

PT SUMBER RAHAYU INDAH
FINANCIAL STATEMENTS
FOR THE PERIODS ENDED
31st March, 2021 and 31st March, 2020
AND
INDEPENDENT AUDITORS' REPORT



PT. SUMBER RAHAYU INDAH

Jl. Pejaten Raya no. 40A, Kel. Jatipadang
Pasar Minggu – Jakarta Selatan 12540

DIRECTORS'/COMMISSIONER' STATEMENT
ON
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR PERIOD : 01st APRIL 2020 TO 31st MARCH 2021
PT SUMBER RAHAYU INDAH

We, the undersigned:

Name : Sanjeev Gupta
Office Address : Jl. Pejaten Raya No. 40A, Kel. Jatipadang
Jakarta Selatan
Telephone : -
Title : President Director

declare that :

1. We are responsible for the preparation and presentation of the Company's financial statements for period : 01st April 2020 to 31st March 2021.
2. The Company's financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia.
3. a. All information has been fully and correctly disclosed in the Company's financial statements, and
b. The Company's financial statements do not contain materially misleading information or facts, and do not conceal any information or facts.
4. We are responsible for the Company's internal control system.

This statement has been made truthfully.

Jakarta, 24th May 2021

PT SUMBER RAHAYU INDAH



Sanjeev Gupta
President Director



Registered Public Accountants

DRS SJARIFUDDIN CHAN

Audit, Accounting Services, Management Services & Tax Services

No. : 00008/ MH/2.0876/GA-SC/AU.2/0015-1/0/V/2021

Independent Auditors' Report

The Stockholders and Boards of
Directors PT SUMBER RAHAYU INDAH

We have audited the accompanying statement of financial positions of PT Sumber Rahayu Indah (The Company) as of 31 March 2020 and 31 March 2021, the related statements of comprehensive income, changes in equity and cash flows for the years then ended and the summary of significant accounting policies and other notes to the financial statements.

The Responsibility of the Management on Financial Statements

The management is responsible for the fairly compilation and presentation of financial statements in accordance with the Financial Accounting Standards in Indonesia and the internal control applied by the management for compilation the financial position is free of material misstatement, whether caused by fraud or misstatement.

The responsibility of the auditor

Our responsibility is to express an opinion on this financial statements based on our audits. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes executing procedures to have evidences of amounts and disclosures in the financial statements. The applied procedures is depend on auditor's judgment, including evaluating on material misstatement presentation risk in the financial statement caused by fraud or misstatement. In evaluating such risk, the auditor must consider the relevant internal control for compilation and presentation of the fairly financial statement to plan an audit procedure in accordance with the condition, but not to express an opinion about the effectiveness of internal control of the entity. An audit also includes assessing the accuracy of the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of PT Sumber Rahayu Indah as of 31 March 2020 and 31 March 2021, the result of its operations and its cash flows for the year then ended in conformity with the Financial Accounting Standards in Indonesia.

Emphasis of Matter

We draw your attention to Note 1 to the financial statements wherein the directors of the Company intend to apply for closing down the operations in the Company in the future. Therefore, the going concern basis would then be inappropriate. Our opinion is not modified in respect of this matter.

REGISTERED PUBLIC ACCOUNTANT DRS SJARIFUDDIN CHAN

Drs. Sjarifuddin Chan, AK, CA

Licence of Public Accountant No. AP 0015

Jakarta, 24th May 2021

Office : Jl. Raya Bogor No.18 Unit A5, Kramat Jati - Jakarta Timur 13540

Phone : (021) 2280 0756

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License Number : 1512/KM.1/2011



