

**M.S. Sethi & Associates**  
Chartered Accountants

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Kalbadevi, Mumbai – 400 002  
Tel. 9324517501

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

### FIT FOR CONSOLIDATION

The Financial Statements of **Reliance Power Netherland BV** for the year ended March 31, 2018 being a Company registered in Netherlands are prepared by the management of the Company. We did not audit the financial statements and other financial information for the year ended March 31, 2018 and we relied on the Financial Statements for the above period furnished to us by the management and our report is based solely on such financial statements furnished and approved by the management.

We are presented with the accounts in Indian Rupees prepared by the management on the basis of the financial statements of Reliance Power Netherland BV, Netherlands as at March 31, 2018 to comply with the requirements of Section 129 of the Companies Act, 2013. We report as under

1. We have verified the attached Balance Sheet of **Reliance Power Netherland BV** ( the Company ), as at March 31, 2018 and the related Statement of Profit and Loss for the year ended on that date annexed thereto. The preparation of the financial statements, in accordance with the Indian accounting standards and generally accepted accounting principles followed in India, is the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our audit.
2. The above financial statements have been prepared to comply with the requirements of Section 129 of the Companies Act, 2013, for consolidated accounts of Reliance Power Limited. Accordingly, the Financial Statements does not include all possible disclosure required under generally accepted accounting principles followed in India ("Indian GAAP").
3. We conducted our verification in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. The accompanying financial statements have been prepared for the purpose described in paragraph 2 above and not to report on the Company as a separate entity.
5. Based on the above and on the basis of the information and explanations given to us, in our opinion, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:  
(i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018; and  
(ii) in case of the Statement of Profit and Loss, of the profit for the year ended on that date.

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

**Manoj Sethi**  
Proprietor  
Membership No.39784

Place: Mumbai  
Date: April 15, 2018

Reliance Power Netherlands BV  
Balance Sheet as at March 31, 2018

Particulars	Note No.	As at March 31, 2018 Rupees in '000	As at March 31, 2017 Rupees in '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets:			
Investments	3.1	8,67,858	8,46,833
Loans	3.2	43,58,871	41,53,035
<b>Current assets</b>			
Financial assets:			
Cash and cash equivalents	3.3	1,961	17,254
Loans	3.4	2,30,690	1,297
Other current assets	3.5	34,123	24,396
<b>Total Assets</b>		<b>54,93,503</b>	<b>50,42,815</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.6	17,12,257	16,84,296
Other equity	3.7	51,689	(30,591)
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Loans	3.8	33,64,370	30,56,362
<b>Current liabilities</b>			
Financial liabilities			
Other current liabilities	3.9	3,44,344	3,32,748
Current tax liabilities	3.10	20,843	-
<b>Total Equity and Liabilities</b>		<b>54,93,503</b>	<b>50,42,815</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  
Regn. No:109407W

For Reliance Power Netherlands BV

Manoj Sethi  
Proprietor  
Membership No.39784

Ashok Kumar Pal  
Authorised Signatory

Place: Mumbai  
Date : April 15, 2018

Place: Mumbai  
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Reliance Power Netherlands BV

Statement of Profit and Loss for the year ended March 31, 2018

Particulars	Note No.	Year Ended March 31, 2018 Rupees in '000	Year Ended March 31, 2017 Rupees in '000
Revenue:			
Other income	3.11	2,87,483	1,92,527
<b>Total income</b>		<b>2,87,483</b>	<b>1,92,527</b>
Expenses:			
Finance cost	3.12	1,50,792	1,60,732
Other expenses	3.13	34,715	2,17,096
<b>Total expenses</b>		<b>1,85,508</b>	<b>3,77,828</b>
<b>Profit/(Loss) before tax</b>		<b>1,01,976</b>	<b>(1,85,301)</b>
Tax expense:			
Current tax		19,696	-
<b>Profit/(Loss) for the Year</b>		<b>82,280</b>	<b>(1,85,301)</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  
Regn. No:109407W

For Reliance Power Netherlands BV

Manoj Sethi  
Proprietor  
Membership No.39784

Ashok Kumar Pal  
Authorised Signatory

Place: Mumbai  
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Reliance Power Netherlands BV

Notes to the financial statements as of and for the year ended March 31, 2018

	As at March 31, 2018 Rupees in '000	As at March 31, 2017 Rupees in '000
<b>3.1 Investments</b>		
Equity Instruments (unquoted, fully paid-up, at cost)		
In Subsidiaries		
PT Avneesh Coal Resources		
52,56,873 (March 31, 2017 : 52,56,673) Shares of USD 1 each	2,67,635	2,59,219
PT Hcramba Coal Resources		
11,656,446 (March 31, 2017 : 11,656,446) Shares of USD 1 each	6,00,223	5,87,614
	<b>8,67,858</b>	<b>8,46,833</b>
<b>3.2 Loans</b>		
(Unsecured and considered good)		
Loans and advances to related parties	6,99,140	7,25,759
Loans / advances to others	36,59,731	34,27,276
	<b>43,58,871</b>	<b>41,53,036</b>
<b>3.3 Cash and cash equivalents</b>		
Bank balance in current account	1,961	17,254
	<b>1,961</b>	<b>17,254</b>
<b>3.4 Loans</b>		
(Unsecured and considered good)		
Loans and advances to related parties	1,301	1,297
Loans / advances to others	2,29,390	-
	<b>2,30,690</b>	<b>1,297</b>
<b>3.5 Other current assets</b>		
(Unsecured and considered good)		
Prepaid expenses	-	243
Accrued interest on loans	31,908	24,153
Other Receivable	2,215	-
	<b>34,123</b>	<b>24,396</b>

Reliance Power Netherlands BV

Notes to the financial statements as of and for the year ended March 31, 2018

	As at March 31, 2018 Rupees in '000	As at March 31, 2017 Rupees in '000
<b>3.6 Equity Share Capital</b>		
<b>Authorised, Issued, Subscribed and paid up</b>		
240,486 (March 31 2017 : 225,800) ordinary shares of Euro 100 each fully paid up	17,12,257	16,84,296
	<u>17,12,257</u>	<u>16,84,296</u>
<b>3.7 Other equity</b>		
<b>Retained earnings</b>		
Balance at the beginning of the year	(30,591)	1,54,710
Profit/ (Loss) for the year	82,280	(1,85,301)
Balance at the end of the year	<u>51,689</u>	<u>(30,591)</u>
<b>3.8 Loans</b>		
<b>(Unsecured)</b>		
Long term borrowings from related party	33,64,370	30,56,362
	<u>33,64,370</u>	<u>30,56,362</u>
<b>3.9 Other current liabilities</b>		
Interest Accrued but not due on borrowings	3,38,915	3,28,059
Other Liabilities	-	4,689
Sundry Creditors for Services	5,429	-
	<u>3,44,344</u>	<u>3,32,748</u>
<b>3.10 Other tax liabilities</b>		
Provision for tax (Net of advance tax)	20,843	-
	<u>20,843</u>	<u>-</u>

Reliance Power Netherlands BV

Notes to the financial statements as of and for the year ended March 31, 2018

	Year Ended March 31, 2018 Rupees in '000	Year Ended March 31, 2017 Rupees in '000
<b>3.11 Other income</b>		
Interest Income - other	1,96,662	1,92,103
Gains on foreign exchange fluctuations	90,821	-
Misc. income	-	424
	<u>2,87,483</u>	<u>1,92,527</u>
<b>3.12 Finance cost</b>		
Interest	1,50,661	1,60,627
Bank and other finance charges	131	105
	<u>1,50,792</u>	<u>1,60,732</u>
<b>3.13 Other expenses</b>		
Legal and professional charges	34,715	53,535
Loss on foreign exchange fluctuations	-	1,83,561
	<u>34,715</u>	<u>2,17,096</u>

**Reliance Power Netherlands BV**  
**Notes to the financial statements for the year ended March 31, 2018**

**1. General Information :**

The Company is a Private Limited Company having its statutory seat in Amsterdam. The Company was incorporated on 9th July 2010. The Company's objectives are to incorporate, 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 :**

**Basis of preparation, measurement and significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of Preparation**

**Compliance with Ind AS**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("The Act").

**Historical cost convention**

The financial statements have been prepared under the historical cost convention, as modified by the following:  
Certain financial assets and financial liabilities at fair value

**b) Investments and other financial assets**

**Classification**

The Company classifies its financial assets in the following measurement category:

- those to be measured subsequently at fair value through profit or loss
- those measured at amortised cost

**Contributed equity :**

Equity shares are classified as equity, incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**c) Provisions and Contingent Liabilities/Assets**

**Provisions:**

Provisions are recognised when there is present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of reporting period. The discount rate used to determine the present value is pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

**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 occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. 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**

A contingent asset is disclosed, where an inflow of economic benefits is probable.

**e) Foreign Currency Translation :**

- i) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions
- ii) All exchange differences arising on reporting on foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the statement of Profit and Loss
- iii) Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions/ exchange rate at which transaction is actually effected.

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.

**f) Revenue :**

Revenue is measured at the fair value of the consideration received or receivable.

**g) Cash and Cash equivalents :**

Cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.