PT OORJA INDO KGS

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

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PT OORJA INDO KGS
SURAT PERNYATAAN DIREKSI TENTANG TANGGUNG JAWAB LAPORAN KEUANGAN
Tanggal 31 Maret 2020 dan
untuk tahun yang berakhir pada tanggal tersebut

PT OORJA INDO KGS
DIRECTOR'S STATEMENT ON THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
As of March 31, 2020 and
for the year then ended

Saya yang bertandatangan di bawah ini : / *I, the undersigned below :*

Nama	:	Jaikishin Naraindas Dodani	:	*Name*
Alamat kantor	:	Menara Prima 15th Floor, Unit A & B, Jl. Dr. Ide Anak Agung Gde Agung Blok 6.2, Jakarta Selatan 12950	:	*Office address*
Nomor telepon	:	021 – 57948028	:	*Telephone number*
Jabatan	:	Direktur Utama / *President Director*	:	*Title*

Menyatakan bahwa :

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan Perusahaan.
2. Laporan keuangan Perusahaan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia.
3. 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.
4. Bertanggung jawab atas sistem pengendalian internal dalam Perusahaan.

Demikian pernyataan ini dibuat dengan sebenarnya.

Declare that :

1. *Responsible for the preparation and presentation of the Company's financial statement.*
2. *The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.*
3. *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.*
4. *Responsible for the Company's internal control system.*

The statement has been made truthfully.

Jakarta, 12 Juni 2020 / *Jakarta, June 12, 2020*

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PT. OORJA

Jaikishin Naraindas Dodani
Direktur Utama / *President Director*

PT OORJA INDO KGS
Menara Prima, 15th Floor Unit A, B & D
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

INDEPENDENT AUDITOR'S REPORT
NO. 297/2.0872/AU.1/05/0944/1/VI/2020

The shareholders and the boards of commissioner and directors

PT OORJA INDO KGS

We have audited the accompanying financial statements of **PT Oorja Indo KGS**, 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 capital deficiency 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.

INDEPENDENT AUDITOR'S REPORT
NO. 297/2.0872/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 Oorja Indo KGS** 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

(Expressed in United States dollar)

	Notes	March 31, 2020	March 31, 2019
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2,4	1.424.236	175.154
Trade receivables			
Third parties	5	218.765	-
Other receivables			
Related party	2,6	-	39.841
Third parties - net	2,6	2.099.637	1.451.188
Prepaid tax	2,7	436.063	-
TOTAL CURRENT ASSETS		4.178.700	1.666.183
NON-CURRENT ASSETS			
Investment in property - net	2,8	485.441	595.352
Fixed asset - net	2,9	-	-
TOTAL NON-CURRENT ASSETS		485.441	595.352
TOTAL ASSETS		4.664.141	2.261.535
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Trade payable			
Related party	2,10	2.267.251	-
Other payables			
Related parties	2,11	2.711.947	2.967.948
Third party	2,11	101.547	-
Accrued expense		227	-
Taxes payable	2,7	46.149	44
TOTAL CURRENT LIABILITIES		5.127.120	2.967.992
TOTAL LIABILITIES		5.127.120	2.967.992

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

(Expressed in United States dollar)

	Notes	March 31, 2020	2019
CAPITAL DEFICIENCY			
Capital stock - par value of US$ 250 per share			
Authorized - 4,000 shares			
Subscribed and fully paid - 1,160 shares	12	290.000	290.000
Deficit		(752.979)	(996.457)
TOTAL CAPITAL DEFICIENCY		(462.979)	(706.457)
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		4.664.141	2.261.535

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

(Expressed in United States dollar)

	Notes	Year ended March 31, 2020	2019
SALES	2,13	36.405.765	-
COST OF GOODS SOLD	2,13	(36.032.968)	-
GROSS PROFIT		372.797	-
Recovery of allowance for impairment		238.280	-
Interest income		3.453	441
Allowance for impairment		-	(238.280)
Bank charges		(12.313)	(66)
Loss on foreign exchange - net		(18.569)	(12.017)
Operating expenses	2,14	(348.429)	(151.347)
Other income (charges) - net		8.259	(4.546)
INCOME (LOSS) FROM OPERATIONS		243.479	(405.815)
Finance cost		-	-
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		243.479	(405.815)
INCOME TAX EXPENSE			
Current	2,7	-	-
Deferred	2	-	-
PROFIT (LOSS) FOR THE YEAR		243.479	(405.815)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		243.479	(405.815)

