

M.S. Sethi & Associates

Chartered Accountants

Manoj Sethi

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FIT FOR CONSOLIDATION

We have audited the accompanying financial statements of **PT Herambha 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 Profit 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 Herambha Coal Resources
Balance Sheet as at March 31, 2016

Particulars	Note	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Equity and Liabilities			
Shareholders' funds			
Share Capital	3.1	5899,51,738	5899,51,738
Reserves and Surplus	3.2	54,84,394	2,76,484
Share Application money pending allotment		4310,50,106	4017,98,047
Current liabilities			
Other Current liabilities	3.3	4,75,394	3,97,705
Total		10269,61,632	9924,23,974
Assets			
Non-current assets			
Fixed assets			
Tangible Assets	3.4	853	892
Non-current investments	3.5	5944,12,142	5888,83,023
Long-term loans and advances	3.6	4275,43,382	4009,71,638
Current assets			
Cash and Bank balances	3.7	27,52,749	2,37,228
Short term loans and advances	3.8	22,44,971	23,24,058
Other current assets	3.9	7,535	7,135
Total		10269,61,632	9924,23,974

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 Herambha 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 Herambha Coal Resources
Statement of Profit and Loss for the year ended March 31, 2016

Particulars		Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
Revenue:			
Other Income	3.10	56,17,436	32,08,379
Total Revenue		<u>56,17,436</u>	<u>32,08,379</u>
Expenses:			
Finance Cost	3.11	20,786	-
Depreciation	3.4	39	9,324
Other Expenses	3.12	3,88,702	34,48,571
Total Expenses		<u>4,09,527</u>	<u>34,57,895</u>
Profit/(Loss) before tax		52,07,910	(2,49,516)
Tax expense:			
Current Tax		-	-
Profit/(Loss) for the Year		<u>52,07,910</u>	<u>(2,49,516)</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 Herambha 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 Heramba Coal Resources
Notes to the financial statements for the year ended March 31, 2016

1. Background

PT Heramba 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 Heramba 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
3.1 Share Capital		
Authorised Share Capital 46,813,040 (Previous Year : 46,813,040) shares of USD 1 each		
Issued Capital 11,703,260 (Previous Year : 11,703,260) shares of USD 1 each	5899,51,738	5899,51,738
	<u>5899,51,738</u>	<u>5899,51,738</u>
Subscribed and Paid up Capital 11,703,260 (Previous Year : 11,703,260) shares of USD 1 each fully paid up	5899,51,738	5899,51,738
	<u>5899,51,738</u>	<u>5899,51,738</u>

PT Heramba 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
3.2 Reserves and Surplus		
Surplus/(Deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	2,76,484	6,26,000
Profit / (Loss) for the year	52,07,910	(2,49,516)
Net surplus/(deficit)	<u>54,84,394</u>	<u>2,76,484</u>
Total Reserve and Surplus	<u>54,84,394</u>	<u>2,76,484</u>
3.3 Other Current Liabilities		
Loans and advances from Related Party	2,01,586	1,91,155
Other Liabilities	2,72,954	2,06,550
Statutory Dues	854	-
	<u>4,75,394</u>	<u>3,97,705</u>

PT Heramba 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			
	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
Furniture & Fixtures	37,296	-	-	37,296	36,404	39	-	36,443	853	892
Total Tangible Assets	37,296	-	-	37,296	36,404	39	-	36,443	853	892
Previous year	37,296	-	-	37,296	27,080	9,324	-	36,404	892	-

Rupees

PT Heramba 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
3.5 Non-Current Investments (Non-trade)		
Equity Instruments (unquoted, fully paid-up, at cost)		
In Subsidiaries		
In Equity Shares of PT Sriwijaya Bintang Tiga Energi 105,609 Equity shares (Previous Year : 105,609) of IDR 1,000,000 each	5944,12,142	5888,83,023
	<u>5944,12,142</u>	<u>5888,83,023</u>
3.6 Long term loans and advances (Unsecured and considered good unless stated otherwise)		
Loans and Advances to Related Parties	4275,43,382	4009,71,638
	<u>4275,43,382</u>	<u>4009,71,638</u>
3.7 Cash and Bank Balances		
Cash and Cash Equivalents		
Bank Balance in current account	27,52,749	2,37,228
	<u>27,52,749</u>	<u>2,37,228</u>
3.8 Short term loans and advances (Unsecured and considered good unless stated otherwise)		
Loans and Advances to Related Parties	22,44,971	23,24,058
	<u>22,44,971</u>	<u>23,24,058</u>
3.9 Other Current Assets (Unsecured considered good)		
Security deposits	7,535	7,135
	<u>7,535</u>	<u>7,135</u>

PT Heramba 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
3.10 Other Income		
Gain on foreign exchange fluctuations	56,17,436	32,08,379
	<u>56,17,436</u>	<u>32,08,379</u>
3.11 Finance Cost		
Bank and Other Finance Charges	20,786	-
	<u>20,786</u>	<u>-</u>
3.12 Other expenses		
Legal and Professional Charges	1,08,139	-
Statutory Audit Fees	1,85,993	2,69,047
Rent	44,086	24,727
Share in loss of investments	-	31,15,710
Miscellaneous Expenses	50,483	39,087
	<u>3,88,702</u>	<u>34,48,571</u>