

## INDEPENDENT AUDITOR'S REPORT

To the Members of Reliance Sealink One Private Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **Reliance Sealink One Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows 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 of 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.

### Auditor's 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 the 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 the accounting policies used and the reasonableness of the accounting estimates made by the

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, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (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.
- (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 B".

(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 explanations given to us:

- i. There were no pending litigations which would impact the financial position of the Company.
- ii. The Company did not have any long-term contracts including derivative 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 Pathak H .D. & Associates**  
Chartered Accountants  
Firm's Registration No.107783W

**Vishal D. Shah**  
Partner  
Membership No.119303

**Place:** Mumbai  
**Date:** May 26, 2016

**Annexure A to Auditors' Report**

**Referred to in our Auditors' Report of even date to the members of Reliance Sealink One Private Limited on the financial statements for the Year ended March 31, 2016**

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- (i) (a) The Company does not have any fixed assets, hence reporting requirements under clause (i)(a & b) of paragraph 3 of the Order is not applicable
- (c) The Company does not have any immovable properties, hence the reporting requirements under clause (i)(c) of paragraph 3 of the Order is not applicable.
- (ii) As explained to us, there is no physical inventory in existence and hence, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loan, secured or unsecured, to any company, firm Limited Liability Partnerships or other parties covered in the register maintained under section 189 of Act. Accordingly, provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
- (vi) In our opinion and according to information given to us, no cost records have been prescribed by the Central Government of India under sub-section (1) of Section 148 of the Act.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, value added tax and cess as at March 31, 2016 which have not been deposited on account of a dispute.

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- (viii) According to the records of the Company examined by us and the information and explanation given to us, during the year the Company has not availed loan from financial institution or bank or debenture holders. Accordingly paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration as on March 31, 2016 and accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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Pathak H.D. & Associates  
Chartered Accountants

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Pathak H. D. & Associates**  
Chartered Accountants  
Firm's Registration No.107783W

**Vishal D. Shah**  
Partner  
Membership No.119303

**Place: Mumbai**  
**Date: May 26, 2016**

Annexure - B to Auditor's report

Annexure to the Independent Auditor's Report referred to in paragraph "f" under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements of Reliance Sealink One Private Limited

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**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 Sealink One 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 "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". 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 Act.

**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 was 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 judgement, 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 my /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 Pathak H.D & Associates**  
Chartered Accountants  
Firm's Registration No.107783W

**Vishal D. Shah**  
Partner  
Membership No. 119303

Place: Mumbai  
Date:



**Reliance Sealink One Private Limited**  
**Balance Sheet as at March 31, 2016**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	111,110	111,110
(b) Reserves and Surplus	3	(111,110)	(437,415)
		-	(326,305)
<b>2. Current Liabilities</b>			
(a) Short Term Borrowings	4	-	406,632,000
(b) Trade Payables	5	-	8,233,428
(c) Other Current Liabilities	6	-	470,976
		-	415,336,404
<b>Total</b>		-	<b>415,010,099</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Intangible Assets under Development	7	-	414,963,208
<b>2. Current Assets</b>			
(a) Cash and Cash Equivalents	8	-	46,891
		-	415,010,099
<b>Total</b>		-	<b>415,010,099</b>

Significant Accounting Policies and  
Notes to Financial Statements

1 & 18

As per our attached report of even date

For and on behalf of the Board

For Pathak H.D. & Associates  
Chartered Accountants  
Firm Registration No.: 107783W

Debasis Mohanty  
Director [DIN-02565267]

Vishal D. Shah  
Partner  
Membership No.: 119303

Newton Gonsalves  
Director [DIN-05295687]

Place: Mumbai  
Date:

Place: Mumbai  
Date:

Reliance Sealink One Private Limited  
Statement of Profit and Loss for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
<b>Revenue</b>			
Other Income	9	326,305	-
<b>Total Revenue</b>		<b>326,305</b>	-
<b>Expenditure</b>			
Other Expenses		-	-
<b>Total Expenses</b>		-	-
<b>Profit before tax</b>		<b>326,305</b>	-
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(Loss) for the year</b>		<b>326,305</b>	-
<b>Earnings per share:</b>	12		
Basic		29.37	-
Diluted		29.37	-

Significant Accounting Policies and  
Notes to Financial Statements

1 & 18

As per our attached report of even date

For and on behalf of the Board

For Pathak H.D. & Associates  
Chartered Accountants  
Firm Registration No.: 107783W

Debasis Mohanty  
Director [DIN-02565267]

Vishal D. Shah  
Partner  
Membership No.: 119303

Newton Gonsalves  
Director [DIN-05295687]

Place: Mumbai  
Date:

Place: Mumbai  
Date:

Reliance Seallink One Private Limited  
Cash Flow Statement for the year ended March 31, 2016

(Amount in Rs.)