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

(Expressed in United States dollar)

	Capital stock - subscribed and fully paid	**Deficit**	**Total capital deficiency**
Balance as of April 1, 2018	290.000	(590.642)	(300.642)
Loss for the year	-	(405.815)	(405.815)
Other comprehensive income	-	-	-
Balance as of March 31, 2019	290.000	(996.457)	(706.457)
	-	243.479	243.479
Other comprehensive income	-	-	-
Balance as of March 31, 2020	290.000	(752.979)	(462.979)

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

(Expressed in United States dollar)

	Year ended March 31,	
	2020	**2019**
CASH FLOW FROM OPERATING ACTIVITIES		
Income (loss) before income tax expense	243.479	(405.815)
Adjustment to reconcile income (loss) before income tax expense to net cash provided by (used in) operating activities		
Depreciation	109.911	109.911
Allowance for impairment	-	238.280
Recovery of allowance for impairment	(238.280)	-
Increase (decrease) in		
Accounts receivable	(628.934)	(1.448.946)
Accounts payable	2.368.798	-
Accrued expense	227	-
Taxes payable	46.105	44
Cash provided by (used in) operating activities	1.901.305	(1.506.527)
Payment of income tax	(436.063)	-
Net cash provided by (used in) operating activities	1.465.242	(1.506.527)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase (decrease) in due to related parties	(256.001)	1.588.483
Increase (decrease) in due from related party	39.841	40.907
Net cash provided by (used in) financing activities	(216.160)	1.629.390
INCREASE IN NET CASH AND CASH EQUIVALENTS	1.249.082	122.863
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	175.154	52.291
CASH AND CASH EQUIVALENTS AT END OF YEAR	1.424.236	175.154

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

(Expressed in United States dollar, unless otherwise stated)

1. GENERAL

a. The Company's establishment

PT Oorja Indo KGS (the "Company") was established in Jakarta based on Notarial Deed No. 8 dated 20 February 2008 of Sri Irmiati, S.H., Notary in Bekasi. The Deed of Establishment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-17598.AH.01.01.Tahun 2008 dated 9 April 2008, and was published in the State Gazette No. 40 dated 16 May 2008, supplement No. 6493 Year 2008.

The Company's articles of association have been amended several times. The latest amendment was made based on Notarial Deed No. 03 dated 9 January 2019 of Aditya Putra Patria, S.H., Notary in Bekasi pertaining to the change of the Company's business activities and the composition of the shareholders. The deed was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-0001365.AH.01.02.TAHUN 2019 dated 11 January 2019 and Letter No. AHU-AH.01.03-0016808 dated 11 January 2019.

The Company started its business activity in coal trading. The Company's business activities have been changed several times. Most recently to Mining Business License for Production Operations Specifically for Transportation and Sales as approved by the Chairman of Investment Coordinating Board (BKPM) in decision letter No. 21/1/IUP/PMA/2019.

Since April 1, 2017 up to March 31, 2019, the Company is in inactive condition. Yet, in April 1, 2019, the Company has resumed it coal trading operations.

The Company is domiciled in Menara Prima 15th Floor Unit A and B, Jalan Dr. Ide Anak Agung Gde Agung Blok 6.2 (previously known as Jalan Lingkar Mega Kuningan), Kawasan Mega Kuningan, Kuningan Timur, Setiabudi, Jakarta.

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 in India.

b. The boards of commissioner and directors and employees

The composition of the Company's boards of commissioner and directors as of March 31, 2020 and 2019 is as follows :

		March 31, 2020	March 31, 2019
Board of commissioner			
Commissioner	:	Adip Mittal	Adip Mittal
Board of directors			
President director	:	Jaikishin Naraindas Dodani	Jaikishin Naraindas Dodani
Director	:	Radhey Shyam Bansal	Radhey Shyam Bansal
Director	:	Sagar Vats	Sagar Vats
Director	:	Vinay Kumar Malik	Vinay Kumar Malik
Director	:	Vaibhav Chaudhary	

The Company has 2 permanent employees as of March 31, 2020 and has no permanent employee as of March 31, 2019.

The Company's management is responsible for the preparation of the accompanying financial statements that were completed and authorized to be issued on April 27, 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 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. Cash equivalents

Time deposits with maturities of three months or less at the time of placement, which are not restricted or pledged as collateral for debts, are classified as cash equivalents.

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.

The rate of exchange used was Rp 15,780 and Rp 14,244 (Indonesian Rupiah) for 1 US$ as of March 31, 2020 and 2019, respectively.

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. Investment in property

Investments in property that are intended to be held in the long run are stated at cost. In the event of any permanent impairment, the carrying amount is reduced to recognize the impairment and the loss is charged to the current year statement of income.

f. Fixed asset

Fixed asset is stated at cost less accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the fixed asset, 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 asset, the cost of each major inspection is recognized in the carrying amount of the fixed asset 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 4 years for the office equipment.

An item of fixed asset 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 asset are reviewed and adjusted prospectively, if appropriate, at the end of the reporting period.

g. 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.

h. 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.

i. 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.

Revenues from sales are recognized at the time the significant risks and rewards of ownership of the goods have passed to the customers.

Expenses are recognized when they are incurred.

j. 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.

k. 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 :

(Expressed in United States dollar, unless otherwise stated)

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.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of :

	March 31, 2020	March 31, 2019
Cash on hand		
Indonesian Rupiah	343	-
Cash in bank		
Indonesian Rupiah		
PT Bank CIMB Niaga Tbk	33.483	172.827
United States dollar		
PT Bank CIMB Niaga Tbk	283.149	2.327
Total cash in bank	316.632	175.154

(Expressed in United States dollar, unless otherwise stated)

	March 31,	
	2020	2019
Time deposits		
Indonesian Rupiah		
PT Bank CIMB Niaga Tbk	7.062	-
United States dollar		
PT Bank CIMB Niaga Tbk	1.100.200	-
Total time deposits	1.107.262	-
Total	1.424.236	175.154

The time deposits earned interest at annual rate of 2.50 – 4 % for the year ended March 31, 2020.

All cash in bank and time deposits are placed in third-party's bank.

5. TRADE RECEIVABLES – THIRD PARTIES

This account represents trade receivables from KTP Exports Pte. Ltd. amounting to US$ 218,462 and from Sunrise Asia Mines & Minerals Pte. Ltd. amounting to US$ 303 as of March 31, 2020.

Based on the review 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.

6. OTHER RECEIVABLES

Other receivables consist of :

	March 31,	
	2020	2019
Related party		
Indonesian Rupiah		
PT Karya Putra Borneo	-	39.841
Third parties		
Indonesian Rupiah		
PT Emli Tangan Kanan	1.854.563	1.384.060
PT Tenaga Resources	148.280	148.280
PT Param Mitra Coal Resources	90.000	90.000
PT Mutiara Merdeka Jaya	-	60.397
Others	6.794	6.731
Total third parties	2.099.637	1.689.468

(Expressed in United States dollar, unless otherwise stated)

	March 31,	
	2020	2019
Allowance for impairment	-	(238.280)
Total third parties - net	2.099.637	1.451.188
Total	2.099.637	1.491.029

The management received information from PT Tenaga Resources and PT Param Mitra Coal Resources that they are going to pay their payables to the Company in May 2020. Therefore, the allowance for impairment on such receivables are recovered.

7. TAXATION

a. Prepaid tax represents claim for tax refund for the year ended March 31, 2020 amounting to USD 436,063.

b. Tax payables consist of :

	March 31,	
	2020	2019
Income tax		
Article 21	518	44
Article 22	45,443	-
Article 23	188	-
Total	46,149	44

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

	Year ended March 31,	
	2020	2019
Income (loss) before income tax expense per statement of profit or loss and other comprehensive income	243.479	(405.815)
Permanent differences		
Non-deductible expenses		
Recovery of allowance for impairment	(238.280)	-
Depreciation	109.911	109.911
Office expenses	6.976	-
Transportation	2.162	-
Taxes	903	-
Allowance for impairment	-	238.280
Others	164	663

(Expressed in United States dollar, unless otherwise stated)

