

## **M.S. Sethi & Associates**

Chartered Accountants

**Manoj Sethi**

B.Com., F.C.A.

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Kalbadevi, Mumbai - 400 002

Tel. 9324517501

### **FIT FOR CONSOLIDATION**

The Financial Statements of **Reliance Bangladesh LNG & Power Ltd** for the year ended March 31, 2016 being a Company registered in Bangladesh 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 Bangladesh LNG & Power Ltd, Bangladesh 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 Bangladesh LNG & Power Ltd** (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 consolidated 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 Bangladesh LNG & Power Limited**  
**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>			
Property, plant and equipment	3.1	2,319	2,319
Capital Work-in Progress	3.2	47,919	-
<b>Financial assets:</b>			
Loans	3.3	26,326	-
<b>Current assets</b>			
<b>Financial assets:</b>			
Cash and cash equivalents	3.4	868	4,948
<b>Total Assets</b>		<u><u>77,432</u></u>	<u><u>7,268</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3.5	32,198	4,948
Other equity	3.6	2,221	-
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Other current liabilities	3.7	43,012	-
<b>Total Equity and Liabilities</b>		<u><u>77,431</u></u>	<u><u>4,948</u></u>
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 Bangladesh LNG & Power Limited**

Manoj Sethi  
Proprietor  
Membership No.39784

Ashok Kumar Pal  
Authorised Signatory

Place: Mumbai  
Date : April 15, 2018

Place: Mumbai  
Date : April 15, 2018

**Reliance Bangladesh LNG & Power Limited**  
**Statement of Profit and Loss for the year ended March 31, 2018**

Particulars	Note No.	Year Ended	Year Ended
		March 31, 2018	March 31, 2017
		Rupees in '000	Rupees in '000
Revenue:			
Other income	3.8	2,221	-
<b>Total income</b>		<u>2,221</u>	<u>-</u>
Expenses:			
Other expenses		-	-
<b>Total expenses</b>		<u>-</u>	<u>-</u>
<b>Profit/(Loss) before tax</b>		<u>2,221</u>	<u>-</u>
Tax expense:			
Current tax		-	-
<b>Profit/(Loss) for the Period</b>		<u>2,221</u>	<u>-</u>
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 Bangladesh LNG & Power Limited

**Manoj Sethi**  
Proprietor  
Membership No.39784

**Ashok Kumar Pal**  
Authorised Signatory

Place: Mumbai  
Date : April 15, 2018

Place: Mumbai  
Date : April 15, 2018

Reliance Bangladesh LNG & Power Limited  
 Notes to the financial statements as of and for the year ended March 31, 2018

3.1 Property, plant and equipment

	Rupees in '000	
	Office Equipments	Total
<b>Gross carrying amount</b>		
Carrying amount as at April 1, 2017	2,572	2,572
Additions during the year		-
<b>Carrying amount as at March 31, 2018</b>	<b>2,572</b>	<b>2,572</b>
<b>Accumulated depreciation</b>		
Balance as at April 1, 2017	253	253
For the year		-
<b>Balance as at March 31, 2018</b>	<b>253</b>	<b>253</b>
<b>Net carrying amount</b>		
As at March 31, 2017	2,319	2,319
As at March 31, 2018	2,319	2,319

Reliance Bangladesh LNG & Power Limited  
Notes to the financial statements for the year ended March 31, 2018

3.2 Capital Work-In-Progress

Rupees in '000

Particulars	As at April 1, 2017	Incurred during the Year 2017-18	As at March 31, 2018
<b>Expenditure pending allocation</b>			
Accounting service fees	-	566	566
Advertisement expenses	-	226	226
Audit fees	-	141	141
Bank charges	-	24	24
Borrowing costs - foreign exchange loss/(gain)	-	159	159
Borrowing costs - loan application fee	-	371	371
Borrowing costs - professional/legal/consultancy fees	-	29,563	29,563
Communication expenses	-	135	135
Depreciation expenses - civil work, furniture & fixtures	-	240	240
Depreciation expenses - office equipment	-	13	13
Employees reimbursement	-	65	65
Facilities management service charge	-	132	132
Food expenses	-	290	290
Guest house expenses	-	249	249
Guest house rent	-	584	584
Hotel expenses	-	191	191
Miscellaneous expense	-	9	9
Office expenses	-	416	416
Office rent	-	1,633	1,633
Other advisory services fees	-	904	904
Printing and stationery expenses	-	182	182
Project management consultancy service fees	-	7,843	7,843
Registration fees	-	433	433
Salaries and allowances	-	1,207	1,207
Tax advisory fees	-	249	249
Travelling expenses	-	2,094	2,094
<b>Total</b>	-	<b>47,918</b>	<b>47,919</b>

Reliance Bangladesh LNG & Power Limited

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

	As at March 31, 2018 Rupees in '000	As at March 31, 2017 Rupees in '000
<b>3.3 Loans</b>		
(Unsecured and considered good)		
Loans and advances to related parties	25,808	-
Loans & Advances to others	518	-
	<u>26,326</u>	<u>-</u>
<b>3.4 Cash and cash equivalents</b>		
Bank balance in current account	868	4,948
	<u>868</u>	<u>4,948</u>
<b>3.5 Equity Share Capital</b>		
<b>Authorised</b>		
1,000,000 Equity shares of USD 1 each		
<b>Issued, Subscribed and paid up</b>		
582,750 (March 31, 2017 : 582,750) Equity shares of USD 1 each fully paid up	32,198	4,948
	<u>32,198</u>	<u>4,948</u>
<b>3.6 Other equity</b>		
<b>Retained earnings</b>		
Balance at the beginning of the year	-	-
Profit for the year	2,221	-
Balance at the end of the year	<u>2,221</u>	<u>-</u>
<b>3.7 Other current liabilities</b>		
Other current liabilities	42,205	-
Provisions	807	-
	<u>43,012</u>	<u>-</u>

Reliance Bangladesh LNG & Power Limited

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>3.8 Other Income</b>		
Gains on foreign exchange fluctuations	2,221	-
	<u>2,221</u>	<u>-</u>

**Reliance Bangladesh LNG & Power Limited**  
**Notes to the financial statements for the year ended March 31, 2018**

**1. General Information :**

Reliance Bangladesh LNG Terminals Limited incorporated in Bangladesh, was established on September 21, 2016 and it is a Group Company of Reliance Power Limited

**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 statement 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) Property, Plant and equipment :-**

All other items of property, plant and equipment are stated at historical cost which includes capitalised borrowing cost less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Capital work in progress :-**

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work in Progress

**Depreciation method :**

Depreciation is provided to the extent of depreciable amount on straight Line Method (SLM) based on useful life.

**c) 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.

**d) 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