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>Cash Flow from Operating Activities</b>		
Profit / (Loss) before Taxation	326,305	
<b>Adjustments for</b>		
Less : Inter Corporate Deposit written back	(409,722,400)	
Add : Write off of Intangible Assets under Development	409,396,095	
<b>Net cash flow from Operating Activities</b>	-	-
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets [including Intangible assets under development(not)]	(3,137,291)	(12,801,264)
<b>Net cash flow used in investing activities</b>	<b>(3,137,291)</b>	<b>(12,801,264)</b>
<b>Cash Flow from Financing Activity</b>		
Proceeds for Inter Corporate Deposits from Holding Company	3,090,400	12,809,500
<b>Net cash flow generated from financing activities</b>	<b>3,090,400</b>	<b>12,809,500</b>
<b>Net ( Decrease ) / Increase in cash and cash equivalents ( A+B+C )</b>	<b>(46,891)</b>	<b>8,236</b>
Cash and Cash equivalents at the beginning of the year	46,891	38,655
Cash and Cash equivalents at the end of the year (Refer Note no 8)	-	46,891
<b>Net Increase/(Decrease) in Cash and Cash equivalents</b>	<b>(46,891)</b>	<b>8,236</b>

As per our attached report of even date

For and on behalf of the Board

For Pathak H.D. & Associates  
Chartered Accountants  
Firm Registration No.: 107783W

Debasis Mohanty  
Director [DIN-02565267]

Partner  
Membership No.: 119303

Newton Gonsalves  
Director [DIN-05295687]

Place: Mumbai  
Date:

Place: Mumbai  
Date:

Notes forming part of the Financial Statements

Notes to Financial Statement

2. Share Capital

Particulars	(Rupees)	
	As at March 31, 2016	As at March 31, 2015
<b>a) Authorised</b>		
20,00,000 (20,00,000) Equity Shares of Rs.10/- each	20,000,000	20,000,000
30,00,000 (30,00,000) Unclassified Shares of Rs 10 each	30,000,000	30,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>
<b>b) Issued, Subscribed and Fully Paid up</b>		
11,111 (11,111) Equity Shares of Rs.10/- each, fully paid up	111,110	111,110
<b>Total</b>	<b>111,110</b>	<b>111,110</b>

2.2 Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year	11,111	111,110	11,111	111,110
Shares outstanding at the end of the year	11,111	111,110	11,111	111,110

2.3 Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Reliance Infrastructure Limited	10,000	90	10,000	90
Hyundai Engineering and Construction Company Limited	1,111	10	1,111	10

2.4 Terms / Rights attached to equity shares

(a) Voting

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

(b) Dividends

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Liquidation

b) In the event of liquidation of the Company the holders of equity shares will be entitled to receive any of the remaining assets 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.

Reliance Sealink One Private Limited

Notes forming part of the Financial Statements

3. Reserves and Surplus

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Surplus / (Deficit) as per statement of Profit and Loss</b>		
Balance as per the last Balance Sheet	(437,415)	(437,415)
Add: Net Profit / (Loss) for the year	326,305	
<b>Balance as at end of the year</b>	<b>(111,110)</b>	<b>(437,415)</b>

4. Short Term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Unsecured</b>		
Inter Corporate Deposit from Related Party	-	406,632,000
	-	406,632,000

5. Trade Payables

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables (other than Micro, Small & Medium enterprises)	-	8,233,428
<b>Total</b>	<b>-</b>	<b>8,233,428</b>

6. Other Current Liabilities

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Other payables	-	470,976
	-	470,976

**Reliance Sealink One Private Limited**

**Notes forming part of the Financial Statements**

**7. Intangible Assets under Development**

(Amount in Rs.)

