

Reliance Power Netherland B.V.**Balance as at 31 March 2019**

(After proposed appropriation of net result and expressed in USD)

ASSETS	Note No.	31 March 2019	31 March 2018
Fixed assets			
Financial fixed assets			
Foreign participations	1	3,00,21,200	2,95,91,700
Loan receivable from third party	(2.1.1+2.2.1)	5,83,59,568	5,57,74,823
		<u>8,83,80,768</u>	<u>8,53,66,523</u>
Current assets			
Receivables and transitory assets			
Value added tax		3,587	34,061
Accrued interest on loan receivable from third party	(2.1.2+2.2.2)	11,43,924	4,92,760
Receivables from affiliated companies	3	1,40,000	20,000
Other short term receivable	4	30,48,772	30,48,772
		<u>43,36,283</u>	<u>35,95,593</u>
Loans and Advances			
Advance to Reliance Infra Projects International Ltd.(RIPIL)		3,23,38,287	4,77,906
Cash at banks and on hands			
Cash at banks	5	36,691	30,144
Total assets		<u>12,50,92,028</u>	<u>8,94,70,166</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Paid-up and issued share capital		2,75,35,647	2,96,30,280
Translation reserve		45,32,697	24,38,064
Retained earnings	6	-2,49,568	62,936
		<u>3,18,18,776</u>	<u>3,21,31,280</u>
Long term liabilities			
Loan from Reliance Coal Resources Ltd.	7.1	5,03,25,418	4,94,02,438
Loan from group companies	8.1	23,22,000	23,22,000
Short term liabilities			
Interest accrued on loan from RCRL, (India)	7.2	78,87,397	51,73,907
Interest accrued on loan from group companies	8.2	1,29,573	36,631
Trade creditors and other creditors		4,46,401	83,460
Accruals and deferred income		3,18,64,665	-
Corporate income tax	9	2,97,798	3,20,451
Total liabilities		<u>12,50,92,028</u>	<u>8,94,70,166</u>

For Reliance Power Netherland BV

Authorised Signatory

Reliance Power Netherland B.V.

Profit and loss account for the period 1 April 2018 to 31 March 2019
(Expressed in USD)

	Note No.	1 April 2018 to 31 March 2019	1 April 2017 to 31 March 2018
Operational income and (expenses)			
General and administrative expenses	1	-7,65,525	-5,38,033
Total operating expenses		<u>-7,65,525</u>	<u>-5,38,033</u>
Financial income and expenses	2	4,53,021	5,34,831
Result on ordinary activities before taxation		<u>-3,12,504</u>	<u>-3,202</u>
Tax on assessment (2013-14 and 2014-15)	3	0	-3,04,108
Taxes on profit and loss on ordinary activities		0	0
Result on ordinary activities after taxation		<u><u>-3,12,504</u></u>	<u><u>-3,07,310</u></u>

For Reliance Power Netherland BV

Authorised Signatory

General notes

Activities

The Company is a private limited liability company ('besloten vennootschap'), having its statutory seat in Amsterdam, and its registered address at B-9th floor, WTC Tower, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands.

The Company was incorporated on 9 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 financial year

The financial year of the company starts on 1 April and ends on 31 March.

Principles for the valuation of assets and liabilities

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands and are denominated in US Dollars. The financial statements of the Company are not consolidated with those of its wholly owned subsidiaries as a result of the Article 408, exemption. These annual accounts are included in the consolidated annual accounts of Reliance Power Ltd. and are filed with the Chamber of Commerce.

Financial fixed assets

The investments in group companies are valued at acquisition price less permanent impairment in value, if any.

Receivables, cash and liabilities

Receivables, securities, cash at banks, cash on hands and liabilities are stated at nominal value, unless stated otherwise. Trade debtors are shown at face value less a provision for doubtful debts when appropriate.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the official rates of exchange prevailing on the balance sheet date. Share capital fully paid, which is denominated in Euro, is converted to USD at the official rate of exchange prevailing on the balance sheet date.

The exchange rates used in the interim accounts for the conversion of USD 1 into EUR 1 per 31 March 2019 are: 0.8989 (per 31 March 2018: 0.8116).

Principles for the determination of the result

The result is determined as the difference between the (unrealisable) value of the goods delivered and services rendered and the costs and other charges related to the year. Profits on transactions are recognised in the year in which they are realised, losses are taken into account as soon as they are foreseeable.

Income and expenses denominated in foreign currencies are converted at the official average monthly rates of exchange prevailing in that particular month when the transaction took place. Translation differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are taken to the profit and loss account.

