

M.S. Sethi & Associates
Chartered Accountants

191-R, Cavel Cross Lane No. 9
2nd Floor, Dr. Viegas Street
Kalbadevi, Mumbai - 400 002

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

FIT FOR CONSOLIDATION

We have audited the accompanying financial statements of **Reliance Natural Resources (Singapore) Pte Ltd.** (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, implantation 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 judgments 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, 2015 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 materially 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

Reliance Natural Resources (Singapore) Pte Ltd.
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	18,23,91,31,367	17,21,04,28,077
Reserves and Surplus	3.2	(56,44,73,996)	33,24,86,987
Current liabilities			
Other Current liabilities	3.3	27,37,29,588	17,28,30,912
Total		17,94,83,86,959	17,71,57,45,976
Assets			
Non-current assets			
Non-current investments	3.4	1,17,75,210	1,17,75,210
Long-term loans and advances	3.5	1,04,673	12,51,82,58,768
Current assets			
Cash and Bank balances	3.6	17,91,10,17,465	5,16,11,70,145
Short term loans and advances	3.7	2,54,89,611	2,45,41,853
Total		17,94,83,86,959	17,71,57,45,976

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 Reliance Natural Resources (Singapore) Pte Ltd.

Manoj Sethi
Proprietor
Membership No. 39784

Authorised Signatory

Place : Mumbai
Date : May 20, 2016

Place : Mumbai
Date : May 20, 2016

Reliance Natural Resources (Singapore) Pte Ltd.
Statement of Profit and Loss for Year ended March 31, 2016

Particulars	Note	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
Revenue:			
Other Income	3.8	1,21,89,88,582	78,75,54,418
Total Revenue		1,21,89,88,582	78,75,54,418
Expenses:			
Finance Cost	3.9	85,61,77,730	44,637
Other Expenses	3.10	1,22,22,37,457	99,06,26,501
Total Expenses		2,07,84,15,187	99,06,71,138
Profit/(Loss) before tax		(85,94,26,605)	(20,31,16,720)
Less: Provision for taxes on Income Current Tax		-	1,19,543
Profit/(Loss) after tax		(85,94,26,605)	(20,32,36,263)

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 Reliance Natural Resources (Singapore) Pte Ltd.

Manoj Sethi
Proprietor
Membership No. 39784

Authorised Signatory

Place : Mumbai
Date : May 20, 2016

Place : Mumbai
Date : May 20, 2016

Reliance Natural Resources (Singapore) Pte Ltd,
Notes to the financial statements for the year ended March 31, 2016

1. General Information

The Company is incorporated in Singapore and it is a wholly owned subsidiary of Reliance Power Limited. The Principal activity of the company is that of investment holding.

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 Section 133 of the Act, read with Companies (Accounts) Rules, 2014.

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 and Contingent assets

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.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

Contingent Assets: Contingent assets is neither recognised nor disclosed in the Financial Statements

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

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

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.

Reliance Natural Resources (Singapore) Pte Ltd.
Notes to the financial statements for the year ended March 31, 2016 (continued)

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
3.1 Share Capital		
Authorised Share Capital		
Issued capital		
Equity Shares	42,17,157	42,17,157
100,000 (Previous year : 100,000) shares of USD 1 each		
Preference Shares	18,23,49,14,210	17,20,62,10,920
274,900,000 (Previous year : 274,900,000) shares of USD 1 each		
	<u>18,23,91,31,367</u>	<u>17,21,04,28,077</u>
Subscribed and paid up capital		
Equity Shares	42,17,157	42,17,157
100,000 (Previous year : 100,000) shares of USD 1 each		
Preference Shares	18,23,49,14,210	17,20,62,10,920
274,900,000 (Previous year : 274,900,000) shares of USD 1 each		
	<u>18,23,91,31,367</u>	<u>17,21,04,28,077</u>

Reliance Natural Resources (Singapore) Pte Ltd.
Notes to the financial statements for the year ended March 31, 2016 (continued)

	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	3,17,10,45,760	3,46,03,13,078
Profit / (loss) for the year	(85,94,26,605)	(20,32,36,263)
Less: Dividend Proposed	9,03,62,104	8,60,31,065
Net surplus/(deficit) in the Statement of Profit and Loss	<u>2,22,12,57,051</u>	<u>3,17,10,45,760</u>
Foreign Currency Translation Reserve	(2,78,57,31,047)	(2,83,85,58,773)
Total Reserve and Surplus	<u>(56,44,73,996)</u>	<u>33,24,86,987</u>
3.3 Other Current Liabilities		
Other Liabilities	2,05,875	7,68,803
Dividend Payable	27,35,23,713	17,20,62,109
	<u>27,37,29,588</u>	<u>17,28,30,912</u>

Reliance Natural Resources (Singapore) Pte Ltd.
Notes to the financial statements for the year ended March 31, 2016 (continued)

	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
3.4 Non-Current Investments (Non-trade)		
Equity Instruments (unquoted, fully paid-up, at cost)		
In Subsidiaries	1,17,75,210	1,17,75,210
PT Sumukha Coal Services 249,000 (Previous year : 249,000) shares of USD 1 each		
	<u>1,17,75,210</u>	<u>1,17,75,210</u>
3.5 Long term loans and advances (Unsecured and considered good unless stated otherwise)		
Held-to-Maturity Investment	-	12,51,81,60,000
Advance Income Tax (Net of Provisions)	1,04,673	98,768
	<u>1,04,673</u>	<u>12,51,82,58,768</u>
3.6 Cash and Bank Balances		
Cash and Cash Equivalents		
- in current accounts	1,39,471	-
Deposits with maturity within three months.	2,98,59,75,494	5,16,11,70,145
Other bank balances		
Deposits with original maturity of more than three months but less than twelve months	14,92,49,02,500	-
	<u>17,91,10,17,465</u>	<u>5,16,11,70,145</u>
3.7 Short term loans and advances (Unsecured and considered good unless stated otherwise)		
Security Deposits	14,85,393	14,01,596
Interest accrued on bank deposits	2,40,04,218	2,31,40,257
	<u>2,54,89,611</u>	<u>2,45,41,853</u>

Reliance Natural Resources (Singapore) Pte Ltd.
Notes to the financial statements for the year ended March 31, 2016 (continued)

	Year Ended March 31, 2016 Rupees	Year Ended March 31, 2015 Rupees
3.8 Other income		
Gain on foreign exchange fluctuations	1,04,61,52,087	70,79,12,032
Interest Income - Others	17,28,36,495	7,96,42,386
	<u>1,21,89,88,582</u>	<u>78,75,54,418</u>
3.9 Finance Cost		
Bank and Other Finance Charges	85,61,77,730	44,637
	<u>85,61,77,730</u>	<u>44,637</u>
3.10 Other expenses		
Legal and Professional Charges	-	16,26,819
Loss on foreign exchange fluctuations	1,09,26,30,516	79,18,49,080
Assets written off	12,92,06,750	19,69,97,612
Miscellaneous Expenses	4,00,190	1,52,990
	<u>1,22,22,37,457</u>	<u>99,06,28,501</u>