Particulars	As at March 31, 2015	Incurred during the year	As at March 31, 2016
<b><u>Expenditure Pending Allocation</u></b>			
Rent, Rates and Taxes	8,974,041	-	8,974,041
Travelling and Conveyance	7,578,085	-	7,578,085
Salaries, Bonus and Other Allowances	85,731,109	-	85,731,109
Company contribution to Provident funds and other Funds	2,799,645	-	2,799,645
Gratuity	242,491	-	242,491
Leave Encashment	942,428	-	942,428
Professional Fees	258,669,890	6,325	258,676,215
Communication Expenses	1,216,674	-	1,216,674
Printing and Stationery	493,772	-	493,772
Insurance Charges	2,363,855	-	2,363,855
Auditors' Remuneration (including Service Tax)			
- Audit Fees	128,700	-	128,700
- Certification Charges	16,545	-	16,545
Depreciation	5,450,324	-	5,450,324
Bank charges	32,891	-	32,891
Guarantee Commission	23,065,270	3,090,400	26,155,670
Miscellaneous Expenses	2,357,660	12,066	2,369,726
Service Tax Reversal	21,677,125		21,677,125
<b>Total (A)</b>	<b>421,740,505</b>	<b>3,108,791</b>	<b>424,849,296</b>
Less Liabilities written back	6,777,297	8,675,904	15,453,201
<b>Total (B)</b>	<b>414,963,208</b>	<b>(5,567,113)</b>	<b>409,396,095</b>
Less : Intangible asset under development Written off to Statement of Profit and Loss		409,396,095	409,396,095
<b>Total (C)</b>	<b>-</b>	<b>409,396,095</b>	<b>409,396,095</b>
<b>Total (B-C)</b>	<b>414,963,208</b>	<b>(414,963,208)</b>	<b>-</b>

Reliance Sealink One Private Limited

Notes forming part of the Financial Statements

8. Cash and Cash Equivalents

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with Bank in Current Account	-	46,891
<b>Total</b>	<b>-</b>	<b>46,891</b>

9. Other Income

(Amount in Rs.)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Inter Corporate Deposit written back	409,722,400	-
Less : Write off of Intangible Assets under Development	(409,396,095)	-
<b>Total</b>	<b>326,305</b>	<b>-</b>

## 1. Significant Accounting Policies

### 1.1 Background:

The Company has been awarded the construction of Western Freeway Sea Link (WFSL) Phase IIA (approx 3.25 km) in Mumbai city from Worli to Haji Ali including connectors (approx 3.79 km) at Worli and Haji Ali on Build, Operate and Transfer (BOT) basis and operation, maintenance, management and transfer of Bandra-Worli Sea Link (BWSL) (approx 5.86 km) under Concession Agreement dated June 28, 2010 with Maharashtra State Road Development Corporation Limited (MSRDC). The Concession Agreement is for a period of 40 years from the appointed date.

### 1.2 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 comply in material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act" ) read with Rule 7 of the Companies (Accounts) Rules, 2014..

### 1.3 Presentation and Disclosure of financial statements:

The Preparation and presentation of financial statements is made in accordance with the requirements of Schedule III to the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

### 1.4 Use of Estimates:

The preparation and presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods. Difference between the actual results and estimates is recognized in the period in which the results are known / materialized.

### 1.5 Revenue Recognition :

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

### 1.6 Fixed Assets :

#### Tangible Assets

The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.

#### Intangible Assets under Development

All Project related expenditure for acquiring Toll Collection Rights viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure, expenditure indirectly



related to the project and incidental to setting up project facilities, borrowing cost incurred prior to the date of commercial operation, and trial run expenditure are shown under Intangible Assets under Development. These expenses are net of recoveries and income (net of tax) from surplus funds arising out of project specific borrowings.

#### **1.7 Depreciation and Amortisation:**

Depreciation on Tangible Assets is provided on 'Straight Line Method (SLM)' on the basis of their useful life or at the rates and in the manner specified in Schedule II to the Act.

#### **1.8 Accounting for Taxes on Income :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

#### **1.9 Impairment of Assets :**

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

#### **1.10 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

#### **1.11 Contingent Liabilities and Contingent Assets:**

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in notes to the financial statements. ~~Contingent assets~~ are neither recognized nor disclosed in the financial statements

#### **1.12 Cash and Cash Equivalents:**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and demand deposits with banks and short-term investments with an original maturity of three months or less.

**10. Termination of Concession Agreement**

The Company had entered into a concession agreement with Maharashtra State Road Development Corporation Limited (MSRDC) on June 28, 2010 in relation to implementation of Western Freeway Sea Link (WFSL) Worli to Haji Ali and operation and maintenance of WFSL phase IIA and Bandra Worli sea link for a period of 40 years commencing from the appointed date.