Tax on result is calculated by applying the current rate on the result for the financial period in the profit & loss account, taking into account tax losses carry-forward and tax exempt elements and after inclusion of non-deductible costs.

Reliance Power Netherland B.V.

Notes to the balance sheet

1 Foreign Participations

The investments in group companies are comprised as follows:

Name	Legal seat		31-Mar-19 USD	31-Mar-18 USD
PT Heramba Coal Resources	Jakarta, Indonesia	99.60%	2,03,21,640	2,00,37,640
PT Avaneesh Coal Resources	Jakarta, Indonesia	99.60%	96,99,560	95,54,060
Balance as at 31 December 2018			<u>3,00,21,200</u>	<u>2,95,91,700</u>

The investments are valued at acquisition price.

Name	Share in net equity	Share in net result
PT Heramba Coal Resources		
PT Avaneesh Coal Resources		

The group companies are still in a development stage. It is expected that the group companies will become profitable in the coming years. A provision for a permanent impairment is therefore not included.

During the period USD 284,000 and USD 145,500 was contributed as investment in PT Heramba Coal Resources and PT Avaneesh Coal Resources respectively.

2 Loans receivable from Third

2.1 Loans receivable from Prestige Capital

The loans receivable from a Prestige Capital Holding Ltd. is comprised as follows:

Loan receivable from Prestige Capital Holdings Ltd.	2.1.1	5,23,59,568	4,97,74,823
Accrued interest on loan receivable from Prestige Capital	2.1.2	7,85,394	2,57,170

Reliance Power Netherlands B.V. ("payer") has agreed to pay certain advances to Prestige Capital Holdings Ltd. ("payee") and payee has agreed to receive the advances from payer. The aforementioned is set forth in the agreement, dated 4 October 2010. Interest is calculated at 6% per annum. After each quarter unpaid interest is added to the principal sum. The accrued interest represents the interest for the quarter ended of March 2019.

2.2 Loans receivable from Orange Leasing Ltd.

Loan receivable from Orange Leasing Ltd.	2.2.1	60,00,000	60,00,000
Accrued interest on loan from Orange Leasing Ltd.	2.2.2	3,58,530	2,35,590

2.2 Loans receivable from

Sales agency agreement between Reliance Power Netherlands B.V. (RNBV) as Sales Agent and Orange Leasing Limited as Owner, whereby RNBV had to find a purchaser for the aircraft before the end of the lease term i.e. 07 Feb 2014. As per the agreement, RNBV provided an irrecoverable letter of credit to Investec Ireland Ltd as Lessor of USD 15 Million and hence RNBV had provided fixed deposit of USD 15 Million with HSBC, UK till 07 Feb 2014. Since the Sales agent (RNBV) could not find a purchaser for the Aircraft before the end of the lease term, the owner and other parties of the Lease agreement were willing to continue with the lease & decided that the original lender under the Agreement would transfer its rights, benefits and obligations to other parties as provided in the agreement. Based on the Transfer Certificate entered into between Bank of Nova Scotia Asia Limited and RNBV, the USD 15 million (Junior Debt) has been transferred to RNBV. Accordingly, RNBV repaid the USD 15 million (Junior Debt) to Bank of Nova Scotia Asia Limited as per transfer certificate and has stepped into the shoes of the original lender. The tenure of the loan is 3 years i.e. from 7 February 2014 to 7 February 2017 and it has been segregated into Senior Lender (9 Million) and Junior Lender (6 million). The rate of interest is 3 month LIBOR + 0.50% margin.

As per the amended loan agreement whose effective date is 7 February 2017 the repayment date of the Junior Lender (6 Million) has been extended to 7 February 2020 and rate of interest has been changed to 3 month LIBOR + 0.25% margin. The outstanding loan balance amounting to USD 3,048,722 of Senior Lender as on 7 February 2017 has been transferred to the ledger short term receivable.

3 Receivables on affiliated companies

	31-Mar-19	31-Mar-18
	USD	USD
PT Avaneesh Coal Resources	20,000	20,000
PT Sriwijaya Bentang	1,20,000	

The amount receivable as at 31 March 2019 represents a loan to a group company in the amount of USD 20,000 that has not been secured. The loan is interest free.

