M. G. BHAGAT & CO.
CHARTERED ACCOUNTANTS

CA. Manish G.Bhagat
B.Com., F.C.A., D.I.S.A.(ICAI)

C/12, Parvati Mansion,
214, Dr. Bhadkamkar Marg,
Grant Road, Mumbai - 400 007.
Tel: 022 - 23092443
E mail : mbhagat2000@gmail.com

Independent Auditors' Report

To the Members of Reliance Electric Generation and Supply Limited (formerly known as Reliance Electric Generation and Supply Private Limited)

Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS financial statements of Reliance Electric Generation and Supply Limited (the Company) (formerly known as Reliance Electric Generation and Supply Private Limited), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss (including Other Comprehensive Income) , the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015(as amended) 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 the assets of the Company 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act and the Rules, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. In our opinion and to the best of information and according to the explanation given to us by the Company's Board of Directors, the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub - section (11) of section 143 of the Act is not applicable to the Company. Hence, a statement on the matters specified in paragraphs 3 and 4 of the said Order is not required.

2. As required by Section 143 (3) of the Act, 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 purpose of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) the balance sheet and the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act

   (e) on the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls , refer to our separate report in Annexure

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i) The Company does not have any pending litigation which would impact its financial position.

ii) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company

iv) The Company has provided requisite disclosures in its Ind AS financial statements as to the holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 20

for **M.G.Bhagat & Co.**
Chartered Accountants
Firm Registration No. 113130W

Manish G.Bhagat
Proprietor
Membership No. 038601

Place: Mumbai
Date: 13th April 2017

Annexure referred to in paragraph 2 (f) of the Independent Auditor's Report of even date to members of the Company on Ind AS Financial Statement of Reliance Electric Generation and Supply Limited fot the year ended March 31, 2017 (formerly known as Reliance Electric Generation and Supply Private Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Reliance Electric Generation and Supply Limited (formerly known as Reliance Electric Generation and Supply Private Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI') These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **M.G.Bhagat & Co.**
Chartered Accountants
Firm Registration No. 113130W

Manish G.Bhagat
Proprietor
Membership No. 038601

Place: Mumbai
Date: 13th April 2017

Reliance Electric Generation and Supply Limited
(Formerly known as Reliance Electric Generation and Supply Private Limited)

Balance sheet as at March 31, 2017

Rs. In Thousands

		As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
ASSETS				
Current assets				
Financial Assets				
(i) Cash and Cash Equivalents	2	**1,065.02**	40.33	112.04
Total Assets		**1,065.02**	40.33	112.04
EQUITY AND LIABILITIES				
Equity				
(i) Equity Share Capital	3	**500.00**	500.00	500.00
(ii) Other Equity	4	**(587.49)**	(527.13)	(498.06)
Total Equity		**(87.49)**	(27.13)	1.94
Current liabilities				
Financial Liabilities				
(i) Borrowings	5	**1,100.00**	-	-
(ii) Trade Payables	6	**52.51**	67.46	110.10
Total Current Liabilities		**1,152.51**	67.46	110.10
Total Equity and Liabilities		**1,065.02**	40.33	112.04

The accompanying notes form an integral part of financial statements (1 to 21)

As per our Report of even date

For M G Bhagat & Co.
Chartered Accountants
Firm Registration No. : 113130W

For and on behalf of the Board of Directors

Manish G.Bhagat
Proprietor
Membership No.: 038601

Divyesh Dalal
Director
DIN. 01081094

Prakash Khedekar
Director
DIN. 01260382

Place : Mumbai
Dated: April 13, 2017

Place : Mumbai
Dated: April 13, 2017

Reliance Electric Generation and Supply Limited
(Formerly known as Reliance Electric Generation and Supply Private Limited)

Statement of Profit and Loss for the year ended March 31, 2017

Rs. In Thousands

Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
Revenue			
I. Revenue from operations		-	
II. Other Income	7	-	7.44
III. Total Income (I + II)		-	7.44
IV. Expenses			
Other expenses	8	60.36	36.51
V. Profit / (Loss) before tax (III-IV)		(60.36)	(29.07)
VI. Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Income Tax Earlier Years		-	-
Total		-	-
VII. Profit / (Loss) after tax(V-VI)		(60.36)	(29.07)
VIII. Other comprehensive income		-	-
i. Items that will not be reclassified to profit or loss			
a. Remeasurement defined benefit liability (Asset)			
b. Income Tax related to above			
IX. Total comprehensive income / (loss)		(60.36)	(29.07)
Earnings per share - Basic and Diluted	9	(1.21)	(0.58)

