281,209
PT Indo Karya Perdana	49	2,450	270,181
Total	100	5,000	551,390

18. REVENUE

The details of sales are as follows :

	Year ended March 31,	
	2020	**2019**
Loading and crushing	21,802,057	12,552,893
Mining support services	37,093	4,882,853
Total	21,839,150	17,435,746

(Expressed in US$, unless otherwise stated)

19. COST OF REVENUES

The details of cost of revenues are as follows :

	Year ended March 31,	
	2020	**2019**
A. Haul road expenses		
Heavy Equipment Rental- HR	738,750	1,187,695
Support Equipment Rental- HR	157,249	321,752
Maintance Material Cost	845,241	905,166
Consumables	41,493	14,001
Total Haul road expenses	1,782,732	2,428,614
B. Crushing plant cost		
Fuel	2,772,763	2,394,235
Heavy Equipment Rental- Crushing	2,606,662	1,316,367
Consumables	929,237	767,952
Depreciation and amortization	3,621,321	2,367,160
Management Service Fees Tuks	2,478,145	707,395
Employees Expenses	2,048,584	1,608,769
Employees Benefit Expenses	108,566	105,458
Compensation For Disturbance	142,745	132,615
Catering - SIte	119,239	103,131
Repair & Maintenance Equipment	90,343	23,300
Office Expense-Site	79,951	27,172
Meal Expenses	48,041	24,886
Rental Vehicle Site	29,432	11,575
CSR - Site	28,231	50,726
Telecomunication & Internet- Site	21,828	8,124
Insurance Expenses Stockpile	19,512	2,334
Electricity & Water Expenses- Site	18,587	14,338
Insurance Expense - Vehicle	12,672	7,366
Others (each belows US$ 5,000)	28,308	31,350
Total Crushing plant	15,204,166	9,704,253
Total	16,986,899	12,132,867

(Expressed in US$, unless otherwise stated)

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative expenses are as follows :

	Year ended March 31,	
	2020	**2019**
Professional fees	1,185,360	185,116
Rent building	90,728	72,075
Travelling	82,965	77,714
Office JKT	44,276	26,149
Office repair and maintenance	25,417	13,407
Transportation	18,755	8,737
Printing and stationery	15,451	9,324
Telecomunication and internet	8,177	7,848
Admin site	6,823	10,848
Parking	5,743	5,177
Others (each belows US$ 5,000)	8,466	53,189
Total	1,492,160	469,584

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are foreign currency, credit risk, liquidity risk and commodity price risk. The Board of directors reviews and approves policies for managing each of these risks, which are described in more details as follows :

i. Risk management

Foreign currency risk

The Company's reporting currency is in US$. The Company faces foreign currency risk as the Company's certain transactions are denominated in foreign currencies. To the extent that the transactions of the Company are denominated in currencies other than US$, and are not evenly matched in terms of volume and/ or timing, the Company has exposure to foreign currency risk.

The Company does not have any formal hedging policy for foreign exchange exposure.

Credit risk

The Company is exposed to credit risk arising from the credit granted to its buyer and fund being placed in bank. To mitigate this risk, the Company has policies in place to ensure that sales are made only to creditworthy buyers with proven track record or good credit history. It is the Company's policy that all buyers who wish to settle the credit sales are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts.

When a buyer fails to make payment within the credit term granted, the Company contacts the buyer to act on the overdue receivables. If the buyer does not settle the overdue receivable within a reasonable time, the Company proceeds to commence legal proceedings. Depending on the Company's assessment, specific provisions may be made if the debt is deemed uncollectible. To mitigate credit risk, the Company ceases the sales to the buyer in the event of late payment and/ or default.

Depending on the Company's assessment, specific provisions may be made if the debt is deemed uncollectible. To mitigate credit risk, the Company ceases the sales to the customer in the event of late payment and/ or default.

To mitigate the default risk of bank on the placement of the Company's fund, the Company has policies to place its fund only in bank with good reputation.

Liquidity risk

The Company manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and bank.

The Company regularly evaluates its projected and actual cash flow information and continuously maintains its payables and receivables days' stability.

ii. Capital management

The Company aims to achieve an optimal capital structure in pursuit of its business objectives, which include maintaining healthy capital ratios and maximizing stockholder value.

22. OTHER MATTERS

On March 2019 Bank Mandiri and Bank CIMB Niaga freeze the bank account of the Company due to legal ownership dispute of KPB (Shareholders Company). The banks on conservative basis have frozen the bank accounts of the Company.

ICICI Bank Limited has sanctioned term loan of US$ 20,000,000 to intermediary parent company Mercator International Pte Ltd, Singapore (Borrower) vide sanction letter Number 56/IBGDUB/92116 dated 22 December 2015 for which facility agreement has been executed dated 30 December 2015. As per the terms and condition of the agreement and available information, the loan is secured on ESCROW account and pledge of shares held by one of shareholder PT Indo Karya Perdana. As a part of subsequent event declaration, the Borrower has committed payment default and bank has issued notice for the same to borrower. The Company has neither received any notice nor any action taken by bank as on date.

ICICI Bank Limited has sanctioned term loan of US$ 20,000,000 to intermediary parent company Oorja Holding Pte Ltd, Singapore (Borrower) vide sanction letter Number 23/IBGSIN/50235 dated 14 November 2012 for which facility agreement has been executed dated 28 November 2012. The Company is included as one of the obligor as per sanction terms and condition. As a part of subsequent event declaration, the Borrower has committed payment default and bank has issued notice for the same to borrower.

On December 18, 2019, the Company filed a lawsuit against Notary Mala Mukti, ICICI Bank Limited, DIFC Branch, ICICI Bank Limited, Mercator International Pte. Ltd., Mercator Energy Pte. Ltd., and Awang Puji Wahyono under the registered case number 1094/Pdt.G/2019/PN.Jkt.Sel. The lawsuit is related to the Facility Agreement for up to USD20,000,000 Single Currency Term Facility dated December 30, 2015. As of reporting date, this case is still ongoing.