4 Other short term receivable

Short term receivables Orange Leasing Ltd	30,48,772	30,48,772
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5 Cash at banks

The cash at banks is comprised as follows:

Current account - ICICI	36,260	29,746
Current account - ICICI - EUR	430	398
Balance as at 31 March 2019	<u>36,691</u>	<u>30,144</u>

6 Shareholders' equity

	<i>Share capital</i>	<i>Currency Translation</i>	<i>Retained earnings</i>	<i>Result</i>	<i>Total</i>
Balance as at 1 April 2018	2,96,30,280	24,38,064	62,936		3,21,31,280
Movements during the period	-20,94,633	20,94,633	-		0
Profit for the period				-3,12,504	-3,12,504
Allocation result	-	-	-3,12,504	3,12,504	0
Balance as at 31 March 2019	<u>2,75,35,647</u>	<u>45,32,697</u>	<u>-2,49,568</u>	<u>0</u>	<u>3,18,18,776</u>

The authorised share capital of Reliance Power Netherlands BV has been abolished effective 12 July 2013. The issued and paid-up share capital amounts to € 24,048,600 and consists of 240,486 ordinary shares with a nominal value of € 100 each.

7 Amount owed to Reliance Coal Resources Pvt

		31-Mar-19	31-Mar-18
		USD	USD
Loan payable	7.1	5,03,25,418	4,94,02,438
Accrued Interest on Loan	7.2	78,87,397	51,73,907
		<u>5,82,12,815</u>	<u>5,45,76,345</u>

* The Interest is accrued @ 5% per annum.

8 Amount owed to Reliance Power Holdings

Loan payable	8.1	23,22,000	23,22,000
Accrued Interest on Loan	8.2	1,29,573	36,631
		<u>24,51,573</u>	<u>23,58,631</u>

The Company entered into a loan agreement of USD 4,500,000 on 01 September 2017 with Reliance Power Holdings FZC at a interest rate of 6 months Eibor + 1% margin out of which USD 2,322,000 has been availed till date. The loan has to be repaid by 27 September, 2020.

9 Corporate income tax

Corporate income tax 13-14	1,71,445	1,84,486
Corporate income tax 14-15	1,26,353	1,35,965
	<u>2,97,798</u>	<u>3,20,451</u>

Although filed CIT returns for the years 2013-14 and 2014-15 amount to be nihil, The Dutch Tax Authorities issued payable From prudence principle these assessments have been recorded. The Company made objection on these assessment. Also no tax is being expected for the years after 2014-15.

10 Contingent Liabilities

During the current financial year, Dutch Tax authorities ("DTA") has disputed the deductions related with Sales agency agreement for the Falcon 2000 aircraft, and the company has subsequently filed the objection with DTA on the said matter.

Notes to the profit and loss account

1 General and Administrative expenses

	1 April 2018 to 31 March, 2019	1 April 2017 to 31 March, 2018
	USD	USD
Bank charges	-1,587	-2,026
Management fees	-30,082	-21,500
Accountancy fees	-26,323	-15,466
Audit fees	-12,106	-9,106
Professional expenses	-6,95,400	-29,726
Legal fees	0	-3,22,128
Arbitration Charges	0	-1,38,082
Dues & Subscription	-27	0
	<u>-7,65,525</u>	<u>-5,38,034</u>

During the year 2017-18, the Company had not booked invoices of "Allen & Gledhill" of USD 635,008 pertaining to professional services with respect to dispute with prestige capital holdings limited. Therefore during the period, these invoices has been booked and disclosed it as prior period adjustment under profit and loss account.

2 Financial income and expenses

The financial income and expenses are comprised as follows:

Financial income

Interest on loans to third party	32,35,908	30,36,501
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Financial expenses

Interest on loans from shareholder	-27,13,490	-24,36,288
Interest on loan from group	-92,942	-36,631
Currency exchange results	23,545	-28,752
	<u>4,53,021</u>	<u>5,34,830</u>

3 Taxes on profit and loss on

The corporate income tax payable is comprised as follows:

Corporate income tax (2013-14)	-	1,77,082
Corporate income tax (2014-15)	-	1,27,026
	<u>0</u>	<u>3,04,108</u>

Average number of employees

The Company did not employ any personnel and hence, incurred no wages, tax, salaries or related social security charges during the period under report, nor during the previous year.

Arbitration

The Company started an arbitration procedure against Prestige Capital holding Ltd. regarding non compliance of its obligations under the agreement. The arbitration tribunal has declared the proceeding to be closed and parties are now awaiting judgement of the tribunal.

Directors

The Company has one director of which he receives a remuneration for activities performed in that capacity. The Company does not have a Board of Supervisory Directors. Director's remuneration for the period 1 April 2018 to 31 March 2019 is USD 5,000 (Previous Year: 2017-18 - USD 5,000).

For Reliance Power Netherland BV