	Year ended March 31, 2020	2019
Income already subjected to final tax		
Rental	(8.329)	-
Interest	(3.453)	(328)
Total estimated fiscal loss	-	(57.289)
Total estimated taxable income before fiscal loss compensation	113.532	-
Compensation of fiscal loss		
Year 2015	(113.532)	-
Total estimated taxable income after fiscal loss compensation	-	-
Prepayment of income tax		
Article 22	(436.063)	-
Total corporate income tax refund	(436.063)	-
Accumulated estimated fiscal loss		
Year 2018	57.289	57.289
Year 2017	5.369	5.369
Year 2016	817	817
Year 2015	2.060.604	2.174.136
Total accumulated estimated fiscall loss	2.124.079	2.237.611

8. INVESTMENT IN PROPERTIES - NET

The movement of this account are as follows :

	Year ended March 31, 2020			
	Beginning Balance	**Additions**	**Deductions**	**Ending Balance**
Apartment				
Cost	1,099,110	-	-	1,099,110
Accummulated depreciation	503,758	109,911	-	613,669
Net book value	595,352			485,441

(Expressed in United States dollar, unless otherwise stated)

	Year ended March 31, 2019			
	Beginning Balance	**Additions**	**Deductions**	**Ending Balance**
Apartment				
Cost	1,099,110	-	-	1,099,110
Accummulated depreciation	393,848	109,911	-	503,758
Net book value	705,262			595,352

9. FIXED ASSET - NET

This account represents net book value of office equipment as of March 31, 2020 and 2019, respectively.

10. TRADE PAYABLE

This account represents trade payable to PT Karya Putra Borneo, related party, amounting to Rp 35,777,220,780 as of March 31, 2020.

11. OTHER PAYABLES

Other payables consist of :

	March 31,	
	2020	**2019**
Related parties		
Indonesian Rupiah		
PT Indo Perkasa	1.334.211	1.519.185
PT Oorja Indo Petangis Four	-	54.135
PT Bima Gema Permata	-	9.083
PT Oorja Indo Petangis Three	-	6.080
United States dollar		
PT Karya Putra Borneo	1.377.736	-
MCS Holding Pte. Ltd.	-	1.379.465
Total related parties	2.711.947	2.967.948
Third party		
PT Element Tujuh Sembilan	101.547	-
Total	2.813.493	2.967.948

12. CAPITAL STOCK

The Company's authorized capital amounting to US$ 1,000,000 divided into 4,000 shares with par value of US$ 250 per share. Part of the authorized capital of 1,160 shares or amounting to US$ 290,000 has been subscribed and fully paid with the details of the Company's stockholders as of March 31, 2020 and 2019 are as follows :

(Expressed in United States dollar, unless otherwise stated)

Shareholders	%	Number of shares	Nominal per share	Total
Oorja Batua Pte. Ltd.	47.67	553	250	138,250
Oorja Holdings Pte. Ltd.	52.33	607	250	151,750
Total	100.00	1,160		290,000

13. SALES AND COST OF GOODS SOLD

This account represents of sales and cost of goods sold of trading coal.

14. OPERATING EXPENSES

The details of operating expenses are as follows :

	Year ended March 31,	
	2020	**2019**
Depreciation	109,911	109,911
Commissions	98,292	-
Salary and allowances	49,329	-
Professional fees	49,092	10,626
Office expenses	14,278	-
Repairs and maintenance	-	29,528
Others	27,527	1,282
Total	348,429	151,347

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company’s financial instruments are foreign currency risk, 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 the US$. The Company faces foreign currency risk as the costs of certain transactions are denominated in foreign currency. To the extent that the transactions of the Company are denominated in currency other than the US$, and are not evenly matched in terms of 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 customers 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 customers with proven track record or good credit history.

It is the Company's policy that all customers who wish to settle the purchase on credit 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 customer fails to make payment within the credit term granted, the Company contacts the customer to act on the overdue receivables. If the customer 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 sale to the customer in the event of late payment and/ or default.

To mitigate the default risk of bank on the Company's deposits, 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 on hand and in banks, and the availability of funding through an adequate amount of committed credit facilities.

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

Commodity price risk

The Company exposure to commodity price risk relates primarily to the purchase of comodities. The price of these commodities are directly affected by commodity price fluctuations and the level of demand and supply in the market.

The Company's policy is to minimize the risks arising from the fluctuations in the commodity prices by maintaining the optimum inventory level. In addition, the Company may seek to mitigate its risks by doing price comparison from several suppliers to get the most favorable price.

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.

16. THE COMPANY'S FINANCIAL CONDITION

As of March 31, 2020, the Company's deficit amounting to US$ 754,799 or 259.65 % 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.