Since the financial closure for the project not being achieved by RSOPL by July 3, 2011 as per the concession agreement, MSRDC levied certain claims and demands on the Company. The Company had disagreed all the claims and demands of MSRDC and the matter was referred to Conciliator. After detailed discussion and deliberations with both parties, the Conciliators decided to obtain independent non binding opinion from the mediator and on basis of opinion from the Retired Justice Officer i.e. mediator, the conciliators decided to obtain further second independent non binding opinion from Attorney General of India (AG). On the basis of the above opinions and recommendations of Mediator and AG, both the parties have agreed to settle the dispute and terminate the concession agreement with mutual consent of the parties and agree to waiver of right to claim as per clause 44.2 of the concession agreement.

Pursuant to above, the capital expenditure incurred for the project amounting to Rs. 41,49,63,208 considered as "Intangible Assets Under Development" has been written off during the year ended March 31, 2016 in the Statement of Profit and Loss.

**11. Going Concern:**

Since the principal business of execution of Western Freeway Sea Link project of the Company has been ceased to continue due to termination of the Concession Agreement as explained in note no 10 above in detail, and this being the Special Purpose Vehicle (SPV) and no other business with the Company, the accounts of the Company has not been made as per Going Concern Principles.

**12. Earnings Per Share:**

Sr. No.	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
1	Profit /(Loss) for the year (Rs.)	3,26,305	-
2	Weighted average number of Equity Shares	11,111	-
3	Profit / (Loss) per Share (Basic and Diluted) (Rs.)	29.37	-
4	Nominal value of an Equity Share (Rs.)	10	10

13. Pursuant to the termination of the concession agreement with MSRDC (Refer Note 10), the Company is in the process of winding up and applying for an early exit scheme of the Ministry of Corporate Affairs. The Holding Company M/s Reliance Infrastructure Limited has assured that any tax liability of the Company for the current or any previous year would be discharged by the holding company. In view of the same no provision for tax liability has been made in the books of account.

**14. Segment Reporting:**

There are no reportable segments of the Company in accordance with the requirement of Accounting Standard 17 'Segment Reporting' as prescribed under Section 133 of The Companies Act, 2013.

**15. Related Party Disclosures:**

As per Accounting Standard – 18 as prescribed under Section 133 of the Act, the Company's related parties and transactions are disclosed below:

**(a) Parties where control exists:**

**(i) Holding Company - Reliance Infrastructure Limited**

**(b) Other related parties with whom transactions have taken place during the year: None**

**(c) Details of transactions during the year and closing balances as at the year end:**

Particulars	(Amount in Rupees)	
	Holding Company	
	2015-16	2014-15
<b>1. <u>Inter Corporate Deposits</u></b>		
<b>Opening Balance</b>	<b>40,66,32,000</b>	39,38,23,000
Add:- Taken During the year	<b>30,90,400</b>	1,28,09,000
Less:- Written off during the year	<b>40,97,22,400</b>	-
<b>Closing Balance</b>	<b>-</b>	40,66,32,000
<b>2. <u>Balance Sheet Heads (Closing Balances)</u></b>		
Equity Share Capital	<b>1,00,000</b>	1,00,000

**16. Disclosure under Micro, Small and Medium Enterprises Development Act 2006:**

There are no Micro, Small and Medium scale business Enterprises to whom dues 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.

**17.** Since there is no timing difference between the taxable income and accounting income the question of recognizing deferred tax assets / (liability) does not arise.

**18.** Information to the extent not disclosed, with regards to Matters specified in 5 of the Schedule III to the Act, is either Nil or not applicable to the Company for the year ended March 31, 2016.

Reliance Sealink One Private Limited

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

19. Figures for the previous year have been regrouped/ reclassified/ rearranged wherever necessary to make them comparable to those for the current year. Figures in bracket indicate previous year's figures.

As per our attached report of even date

For and on behalf of the Board

For Pathak H. D. & Associates  
Chartered Accountants  
Firm Registration No.: 107783W

Vishal D. Shah  
Partner  
Membership No.: 119303

Place: Mumbai  
Date:

Debasis Mohanty  
Director [DIN-02565267]

Newton Gonsalves  
Director [DIN-05295687]

Place: Mumbai  
Date: