

M. G. BHAGAT & CO.

CHARTERED ACCOUNTANTS

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

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Reliance Electric Generation and Supply Private Limited (the Company) (formerly known as Tulip Realtech Private Limited), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE 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 and presentation of these financial statements that give a true and fair view of the financial position, 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, read with Rule 7 of the Companies (Accounts) Rules 2014. 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 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 financial statements based on our audit. We have taken into account the provisions of the Act, 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements .

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016 its loss for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Notes to the financial statements:

Note no. 11 in the financial statements which indicate that the Company has accumulated losses and its net worth has been eroded, The Company has incurred a net loss during the current and previous year(s). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.

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 dealt with by this Report are in agreement with the books of account;

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CHARTERED ACCOUNTANTS

- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- (e) on the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 and
- (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

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

Manish G.Bhagat
Proprietor
Membership No. 038601

Place: Mumbai
Date: 03rd May 2016

Annexure referred to in paragraph 2 (f) of the Independent Auditor's Report of even date to members of the Company on Financial Statement of Reliance Electric Generation and Supply Private Limited (formerly known as Tulip Realtech 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 Private Limited (formerly known as Tulip Realtech Private Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 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 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 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 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, 2016, 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: 03rd May 2016

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

Balance Sheet as at March 31, 2016

	Note No.	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<u>I. EQUITY & LIABILITIES</u>			
Shareholders' Funds			
Share capital	2	5 00 000	5 00 000
Reserves and surplus	3	(5,27,130)	(4,98,058)
Current Liabilities			
Trade payables -other than MSME	4	67 462	1 10 098
Total		40 332	1 12 040
<u>II. ASSETS</u>			
Current Assets			
Cash and Cash equivalents	5	40 332	1 12 040
Total		40 332	1 12 040
Significant Accounting Policies	1		

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: May 03, 2016

For and on behalf of the Board

Divyesh Dalal
Director
DIN. 01081094

Prakash Khedekar
Director
DIN. 01260382

Place : Mumbai
Dated: May 03, 2016

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

Statement of Profit and Loss for the year ended March 31, 2016

	Note No.	Year Ended March 31, 2016 Rs.	Year Ended March 31, 2015 Rs.
REVENUE			
Liability written back		7,440	-
Total		7,440	-
EXPENSES			
Audit fees		11 450	11 236
Filing Fees		1 627	8 097
Other Expenses		-	64
Self Assessment Tax A.Y 2015-16		210	-
Rates & Taxes		2 500	2 500
Gift		-	2 50 000
Professional Charges		20 725	22 929
Total		36 512	2 94 826
Profit/(Loss) Before Tax		(29,072)	(2,94,826)
Tax expense:			
(1) Current tax		-	-
(2) Income Tax Earlier Years		-	(680)
Total Tax Expenses		-	(680)
Profit/(Loss) for the year		(29,072)	(2,94,146)
Earnings per share - Basic and Diluted	8	(0.58)	(5.88)
Significant Accounting Policies	1		

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: May 03, 2016

For and on behalf of the Board

Divyesh Dalal
DIN. 01081094

Prakash Khedekar
DIN. 01260382

Place :Mumbai
Dated: May 03, 2016

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

Notes forming part of the Accounts for the year ended March 31, 2016

1. Significant Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), and in accordance with the Accounting Standard specified under Section 133 of the Companies Act, 2013 (read with Rule 7 of the Companies (Accounts) Rule, 2014).

b. Revenue Recognition

Revenue is recognised in the Statement of Profit and Loss on accrual basis.

c. Accounting for Taxes on Income:

Provision for current income tax is made after taking into consideration benefits admissible under the provisions of Deferred tax resulting from "timing differences" between book and taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted as on the balance sheet date. Deferred tax assets is recognized and carried forward only to the extent that there is reasonable certainty that assets will be realized in future. Deferred tax will not be created for timing differences which will be reversed within the tax holiday period. Deferred tax asset/liability for timing difference which reverse after the tax holiday period, will be recognized in the period in which these differences originate.

d. Provisions

Provisions are recognized 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 and a reliable estimate can be made for the amount of the obligation.

e. Contingent Liabilities

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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

Notes forming part of the Accounts for the year ended March 31, 2016

2 Share Capital

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised 50,000 (50,000) Equity Shares of Rs. 10 each	5 00 000	5 00 000
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.	5 00 000	5 00 000
	5 00 000	5 00 000

- 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 preferential 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, 2016		As at March 31, 2015	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
At the beginning of the Year	50 000	5 00 000	50 000	5 00 000
Issued during the year	-	-		
Outstanding at the end of the year	50 000	5 00 000	50 000	5 00 000

- c. Shares held by Holding Company

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

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

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

3 Reserves and surplus

Amount in Rs.

Particulars	As at March 31, 2016	As at March 31, 2015
Surplus/(deficit) in Statement of Profit and Loss		
Balance as per last financial statement	(4,98,058)	(2,03,912)
Profit/(Loss) for the year	(29,072)	(2,94,146)
Total surplus/(deficit)	(5,27,130)	(4,98,058)

Reliance Electric Generation and Supply Private Limited
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Notes forming part of the Accounts for the year ended March 31, 2016

4 Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables- Other than MSME	67 462	1 10 098
Total	67 462	1 10 098

5 Cash and Cash Equivalants

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with bank in Current Account	40 332	1 12 040
Total	40 332	1 12 040

6 Related Party Disclosures:

As per Accounting Standard – 18 as prescribed under the Companies (Accounting Standards) Rules, 2006, the Company's related parties and transactions are disclosed below:

Details of Related parties, where control exist:

Reliance Infrastructure Limited	Holding Company
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Transaction During the period : Nil

7 There are no separate reportable segments under Accounting Standard 17 'Segment Reporting' as Prescribed under Companies (Accounting Standard) Rules, 2006.

8 Earnings per Share:

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
	Rs.	Rs.
Net Loss as per Statement of Profit and Loss	(29,072)	(2,94,146)
Weighted Average Number of Equity Shares	50 000	50 000
Nominal value per Share (Rs.)	10	10
Earning per share-Basic / Diluted (Rs.)	(0.58)	(5.88)

9 Deferred Tax assets constitute carried forward losses. There is no deferred tax liability. On conservative basis the Company has not given any effect to the accounts for deferred tax assets.

10 There are no Micro and Small Scale Business Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at March 31, 2016. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

11 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.

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

Notes forming part of the Accounts for the year ended March 31, 2016

12 Consequent to fresh certificate of incorporation received from Registrar of Companies, Mumbai dated March 12, 2016, the name of the Company has been changed from Tulip Realtech Private Limited to Reliance Electric Generation and Supply Private Limited.

13

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 application of which has since been admitted by the Bombay High Court on May 6, 2016.

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

For M G Bhagat & Co.

Chartered Accountants

Firm Registration No. : 113130W

For and on behalf of the Board

Manish G. Bhagat

Proprietor

Membership No.: 038601

Place : Mumbai

Dated: May 03, 2016

Divyesh Dalal

Director

DIN. 01081094

Place : Mumbai

Dated: May 03, 2016

Prakash Khedekar

Director

DIN. 01260382