

M.S. Sethi & Associates
Chartered Accountants

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

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FIT FOR CONSOLIDATION

We have audited the accompanying financial statements of **PT Sriwijaya Bintang Tiga Energi** (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 Sriwijaya Bintang Tiga Energi
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	59,55,96,680	59,55,96,680
Reserves and Surplus	3.2	(1,53,26,665)	(1,60,94,616)
Share Application money pending allotment		42,84,02,555	40,17,83,945
Non-current liabilities			
Long term provisions	3.3	-	1,09,400
Current liabilities			
Other Current liabilities	3.4	2,47,26,119	1,11,51,275
Total		<u>1,03,33,98,689</u>	<u>99,25,46,684</u>
Assets			
Non-current assets			
Fixed assets			
Tangible Assets	3.5	8,71,94,994	8,71,94,994
Capital work in progress	3.6	92,57,27,592	88,78,87,147
Current assets			
Cash and Bank balances	3.7	7,40,938	18,06,628
Short term loans and advances	3.8	1,97,28,399	1,56,71,387
Other current assets	3.9	6,766	6,528
Total		<u>1,03,33,98,689</u>	<u>99,25,46,684</u>

Significant Accounting Policies

The notes are an integral part of these financial statements

As per our Report of even date

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

For PT Sriwijaya Bintang Tiga Energi

Manoj Sethi
Proprietor
Membership No.39784

Ashutosh Agrawala
Authorised Signatory

Place: Mumbai
Date :May 20, 2016

Place: Mumbai
Date :May 20, 2016

PT Sriwijaya Bintang Tiga Energi
Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Note	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
Other Income	3.10	15,65,428	3,221
Total Revenue		15,65,428	3,221
Expenses:			
Finance Cost	3.11	59,378	98,380
Other Expenses	3.12	7,38,099	47,39,730
Total Expenses		7,97,477	48,38,110
Profit/(Loss) before tax		7,67,951	(48,34,889)
Tax expense: Current Tax			
Profit/(Loss) for the Year		7,67,951	(48,34,889)
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
Regn. No:109407W

Manoj Sethi
Proprietor
Membership No.39784

Place: Mumbai
Date :May 20, 2016

For **PT Sriwijaya Bintang Tiga Energi**

Ashutosh Agrawala
Authorised Signatory

Place: Mumbai
Date :May 20, 2016

1. General Information

PT Sriwijaya Bintang Tiga Energi Incorporated in Indonesia, was established on 18th January 2005 through Notarial Deed No. 25 of Public Notary Linda Herawati, SH, LLM. The Company is engaged in mining. To achieve its aims and objective, the Company may engage in business activities in general mining, which include excavation of peat coal, coal gasification, and manufacture of coal briquettes, drilling sand, stone, limestone, including quarrying, processing and marketing outputs, except mining and petroleum of gas.

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 Capital Work-in-progress 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 Sriwijaya Bintang Tiga Energi
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		
16,000,000 (Previous Year : 16,000,000) equity shares of Rs 10 each	56226,98,892	56226,98,892
	<u>56226,98,892</u>	<u>56226,98,892</u>
Issued Capital		
1,694,835 (Previous Year: 1,694,835) equity shares of Rs 10 each.	5955,96,680	5955,96,680
	<u>5955,96,680</u>	<u>5955,96,680</u>
Subscribed and Paid up Capital		
1,694,835 (Previous Year: 1,694,835) equity shares of Rs 10 each fully paid up.	5955,96,680	5955,96,680
	<u>5955,96,680</u>	<u>5955,96,680</u>

PT Sriwijaya Bintang Tiga Energi
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	(160,94,616)	(112,59,727)
Profit / Loss for the year	7,67,951	(48,34,889)
Net surplus/(deficit) in the Statement of Profit and Loss	(153,26,665)	(160,94,616)
Total Reserve and Surplus	(153,26,665)	(160,94,616)
3.3 Long Term Provisions		
Provision for Gratuity	-	1,09,400
	-	1,09,400
3.4 Other Current Liabilities		
Payable to Related parties	57,62,140	60,37,367
Sundry Creditors for Services	-	10,31,315
Other Liabilities	186,06,577	38,28,610
Payable to Employees	3,02,478	1,91,194
Statutory Dues	54,924	62,789
	247,28,119	111,51,275

PT Sriwijaya Bintang Tiga Energi
Notes to the financial statements for the year ended March 31, 2016

3.5 Tangible Assets and Depreciation

Particulars	Gross Block				Depreciation/Amortisation			Net Block		
	As at	Additions	Deductions during the year	As at March 31, 2016	As 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
	April 1, 2015				April 1, 2015	year	year	March 31, 2016	March 31, 2016	March 31, 2015
Land	869,96,640	-	-	869,96,640	-	-	-	-	869,96,640	869,96,640
Office Equipments	64,09,009	-	-	64,09,009	62,10,655	-	-	62,10,655	1,98,354	1,98,354
Total Tangible assets	934,05,649			934,05,649	62,10,655			62,10,655	871,94,994	871,94,994
Previous year	947,31,278	-	13,25,629	934,05,649	39,01,343	36,34,941	13,25,629	62,10,655	871,94,994	-

PT Sriwijaya Bintang Tiga Energi
Notes to the financial statements for the year ended March 31, 2016

3.6 Capital Work In Progress

Rupees

Particulars	As at April 1, 2015	Incurred during the year	Capitalised/ Adjusted	As at March 31, 2016
Expenditure pending allocation				
Advertisement Expenses	3,66,328	15,621	-	3,81,949
Rent	192,64,038	8,21,457	-	200,85,495
Employee Cost				
- Salaries and Other Costs	4106,39,276	176,10,487	-	4281,49,763
Depreciation	62,10,656	-	-	62,10,656
Rates and Taxes	411,61,721	17,55,219	-	429,16,940
Legal and Professional Charges	1690,85,060	72,10,128	-	1762,95,188
Site Expenses	1199,05,991	51,13,033	-	1250,19,024
Social Welfare Expenses	22,21,770	94,741	-	23,16,511
Survey and Investigation Expenses	425,49,955	18,14,416	-	443,64,371
Travelling and Conveyance	577,84,291	24,64,039	-	602,48,330
Miscellaneous Expenses	186,78,061	7,96,470	-	194,74,531
Total	8878,67,147	375,95,610	-	9254,62,757

PT Sriwijaya Bintang Tiga Energi
Notes to the financial statements for the year ended March 31, 2016

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
3.7 Cash and Bank Balances		
Bank Balance in current account	7,40,938	17,83,272
Cash in hand	-	23,366
	<u>7,40,938</u>	<u>18,06,628</u>
3.8 Short term loans and advances (Unsecured and considered good unless stated otherwise)		
Loans and Advances to Related Parties	195,25,155	146,92,545
Loans and Advances to employees	-	56,488
Prepaid Expenses	2,03,244	9,22,354
	<u>197,28,399</u>	<u>156,71,387</u>
3.9 Other Current Assets (Unsecured considered good)		
Security deposits	6,766	6,528
	<u>6,766</u>	<u>6,528</u>

PT Sriwijaya Bintang Tiga Energi
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		
Forex Gain/ Loss	15,65,231	-
Other income	197	-
Interest Income - Others	-	3,221
	<u>15,65,428</u>	<u>3,221</u>
3.11 Finance Cost		
Bank and Other Finance Charges	59,378	98,380
	<u>59,378</u>	<u>98,380</u>
3.12 Other expenses		
Printing and Stationery	-	19,262
Statutory Audit Fees	4,23,906	4,23,357
Postage and Courier	52,497	10,28,469
Loss on foreign exchange fluctuations	-	24,77,392
Loss on sale of Assets	-	3,36,223
Miscellaneous Expenses	2,61,697	4,55,027
	<u>7,38,099</u>	<u>47,39,730</u>