

**M.S. Sethi & Associates**

Chartered Accountants

**Manoj Sethi**  
B.Com., F.C.A.

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Kalbadevi, Mumbai - 400 002  
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**FIT FOR CONSOLIDATION**

We have audited the accompanying financial statements of **PT Avaneesh Coal Resources** (the "Company") which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date and a summary of significant accounting policies and other explanatory information.

The financial statements have been prepared by the management of the Company in accordance with the accounting standards issued by the Institute of Chartered Accountants of India and accounting policies generally accepted in India only to enable their incorporation in the consolidation financial statements of Reliance Power Limited and not to report on the Company as a separate entity. We have conducted our audit in accordance with the auditing standards generally accepted in India.

The financial statements are the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Management of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these special purpose financial statements prepared for the purpose outlined above.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

On this basis of information and explanations given to us and in our opinion, the accompanying financial statements of the Company, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016 and its Loss for the year ended on that date.

We report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

This report is intended solely for information and use of the Company, Reliance Power Limited, for the express purpose of completion of consolidated accounts of Reliance Power Limited for the year ended March 31, 2016 and not to be used for any other purpose.

**For M.S. Sethi & Associates**  
Chartered Accountants  
Regn.No.109407W

**Manoj Sethi**  
Proprietor  
Membership No.39784

Place: Mumbai  
Date : May 20, 2016

**PT Avaneesh Coal Resources**  
**Balance Sheet as at March 31, 2016**

Particulars	Note	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3.1	26,02,70,928	26,02,70,928
Reserves and Surplus	3.2	(5,66,52,063)	(5,20,97,677)
Share Application money pending allotment		22,52,30,849	19,81,18,845
<b>Current liabilities</b>			
Other Current liabilities	3.3	1,63,69,863	1,51,44,650
<b>Total</b>		<u><u>44,52,19,577</u></u>	<u><u>41,94,36,746</u></u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	3.4	1,94,893	8,45,651
Non-current investments	3.5	21,95,98,411	22,13,18,265
Long-term loans and advances	3.6	22,09,90,643	19,45,64,142
<b>Current assets</b>			
Cash and Bank balances	3.7	22,82,623	4,82,507
Short term loans and advances	3.8	9,03,162	7,40,387
Other current assets	3.9	12,49,845	14,85,794
<b>Total</b>		<u><u>44,52,19,577</u></u>	<u><u>41,94,36,746</u></u>

**Significant Accounting Policies**

2

The notes are an integral part of these financial statements

As per our Report of even date

**For M.S.Sethi & Associates**  
Chartered Accountants  
Registration No. 109407W

**For PT Avaneesh Coal Resources**

**Manoj Sethi**  
Proprietor  
Membership No. 39784

**Ashutosh Agrawala**  
Authorised Signatory

Place : Mumbai  
Date : May 20, 2016

Place : Mumbai  
Date : May 20, 2016

**PT Avaneesh Coal Resources**  
**Statement of Profit and Loss for the year ended March 31, 2016**

<b>Particulars</b>		<b>Year Ended March 31, 2016 Rupees</b>	<b>Year Ended March 31, 2015 Rupees</b>
Revenue:			
Other Income	3.10	-	8,18,437
<b>Total Revenue</b>		<b>-</b>	<b>8,18,437</b>
Expenses:			
Finance Cost	3.11	12,207	-
Depreciation	3.5	6,50,758	19,49,669
Other Expenses	3.12	38,91,421	70,80,444
<b>Total Expenses</b>		<b>45,54,386</b>	<b>90,30,113</b>
<b>Profit/(Loss) before tax</b>		<b>(45,54,386)</b>	<b>(82,11,676)</b>
Tax expense:			
Current Tax		-	-
<b>Profit/(Loss) for the Year</b>		<b>(45,54,386)</b>	<b>(82,11,676)</b>

**Significant Accounting Policies**

**2**

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As per our Report of even date

**For M.S.Sethi & Associates**  
Chartered Accountants  
Registration No. 109407W

**For PT Avaneesh Coal Resources**

**Manoj Sethi**  
Proprietor  
Membership No. 39784

**Ashutosh Agrawala**  
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Place : Mumbai  
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**PT Avaneesh Coal Resources**

**Notes to the financial statements for the year ended March 31, 2016**

**1. Background**

PT Avaneesh Coal Resources Incorporated in Indonesia, was established on 2nd August 2010 through Notarial Deed No: 2 of Public Notary Mala Mukti, SH, LL.M. The Company is under development stage. The purpose and objective of the Company is to engage in business management and consulting services.

**2. Significant Accounting Policies**

**a) Basis of Preparation of Financial Statements**

These financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the accounting standards notified under the Act.

**b) Use of Estimates**

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**c) Tangible Assets and Capital Work-in-progress**

Tangible assets are stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use. The construction cost includes all project related expenditure, viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attribution to construction of project and borrowing cost incurred prior to the date of commercial operation. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

**d) Investments**

Long-term investments are stated at cost less provision for diminution other than temporary, if any, in the value of such investments. Current investments are valued at lower of cost and fair value.

**e) Provisions & Contingent Liabilities**

Provisions: Provisions are recognised when there is present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

**f) Revenue Recognition**

Revenue is recognised when it is reasonably certain that the ultimate collection will be made. Interest on Fixed Deposit and other deposits is recognised on time proportionate basis.

**g) Accounting for Taxes on Income**

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

**h) Cash and Cash Equivalents**

In the cash flow statements, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments, with original maturities of three months or less.