CHAN

Independent Accounting Firms

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PT SUMBER RAHAYU INDAH
BALANCE SHEET
AS AT 31 MARCH 2021 AND 2020

	<u>Notes</u>	<u>31 MARCH 2021</u> <i>USD</i>	<u>31 MARCH 2020</u> <i>USD</i>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	2a,2b, 3	490,71	828,39
Prepayments (SD)	4	587,19	587,19
Prepaid Rent	5	89,93	-
Total current assets		<u>1.167,83</u>	<u>1.415,58</u>
NON-CURRENT ASSETS			
Fixed assets	2c,6	-	-
		<u>-</u>	<u>-</u>
		<u>1.167,83</u>	<u>1.415,58</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Other payables	7	<u>1.247.698,07</u>	<u>1.222.672,45</u>
EQUITY			
Share capital - Authorised capital 5.000 shares with par value Rp 1.000.000 (equivalent USD 111,11) per share, issued and fully paid 5.000 shares.	8	555.556,00	555.556,00
Retained earnings (deficit)		<u>(1.802.086,24)</u>	<u>(1.776.812,87)</u>
Total equity		<u>(1.246.530,24)</u>	<u>(1.221.256,87)</u>
		<u>1.167,83</u>	<u>1.415,58</u>

The accompanying notes form an integral part of the financial statements

PT SUMBER RAHAYU INDAH
STATEMENT OF INCOME
FOR THE PERIOD ENDED 31 MARCH' 2021 AND 2020

	<u>Notes</u>	<u>April 2020- March '2021</u> <i>USD</i>	<u>April 2019- March '2020</u> <i>USD</i>
SALES		-	-
COST OF SALES		-	-
GROSS PROFIT			
OPERATING EXPENSES	9	<u>25.275,87</u>	<u>18.082,91</u>
OPERATING INCOME (LOSS)		<u>(25.275,87)</u>	<u>(18.082,91)</u>
OTHER INCOME (EXPENSES)			
Interest income		2,50	1,29
Interest expense		-	-
Others		-	-
		<u>2,50</u>	<u>1,29</u>
PROFIT (LOSS) BEFORE INCOME TAX		(25.273,37)	(18.081,62)
INCOME TAX EXPENSE		-	-
NET INCOME		<u><u>(25.273,37)</u></u>	<u><u>(18.081,62)</u></u>

The accompanying notes form an integral part of the financial statements

PT SUMBER RAHAYU INDAH
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021 AND 2020

	Notes	Share Capital USD	Retained Earnings USD	Total USD
Balance as at 31 March 2019	8	555.556,00	(1.758.731,25)	(1.203.175,25)
Net Income / (Loss)		-	(18.081,62)	(18.081,62)
Balance as at 31st March, 2020	8	<u>555.556,00</u>	<u>(1.776.812,87)</u>	<u>(1.221.256,87)</u>
Net Income (Loss)		-	(25.273,37)	(25.273,37)
Balance as at 31 March 2021	8	<u>555.556,00</u>	<u>(1.802.086,24)</u>	<u>(1.246.530,24)</u>

The accompanying notes form an integral part of the financial statements

PT SUMBER RAHAYU INDAH
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2021 AND 31 MARCH 2020

	April 2020-March 2021	April 2019- March 2020
	<i>USD</i>	<i>USD</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	(25.273,37)	(18.081,60)
Add/(deduct) items not affecting cash flows :		
Depreciation	-	-
Interest due on Loan	-	-
Operating cash flows before changes in working capital :	(25.273,37)	(18.081,62)
Other receivable and advances		-
Other payables	316,15	11,12
Prepayments	(89,93)	-
Cash generated from operation	(25.047,15)	(18.070,50)
Payment of income tax	-	-
Net cash flows provided from operating activities	<u>(25.047,15)</u>	<u>(18.070,50)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets	-	-
	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan taken	<u>24.709,47</u>	<u>17.535,02</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(337,68)	(535,48)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>828,39</u>	<u>1.363,87</u>
	<u><u>490,71</u></u>	<u><u>828,39</u></u>

The accompanying notes form an integral part of this financial statements

PT SUMBER RAHAYU INDAH
Notes to Financial Statements
For the Years ended 31 March 2021 and 2020

1. GENERAL

PT Sumber Rahayu Indah (the Company) which its activities in trading, construction, land-transportation, printing, mining and workshop, began its commercial operation since 12 June 2003. In the current year, the activities of the Company is coal mining. The Company has 1 employees and its head-office located at Pejaten Raya No. 40A, Kelurahan Jatipadang, Jakarta Selatan..

