

**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 **Reliance Power Netherlands BV** (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 judgement 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

**Reliance Power Netherlands BV**  
**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	16842,96,082	15172,61,058
Reserves and Surplus	3.2	1647,09,810	1172,30,019
Share Application money pending allotment		-	1670,35,024
<b>Non-current liabilities</b>			
Long term borrowings	3.3	32403,62,165	41090,86,020
<b>Current liabilities</b>			
Other Current liabilities	3.4	1931,43,097	748,57,157
<b>Total</b>		<b>52725,11,154</b>	<b>59854,69,278</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Non-current investments	3.5	8468,33,431	8468,33,431
Long-term loans and advances	3.6	42132,63,111	39650,62,791
<b>Current assets</b>			
Cash and Bank balances	3.7	1942,73,099	11549,06,164
Short term loans and advances	3.8	181,41,514	186,66,892
<b>Total</b>		<b>52725,11,154</b>	<b>59854,69,278</b>

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 Power Netherlands BV**

**Manoj Sethi**  
Proprietor  
Membership No. 39784

**Ashutosh Agrawala**  
Authorised Signatory

Place : Mumbai  
Date : May 20, 2016

Place : Mumbai  
Date : May 20, 2016

**Reliance Power Netherlands BV**  
**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
<b>Revenue:</b>			
Other Income	3.9	2109,60,939	1706,84,100
<b>Total Revenue</b>		<b>2109,60,939</b>	<b>1706,84,100</b>
<b>Expenses:</b>			
Finance Cost	3.10	1545,06,244	1239,41,748
Other Expenses	3.11	189,74,903	6,69,378
<b>Total Expenses</b>		<b>1734,81,147</b>	<b>1246,11,126</b>
<b>Profit/(Loss) before tax</b>		<b>374,79,792</b>	<b>460,72,974</b>
<b>Tax expense:</b>			
Current Tax			
<b>Profit/(Loss) for the Year</b>		<b>374,79,792</b>	<b>460,72,974</b>
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 Power Netherlands BV**

**Manoj Sethi**  
Proprietor  
Membership No. 39784

**Ashutosh Agrawala**  
Authorised Signatory

Place : Mumbai  
Date : May 20, 2016

Place : Mumbai  
Date : May 20, 2016

## Reliance Power Netherlands BV

### Notes to the financial statements for the Year ended March 31, 2016

#### 1. General Information

The Company is a Private Limited Liability Company having its statutory seat in Amsterdam. The Company was incorporated on 9th July 2010. The Company's objectives are to incorporate, to participate, to manage and to supervise enterprises and companies along with acting as a group holding company.

The Company is wholly owned by Reliance Coal Resources Private Limited, Mumbai, India.

#### 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.

Reliance Power Netherlands BV  
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>3.1 Authorised Share Capital</b>		
<b>Issued capital</b>		
225,800 (Previous Year: 225,800) ordinary shares of Euro 100 each	16842,96,082	15172,61,058
	<b>16842,96,082</b>	<b>15172,61,058</b>
<b>Subscribed and Paid up Capital</b>		
225,800 (Previous Year: 225,800) ordinary shares of Euro 100 each fully paid up	16842,96,082	15172,61,058
	<b>16842,96,082</b>	<b>15172,61,058</b>

Reliance Power Netherlands BV  
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>3.2 Reserves and Surplus</b>		
<b>Surplus/(Deficit) In the Statement of Profit and Loss</b>		
Balance as per last Balance Sheet	1172,30,019	711,57,044
Profit / (Loss) for the year	374,79,792	460,72,974
<b>Net surplus/(deficit)</b>	<b>1547,09,810</b>	<b>1172,30,019</b>
<b>Total Reserve and Surplus</b>	<b>1547,09,810</b>	<b>1172,30,019</b>
<b>3.3 Long Term Borrowings</b>		
Loan from bank	11177,09,365	21061,80,420
Long term Borrowings from Related Party	21226,52,800	20029,05,600
	<b>32403,62,165</b>	<b>41090,86,020</b>
<b>3.4 Other Current Liabilities</b>		
Interest Accrued but not due on borrowings	1915,26,947	688,58,518
Other Liabilities	13,40,253	5,05,045
Sundry Creditors for Services	2,75,897	11,23,067
Provision for tax (net)	-	43,70,528
	<b>1931,43,097</b>	<b>748,57,157</b>

**Reliance Power Netherlands BV**  
**Notes to the financial statements for the Year ended March 31, 2016**

	As at December 31, 2015 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>		
<b>PT Avneesh Coal Resources</b>		
52,56,673 (previous year :52,56,673) Shares of USD 1 each	2592,19,316	2592,19,316
<b>PT Heramba Coal Resources</b>		
11,656,446 (previous year :11,666,446) Shares of USD 1 each	5876,14,115	5876,14,116
	<u>8468,33,431</u>	<u>8468,33,431</u>
<b>3.6 Long term loans and advances</b> (Unsecured and considered good unless stated otherwise )		
Loans and Advances to Related Parties	6536,87,412	5955,19,995
Loans and Advances to Others	36263,86,417	33606,95,954
Foreign Currency Monetary Reserve	331,89,282	188,46,842
	<u>42132,63,111</u>	<u>39650,62,791</u>
<b>3.7 Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Bank Balance in current account	1942,73,099	11549,06,164
	<u>1942,73,099</u>	<u>11549,06,164</u>
<b>3.8 Short term loans and advances</b> (Unsecured and considered good unless stated otherwise )		
Loans and Advances to others	6,94,388	-
Loans and Advances to Related Parties	13,20,658	12,51,816
Prepaid Expenses	-	3,12,516
Accrued Interest on loans	161,20,467	168,56,829
Advance Income Tax (Net of Provisions)	-	2,45,731
	<u>181,41,514</u>	<u>186,66,892</u>



Reliance Power Netherlands BV  
Notes to the financial statements for the Year ended March 31, 2016

	Year Ended March 31, 2016	Year Ended March 31, 2015 Rupees
<b>3.9 Other Income</b>		
Gain on foreign exchange fluctuations	370,58,612	121,19,764
Miscellaneous Income	25,187	-
Interest Income - Others	1738,77,140	1585,64,336
	<u>2109,60,939</u>	<u>1706,84,100</u>
<b>3.10 Finance Cost</b>		
Interest	1544,66,400	1239,30,313
Bank and Other Finance Charges	39,844	11,435
	<u>1545,06,244</u>	<u>1239,41,748</u>
<b>3.11 Other expenses</b>		
Legal and Professional Charges	189,53,556	6,50,483
Postage and Courier	14,140	17,794
Rates and Taxes	7,207	1,101
	<u>189,74,903</u>	<u>6,69,378</u>