**i) Foreign Currency Transactions :**

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transactions. Exchange differences arising on reporting of short term foreign currency monetary items at rates different from those at which they were initially recorded are recorded in the Profit and Loss Statement of account.

Non-monetary items denominated in foreign currency are stated at the rate prevailing on the date of transaction.

**PT Avaneesh Coal Resources**

**Notes to the financial statements for the year ended March 31, 2016**

	<b>As at March 31, 2016 Rupees</b>	<b>As at March 31, 2015 Rupees</b>
<b>3.1 Share Capital</b>		
<b>Authorised Share Capital</b> 21,111,136 (Previous Year : 21,111,136) shares of USD 1 each		
<b>Issued Capital</b> 5,277,784 (Previous Year : 5,277,784) shares of USD 1 each	26,02,70,928	26,02,70,928
	<u>26,02,70,928</u>	<u>26,02,70,928</u>
<b>Subscribed and Paid up Capital</b> 5,277,784 (Previous Year : 5,277,784) shares of USD 1 each fully paid up	26,02,70,928	26,02,70,928
	<u>26,02,70,928</u>	<u>26,02,70,928</u>

**PT. Avaneesh Coal Resources**

**Notes to the financial statements for the year ended March 31, 2016**

	<b>As at March 31,2016 Rupees</b>	<b>As at March 31,2015 Rupees</b>
<b>3.2 Reserves and Surplus</b>		
<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	(5,20,97,677)	(4,38,86,001)
Profit / (loss) for the year	(45,54,386)	(82,11,676)
<b>Net surplus/(deficit)</b>	<u>(5,66,52,063)</u>	<u>(5,20,97,677)</u>
<b>Total Reserve and Surplus</b>	<u>(5,66,52,063)</u>	<u>(5,20,97,677)</u>
<b>3.3 Other Current Liabilities</b>		
Loans and advances from Related Party	1,60,96,010	1,49,38,100
Other Liabilities	2,72,960	2,06,550
Statutory Dues	893	-
	<u>1,63,69,863</u>	<u>1,51,44,650</u>

PT Avaneesh Coal Resources  
Notes to the financial statements for the year ended March 31, 2016

3.4 Tangible Assets and Depreciation

Particulars	Gross Block (At Cost)				Depreciation/Amortisation			Net Block		Rupees
	As at April 1, 2015	Addition during the year	Deductions during the year	As at March 31, 2016	Up to April 1, 2015	For the year	Deductions during the year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Office Equipments	45,20,284	-	-	45,20,284	39,09,071	6,11,193	-	45,20,284	-	6,11,193
Furniture & Fixtures	11,36,043	-	-	11,36,043	9,01,585	39,565	-	9,41,150	1,94,893	2,34,458
<b>Total Tangible assets</b>	<b>56,56,307</b>	<b>-</b>	<b>-</b>	<b>56,56,307</b>	<b>48,10,656</b>	<b>6,50,758</b>	<b>-</b>	<b>54,61,414</b>	<b>1,94,893</b>	<b>8,45,651</b>
Previous year	1,50,77,574	-	94,21,267	56,56,307	96,43,767	19,49,669	67,82,780	48,10,656	8,45,651	-



PT Avaneesh Coal Resources

Notes to the financial statements for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
<b>3.5 Non-Current Investments (Non-trade)</b>		
<b>Equity Instruments (unquoted, fully paid-up, at cost) in Subsidiaries</b>		
In Equity Shares of PT Bryan Bintang Tiga Energi 39,866 Equity shares (Previous Year : 39,866) of IDR 1,000,000 each	21,95,98,411	22,13,18,265
	<u>21,95,98,411</u>	<u>22,13,18,265</u>
<b>3.6 Long term loans and advances</b> (Unsecured and considered good unless stated otherwise )		
Loans and Advances to Related Parties	22,09,90,643	19,45,64,142
	<u>22,09,90,643</u>	<u>19,45,64,142</u>
<b>3.7 Cash and Bank Balances</b>		
Cash and Cash Equivalents Bank Balance in current account	22,82,623	4,82,507
	<u>22,82,623</u>	<u>4,82,507</u>
<b>3.8 Short term loans and advances</b> (Unsecured and considered good unless stated otherwise )		
Loans and Advances to Related Parties	9,03,162	7,40,387
	<u>9,03,162</u>	<u>7,40,387</u>
<b>3.9 Other Current Assets</b> (Unsecured considered good)		
Security deposits Prepaid Expenses	7,535 12,42,310	7,135 14,78,659
	<u>12,49,845</u>	<u>14,85,794</u>

PT Avaneesh Coal Resources  
Notes to the financial statements for the year ended March 31, 2016

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
<b>3.10 Other Income</b>		
Gain on foreign exchange fluctuations	-	8,18,437
	-	<u>8,18,437</u>
<b>3.11 Finance Cost</b>		
Bank and Other Finance Charges	12,207	-
	<u>12,207</u>	-
<b>3.12 Other expenses</b>		
Legal and Professional Charges	1,18,101	3,44,134
Statutory Audit Fees	2,01,131	2,62,933
Telephone Expenses	-	3,86,300
Rent	2,86,077	18,30,034
Insurance	2,12,739	2,16,361
Loss on foreign exchange fluctuations	30,16,581	22,52,782
Share in loss of investments	-	13,13,242
Miscellaneous Expenses	56,792	4,74,658
	<u>38,91,421</u>	<u>70,80,444</u>