The Company was established within the framework of Foreign Capital Investment Law No. 132/1/P/I/PMA/2010 dated 10 Augustus 2010, based on Deed No. 3, dated 12 June 2003 of Notary Nanang Ferwandy Tjoegito SH and amended with Deed No. 1 dated 2 Mei 2005 of the same notary. Then, such deeds were amended with deed No. 3, dated 6 Oktober 2008 of Caroline Gumawan, SH, the deed No. 1, dated 1 April 2010 of Tri Sulistiowarni, SH concerning changes of capital stock of the Company, the deed No. 2, dated 12 September 2011 of Muslim, SH, MKn, the deed No.03, dated 03 October 2012 and the latest one is with No. 03 dated 04 December 2012 and No. 22, dated 16 July 2013 of notary Siti Safarijah, S.H, Jakarta,. The changes of Article of Association has been approved by The Minister of Law and Human Rights Republic Indonesia with his decision letter No. AHU-AH01.10-05825, dated 9 March 2010, AHU-AH.01.10-42311, dated 29 November 2012 and No. AHU-AH.01.10-35875, dated 30 August 2013. The structure of board directors of company for the year 2018 is still in process of handling the notary.

The Company holds a production mining business licence for coal as IUP No. 569 of 2009 (the "Mining Concession") for an area of 3674 hectare, located at Kacamatan Raren Batuah and Dusun Tengah, Kabupaten Barito Timur, Kalimantan Tengah. The Mining Concession was granted by the Head of the Regency i.e. the Regent (Bupati) under a legal Decree and is valid for 10 years, extendable for 10 (ten) years 2 (two) times respectively. However, the Company could not start production activities for extracting coal from the area under the Mining Concession due to the following reasons:

- (i) the area under the Mining Concession is overlapping with the mining concession granted to few other entities; and
- (ii) the boundaries of the regency in which the Company's Mining Concession falls are disputed to cross over to the boundaries of other regencies and province as per different conflicting maps issued by various authorities of Indonesia.

Despite several follow ups with the Government agencies of Indonesia and assurances from them for resolution of issues, the matter was not resolved. Further the Indonesian legislation was changed retrospectively requiring foreign ownership in mining investment to hold no more than 49% of the mining investment at the end of 10th year of production.

Indian Metals & Ferro Alloys Ltd, the ultimate holding company of the Company served a notice of arbitration on the Government of Indonesia pursuant to Article 3 of the United Nations Commission on International Trade Law Arbitration Rules and Article 9 of an Agreement between the Government of the Republic of Indonesia and the Republic of India for the Promotion and Protection of Investments (the "Treaty") raising claims of breach of the protections granted under the Treaty.

On 23rd December, 2016, IMFA filed its statement of claim. The matters isnoco scheduled for a final hearing in August, 2018.

Based on the problems mentioned above, the Company, is unearned up too the year ended 31 March 2021.

PT SUMBER RAHAYU INDAH
Notes to Financial Statements
For the Years ended 31 March 2021 and 2020

As at 31 March 2021 and 2020, the composition of the Company's Board of Directors and Board of Commissioners was as follows :

President Director	: Sanjeev Gupta
Director	: Dipak Prusty
Director	: Ashok Kumar Nayak
Director	: DediMulyadi
Director	: Harsha Vardhan Shanmugam
President Commissioner	: Chitta Ranjan Ray
Commissioner	: Prem Khandelwal
Commissioner	: Rafael Agung Parmanto