The accompanying notes form an integral part of financial statements (1 to 21)

As per our Report of even date

For M G Bhagat & Co.
Chartered Accountants
Firm Registration No. : 113130W

Manish G.Bhagat
Proprietor
Membership No.: 038601

Place : Mumbai
Dated: April 13, 2017

For and on behalf of the Board of Directors

Divyesh Dalal
Director
DIN. 01081094

Prakash Khedekar
Director
DIN. 01260382

Place : Mumbai
Dated: April 13, 2017

RELIANCE ELECTRIC GENERATION AND SUPPLY LTD.
MUMBAI

Reliance Electric Generation and Supply Limited
(Formerly known as Reliance Electric Generation and Supply Private Limited)

Statement of Changes in Equity for the year ended March 31, 2017

i) Equity Share Capital

Rs. In Thousands

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at April 1, 2015	500.00	-	500.00
As at March 31, 2016	500.00		500.00
As at March 31, 2017	500.00		500.00

ii) Other Equuity

Rs. In Thousands

Particulars	Retained Earnings	Total
As at April 1, 2014	(203.91)	(203.91)
Profit / (Loss) for the year	(294.15)	(294.15)
Other comprehensive income for the year		-
Total comprehensive income for the year	**(498.06)**	(498.06)
Balance at March 31, 2015	**(498.06)**	(498.06)
		-
Balance at April 01, 2015	(498.06)	(498.06)
Profit / (Loss) for the year	(29.07)	(29.07)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(527.13)**	(527.13)
		-
		-
Balance at March 31, 2016	**(527.13)**	(527.13)
		-
Balance at April 01, 2016	(527.13)	(527.13)
Profit / (Loss) for the year	(60.36)	(60.36)
Debenture Redemption Reserve		-
Other comprehensive income for the year		-
Total comprehensive income for the year	**(587.49)**	(587.49)
		-
	-	-
Balance at March 31, 2017	**(587.49)**	(587.49)
		-

The above statement of changes in Equity should be read in conjunciton with the accompanying notes (1 to 21)

As per our Report of even date

For M G Bhagat & Co.
Chartered Accountants
Firm Registration No. : 113120W

For and on behalf of the Board of Directors

Manish G.Bhagat
Proprietor
Membership No.: 038601

Place : Mumbai
Dated: April 13, 2017

[illegible]
Director
DIN. 01081094

Prakash Khedekar
Director
DIN. 01260382

Place : Mumbai
Dated: April 13, 2017

Reliance Electric Generation and Supply Limited
(Formerly known as Reliance Electric Generation and Supply Private Limited)

Cash Flow Statement for the year ended March 31, 2017

Rs. In Thousands

Particulars	Year ended March 31, 2017	Year Ended March 31, 2016
A. Cash flow from operating activities		
Profit/(Loss) before tax	(60.36)	(29.07)
Operating Profit before working capital changes	(60.36)	(29.07)
Adjustments for working capital changes:		
Increase/(Decrease) in Financial Liabilities and Other Liabilities	(14.95)	(42.64)
Cash generated from operations	(75.31)	(71.71)
Direct taxes received / (paid)	-	-
Net Cash generated from / (used in) Operating activities (A)	(75.31)	(71.71)
B. Cash Flow from Investing activities	-	-
Net Cash generated from / (used in) Investing activities (B)	-	-
C. Cash Flow from Financing Activities		
Proceeds from Issue of Shares	-	-
Proceeds from Borrowings	1,100.00	-
Net Cash generated from / (used in) Financing activities (C)	1,100.00	-
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	1,024.69	(71.71)
Cash and Cash Equivalents at the beginning of the year	40.33	112.04
Cash and Cash Equivalents at the end of the year	1,065.02	40.33
Net increase/(decrease) as disclosed above	1,024.69	(71.71)
	-	-
Components of Cash and Cash Equivalents:		
Balances with banks in current accounts (Refer Note 2)	1,065.02	40.33
	1,065.02	40.33

The above statement of Cash flow should be read in conjunciton with the accompanying notes (1 to 21)

As per our Report of even date

For M G Bhagat & Co.
Chartered Accountants
Firm Registration No. : 113130W

Manish G.Bhagat
Proprietor
Membership No.: 038601

Place : Mumbai
Dated: April 13, 2017

r and on behalf of the Board of Directors

Divyesh Dalal
Director
DIN. 01081094

Prakash Khedekar
Director
DIN. 01260382

Place : Mumbai
Dated: April 13, 2017

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

Background of the Company

The Company is incorporated on Septemer 18, 2008 with the object of generation, conversion and supply, distribution of electricity, and manufacturing of any such products and by-products derived from such business including without limitation, steam, fuels, ash, conversion of ash into bricks and any products derived from or connected with any other form of energy, including, without limitation to conventional sources such as heat, thermal, hydel and/or from non-conventional sources such as tidal wave, wind, solar, geothermal, biological, biogas and coal.

1 Significant accounting policies and Notes to financial statements

a Basis of preparation of financial statements:

(i) Compliance with Indian Accounting Standards

The Financial statements of the Company comply in all material aspects with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with relevant rules and other accounting principles. The policies set out below have been consistently applied during the period presented.

As these financial statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS, Ind AS 101, "First-time Adoption of Indian Accounting Standards" has been applied. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition are provided in Note No. 13.

Financial statements have been prepared in accordance with the requirements of the information and disclosure mandated by Schedule III of the Act, applicable Ind AS, other applicable pronouncements and regulation.

(ii) Basis of Measurement

The Financial Statement have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at amortised cost at the end of each reporting period.

(iii) New Standards and Interpretations not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, "Statement of Cash Flows". The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7 "Statement of Cash Flows":

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

b Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:

i Expected to be realised or intended to be sold or consumed in normal operating cycle
ii Held primarily for the purpose of trading
iii Expected to be realised within twelve months after the reporting period, or
iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i It is expected to be settled in normal operating cycle
ii It is held primarily for the purpose of trading
iii It is due to be settled within twelve months after the reporting period, or
iv There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

c Use of Estimate:

The preparation of the financial statements in confirmity with Ind AS requires the Management to make estimates, judgements and assumptions. The estimates, judgements and assumptions affect the application of accounting policies and reported amounts of assests and liabilities, the disclosures of contingent assets and liabilities, at the date of financial statements and reported amounts of revenues and expenses during the period. Appropriate hanges in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

d Income Tax

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combinaiton, or items recognised directly in equity or in other comprehensive income.

Current Tax

Current Tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted at the reporting date.

Current tax assets and liabilities are offset only if the Company:

* has a legal enforceable right to set off the recognised amounts ; and
* intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset only if the Company:

* has a legal enforceable right to set off current tax assets against current tax liabilities; and
*deferred tax assets and liabilities relate to the income atxwes levied by same taxation authority

e Financial Instruments:

a) Financial Assets

I] Classification

The Company shall classify financial assets measured at amortised cost at fare value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL) on the basis of business model for managing the financial assets and contractual cashflow characterstics of the financial assets.

II] Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised costs.

III] Impairment of Financial Assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

f Financial Liabilities

I] Classification

The Company classifies all financial liabilities at amortised cost, except for financial liabilities at fair value through statement of profit or loss.

II] Initial recognition and measurement

All financial liabilities are recognised at fair value. The Company financial liabilities includes Trade and other Payables.

g Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are are recognised as an expenses in the year in which they are incurred. Brokerage costs directly attributable to a borrowing are expensed over the tenure of the borrowing.

h Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

i Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rates.

Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are not receognised but disclosed in the fianncial statements when economic inflow is probable.

j Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

k Cash flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

l Revenue Recognition Policy:

All the items of Income and expenses are recognized on accrual basis of accounting.

m Earnings per Share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Reliance Electric Generation and Supply Limited
(Formerly known as Reliance Electric Generation and Supply Private Limited)

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

2 **Cash and Cash Equivalants**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Balance with bank in Current Account	1,065.02	40.33	112.04
Total	1,065.02	40.33	112.04

3 **Equity Share Capital**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Authorised			
50,000 (50,000) Equity Shares of Rs. 10 each	500.00	500.00	500.00
Issued, Subscribed and Paid up			
50,000 (50,000) Equity Shares of Rs. 10 each fully paid up All the above Shares are held by Reliance Infrastructure Limited, the Holding Company and it's nominee.	500.00	500.00	500.00
	500.00	500.00	500.00

a The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. However, no such pereferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

b. **Reconciliation of the shares outstanding at the beginning and at the end of the year**

Equity Shares	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Rs. In Thousands	No. of Shares	Rs. In Thousands	No. of Shares	Rs. In Thousands
At the beginning of the Year	50,000	500.00	50,000	500	50,000	500
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,000	500.00	50,000	500	50,000	500

c. **Shares held by Holding Company**

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Particulars	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Reliance Infrastructure Limited	50,000	100	50,000	100	50,000	100

d. **Details of shareholders holding more than 5% shares in the Company**

	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015	
Particulars	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Reliance Infrastructure Limited	50,000	100	50,000	100	50,000	100

4 **Other Equity**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Retained earnings			
Balance as per last financial statement	(527.13)	(498.06)	(203.91)
Profit/(Loss) for the year	(60.36)	(29.07)	(294.15)
Total surplus/(deficit)	(587.49)	(527.13)	(498.06)

Reliance Electric Generation and Supply Limited
(Formerly known as Reliance Electric Generation and Supply Private Limited)

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

5 **Short Term borrowings**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Unsecured		-	-
Inter Corporate Deposits (Repayable on demand)	1,100.00		
Total	**1,100.00**	-	-

6 **Trade Payables**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Due to MSME (Refer Note 13)	-	-	-
Due to others	52.51	67.46	110.10
Total	**52.51**	67.46	110.10

7 **Other Income**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016
Liability written back	-	7.44
Total	-	7.44

8 **Other Expenses**

Rs. In Thousands

Particulars	As at March 31, 2017	As at March 31, 2016
Audit fees	11.50	11.45
Advertisement Expenes	15.24	-
Filing Fees	6.97	1.63
Self Assessment Tax A.Y 2015-16	-	0.21
Other Expenses	1.25	-
Profession Tax	5.00	2.50
Professional Charges	20.40	20.73
Total	60.36	36.51

9 **Earnings per Share:**

Rs. In Thousands

Particulras	Year Ended March 31, 2017	Year Ended March 31, 2016
Net Loss as per Statement of Profit and Loss	(60.36)	(29.07)
Weighted Average Number of Equity Shares	50 000	50 000
Nominal value per Share (Rs.)	10	10
Earning per share-Basic / Diluted (Rs.)	(1.21)	(0.58)

10 **Related Party Disclosures:**

Details of Related parties, where control exist:

Reliance Infrastructure Limited	Holding Company

Details of transactions during the period and closing balance :-

Rs. In Thousands

Particulars	2016-17	2015-16
Transactions during the period		
Unsecured Loan received	1,500.00	-
Less Repaid during period	400.00	-
Closing balance	**1,100.00**	-

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

11 **Financial instruments – Fair values and risk management**

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any significant exposure to credit risk.

(ii) Market risk

Market risk is the risk that changes in market prices,such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Company is not exposed to any significant currency risk and equity price risk.

(III) Financial Instruments and Cash Deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Credit limits of all authorities are reviewed by management on regular basis.

(IV) Liquidity risk:

The Company monitors its risk of funds using a liquidity planning tool.

12 **Capital Risk Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, convertible debt securities, and other borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.

The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows. **Rs. In Thousands**

Part	**As at March 31, 2017**	As at March 31, 2016	As at March 31, 2015
Total Borrowings	**1.10**	-	-
Less : Cash and cash equivalent	**1,065.02**	40.33	112.04
Adjusted net debt	**(1,063.92)**	(40.33)	(112.04)
Adjusted equity	**(87.49)**	(27.13)	1.94
Adjusted net debt to adjusted equity ratio	**12.16**	1.49	(57.69)

13 **First-time adoption of Ind AS**

The Company was incorporated on Septemer 18, 2008, as on transition date there were no such transition which would have any effect on transition to Ind AS. Hence equity as on the date of transition as per previous GAAP is same as per Ind AS. Further, there were no such transaction during the year 2015-16 which would have been treated different under Ind AS. Hence Equity, Profit & Loss and Cash Flow as per previous GAAP is same as per Ind AS.

14 **Income Tax and Deferred Tax (Net) :**

(a) Income tax expense

Particulars		**March 31, 2017**	March 31, 2016
(a) Income tax expense			
Current tax		-	-
Current tax on profits for the year		-	-
Adjustments for current tax of prior periods		-	-
Total current tax expense	(A)	-	-
Deferred tax			
Decrease/(increase) in deferred tax assets		-	-
(Decrease)/increase in deferred tax liabilities		-	-
Total deferred tax expense/(benefit)	(B)	-	-
Income tax expense	(A + B)	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Rs. In Thousands

Particulars	**March 31, 2017**	March 31, 2016
Loss before income tax expense	**(60.36)**	(29.07)
Tax at the Indian tax rate of 34.608%	**(20.89)**	(10.06)
Tax effect of amounts which are not deductible (Taxable) in calculating taxable income:		
Tax losses for which no deferred income tax was recognised	**20.89**	10.06
Income tax expense charged to statement of Profit and Loss	-	-

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

(c) Amounts recognised in respect of current tax/deferred tax directly in equity

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Amounts recognised in respect of current tax/deferred tax directly in equity	-	-	-

15 Fair value measurements
Financial Instruments by category

(a) Signficance of financial instruments

Rs. In Thousands

Particulars	March 31,2017	March 31,2016	April 1,2015
Financial assets			
At amortised Cost			
Cash and Cash equivalent	**1,065.02**	40.33	112.04
Total financial assets	**1,065.02**	40.33	112.04
Financial liabilities			
At amortised Cost			
Trade Payables	**52.51**	67.46	110.10
Borrowings	**1,100.00**	-	-
Total financial liabilities	**1,152.51**	67.46	110.10

Fair Value of Fixed Asset & Liabilities measured at amortised Cost

The carrying amount of Trade Payable, other current receivable and payables, and Cash and Cash Equivalent are considered to have their fair value approximately equal to their carrying values.

b. Fair value Hierarchy

Accounting classification and Fair Values
The Following table shows the carrying amounts and fair valiues of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include fair value inforamtion for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value.

For the year ended March 31, 2017 **Rs. In Thousands**

Particulars	Carrying amount Amotised Cost	Fair value			
		Level 1 - Quoted price in active	Level 2 - Significant	Level 3 - Significant	Total
Financial assets					
Cash and cash equivalents	1,065	-	-	1,065	1,065
Financial liabilities					
Borrowings	1,100	-	-	1,100	1,100
Trade Payables	53	-	-	53	53

For the year ended 31st March, 2016 Rs. In Thousands

Particulars	Carrying amount Amotised Cost	Fair value			
		Level 1 - Quoted price in active	Level 2 - Significant	Level 3 - Significant	Total
Financial assets					
Cash and cash equivalents	40	-	-	40	40
Financial liabilities					
Trade Payables	67	-	-	67	67

For the year ended 31st March, 2015 Rs. In Thousands

Particulars	Carrying amount Amotised Cost	Fair value			
		Level 1 - Quoted price in active	Level 2 - Significant	Level 3 - Significant	Total
Financial assets					
Cash and cash equivalents	112			112	112
Financial liabilities					
Trade Payables	110			110	110

Notes annexed to and forming part of the Financial Statements for the year ended March 31, 2017

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.This includes mutual funds that have quoted price.The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, debentures, Retention money payable included in level 3.

Valuation technique used to determine fair value
Specific valuation techniques used to value financial instruments include:
• the use of quoted market prices or dealer quotes for similar instruments
• the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

16 **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:**
In view of the assurance of the promoters to financially support the Company as and when required, inspite of the accumulated losses and networth being substantially eroded, the accounts are prepared on going concern basis.

17 **Segment wise Revenue, Results and Capital Employed**
The Company has not commenced its commercial operations hence; there are no separate reportable segments as required under Indian Accounting Standard 108 "Operating Segment" as prescribed under Section 133 of the Companies Act, 2013.

18 Consequent to fresh certificate of incorporation received from Registrar of Companies, Mumbai dated August 04, 2016, the name of the Company has been changed from Reliance Electric Generation and Supply Private Limited to Reliance Electric Generation and Supply Limited.

19 The Board of Directors at its meeting held on March 16, 2016 approved the Scheme of Arrangement (Scheme) envisaging transfer of various operating divisions of Reliance Infrastructure Limited (the Parent Company), namely Mumbai Power Division, Samalkot Power Station Division, Goa Power Station Division and Windmill Division, to the company on a going concern basis for an aggregate consideration of Rs 6,282.50 crores, in accordance with the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, the Companies Act, 2013 and rules made thereunder, SEBI LODR Regulations, and such other approvals / permissions, as may be required under applicable law, regulations, listing agreements and guidelines issued by the regulatory authorities). Appointed Date for the Scheme is 1st April, 2016. The scheme has received approval of the Hon'ble Bombay High Court on January 19, 2017. The Scheme is effective subject to various approvals.

20 **Specified Bank Notes**
The Company did not have any holding or dealing in specified banck notes during the period from November 08, 2016 to December 30, 2016. Hence disclosure envisaged in Notification G.S.R 308 (E) dated March 30, 2017 is not applicable to the Company.

21 Previous year/period figures have been regrouped and rearranged, wherever necessary.

For M G Bhagat & Co.
Chartered Accountants
Firm Registration No. : 113130W

Manish G.Bhagat
Proprietor
Membership No.: 038601

Place : Mumbai
Dated: April 13, 2017

For and on behalf of the Board of Directors

Divyesh Dalal
Director
DIN. 01081094

Prakash Khedekar
Director
DIN. 01260382

Place : Mumbai
Dated: April 13, 2017