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the financial statements

The financial statement have been prepared on the basis of historical costs. The statements of cash flows are prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

b. Foreign Currency Transactions

Transactions involving foreign currencies are recorded in Rupiah at the rates of exchange prevailing at the time transactions are made. Monetary assets and liabilities stated in foreign currencies are adjusted using the middle rate of Bank Indonesia at the last banking transactions date for the year or related month. Any resulting gains or losses on foreign exchange are credited or charged to operations of the current year/month.

c. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets, are computed on the straight-line method using the following estimated useful lives:

	<u>Years</u>
Vehicles	4
Office equipment	4

The cost of repairs and maintenance is charged to operations as incurred. Expenditures which extend the future life of assets or provide further economic benefits by increasing the capacity or quality of production are capitalized and depreciated based on applicable depreciation rates.

d. Deferred costs

Expenditures related to the exploration activities, except for general and administrative expenses at Head Office, are capitalized and amortized when the exploration bring succes and will be written-off if the exploration failed.

PT. SUMBER RAHAYU INDAH
Notes to Financial Statements
For the Years ended 31 March 2021 and 2020

3. CASH AND CASH EQUIVALENTS

	31 March 2021 <i>USD</i>	31 March 2020 <i>USD</i>
Cash IDR (31 March 2021 Rp 170.401 and 31 March 2020 Rp 170.401)	11,69	10,46
Bank Mandiri - IDR (31 March 2021 Rp 4.945.931.56 and 31 March 2020 Rp 4.230.939.86)	339,42	259,81
Bank Mandiri - USD	139,60	558,12
	<u>490,71</u>	<u>828,39</u>

4. PREPAYMENTS

	31 March 2021 <i>USD</i>	31 March 2020 <i>USD</i>
Security deposits (rent)	<u>587,19</u>	<u>587,19</u>

5. PREPAID RENT

	31 March 2021 <i>USD</i>	31 March 2020 <i>USD</i>
Prepaid Office Space Rental Tax April to Aug 2021	<u>89,93</u>	<u>-</u>

6. FIXED ASSETS

	31 March 2021 <i>USD</i>	31 March 2020 <i>USD</i>
Office equipment		
Cost	949,20	949,20
Accumulated depreciation	(949,20)	(949,20)
Net book-value	<u>-</u>	<u>-</u>

7. OTHER PAYABLES

	31 March 2021 <i>USD</i>	31 March 2020 <i>USD</i>
Audit Fees Due	1.404,73	1.188,41
Accrued salary (March 2021)	968,10	893,31
Travelling & Telephone	25,04	-
<u>Loan payable on demand</u>		
Indmet Mining Pte, Ltd (Initial)	1.193.142,20	1.168.432,73
Indmet Mining Pte, Ltd (Interest)	52.158,00	52.158,00
	<u>1.247.698,07</u>	<u>1.222.672,45</u>

The Company has not been charged interest on loan for the current year.

PT. SUMBER RAHAYU INDAH
Notes to Financial Statements
For the Years ended 31 March 2021 and 2020

8. EQUITY

The Company's stockholders as at 31 March 2021 and 31 March 2020

Name of Stockholders	Number of shares	Percentage of Ownership %	Total Paid-up Capital Stock USD
Indmet Mining Pte, Ltd	3.500	70	388.889,20
Sri Indo Capital, Ltd	500	10	55.555,60
PT Matahari Mulia Coal	500	10	55.555,60
PT Khrisna Mangan Jaya	500	10	55.555,60
	5.000	100	555.556,00

9. OPERATING EXPENSES

	April 2020- March' 2021 USD	April 2019- March' 2020 USD
Salary and allowances	12.228,92	12.603,95
Office supplies	-	-
Travelling Expenses	132,04	202,69
Communication expenses	179,08	157,59
Office and apartment rent	2.225,73	2.362,28
Legal and Professional fees	-	-
Auditors Fees	2.563,70	2.481,36
Land Rent	7.843,68	-
Miscellaneous expenses	102,72	275,04
	25.275,87	18.082,91

